Investec

OUT OF THE ORDINARY

Creating enduring worth

Annual report 2023

Investec Group integrated annual review and summary financial statements

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 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 2023 sustainability report which is published and available on our website:
www.investec.com

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 2023 risk and governance report and the Investec Group's 2023 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

Tel (27) 11 286 7070
(44) 20 7597 5546
Email investorrelations@investec.com
Web www.investec.com/en_gb/welcome-to-investec/about-us/investor-relations.html

About this abridged report

The integrated annual review and summary financial statements contain the Investec integrated and strategic report as well as summarised annual financial statements for the year ending 31 March 2023. The summarised annual financial statements are based on the audited annual financial statements of the Investec dual-listed company. The annual financial statements can be obtained on the Investec website: www.investec.com.

This report was prepared in accordance with and containing the information required by IAS 34: Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council. The accounting policies are in terms of IFRS and are consistent with those applied to prepare the annual financial statements on which this summary was based. The summarised annual financial statements have been been correctly extracted from the annual financial statements.

These abridged annual financial statements have been extracted from the audited annual financial statements on which Ernst & Young LLP and Ernst & Young Inc. have issued an unmodified audit report. The auditors' report on the annual combined consolidated and separate annual financial statements is available for inspection at the company's registered office.

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. The summary annual financial statements have been approved by the Board of Directors of the Group and were signed on its behalf by the Chief Executive, Mr Fani Titi.
This document provides a summary of the information contained in the Investec Group's 2023 annual report. It is not the Group's statutory accounts and does not contain sufficient information to allow for a complete understanding of the results and state of affairs of the Group as would be provided by the full annual report. For further information, consult the full annual financial statements, the unqualified auditor's report on those annual financial statements and the Directors' report. The auditors' report did not contain a statement under section 498(2) or section 498(2) of the UK Companies Act 2006.

Electronic copies of the full Investec Group's 2023 annual report can be found on the Group's website: www.investec.com.

Report of the Auditor

The Auditor's report on the full accounts for the year ended 31 March 2023 was unqualified, and their statement under section 496 of the Companies Act 2006 (whether the strategic report and the Directors' report are consistent with the accounts) was unqualified.

CONTENTS

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 2022 to 31 March 2023 and includes material issues up to the date of Board approval on 27 June 2023.

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 Group 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 the Group's 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 the Group including implementation of policies and the directors' remuneration report

The following reports are published and available on our website.

Group sustainability report

This report provides a holistic view of the 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

01

IN THIS SECTION

OUR BUSINESS AT A GLANCE

One Investec

Our purpose

Our purpose is to create enduring worth.

Our mission

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

Our distinction

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

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

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 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*

Deep client partnerships, built on trust and out-of-the-ordinary service, are the bedrock of our business

We are dedicated to building meaningful relationships with all our stakeholders

We uphold cast-iron integrity in all we do

We are committed to living in society, not off it

We embrace our responsibility to the environment

We thrive on change and challenge convention with courage, constantly adapting to an ever-changing world

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

We trust our people to exercise their judgement, promoting entrepreneurial flair and freedom to operate within the context of prudent risk parameters and unwavering adherence to our values

We embrace diversity in a deeply caring organisation in which everyone can bring their whole selves.

* We have recently realigned our values through extensive consultation and dialogue, across the organisation, with all business areas and geographies, ensuring that they reflect our steadfast beliefs and our aspirations. The processes has been bottom up and top down and then aggregated the wisdom of the organisation to reflect the depth of our thinking and the way we conduct ourselves

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.

USA

Established a presence in 1998

US Power and Infrastructure Finance and Securities

Ireland

Established a presence in 1999

European trading and investment banking services

UK

Established a presence in 1992

Brand well-established

One of the UK's leading private client investment managers

Sustainable diversified banking business focused on solutions for corporate, institutional and private clients

Switzerland

Established a presence in 1999

International Wealth & Investment and European Banking activities

South Africa

Established a presence in 1974

Strong brand and positioning

Top wealth manager with the ability to leverage off the global platform

Fifth largest bank by assets

Leading position in corporate, institutional and private client banking activities

Channel Islands

Established a presence in Guernsey in 1998, Jersey in 2007 and Isle of Man in 2018

Private banking activities offered to private clients, family offices and trust and corporate service providers

Certain corporate banking services offered

Wealth & Investment capability offered in Guernsey

Mauritius

Established a presence in 1997

Focus on corporate, institutional and private client banking activities

Wealth & Investment capability

India

Established a presence in 2010

Institutional equities business providing research, sales and trading activities

Merchant banking business connecting Indian companies with domestic and international investors

Investment management services in structured credit and allied products

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
1992	Established a presence in the UK
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	The Board approved a proposed share purchase and a share buy-back programme of up to R7 billion (c.£350 million) to be executed over a period of 18 months from November 2022. We also distributed 15% of our shareholding in Ninety One
2023	Today, we are a simplified and focused business well positioned to pursue identified growth opportunities, supported by our One Investec strategy.

Refer to the Divisional review section (page 50) 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 – returning excess capital to shareholders
- 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
- Resilient clients 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.

Our philosophies

- Single organisation
- Meritocracy
- Focused businesses
- Different, yet integrated
- Material employee ownership
- Creating an environment that stimulates extraordinary performance.

Adjusted operating profit
£'million

£835.9mn

Southern Africa	£440.9mn
UK and Other	£395.0mn

Total assets
£'billion

£57.3bn

Southern Africa	£28.9bn
UK and Other	£28.4bn

Note: Figures on these pages relate to the financial year ended 31 March 2023.

OUR BUSINESS AT A GLANCE
CONTINUED

Southern Africa

Net core loans
£14.6bn

Customer deposits
£20.4bn

Funds under management
£20.2bn

Total employees
5 111

ROE
14.8%

ROTE
14.9%

Cost to income ratio
53.0%

Allocated capital
£1.9bn

UK and Other

Net core loans
£15.6bn

Customer deposits
£19.1bn

Funds under management
£40.7bn

Total employees
3 594

ROE
12.7%

ROTE
14.5%

Cost to income ratio
64.5%

Allocated capital
£2.4bn

The Group continued to execute on its strategic priorities to grow with discipline and implemented a number of capital optimisation strategies

We reached agreement with Rathbones Group Plc for an all-share combination to create the UK's largest discretionary wealth manager

£100bn FUMA

We returned excess capital to shareholders via the distribution of our 15% shareholding in Ninety One and the share purchase programme announced in November 2022

c.£780mn

Total Group

Net core loans
£30.2bn

Customer deposits
£39.6bn

Funds under management
£61.0bn

Total employees
8 705

ROE
13.7%

ROTE
14.7%

Cost to income ratio
59.6%

Allocated capital
£4.3bn

CASE STUDY

Playing our part as a responsible business

With the world facing huge and increasing climate-related threats, we're committed to enabling a fair, efficient and inclusive energy transition. Our new partnership with Proparco is adding a significant level of funds to our capability, helping us to do even more to support projects that can make a real difference.

We're partnering with Proparco – a subsidiary of the French Development Agency – to provide finance and support that will not only help our clients achieve their own climate ambitions, but also open up a world of possibilities for South Africa's drive for a more climate-resilient and equitable society.

Together, we're bolstering efforts to accelerate climate-related financing by providing a long-term senior credit facility of $80mn that aims to expand the Transforming Financial Systems for Climate (TFSC) programme in South Africa. The credit facility is complemented by a technical assistance package. The transaction will enhance Investec's ability to finance ambitious projects aligned with the highest climate finance standards both in terms of mitigation and adaptation.

Closely aligned with the United Nations' Sustainable Development Goals (SDGs) – and particularly SDG 7 (Affordable and Clean Energy) SDG 8 (Decent work and economic growth), and SDG 13 (Climate action) – our partnership will contribute to South Africa's transition to a low-carbon economy.

We anticipate that projects we support will deliver a wide range of benefits, from a reduction in energy use and CO_2 emissions to an increase in renewable energy power supply and the availability of more climate-resilient infrastructure and buildings across the country.

> "We are very proud and excited for this first cooperation between Proparco and Investec... we trust Investec's expertise and capacity to innovate, coupled with the financing package provided by Proparco, will help bring climate finance one step further in South Africa."

Emmanuelle Riedel Drouin
Global Head of Lending Operations at Proparco

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 **8 700+**
Net core loans **£30.2bn**	Customer deposits **£39.6bn**	Funds under management **£61.0bn**

Our clients and offering

One Investec

- Corporate
- Institutional
- Intermediary
- Government

- Private client (HNW / high income)

- Charities
- Trusts
- Intermediaries

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	Our outputs	Our outcomes	SDGs
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 and encourages belonging, inclusion and diversity.	Learning and development spend as a % of staff costs is 1.8% against a target of >1.5% (March 2022: 1.6%)	Learning is directly linked to the strategic business needs, helping to equip our people to deliver an Out of the Ordinary experience for our clients	4, 16, 10
	49.4% female employees (March 2022: 49.7%), 43% female Board representation (against our target of 33%) and 43% Board members are persons of colour (measured in terms of the Parker Review)	Diversity, equity, inclusion and belonging at all levels	
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.	Annuity income as a percentage of operating income is 81.2% (2022: 76.2%)	Diversified revenue streams that support long-term sustainable performance	16
	Created a sustainable finance framework aligned to our two impact SDGs: SDG 13 (climate change) and SDG 10 (reduced inequalities)	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)	
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.	1.3% community spend as a % of operating profit* of which 77.6% was on education, entrepreneurship and job creation	Equipping and enabling young people to become active economic participants in society	4, 8, 10, 17
	Closed a €225mn commercial facility, part-financing three hospitals in Angola	Contributed to society through our numerous community programmes	
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.	Our banking fossil fuel exposure is 1.84% of loans and advances at March 2023 (March 2022: 1.99%)	Applying our fossil fuel policy within our investment and lending activities thereby supporting the transition to a low-carbon economy	11, 13, 15, 17
	We are sourcing 100% of our Scope 2 energy from renewable sources through renewable energy certificates	Limit our direct operational carbon impact and supporting the transition to a low carbon economy	
	Signed up to the Partnership for Biodiversity Accounting Financials (PBAF); Signatory to the UN Net-Zero Banking Alliance; Wealth & Investment signed up to Climate Action 100+; Signatory to United for Wildlife	Enabling assessment and disclosure of our impact and dependencies on climate- and nature-related impacts within our loans and investments Enabling the combat of illegal wildlife trade	
	Implemented a focused project to understand our Scope 3 financed emissions and establish a baseline, strategy and targets to reach net zero	Enabling performance measurement against our Scope 3 financed emissions baseline. Enabling us to track performance against our ambition of net-zero by 2050	
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.	17.6% of total operating costs relate to IT spend (2022: 17.4%); 21% of staff have IT specialist skills	International platform for clients with global access to products and services which is both high-tech and high-touch	4, 17, 11
	Our selection of Microsoft as our key cloud provider has offered a multitude of benefits. The vast portfolio of services has enabled us to expedite our cloud strategy, including the exploration of cutting edge technologies like generative AI and Quantum computing	Driving a digitally connected ecosystem to ensure we deliver on our high-tech, high-touch initiatives	
Financial capital We create sustained long-term wealth by building resilience in earnings and growing our core businesses.	Operating income up 12% to £2.2 billion and adjusted earnings per share up 25% to 68.9p	Shareholder returns have increased significantly underpinned by our Out of the Ordinary client service	16
	Net core loans up 0.8% (up 7.7% in neutral currency) customer deposits down by 1.4% (£39.6 billion)	Residential mortgage and corporate lending growth in both geographies and reduction in deposits due to the tough macro-economic environment.	
	Common Equity Tier 1 (CET1) ratio of 11.7% for Investec plc and 14.7% for Investec Limited	Strong balance sheet with robust capital levels	
	Credit loss ratio 0.23% (March 2022: 0.08%)	Resilient clients in tough macro environment.	

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

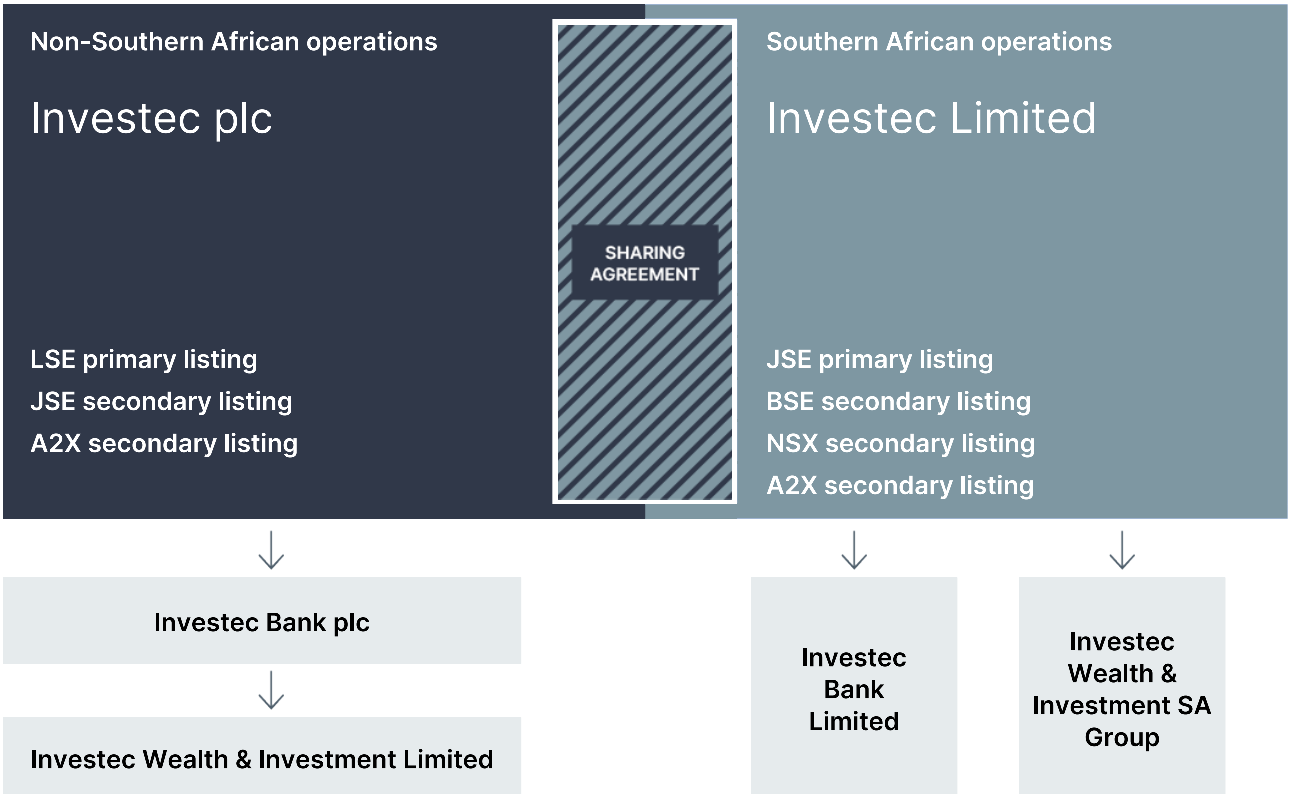
OUR OPERATIONAL STRUCTURE

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) with a secondary listing on the JSE and A2X.

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

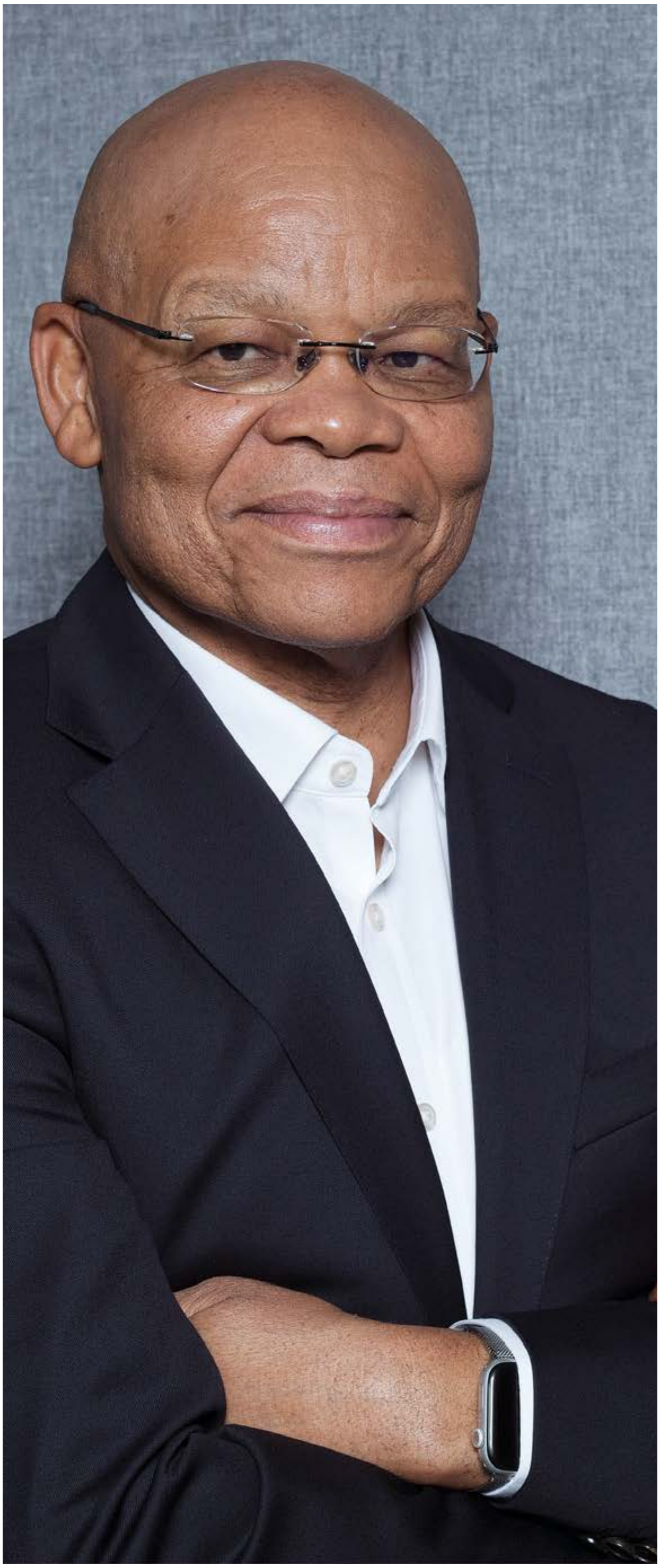
- Investec plc and Investec Limited are separate legal entities and listings, but are bound together by contractual agreements and mechanisms
- Investec operates as if it is a single unified economic enterprise
- Shareholders have common economic and voting interests as if Investec plc and Investec Limited 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

02

IN THIS SECTION

GROUP CHIEF EXECUTIVE'S REPORT



"Purpose provides direction and clarity, and it motivates us to do the right thing. But more importantly for a 21st century perspective, it provides the channels for remaining adaptable and relevant in a rapidly dislocating world."

Sudhanshu Palsule and Michael Chavez

Investec's strong financial performance over the last year is testament to the strength and diversity of our client franchises as well as disciplined execution of our strategy.

We achieved adjusted earnings per share of 68.9 pence, up by 25% on the prior year, and made significant progress against the strategic objectives set in 2019, with the Group's ROE at 13.7% well within the 12% to 16% target range. We also took important steps in our sustainability journey, and in how we serve our stakeholders, as detailed in this report.

The 2023 adjusted earnings per share is 103% ahead of the 2020 financial year. This demonstrates the progress made in our strategic execution over the past four years. I am particularly proud of this achievement given the economic backdrop that has prevailed since the onset of COVID-19. I will unpack the operating environment in detail below.

We entered the FY2024 with strong levels of capital and liquidity. We are well positioned to navigate the complex operating environment ahead and continue to support our clients through it as we pursue our identified growth opportunities. We expect to achieve improved returns, with ROE for FY2024 anticipated to be at the midpoint of our target range.

Fani Titi

Group Chief Executive

GROUP CHIEF EXECUTIVE'S REPORT
CONTINUED

Creating enduring worth...

Two years ago, we engaged in a process of collective reflection with a view to articulating our purpose as a company. Following dozens of town hall meetings with thousands of colleagues, we arrived at a formulation that resonated with the values that Investec has always espoused: we exist to create enduring worth. As the quotation that prefaces my report expresses so ably, our purpose is the guiding light that helps us navigate our challenges and ensures that we remain relevant in the long term.

We have now embarked on the next phase of this important work: driving the execution of what enduring worth means for our people, our clients, shareholders, our communities, and the planet we all inhabit. In the process, we refined the articulation of our values to ensure that they remain relevant to a fast-changing world and continue to underpin the entrepreneurial culture that has always set us apart. For it is through our culture that we give expression to our purpose and imbue it into all we do.

We believe that this dedication to a shared purpose sharpens our focus and enhances our ability to deliver on our strategy, even in turbulent times – prerequisites to a sustainable business that will remain relevant and deliver value to stakeholders for many decades to come. Investec's strong results in the past year, achieved against a volatile and uncertain economic backdrop, are a ringing endorsement of this belief.

...for our clients...

We are driven by a fanatical commitment to delivering exceptional, long-term value to our clients in the chosen areas of specialist banking and wealth management in our anchor and extended geographies. To achieve this goal, we work hard to hire the best talent - people who are committed to our core values, who embrace our entrepreneurial spirit; and are dedicated to serving our clients. We put our clients first and offer them tailored solutions delivered in a personalised manner. Our promise is to deliver out of the ordinary experience to our clients, and we are alive to this commitment whenever we make investment decisions in our client franchises. Where we fall short, we take accountability and correct with speed.

Core to our client value proposition is the high-touch ethos that differentiates Investec - and which would not be possible without the high-tech processes and world-class digital channels that support our personalised service. Investment in digitalisation and innovation is a key strategic priority and an important part of our efforts to drive scale, efficiency, and long-term growth.

We continue to migrate core systems to the cloud, delivering benefits to both clients and colleagues. Investec's deep relationship with Microsoft, our key cloud partner, has enabled us to expedite the unification of client platforms and explore leading-edge technologies including generative AI and quantum computing.

For example, in South Africa, we improved the digital private client experience in lending and FX and enhanced our business banking proposition with the launch of open banking APIs. In the UK, we digitalised treasury hedge accounting processes, successfully launched business current accounts, augmented our digital savings offering and developed a centralised payment initiation and execution platform.

We have deep client franchises

Long-term client relationships will always be the bedrock of our business. By combining deep specialisations with an integrated approach, we bring the best of Investec to each client's needs, drawing on relevant expertise from across business units and geographies. This One Investec philosophy is now well-established in our value proposition, supporting new client acquisition and expanding the breadth of services we provide to existing clients. Core loans increased in both the UK and South African banking businesses despite subdued economic growth. In our wealth and investment operations, we attracted positive net inflows notwithstanding an unfavourable market environment, which also had a negative impact on closing Funds Under Management (FUM).

To align our private client proposition with the One Investec strategy, we established a single leadership team to collectively oversee wealth and investment and private banking operations. We remain focused on high-net-worth and high-income segments, offering clients the benefit of an internationally connected business that seamlessly combines personalised banking with bespoke investment management services. We believe this proposition will continue to prove attractive to our target market and ensure business resilience through different macro-economic environments.

The international connectedness of the Group is a key competitive advantage for us in South Africa and resonates with the needs of our HNW clients to internationalise their wealth and access to offshore banking. The increasing number of South African clients with UK private bank accounts exemplifies the relevance of our offering to clients. The number of such accounts totalled 10,661 as of 31 March 2023 (FY22: 9,681). I am encouraged by the progress on the integration of the South African and Swiss wealth management operations which forms an integral part of Investec Wealth & Investment International growth strategy. The South African corporate lending portfolios grew by 20.7% in Rands as we gained market share across our specialisations.

In the UK, we continued to expand our market presence and delivered excellent returns despite the challenging economic backdrop. Performance within the corporate and investment banking segment has been encouraging, with the loan book growth of 4.6% reflecting the macro-economic environment, and our origination and distribution capability. The UK private bank enjoyed its second year of strong profitability, acquiring 960 new clients and increasing the HNW mortgage book by 12.7%, demonstrating the resonance of our strategy with the needs of this underserved segment of the market. In the lending and advisory space, we are pursuing opportunities for expansion through partnerships in selected continental European markets as we support our clients' appetite for international diversification. As we continue to increase our scale and relevance in the UK market, it was gratifying to see the UK banking team win the prestigious City A.M. Bank of the Year award in 2023 for strategic progress, performance, and leadership.

Our client franchises across our core geographies are best-in-class and regular recipients of some of the revered industry accolades, underscoring the value we create for our clients. In the current financial year, the South African Private Clients business was recognised as the Best Private Bank and Wealth Manager in South Africa by the Financial Times of London for the 10th consecutive year; with corporate and investment banking receiving multiple awards, including multiple

GROUP CHIEF EXECUTIVE'S REPORT
CONTINUED

DealMakers Awards and Global Trade Review Awards. In the UK, our wealth business won "Best Discretionary Fund Manager" at the 2022 Investment Life & Pensions Moneyfacts Awards. We received several awards across our specialisations, such as "Lender of the Year" at the Real Deal Private Equity Awards 2023 and #1 Research analyst rankings across eight sectors in the 2022 Institutional Investor's UK Small & Mid-Cap survey, among many other awards.

Post year-end, we announced a proposed combination of Investec Wealth & Investment UK with Rathbones. The strategic fit of the two businesses is compelling, with complementary strengths and capabilities that will significantly enhance the client proposition. This transaction confirms Investec's long-term commitment to the UK wealth management market and gives us the scale we need to power future growth within this strategically important, capital-light area of our business. The combination will bolster our client proposition across banking and wealth management services, providing opportunities to establish relationships with an expanded base of HNW clients.

...for our colleagues...

It has been my privilege in the past year to sit down with colleagues in our offices around the world. Whether in New York or Jersey, or Mauritius, I never fail to be moved by the personal relationships, ingenuity and entrepreneurial spirit that are the hallmarks of our culture.

This is the unique character of our work environment – "the smell of the place," in the words of Prof. Sumantra Ghoshal – that has above all else underpinned Investec's success since its inception. It is an asset we cannot afford to take for granted.

During the year, we launched several initiatives to reignite the culture and ensure that all our people, particularly new leaders and those who joined us during the COVID-19 period, appreciate what it means to thrive at Investec and how to lead within the context of our purpose and values. We also developed a Youth Council and Reverse Mentorship programme to enable a new generation of colleagues to share their ideas and get more involved in decision-making at all levels of the company.

The last 12 months saw leaders spend a significant amount time working on different initiatives designed to support our culture. This emphasises our fundamental belief that our culture is the secret sauce that allows us to attract and retain talent. It enables us to compete in a complex world where clients have infinite choices of who they give their custom to. To support this culture, we continually seek to create an environment of entrepreneurship, characterised by high levels of freedom to operate and material ownership.

We have encouraged our colleagues to spend more time together, in the office, to reinvigorate this culture following the disruption brought about by the restrictions associated with the COVID-19 pandemic. Flexibility in our working environment was an important tenet of our pre-COVID-19 world, and we continue to promote flexibility and agility in the post-COVID-19 reality.

Within our organisation, mental health and financial wellbeing have become areas of focus over the past few years. We recognise the strain that Covid-19 and the ensuing challenges have imposed on our staff and have responded by expanding our wellbeing initiatives and related learning programmes across the Group. In the UK, we offered a once-off cost-of-living allowance to the hardest-hit employees and provided staff with access to financial education and planning resources. To maintain the culture of exceptional performance and as part of our talent retention strategy, the Group is committed to paying competitively. In South Africa, Investec is a preferred employer. We continue to attract the best talent, and have further increased our minimum pay to R250k per annum, effective 1 June 2023.

Our economic value added (EVA) pools increased moderately, against a total increase in adjusted EPS of 25%. Significant share allocations were made to reward performance and support retention in the long-term. Notwithstanding higher share awards, the staff compensation ratio improved to 42.7% from 45.8% in 2022. We take care to ensure that our reward philosophy supports good client outcomes and long term orientation, fosters collaboration and promotes our distinctive culture.

We continue to develop deep leadership benches in all our businesses. Succession planning requires clarity and intentionality to facilitate a smooth transition between executives. The executive succession plan executed in October 2022 has delivered the anticipated outcomes, albeit with difficulties in our UK wealth business - we have learnt from this experience. The Remuneration Committee incorporated the consequences of the UK wealth leadership transition by agreeing to a 10% downward adjustment to short-term incentive awards for myself and other responsible executive. Ours is a culture of accountability, and not blame.

We have announced another phase of our executive leadership transition, with the anticipated retirements of Richard Wainwright and Ciaran Whelan in calendar year 2025. More planned changes will be announced as the current succession plan rolls forward.

Investec is an organisation with a clear purpose, grounded in a deeply held set of values. While these values have remained constant, we recognised the need to refresh the way in which they are articulated to ensure that they recall our foundation and resonate with a changing world. Following extensive dialogues with our colleagues, across the organisation, we arrived at the revised formulation of the Investec values shown on page 5.

Our values support an operating environment that is ethical, respects the dignity of each individual and embraces diversity. We have continued with programmes to entrench and invigorate our values and culture. In addition, we provide continued learning and development in light of the changing regulatory requirements.

The intertwined narrative that is our purpose, values and culture is critical to our continued success. I am confident that embedding of this narrative into each aspect of our business will ensure the delivery of purposeful performance.

Creating shareholder value

When we set out our strategic objectives at the 2019 Capital Markets Day, we made a commitment to generating returns (as represented by ROE) above our cost of capital in the medium-term; predicated on the enhanced focus on capital allocation, cost efficiencies, disciplined growth as well as a refined risk management framework. We continued to reiterate this commitment as we navigated the uncertain and volatile economic environment over the past three years.

I am pleased that the Group achieved its medium-term financial targets in the current year. The improved shareholder returns demonstrate the strong capital generation across our client franchises which allows us to maintain robust capital and

GROUP CHIEF EXECUTIVE'S REPORT
CONTINUED

liquidity levels, to invest for growth and reward our capital providers through dividend payments and share buy backs.

In the 2023 financial year, we made considerable progress in our capital optimisation strategy.

Investec Limited received the final approval to commence capital measurement for the remaining portfolios under the advanced internal ratings based (AIRB) approach, resulting in further optimisation of capital. We have initiated the process to adopt the Internal Ratings Based approach in the UK bank and anticipate improvements in capital ratios on successful migration from the current Standardised approach.

The R7bn/£350m share purchase and share buy-back programme announced in November 2022 represents another milestone in our strategic commitment to optimise shareholder returns. As at 19 June 2023, the Group had acquired c.58 million INL and INP shares or an equivalent of 5.8% of the shares outstanding when the programme was announced; and returned c.R6 billion or c.£270 million to shareholders.

In our ongoing drive to simplify the business and deploy capital optimally, we have undertaken to realise the value in our South African investment portfolio. I am pleased to report that during the period we executed a restructuring of the IEP group and the disposal of certain chemical assets making up a significant portion of IEP's carrying value. We have received proceeds of approximately R995 million or c.£41 million from the disposal of these assets as well as additional transactions pursuant to the IEP and Bud Group restructure. We expect the balance of the asset disposal process to conclude over the next 18 months.

In aggregate, the Group returned approximately £780 million to shareholders, comprising ordinary dividends, the share purchase programme to optimise the South African balance sheet and the distribution of the 15% shareholding in Ninety One.

Revenue performance in the current year benefitted from successful strategic execution over the past three years, and the tailwinds from the rising interest rates environment. Focus on client acquisition has underpinned the core lending book growth of 21.1% since 2020 and the consistent positive inflows in our discretionary FUM as well as some strategies to optimise our funding costs. Unfavourable market movements and the weakening macro backdrop negatively impacted fee and commission income from our wealth and UK equity capital markets businesses in the current year.

We have a number of significant opportunities for growth, including:

- Private client opportunity in both the SA and UK high net-worth segment, as well as the high-income segment in SA
- Corporate mid-market opportunities in both geographies
- Continued scaling of the UK bank on the back of its successful strategic positioning, and
- The Rathbones transaction gives us the scale to power future growth.

In the current year, our efficiencies improved with the CTI decreasing to 59.6% from 63.3% in the prior year. Costs grew by 9.5% this year, given inflationary pressures and the normalisation of expenses post COVID-19. Significant progress on cost discipline has been made in the last three years, and we will continue to focus on this area in the future. The proposed combination of our UK wealth business with Rathbones will significantly enhance efficiency in that business, while creating an opportunity for further revenue benefits.

Our risk experience continues to be in line with our expectations. We strive to contain concentration of risk throughout the business. The credit loss ratio remains below the through-the-cycle range of 25 to 35bps, and market risk was within appetite during a period of great volatility. We continue to closely monitor reputational risk events.

Our risk management philosophy is covered on page 87 and in the Group's 2023 Risk and Governance Report.

The one and three-year total shareholder returns are 1% and 265%, respectively, excluding the distribution of 15% shareholding in Ninety One.

We have open and transparent relationships with our shareholders and are pleased with the support we continue to receive from them for our strategy and its execution. We have continued to challenge ourselves to make our reporting more meaningful to our shareholders, and we also received good support for the resolutions that were tabled at our August 2022 AGM.

...and for our planet

Investec's sustainability strategy is premised on the notion that our contribution to society and the planet should be integral to our business, not ancillary to it.

Using the United Nations Sustainable Development Goals (SDGs) as a guiding framework, we have focused on two areas where we believe we can have the most enduring impact: climate action and reducing inequalities. While we still have a long way to go, I am proud of our teams' efforts to ensure that we consider everything we do through the lens of these two goals and the broader sustainability objectives.

Managing fossil fuel exposures is critical to our net-zero strategy. Last year, we became one of the first in our industry to disclose our baseline Scope 3 financed emissions and outlined our roadmap to reach net zero by 2050. We committed to zero coal by 31 March 2027 in Investec plc and by 31 March 2030 in Investec Limited. As of March 2023, we have undertaken to stop all project financing to new thermal coal mines, regardless of jurisdiction. Finance for new oil and gas extraction, exploration, and production will cease from 1 January 2035.

We are striving to embed sustainability in our business - and providing support for infrastructure solutions that promote renewable and clean energy is just as important to our net-zero strategy. In January 2023, we secured an $80mn senior credit facility from Proparco to support South Africa's transition to a low-carbon economy and climate-resilient society. In the UK, we led the $125mn Cypress Creek solar deal and participated in a £110mn facility to assist Instavolt in its rollout of electric vehicle charging stations.

It is gratifying to see our progress recognised by some of the world's foremost sustainability ranking agencies. I'm particularly proud of our inclusion this year in the Corporate Knights Global 100 Most Sustainable Corporations, where we have been ranked first among South African and UK banks and 76th among all companies across the globe.

While much has been achieved in this area, we recognise that a lot can still be done to save the planet for future generations.

GROUP CHIEF EXECUTIVE'S REPORT
CONTINUED

Living in society

Investec has supported communities since our earliest days in Johannesburg in 1974. We are countering inequality through targeted investments in education, job creation and support for entrepreneurs.

In South Africa, we have provided 3,100 internships to participants in the Youth Employment Service. Sixty percent of these young people have since gained permanent employment despite a tough economic environment.

Our flagship Promaths programme in South Africa, now 17 years old, has provided maths and science tutoring to over 10,000 underprivileged scholars, many of whom are now doctors, engineers, accountants, and actuarial scientists. In the UK, we continue our 16-year partnership with Arrival Education, supporting young people from challenging backgrounds and minority ethnic groups through programmes that encourage social mobility.

In response to the cost-of-eating crisis in the UK, we have provided funding to two leading food charities to deliver one million meals around the UK, enabling them to invest in the infrastructure and equipment required to deliver the equivalent of 130 million meals a year.

The scale of our South African business allows us to generate strong capital returns which enable us to have a positive socio-economic impact on our environment. In the UK, we leverage our key stakeholder relationships, financial resources, and skills to enhance our impact in the communities in which we operate.

Sound governance

Across the Group, we aim to have a lasting positive impact on the communities in which we operate. In the 2023 financial year, we distributed a third of our operating income to governments through taxes, supporting the provision of services to communities.

We recognise the role of business in society - and through our tax contributions and advocacy, we are able to enhance our impact on society and the wider economy. In SA, we have continued to work closely with the Banking Association of South Africa and other industry associations. Our approach is to be a positive contributor to the transformation of the country, in particular at this juncture with the economy facing huge challenges. In the UK, we have worked closely with UK Finance and other industry bodies to support the economy. In both geographies we seek to make constructive contributions to policy considerations.

We have maintained good and open relationships with all stakeholders during the year, including regulators. Our governance frameworks and practices, which are of a high standard and closely aligned to our values, are reviewed regularly and updated for new developments. Post year end, we have been engaged by the FCA in the UK regarding the leadership transition in our wealth business, referred to above and related governance matters, and other changes in that business. We will work constructively with the regulator to resolve any concerns. There has been no significant developments in the Cologne matter, more details covered in the Group's annual financial statements.

Volatile operating environment

The strong economic recovery in the immediate aftermath of the COVID-19 pandemic was followed by a slowdown in global economic growth and a period of renewed uncertainty and volatility. The persistent inflation we are now experiencing is partly a result of the accommodative fiscal and monetary policies adopted during the pandemic, which drove up nominal spending before production and supply chains could recover to meet demand. Further lockdowns in China last year aggravated this disequilibrium, as did Russia's ongoing war in Ukraine, which disrupted energy and commodity markets, pushing up energy prices and increasing geopolitical tensions.

Companies and governments are responding to supply chain vulnerabilities by seeking to reduce dependence on a single supplier or region, leading to a reorganisation of global supply networks. These changes will have long-term consequences for global trade. More immediately, a combination of physical and geopolitical bottlenecks hampering the movement of goods and services will continue to exert upward pressure on prices.

The rapid tightening of monetary policy by central banks was necessary to curb inflation, and interest rates are expected to be higher for longer before equilibrium is restored to the global economy. The lag effect of these measures could tip several economies into recession, including Investec's two core geographies of the UK and South Africa. While higher interest rates are positive for Investec from an endowment perspective, we can expect to see a consequential slowdown in credit demand as the economy cools, together with upward pressure on impairments as clients are likely to experience strain, which could impact earnings in our banking operations.

The demise of Silicon Valley Bank at the beginning of March can similarly be related back to aggressive easing and then rapid tightening of monetary policy. More specifically, it was the result of that bank's failure to manage the interest rate risk associated with these swings, or the concentration risk inherent in a homogenous funding base of largely unsecured deposits. While there has been some subsequent contagion, it appears likely to remain contained to smaller regional US banks. In our view, the forced sale of Credit Suisse, was idiosyncratic and not symptomatic of a broader banking crisis. That said, there are lessons to be learned from these failures – not least the sheer speed at which bank runs can occur in an age of electronic banking and digital communications.

Looking ahead

The financial systems in our two core geographies are stable, effectively regulated, and well-capitalised. The diversified nature of our client franchises and deposits, strong balance sheet and prudent risk management processes position us well to navigate the external shocks and support our clients through an uncertain economic environment.

South Africa

South Africa's economic growth is inextricably linked to the availability of electricity with the acute levels of shortage experienced in the past 18 months being expected to persist in the near term. Economic growth of 0.2% is expected for calendar year 2023 due to severe electricity loadshedding and slowing global demand. In addition, the increasingly dysfunctional freight transport network poses a significant constraint to the export industries that are the lifeblood of the economy.

In a country where levels of unemployment and inequality are among the highest in the world, the effects of economic slowdown are more severe for the poorer households. Our base case for economic growth in 2023 is a paltry 0.2%, slightly higher than the IMF's forecast of 0.1%. At this level, we are likely

GROUP CHIEF EXECUTIVE'S REPORT
CONTINUED

to see deepening poverty, unabating crime rates and increasing risks of social instability.

The South African Reserve Bank acted early to rein in inflation and has raised interest rates by a cumulative 475bps since November 2021. CPI remains above the 3%-6% target, raising the spectre of further interest rate hikes in the near term. One reason inflation has been so sticky is that loadshedding is increasing input costs, which are passed on to consumers. Food prices, the biggest component of the CPI basket, have risen inordinately as producers and retailers pass on some of the costs of spoilage due to refrigeration outages and fuel for backup generators. Several companies in the sector have warned of possible food shortages should the crisis not be resolved quickly.

The economic bottlenecks stemming from the State Owned Enterprises' inability to provide access to electricity and the rail network cannot be understated. The challenges are primarily a consequence of slower pace to implement the economic reforms required to ignite growth and several years of underinvestment in building and maintaining infrastructure. This is exacerbated by the decline in state capacity to deliver essential services over the years.

Already, industries and individuals are finding ways to reduce their reliance on energy supplied by government, from large-scale self-generation plants to rooftop solar. We are encouraged by recent moves to involve private sector in key rail corridors and port infrastructure, and hope this lays a path for more private-public partnerships in the future. We equally welcome the extensive renewable energy build programmes slated to come on stream over the next few years.

Investec will continue to be a willing financial partner in these projects, collaborating with our clients to restore economic growth and bolster business and investment confidence. As global supply chains are reconfigured to reflect shifting geo-political alliances, we believe the country is well-positioned to be a partner of choice for investment and trade. But first, we must remove obstacles to doing business with and inside the country. These obstacles include an incoherent international relations policy and a failure to effectively prosecute financial crime. The former has been exacerbated by South Africa's seeming alliance with Russia in the current period, which could have disastrous consequences for the access of the country to trade and finance flows.

South Africa's shortcomings in curbing financial crime were highlighted in February when the Financial Action Task Force (FATF) placed the country on its "grey list" of countries not doing enough to combat money laundering and terrorist financing. A key reason cited was the failure of law enforcement authorities to act on intelligence received from financial institutions. The immediate impact of the FATF decision is expected to be muted, having already been factored in by the financial markets. But it is critical that a concerted effort is now made to remove South Africa from this list as quickly as possible - and Investec is determined to play a proactive role. To this end, we recently organised the country's inaugural Market Surveillance Conference, sponsored by Nasdaq, Bloomberg, and the Financial Sector Conduct Authority, and we will work closely with all relevant stakeholders to help address the issues raised by FATF.

United Kingdom

The turbulent events of the past year sent shock waves rippling through the UK economy. The start of the period saw Russian boots in Ukraine, which, aside from the humanitarian consequences, led to a surge in energy prices and further supply chain issues exacerbating the UK's inflation problem. Once it became clear that inflation was systemic, rather than transitory, the Bank of England continued its aggressive tightening, increasing rates by a cumulative 375bps in an attempt to bring inflation back to the 2% target.

Adding to these hurdles was a high degree of political upheaval. Events following former PM Boris Johnson's resignation culminated in intense domestic market volatility. The UK's fiscal credibility was called into question after the "pro-growth" plans presented in the mini-Budget sent gilt yields soaring to the extent that the Bank of England had to intervene to prevent a financial crash. This saga ultimately cost former PM Liz Truss and her Chancellor Kwasi Kwarteng their roles in government.

Apart from the rapid takeover by HSBC of Silicon Valley Bank, the UK banking system was not directly affected by the bank failures in the US and Switzerland. However, the storm reignited fears of a global recession and exposed vulnerabilities for certain banks in an aggressive monetary tightening cycle. Consequently, we expect that UK banks, like their counterparts abroad, will be reticent to underwrite credit, adding another constraint to economic growth.

The UK economy has shown resilience to many of these shocks, and we forecast that the likely recession during Q3/Q4 this year will be shallow and short-lived. Although the rise in energy prices has been sharp and severe, the UK winter was mild, and households cut down on energy usage to protect their ever-tighter budgets. Steady decreases in energy prices are now helping with both inflation and public finances as the cost of energy support is turning out to be far lower than expected. Fiscal credibility appears to have been restored, with the so-called 'Truss premium' in bond markets now reversed and while the risk of a banking crisis is not fully behind us, the situation seems to have calmed somewhat. We expect credit conditions in the UK to tighten over the course of this year, weighing on economic momentum, but we do not envisage a complete credit drought.

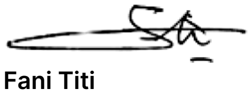
Resourceful, resilient, confident

The Group has made substantial progress in executing on its revised strategy and laying a foundation for purposeful strategic growth. I am grateful to our clients, whose trust and support we strive to earn every day.

I also would like to thank my colleagues for the passion and discipline they have shown in serving our clients and executing our strategy. I am proud to count myself among a highly motivated and entrepreneurial team, whose dedication to all our stakeholders is evident in the strong set of results we have produced in a challenging operating environment.

Economic conditions in the year ahead will remain difficult, and our resourcefulness will once again be tested. But I have every confidence in the resilience of our clients, the strength of our culture and the galvanising power of our purpose.

On behalf of the Board of Investec plc and Investec Limited



Fani Titi
Group Chief Executive

OUR STRATEGIC OBJECTIVES

Driving sustainable long-term growth

Building on the successes to simplify, focus and grow the business over the last few years, we are well placed to pursue disciplined growth in the long-term pursuit of our purpose of creating enduring worth.

This growth will be pursued through our deep specialisations, with more emphasis being placed on what we can do for our clients if we act in an integrated way to bring the best of Investec to every relationship and interaction.

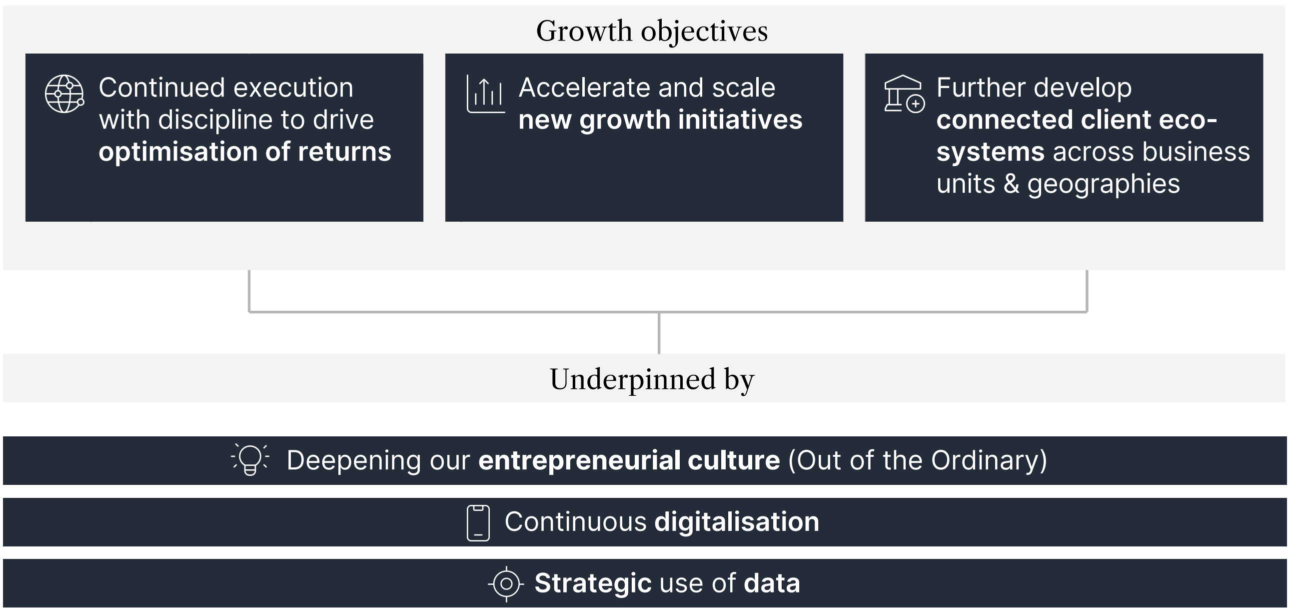
This involves further pursuing cross client franchise integration strategies and significantly improving internal operating efficiencies.

The One Investec mindset

One Investec embodies our commitment to bring the best of Investec to every client relationship and interaction. It is premised on our obsession with client service and deep specialisation delivered in an integrated manner.

- Is 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
- Is about improving internal operating efficiencies; ensuring that investments in infrastructure and technology support our differentiated service offering across the entire Group
- Demands a disciplined approach to optimising returns, not merely for one region or client franchise but for the Group as a whole

Fuelling a robust growth agenda



OUR STRATEGIC OBJECTIVES
CONTINUED

Fuelling a robust growth agenda

We continue to strengthen our position as a domestically relevant, internationally connected banking and wealth management group.

New and existing growth initiatives continue to gather pace across all client franchises and geographies, as we heighten our strategic focus on growth.

Growth objectives

Continued execution with discipline to drive **optimisation of returns**

Progress in FY 2023

- Investec Limited completed it's migration to the advanced internal ratings based (AIRB) approach for capital measurement, with Investec plc having started the transition to the IRB approach
- We initiated the share purchase and buy-back programme of up to R7 billion to be executed over 18 months to FY24
- We continue to maintain cost discipline while recognising the need for investments to support growth initiatives
- In our banking businesses, we continue to enhance the funding mix by increasing the percentage of retail funding.

Looking ahead

We will continue to optimise our returns with a focus on:

- Rolling out the transition to IRB in the UK
- Continuing to realise assets as we rationalise the Group Investments portfolio in SA
- Maintaining cost discipline despite the inflationary environment.

Underpinned by

Deepening our **entrepreneurial culture** (Out of the Ordinary)

Progress in FY 2023

- Sessions designed to reignite and revitalise our culture rolled out across the Group
- Re-inducted employees who joined during Covid through face-to-face, relationship building opportunities
- Developed a Young Minds programme aimed at involving young people in the organisation to tackle and propose ways in which to improve the activities of the Group.

Looking ahead

- Continue to focus our leadership development efforts on cultivating a 'One Investec' leadership mindset and enhancing our decision-making agility across business units.

OUR STRATEGIC OBJECTIVES
CONTINUED

Accelerate and scale **new growth initiatives**

Progress in FY 2023

- The UK Private Bank (PB) is in its second year of solid profitability. In FY23, UK PB clients grew by 9% to 6,685 and mortgage origination grew by 14%
- The number of Investec Life issued policies increased by 24% and premium income increased by 30% over the 12 months to 31 March 2023. The penetration into the SA PB mortgage book improved by 38% as at 31 March 2023
- In the UK, we are accelerating our fundraising activities through our alternative investment management platform to drive assets under management (AUM) and unlock synergies with our balance sheet
- In IW&I SA, we have developed an investment management platform that caters for wholesale clients.

Looking ahead

- Reached agreement with Rathbones for an all-share combination with IW&I UK (subject to regulatory and other approvals). This will create the UK's largest discretionary wealth manager with £100bn FUMA, giving it scale to support future growth and increasing relevance in the UK. The Investec Group will own a 41.25% economic interest in the enlarged Rathbones Group, with voting rights limited to 29.9%. For further detail, refer to page 57.

Further develop **connected client eco-systems** across business units & geographies

Progress in FY 2023

- Continued to drive collaboration in the UK with 198 referrals made from Bank to the UK and Swiss IW&I business which generated £477mn FUM in the year (FY22: £473mn)
- Continued to provide our UK PB offering to our SA clients. Number of accounts totalled 10,661 as at 31 March 2023 (FY22: 9,681)
- Established a leadership integration structure between PB and IW&I in SA to further our single private client value proposition
- In SA, we continued our 'One Investec' strategy across the Specialist Bank, with an increase in activity across business transactional banking, with average balances of R1.15bn (FY22: R426mn)
- We have begun to establish a specialist credit forum dedicated to the mid-market across respective businesses that focus on this client base.

Looking ahead

- Remain committed to unlocking value through our client ecosystem. We see a sizeable opportunity to provide our clients with an integrated banking and wealth offering.

Continuous **digitalisation**

Progress in FY 2023

- Technology has enabled delivery of a personalised client journey across our digital estate with further unification of core client platforms
- In SA, we have improved our PB lending and FX experiences, scaled our business banking proposition and launched open banking Application Programme Interfaces (APIs)
- In the UK, we have digitalised treasury hedge accounting processes, successfully launched UK business current accounts with XYB (Monese) and are now focused on the private client current account and cards, further enhanced our digital savings offering and developed a centralised payment initiation and execution platform.

Looking ahead

- Our objective is to continuously deliver products that operate on robust and contemporary infrastructure. We will focus on rebuilding our core platforms for speed and scale and building new business capabilities. We expect to capitalise on the advances in areas such as Generative AI and Open Banking.

Strategic use of **data**

Progress in FY 2023

- Focused our efforts and investment to improve data science that supports business initiatives and cross-business cooperation, improves performance measurement, better informs decision making and enables business growth
- In SA PB, we are using improved data science capability to underwrite our new rewards program and we launched Investec Next to deliver client insights
- Leveraged data and machine learning capability to supplement our AML processes
- Our internal audit function is building an automated auditing platform, which leverages advanced data analytics and robotic process automation, to enable end-to-end audit reviews with limited to no human intervention.

Looking ahead

- Our objective is to develop an organisation with an increase in data-driven decision making
- In addition, we will continue to develop high-tech data analytical platforms resulting in high-touch services that best meet our clients' needs.

CASE STUDY

Meeting our strategic growth objectives

We're continuing to build strong, long-term partnerships with external investors. These relationships are enabling us to participate in and originate larger deals – and helping us to achieve our key strategic objective of growing capital-light revenues.

We have an extensive track record of working alongside institutional investors in relationships based on trust, respect and mutually beneficial outcomes. Together, we create compelling large-scale investment propositions, utilising our proven sector expertise and through close collaboration.

Our inaugural Private Debt Fund is a good case in point. Since 2020, this fund has allowed us to offer institutional investors access to our European Direct Lending capability. Initially launched with €165mn of committed investor capital, the fund was increased by 50% in 2022 – and has €250mn of assets under management at 31 March 2023

Aviation is another area where our experience and deep market knowledge are giving access to both debt and equity strategies – providing risk-adjusted returns that meet our partners' unique mandates.

Our Fund Solutions business also shows how working with institutional investors has unlocked our addressable market potential. Through this business, we give investors access to private equity funds, where we leverage our market-leading position and experience to simultaneously meet investor and borrower needs.

During the last financial year, Fund Solutions partnered with pension and insurance investors to provide more than £7bn of financial facilities to private equity funds, of which over £5.5bn was provided by our institutional partners. Structured solutions that provide mutual benefits are the hallmarks of our capability. For example, we were the first to provide a tailored solution for a leading UK insurance investor, delivering a note programme that has deployed a total of over £1bn to date, with over half of that coming in the last 12 months.

There's more to come in the years ahead, as we continue to strengthen existing partnerships and develop new ones, delivering market leading investment solutions that have our investors' needs right at the centre.

"Building long term partnerships with investors to help them access private markets is a key strategic growth initiative for the business – this is particularly so within our lending franchises where we have established sourcing channels, deep sector expertise, and a long-term track record of delivering compelling risk adjusted rewards through the cycle."

Callum Bell
Head of Direct Lending

KEY PERFORMANCE INDICATORS

Key performance indicators

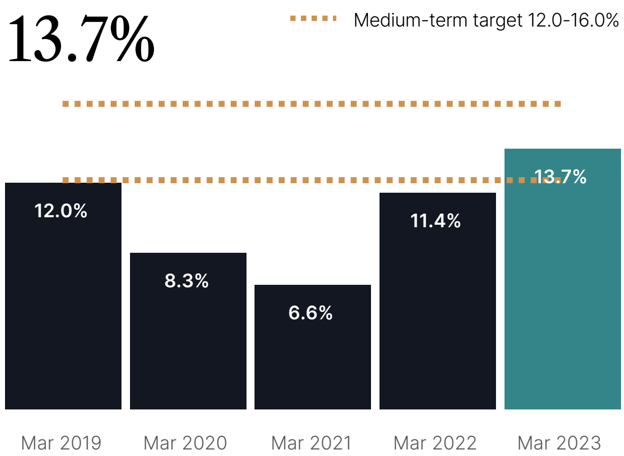
Driving sustainable long-term growth

Key performance indicators are regularly reviewed by the Board, to assess performance against the Group's most important priorities. These include measures for assessing financial and non-financial performance and balancing the interests of various stakeholders including communities, customers, shareholders and colleagues.

Key performance indicators that are directly linked to our remuneration balanced scorecard are marked with this symbol (R)

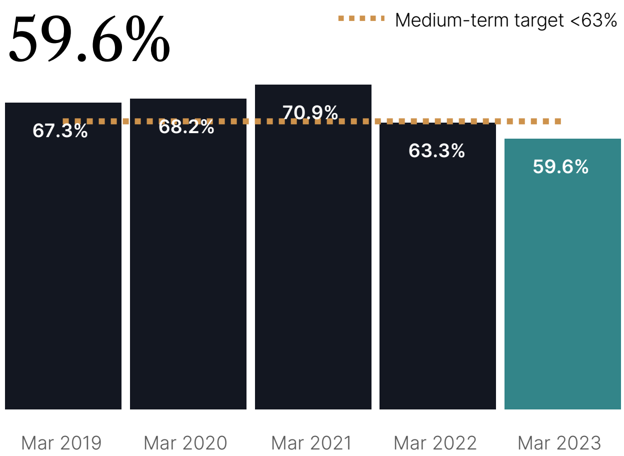
Return on equity (R)

13.7%



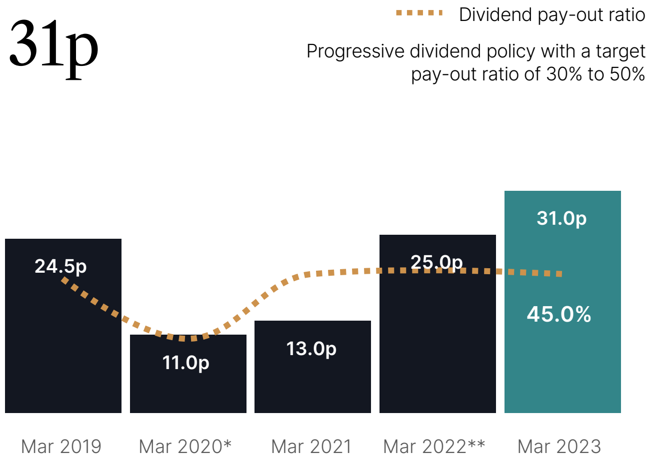
Cost to income ratio (R)

59.6%



Dividend per share (pence per share)

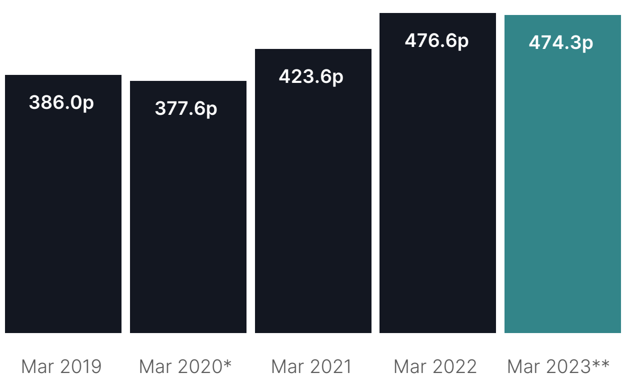
31p



* Strategic action impact: Plus distribution in specie of Ninety One shares 73.4p
** Strategic action impact: Plus distribution in specie of Ninety One shares 30.91p

Tangible net asset value (TNAV) per share (pence per share) (R)

474.3p



* Strategic action impact (Share buy back) 11.60p
** Strategic action impact (Share buy back) -23.92p
** Strategic action impact (Ninety-One distribution) -12.60p

KEY PERFORMANCE INDICATORS
CONTINUED

Sustainability performance indicators and targets

For further information regarding our sustainability ambitions please refer to our Investec Group 2023 Sustainability report. Read more on our financed emissions scope, methodology and terminology on page 75 of our Investec Group 2023 TCFD report. The sustainability metrics linked to the short and long-term incentives of executive directors have been updated in FY2023. Read more in the Group's 2023 remuneration report.

Our people

Diversity, equality, inclusion and belonging at all levels:

Female employees
(March 2022: 49.7%)

49.4%

Female Board representation
(against our target of 33%)

43%

Gender and ethnicity pay gap
Reduced our gender pay gap in the plc business, reflecting a continuous year-on-year improvement since 2017, and voluntarily included our ethnicity pay gap results. Please refer to page 27 of the Investec Group's Remuneration report and the Investec pay gap reports located on our website for further information. There was a slight increase in the Investec Limited pay gap which we will continue to monitor.

Female top managers
(2022: 31%)

20%

The decline is due to leadership transitions in the Wealth businesses and the appointment of new males of colour.

We remain committed to making meaningful progress on the representation of both women and people of colour across Top Management.

People of colour on our board
(March 2022: 43%)

43%

Learning and development spend
(2022: 1.6%, Target >1.5%)

1.8%

Learning and development spend as a % of staff costs

Our communities

Group community spend
(2022: 1.3%, £8.9mn)

Achieved

1.3%

£10.7mn Group community spend as a % of Group operating profit against our target of >1%

The environment and climate change

Coal as a % of loans and advances

0.1%

Target: Zero thermal coal exposure within Investec Group's loan book by 31 March 2030

Renewable energy

100%

Sourced 100% of our Scope 2 electricity consumption through the purchase of renewable energy certificates

Emissions

Maintained carbon neutrality

Maintained carbon neutrality in our direct emissions for the fifth year in our Scope 1, 2 and operational Scope 3 emissions

CASE STUDY

Delivering on our ‘One Investec’ strategy

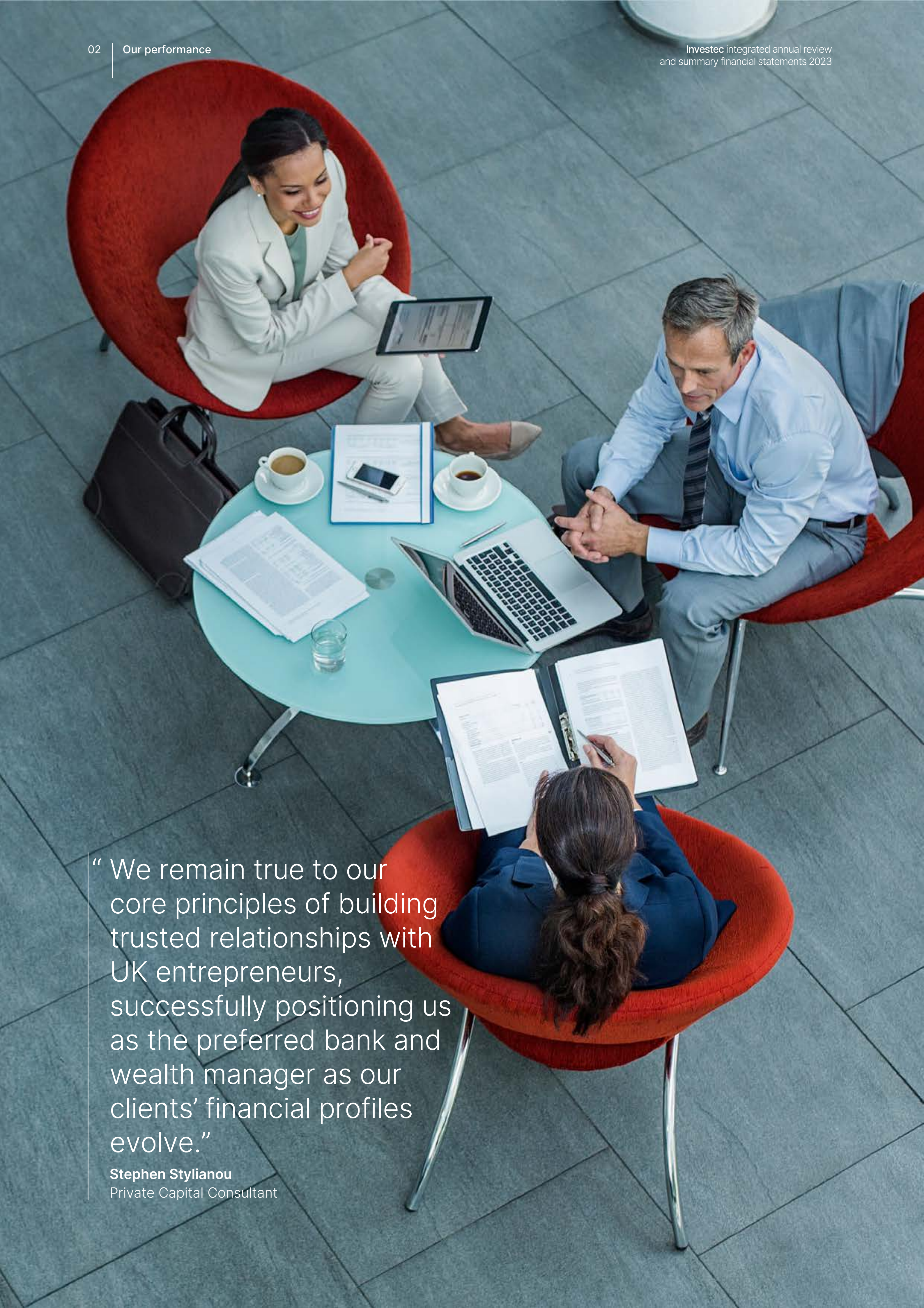
Through our ‘One Investec’ strategy, we make the full breadth and depth of our relevant capabilities available to meet the needs of each and every client, regardless of specialisation or geography.

In recent years, our Private Capital, Private Client and Wealth & Investment teams worked together on several occasions to support a UK-based entrepreneur. Our relationship with this client, who co-founded a private equity firm in the mid-2000s, first began in 2015 when the Private Banking team supported his purchase of a primary residence in London.

Over the following years, we maintained a close ongoing relationship with the client. So when he sought increased liquidity, the Private Banking team was well-positioned to introduce the Private Capital team – which led to the successful structuring and execution of a $20.0m revolving credit facility backed by the value of the business.

At the same time, the client agreed and completed a partial sale of his business to a strategic investor. Building on the enduring client relationship now established, the Private Capital team introduced the client to our Wealth & Investment team, which resulted in him investing $70.0m of his newly realised liquidity.

We continue to develop and enhance our relationship with the client, ensuring that whatever needs may become apparent, he is able to benefit from the full range of Investec capabilities.



“We remain true to our core principles of building trusted relationships with UK entrepreneurs, successfully positioning us as the preferred bank and wealth manager as our clients’ financial profiles evolve.”

Stephen Stylianou
Private Capital Consultant

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 updates from senior management on key client issues
- Client engagement methods have returned to predominantly face-to-face meetings post the COVID-19 pandemic
- Comprehensive, user-friendly website and mobile app
- Regular telephone and email communications
- In-person and online industry-relevant events and client marketing events are held as most people continue to pursue a hybrid working model.

FY2023 highlights

- Continued success in HNW client acquisition, growing our client base by 8% and 9% in SA and the UK, respectively
- We have further developed our 'One Investec' mindset, a client-centric approach which brings all of Investec that is relevant to every client, enabling 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 tenth consecutive year
- Recognised as the 'Bank of the Year' at the 2023 City A.M. Awards in the UK.

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

- The purpose of the organisation
- Meaningful communication
- Learning, development, and career progression
- Belonging, Inclusion and Diversity (BID) and equality
- Wellbeing
- Fair remuneration
- Flexible working conditions
- Sustainable working practices.

How we engage

- Culture and value sessions where senior leaders engage employees across the Group on the Investec culture, our purpose, values and how we embed this in all that we do
- Regular staff updates and discussions hosted by the Group's executive leadership, aimed at keeping employees up to date with strategic priorities and performance
- Ongoing Group Chief Executive staff communication including face-to-face interactions, email updates, staff intranet and other digital channels
- Induction training for new joiners including a welcome from the Group Chief Executive and senior management
- Tailored internal investor relations presentations on Group results, strategy updates and market feedback
- Bespoke application and intranet to support purposeful communication, wellbeing and learning of our people.

FY2023 highlights

- Held a Group Leadership Conference, attended by leaders from all Investec geographies, focused on activating our purpose into a purposeful organisation
- Rolled out culture dialogues to all jurisdictions in which employees engage executive leadership on the lived Investec culture and the experience of working at Investec
- Decision to lead the SA market in terms of minimum salary
- Awarded a one-off cost of living allowance to all employees in the UK earning a salary below a certain threshold in response to the unprecedented increase in the cost of living across the UK.

* Includes permanent employees, temporary employees and contractors

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)
CONTINUED

Investors

Our shareholders (largely institutional) are primarily based in SA 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
- Expectations and guidance on future performance
- Balance sheet resilience
- Business sustainability and response to climate change
- 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 Group Finance Director
- Stock exchange announcements
- Comprehensive investor relations website
- Investor roadshows and presentations
- Regular telephone and email communications
- Annual and interim reports.

FY2023 highlights

- The Chief Executive, Group Finance Director and Investor Relations hosted investor roadshows in SA, the UK, and the US, as well as virtual European roadshows
- The Group Finance Director completed a series of meetings with sell-side analysts and sales desks
- The Chair of the Board and Chair of the Remuneration Committee held a governance roadshow with top shareholders focusing on sustainability and executive remuneration
- Organised two debt roadshows in the UK, which raised £350mn.

124
meetings held 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
- Climate change and net-zero commitments.

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.

FY2023 highlights

- We spent £10.7mn on our community initiatives in our jurisdictions around the world (2022: £8.9mn)
- Achieved 1.3% Group community spend as a percentage of Group operating profit* against our target of >1% (2022: 1.3%)
- 3 100 South African youth given Investec internships through YES since inception (2022: 2 548 since inception)
- 10 510 staff volunteering hours in the past year with 2 241 staff** involved (2022: 9 001 hours and 759 staff involved)
- We have supported 2 108 Arrival learners in the UK over the past 14 years (2022: 1 995 learners)
- 73 students awarded bursaries through the Promaths Bursary Fund (2022: 74 students).

£10.7mn
spent on community initiatives (2022: £8.9mn)

Further information can be found in the Group's 2023 sustainability report which is published and available on our website.

* Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests
** Some staff attended more than one volunteering event

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 Sector 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 and capital framework and appetite management
- Capital and liquidity stress testing and reverse stress testing
- Group tax strategy
- Climate change and net-zero commitments.

How we engage

- Our Chair of the Board, Board members, Chief Executive and executive directors hold regular meetings with the South African Prudential Authority and with the UK Prudential Regulation Authority. This includes the annual trilateral meeting with the Audit Committee and bilateral meetings on 'flavour of the year' topics
- Active participation in a number of policy forums
- Engagement with industry consultative bodies.

FY2023 highlights

- Permission for Zarina Bassa, who, by November 2023, will have served on the Board for a period of nine years, to remain as Chair of the Group Audit Committees until the 2024 AGM
- Approval of the appointment of Vanessa Olver as Chair of the DLC BRCC
- Approval received for the share buy-back scheme
- Conducted a joint simulation exercise to test a simultaneous recovery scenario and the governance framework with the support of regulators in the UK and SA
- Contributed to IIF, IOSCO, and the South African Just Energy Transition plan.

ESG and climate-focused industry bodies and analysts

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
- Our commitment to net-zero carbon emissions and demonstrating our alignment with the Paris goals by providing SBTi targets
- Managing and mitigating direct climate change impact within our operations
- Managing and mitigating indirect climate change impact through our loan book and investment portfolio
- Addressing ESG risks within our business
- Reporting in line with industry standards.

How we engage

- Annual sustainability report and sustainability factsheets
- Comprehensive sustainability website
- Comprehensive ESG disclosures, including a standalone TCFD report
- 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.

FY2023 highlights

- Disclosed our Scope 3 financed emissions covering 77% of our loan book
- Joined the Partnership for Biodiversity Accounting Financials (PBAF)
- Broadened our solar offering to clients in South Africa
- Participated in writing the climate curriculum for UN PRB.

Carbon neutral

Achieved carbon neutrality in Scope 1, 2 and operational Scope 3. We are sourcing 100% of our Scope 2 energy from renewables through the purchase of renewable energy certificates. The remaining unavoidable residual emissions of 38% are off-set 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 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 RFP 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 financial information, cyber security and business continuity.

FY2023 highlights

- Consolidated and migrated all our vendor onboarding systems onto one system. The consolidation gives us a 360-degree view of all third parties
- We continue to improve our due diligence processes around financial crime, data and information security and financial screening. Critical third parties are monitored 24/7 to ensure compliance with agreed Service Level Agreements (SLAs)

Currently all of our suppliers are screened against ethical supply chain practices.

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

The Group has dealt with the aftermath of the COVID-19 pandemic, with our people returning to the office with high degrees of flexibility. With this in mind, the Board focused on the wellbeing of our people, and being front-footed with our clients and other stakeholders.

The organisation conducted a review of the organisation's values against its stated purpose and a recommitment to how these values are lived in the organisation. This included an examination of the Group's strategic objectives, including the employee experience as aligned to the purpose, and has been supported by ongoing leadership development, equipping all leaders with the skills to lead within the Investec culture and enable Out of the Ordinary experiences.

Strategy in execution

Investors have a keen interest in the strategic progress made since the 2019 Capital Markets Day (CMD) where the Group embarked on a journey to clarify its strategic positioning and improve shareholder returns. The Group was among the first major banks across SA and the UK to report financial results above pre COVID-19 levels in the 2022 financial year. Investec's 45-year heritage, strong client franchises, specialist expertise, and Out of the Ordinary people and culture have provided the robust platform needed to deliver this exceptional performance. The Board is pleased that the Group has achieved the results that are in line or ahead of our stakeholder expectations.

The Board has overseen the communication of strategic progress made to shareholders and staff, in the form of staff updates, conferences, results presentations and in one-on-one dialogue with investors.

The Board has continued its regular engagement with shareholders and endeavours to incorporate shareholder feedback in its oversight of strategic execution. The Board is focused on driving sustainable growth for all stakeholders, in line with the Group's core purpose of creating enduring worth.

Since the CMD, the Board has concentrated its efforts on creating a simplified, focused business and is now confident that the Group is well placed to pursue long-term growth. The Group's 'One Investec' initiative is a key underpin of our growth strategy, and focuses on bringing the best of Investec to every client. The crux of this integration strategy is about generating sustainable growth and value for stakeholders. 'One Investec' involves close collaboration between client franchises as opposed to a siloed approach, and improving internal operating efficiencies. In the current financial year, the Board approved the all-share combination between Investec Wealth & Investment Limited (IW&I UK) and Rathbones. This is in pursuit of the Group's growth strategy. For more details, refer to page 57.

The Board has overseen increased internal communications of the 'One Investec' strategy to all staff. Communications have expressed the Group's aspirations to build an integrated global bank and wealth business, a focused private client proposition and holistic mindset in supporting clients. The Board has also approved certain Group Executive Team changes which are deliberately aimed at creating a leadership cohort that will support the company through its next phase of growth. The Board recognises that to realise the Group's disciplined growth ambitions, it is essential that appropriate and meaningful appointments are made across the global leadership team.

The Board is currently driving heightened attention to the Group's purpose statement. In 2018 we set out to rediscover what truly inspires us as an organisation. Through multiple engagement channels across the business over a period of 18 months, 'To create enduring worth', emerged. This expresses how the Group views its responsibility as a business to be a good corporate citizen.

Finally, the Board is cognisant of shareholders' interest in succession. This has been a key focus area for the Board and as such a series of succession planning initiatives have started and will continue over the next few years. The Board is committed to the Group's purpose and building a leadership team that enables the Group's potential.

Capital optimisation

Over the past four years, the Group's progress on capital optimisation has been front of mind for investors. The Board has continued its engagement with shareholders and has incorporated their feedback in its oversight of capital allocation. The Board is pleased to report the significant progress made to date in this regard.

The strong capital generation within client franchises, allied with capital optimisation strategies, has afforded the Group ability to support its growth ambitions and optionality to return capital to shareholders.

The Board has overseen the full adoption of the Advanced Internal Ratings-Based (AIRB) approach in the measurement of capital in South Africa, having received approval for full adoption at the end of January 2023. Investec Limited reported a CET1 ratio of 14.7% at 31 March 2023, which includes the impact of the share buy-back programmes and the full adoption of AIRB. The Group is also in the early stages of developing a plan to move to the Internal Ratings Based (IRB) approach in the UK.

In March 2022, 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 the decision is consistent with input received from shareholders post the demerger. 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.

In the current financial year, the Board approved a share purchase and share buy-back programme of up to a total of R7 billion (c.£350 million), whereby Investec Limited would purchase Investec plc ordinary shares and buy back its own shares. As at 30 May 2023, shares to the total value of c.R5.5 billion, (c.£245 million) have been purchased under the

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)
CONTINUED

programme. The Board anticipates that the programme will be fully executed by 31 March 2024. This is the largest share buy-back programme in the Group's nearly 50-year history.

The expected realisation of the Group's investment portfolio in Southern Africa will bolster the capital levels in the medium-term. The Board has acknowledged shareholder aspirations for the Group to reduce exposure to non-core investments. The IEP Group and Bud Group shareholders have approved a restructure to facilitate an exit by certain IEP shareholders, including Investec, by way of a share buyback. The restructure entails the transfer of certain assets to a Newco, to facilitate the orderly disposal of those assets.

Our balance sheet remains well capitalised, comfortably above Board approved and regulatory minimums. CET1 ratios are now 12.0% and 14.7% for the UK and South African businesses respectively.

Executive remuneration policy

We engaged in an extensive consultation exercise with our key shareholders and the Investment Association in February and July 2021 to obtain input into the design of our proposed 2022 remuneration policy, which was approved at the 2021 AGM. 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 was developed to more clearly link executive director remuneration to ESG. The changes were intended to more closely align reward with business performance and our strategy.

We engaged with our key shareholders and the Investment Association on our remuneration outcomes and a minor amendment to the policy was made. The Board was pleased to receive a materially higher vote in favour of both the implementation report and the remuneration policy at the 2022 AGM that had been the case in prior years, at 98% and 90% respectively.

The Chair of the Remuneration Committee and the Chair of the Board look forward to engaging with our key shareholders again in July 2023, ahead of the AGM in August 2023, and will engage extensively with our key shareholders during the 2023/24 year to seek input into the design of our proposed 2025 remuneration policy.

Commitment to sustainability

Investec has demonstrated that sustainability is central to its strategic direction. 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.

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. Some targeted training to the Board was done during the past year and more focused training will be done over the next year.

The Board takes ultimate accountability for climate-related and sustainability matters, supported by the DLC 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 efforts (including ESG) 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 matters (including ESG) to the 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. We have delivered on our commitment, tabled at the August 2021 AGM, with regards to our net-zero ambitions and disclosed our Scope 3 financed emissions covering 77% of our loan book. In the past year, we made progress in refining our assumptions and the external quality of the data for emission calculations. At this point we are unable to increase our coverage beyond 77% until there is improved external data available across jurisdictions.

We also engaged with SBTi on its recently released recommendations for Financial Institutions and are refining our proposed targets with the aim of reporting verified SBTi targets in the next financial year.

Further information on our ESG initiatives and progress can be found in the Group's 2023 sustainability report which is published and available on our website.

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 diversity representation with respect to gender and people of colour. Stakeholders such as our employees, shareholders, ESG analysts, and clients remain interested in our progress.

During the year, the Board has continued to work towards our commitments to address inequalities. Key areas of our strategy have included increasing diversity representation with respect to gender and ethnicity, particularly 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 including:

- As signatories to the Race at Work Charter in the UK, focused on the development of Black, Asian and Minority Ethnic colleagues, we have delivered the following:
  - Following the success of the pilot programme in 2021, we delivered our second reciprocal mentoring. The programme pairs senior leaders with people of colour from across the organisation in order to facilitate reciprocal learning and harness the value of difference
  - We hosted an evening with Wol Kalade, a client and co-founder of the #10000 black interns programme, exploring the programme's ability to catalyse the increase in black representation in the City

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT) CONTINUED

- We hosted an evening for clients and colleagues with the award-winning artist, activist, author and poet Akala on Black Britain
- Of 269 (2022: 223) external hires made during the year in IBP, 18.7% were of Asian Ethnicity (2022: 26%), 5.6% were of Black Ethnicity (2022: 12.1%) and 4.8% were of Mixed Ethnicity (1.35%)
- Of 127 (2022: 157) external hires made during the year in IW&I, 12.6% were of Asian Ethnicity (2022: 11.5%), 3.2% were of Black Ethnicity (2022: 10.8%) and 3.2% were of Mixed Ethnicity (2022: 1.9%).

• In continuing the advancement of women into senior positions and into principal decision-making committees we achieved the following:
  - We have exceeded the UK Women in Finance Charter target of 30% female representation at senior leadership by 2022 achieving 36.8% for IBP and 41.2% in IW&I UK
  - Of 269 (2022: 223) external hires made during the year in IBP, 45% (2022: 41%) were female, with a total of 127 or 46% in IW&I (2022: 157 a total of 45%)
  - Our 2022 Diversity Pay Gap report will include our ethnicity pay gap alongside the gender pay gap. While ethnicity pay gap reporting is not mandatory, we include these results following the same methodology as the gender pay gap. As at 31 March 2023, our mean hourly gender pay gap was 28.2% (2022: 27.9%) in SA. The UK had a mean hourly gender pay gap of 32.6% at 31 March 2022 (2021: 33.9%)^. Our mean hourly ethnicity pay gap was 15.1% at 31 March 2022 (2021: 12.9%)^ in the UK
  - For the fifth year running we are participating in the 30% Club mentoring scheme, a cross-company programme to boost female representation at board and executive level
  - In SA, we run a programme specifically designed to enable women to take up positions as non-executive directors on South African company boards, including the Investec companies' boards, and contribute to the development of board-ready female executives within South Africa. 28 women have been through this programme since it started in 2020.

^ Gender and ethnicity pay gap statistics are reported a year in arrears.

• In order to ensure we continue to focus on the creation of an inclusive environment:
  - We continue to offer our Allies programme in the UK, equipping colleagues with the skills to recognise and address microaggressions, and challenge exclusion. 183 colleagues have completed the programme
  - We became a proud member of the Business Disability Forum in the UK, the leading business membership organisation in disability inclusion in September 2022
  - We continue to facilitate a reverse mentorship programme in SA, creating spaces that enable young, aspirational talent to mentor, connect and learn with leaders and enabling knowledge exchange between different generations.
  - We elected new office bearers onto the Employment Equity (EE) Forum in SA. The forum has engaged in formal training to understand the requirements of the Employment Equity Act and their mandate as EE Forum members. We are in the process of electing a new EE Forum Chairperson who has a seat on the Specialist Bank Executive Team in SA
  - We hosted a diversity day on our Leadership Development Programme in SA, exploring what it means to lead diverse teams in a multicultural society
  - We continue to run our flagship Zebra Crossing programme, aimed at minimising unconscious bias and raising awareness of multicultural differences at personal, interpersonal and institutional levels.

• Our networks in SA and the UK, including Young Minds, Pride, Multicultural and Gender Balance, continue to provide a safe space for people to network, offer support and guidance to its members and raise awareness within the organisation.

The Board recognises that maintaining a strong focus on BID, and having clear targets and measures to track progress, is critical. BID is integral to Investec's purpose to 'create enduring worth'. 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 110 to 111 as well as in the Group's 2023 sustainability report which is published and available on our website.

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)
CONTINUED

Value added statement

Highlighting value created by the Group and its distribution to stakeholders

£'000	31 March 2023	%	31 March 2022	%
Net income generated – total Group				
Interest income	3 397 341		1 951 209	
Other income	972 095		1 004 915	
Interest expense	(2 101 584)		(1 005 939)	
Other operating expenditure and impairments on loans	(281 016)		(214 529)	
Financial impact of Group restructures (pre-tax)	(5 418)		(1 203)	
	1 981 418	**100%**	**1 734 453**	**100%**
Distributed as follows:				
Employees: Salaries, wages and other benefits	639 191	32.3%	621 337	35.8%
Communities: Spend on community initiatives	10 686	0.5%	8 875	0.5%
Government: Corporation, deferred payroll and other taxes	660 171	33.3%	551 106	31.8%
Shareholders:	585 214	29.5%	217 351	12.5%
Dividends to ordinary shareholders	260 673		178 418	
Dividends to perpetual preference and Other Additional Tier 1 security holders	41 872		38 933	
Distribution to shareholders	282 669		—	
Retention for future expansion and growth:	86 156	4.3%	335 784	19.4%
Depreciation	14 037		16 691	
Retained income	72 119		319 093	
Total	**1 981 418**	**100%**	**1 734 453**	**100%**

Investec has always been a values-driven organisation and we remain dedicated to our core purpose of creating enduring worth

CASE STUDY

Living up to our purpose and values

Our Purpose is to create enduring worth. In line with our Investec values we are committed to living in society, not off it. In recent years, we've evolved our philanthropic activities and now also work with our private clients to achieve long-term strategic impact focused on sustainable societal change.

Philanthropy enables individuals, families, and organisations to exercise their charitable objectives and desires. This is a journey guided by values, passion and the desire for family legacy as well as broad societal impact.

A charitable foundation is frequently chosen as the most appropriate vehicle through which to support relevant projects and drive meaningful change. Investments aim to deliver long-term growth for the foundation while providing income for distribution to selected charitable organisations. The main objective is to ensure that the foundation is sustainable and can continue into perpetuity.

We're proud of our respected and growing track record of enabling charitable activities. Our investment teams manage approximately R80bn for charities across South Africa and the UK. This includes over R1.0bn AUM for private client foundations where we provide the administration and services, including the governance process.

Through these trusts, we enable the distribution of approximately R60mn per year in South Africa to our beneficiary partner organisations across the four main sectors where we believe we can be most impactful – Education, Healthcare, Social Justice, and Welfare and Humanitarian.

During 2022, we were awarded Best Private Bank and Wealth Manager in Africa for philanthropy services and we've recently further enhanced our offering with the launch of two distinctive new products – Investec Growth Portfolio for Charities and Investec Stable Portfolio for Charities. We currently manage more than R2.0bn of funds in these products, which focus on sustainability and ESG integration, while tailoring asset allocation for tax exempt entities and providing specialised services at a reduced and simplified cost.

By embedding our Purpose in our offering, we enable our clients to be directly connected to it too.

Investec has been awarded Best Private Bank and Wealth Manager in Africa for philanthropy services which acknowledges Investec's philanthropic offerings for having a meaningful impact on society.

PWM The Banker GLOBAL PRIVATE BANKING AWARDS 2022
BEST PRIVATE BANK AND WEALTH MANAGER IN AFRICA FOR PHILANTHROPY SERVICES

> “ It looks like I’m dreaming when I see the school and its teachers. Ever since camp I got new friends and I’m starting to understand rules, values and behaviour.”
>
> **J Mkhombo**
> Bursary Recipient

CFO REPORT

The year in review

The Group successfully navigated a complex macro-economic backdrop characterised by rising interest rates and volatile global markets. We achieved 21.6% adjusted operating profit growth to £835.9 million and a ROE of 13.7%. The diversified nature of our revenue streams enabled us to deliver this performance, notwithstanding the inflationary pressures on operating costs and higher credit impairment charges. The revenue trajectory over the past two years is testament to the successful execution of our strategy to focus, simplify and grow the business.

The strong capital generation within our client franchises allowed us to maintain robust capital and liquidity levels, deliver improved shareholder returns, and the continued ability to support our clients.

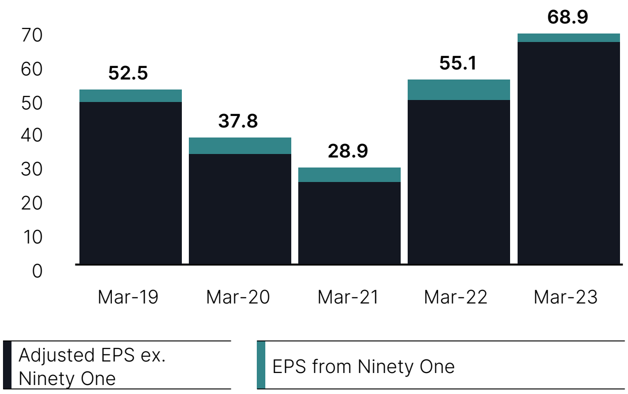
We have made significant progress in our capital optimisation strategy. We successfully distributed 15% of our shareholding in Ninety One. Our journey to adopt AIRB in SA culminated with a 242bps CET 1 ratio uplift on 31 January 2023. As at 31 March 2023, the Group has acquired shares equivalent to c.5.2% of its issued ordinary shares, returning c.£245 million to shareholders through a share purchase and share buyback programme. In aggregate, we returned £780 million to shareholders, comprising the distribution of shareholding in Ninety One, share purchase and share buyback and ordinary dividends.

Nishlan Samujh
Group Finance Director

CFO REPORT
CONTINUED

Strong financial performance...

Adjusted earnings per share grew by 25.0% to 68.9 pence (2022: 55.1 pence). Basic earnings per share grew 65.0% to 85.8 pence (2022: 52.0 pence), positively influenced by the distribution of the holding in Ninety One in May 2022. Our core client franchises experienced strong earnings momentum, underpinned by our banking franchises with the wealth businesses reporting better than expected results in light of the market volatility.

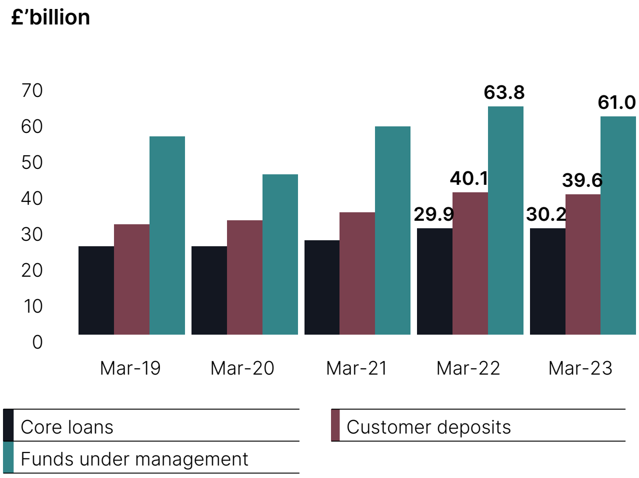


Pre-provision adjusted operating profit increased by 28.0%, supported by the success of our client acquisition strategy which resulted in higher average advances, increased client activity and rising interest rates

- Net interest income growth was driven by higher average interest earning assets and rising interest rates
- Non-interest revenue decreased by 5.8% to £984.7 million. Net fee and commission income decreased 4.7% to £779.4 million (FY2022: £818.2 million), reflecting lower fee income from Wealth & Investment and UK equity capital markets due to market volatility and uncertainty during the year, partly offset by higher fees from increased client activity in South Africa. The investment loss of £17.1 million reflects fair value adjustments of £55.3 million within the Group Investment portfolio, primarily in IPF. The year on year increase in trading income was driven by increased client activity in customer flows and gains from balance sheet management activities. Share of post-taxation profit of associates decreased markedly due to lower share of profits from Ninety One following the distribution in May 2022 when it ceased to be classified as an associate. In the second half, the IEP portfolio was reclassified from an associate to an investment
- Fixed operating expenditure increased by 11.3% due to inflationary pressures, investment in technology and people and post-pandemic normalisation in discretionary spend. Cost to income ratio improved to 59.6% from 63.3% in FY2022
- Impairments were driven by updated forward-looking macroeconomic scenarios since FY2022, and Stage 3 ECL charges. A portion of post-model management overlays raised since the onset of COVID-19 for potential risk migration have been released and are now catered for in-model. Recoveries of previously written off exposures remained high in SA.

...supported by deep client franchises and diversified earnings

- Net core loans increased to £30.2 billion (FY2022: £29.9 billion), up by 7.7% in neutral currency. This was largely driven by corporate lending and residential mortgage lending in both core geographies
- Customer accounts (deposits) increased 5.8% in constant currency and decreased by 1.4% to £39.6 billion on a reported basis
- Funds under management decreased 4.5% to £61.0 billion as a result of unfavourable market movements, partially offset by net inflows. Discretionary FUM reported £810 million net inflows while non-discretionary FUM experienced net outflows of £433 million.



Well capitalised with strong liquidity

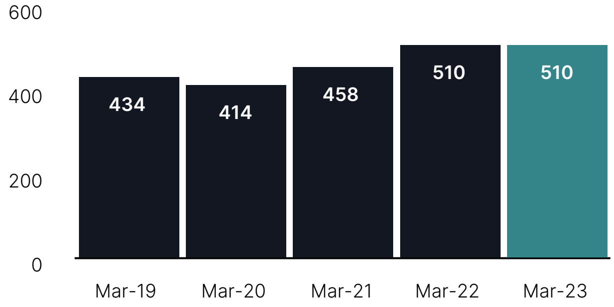
- The Group has maintained strong capital and liquidity positions to support growth, all ahead of internal and Board-approved minimum targets and regulatory requirements
- The common equity tier (CET) 1 and leverage ratio were 14.7% and 6.5% respectively for Investec Limited, and 12.0% and 9.4% respectively for Investec plc
- Cash and near cash was £16.4 billion at 31 March 2023, representing 41.4% 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 ended the year with the three-month average of its LCR at 153.6% and a NSFR of 116.4%. Investec plc reported a LCR of 383% and a NSFR of 147% at 31 March 2023

CFO REPORT
CONTINUED

Creating long-term shareholder value

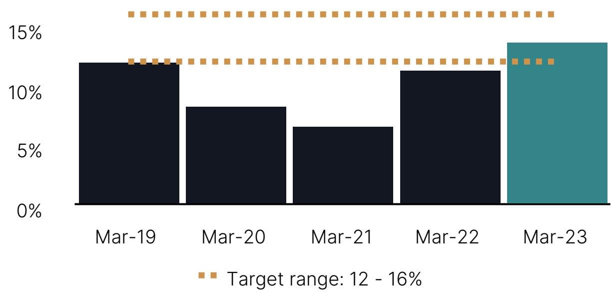
- Net asset value (NAV) per share was 510.0p (FY2022: 510.0p) notwithstanding the return to shareholders of 64p per share through the distribution of a 15% shareholding in Ninety One, dividends, and the share purchase programme
- The Board proposed a final dividend of 17.5 pence, resulting in a total dividend of 31.0 pence. This translates to a 45.0% payout ratio, within the Group's target pay-out ratio range of 30% to 50%.

NAV per share (pence per share).



- An ROE of 13.7% was achieved, which lies within our medium-term target of 12-16%.
- We expect ROE to be around the mid-point of this range in FY2024, underpinned by operational performance and the effect of the execution of capital optimisation strategy in the current financial year, a combination of improved operational performance and capital optimisation.

ROE (%)



CFO REPORT
CONTINUED

Unpacking our financial results

Summarised income statement

£'000	Year to 31 March 2023	Year to 31 March 2022	% change
Net interest income	**1 295 757**	**945 270**	**37.1 %**
Non-interest revenue	**984 661**	**1 045 085**	**(5.8)%**
Net fee and commission income	779 353	818 216	(4.7) %
Investment income	(17 145)	27 974	(161.3) %
Share of post-tax operating profit of associates	29 149	79 556	(63.4) %
Client flow trading income	131 204	128 277	2.3 %
Balance sheet management & other trading income	57 714	(21 128)	(373.2) %
Other operating income	4 386	12 190	(64.0) %
Total operating income before ECL impairment charges	**2 280 418**	**1 990 355**	**14.6 %**
ECL impairment charges	(81 089)	(28 828)	181.3 %
Total operating income	**2 199 329**	**1 961 527**	**12.1 %**
Operating costs	(1 350 835)	(1 233 948)	9.5 %
Operating profit before goodwill, acquired intangibles and strategic actions	**848 494**	**727 579**	**16.6 %**
Profit attributable to other non-controlling interests	(12 566)	(40 170)	(68.7) %
Adjusted operating profit	**835 928**	**687 409**	**21.6 %**
ROE	13.7 %	11.4 %	
ROTE	14.7 %	12.3 %	

Net interest income (NII)
Strong NII growth of 37.1% was driven by higher average interest earning assets including average loan book growth and the positive endowment impact from rising interest rates

Non-interest revenue (NIR)
The 5.8% decline in NIR was largely driven by the following:

Net fee and commission income decreased 4.7% to £779.4 million (FY2022: £818.2 million), reflecting lower fee income from Wealth & Investment and UK equity capital markets. This was due to market volatility and uncertainty during the year, partly offset by higher fees from increased client activity in SA.

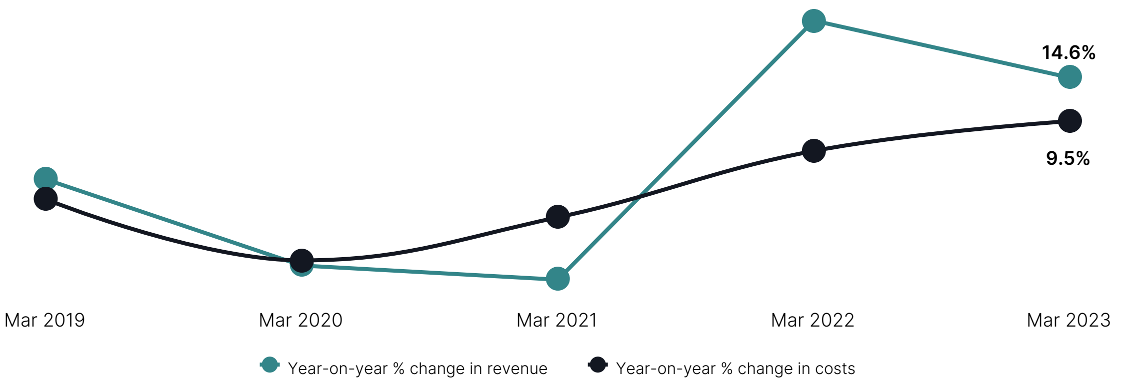
Investment loss reflects fair value adjustments of £55.3 million within the Group Investment portfolio, partly offset by dividends received and realised gains on disposal of investments.

Trading income growth was a result of increased client activity partly offset by mark-to-market losses on balance sheet activities.

Expected credit loss impairment charges
An increase in the ECL impairment charges resulted in a credit loss ratio of 0.23% (2022: 0.08%). Asset quality remains strong, with exposures to a carefully defined target market and well covered by collateral. The ECL increase was primarily driven by the deterioration in the forward-looking macroeconomic outlook since March 2022 and stage 3 ECL impairment charges. The Group has maintained a lower level of post-model management overlays to account for risks assessed as inadequately reflected in the models.

Operating costs
Fixed operating expenditure increased by 11.3%, due to inflationary pressures, continued investment in people and technology to support growth, and post-pandemic normalisation in certain discretionary spend .The increase in variable remuneration was in line with business performance.

Revenue growth ahead of cost growth – resulting in positive jaws



CFO REPORT
CONTINUED

Strong financial position

£'million	Year to 31 March 2023	Year to 31 March 2022	% change
Loans and advances to customers	30 179	29 561	2%
Customer deposits	39 556	40 118	(1%)
Funds under management (FUM)	60 959	63 800	(4%)

Core loans increased by 2%, driven largely by residential mortgage and corporate lending growth in both geographies.

In South Africa, net core loans grew by 7.5% to R320.7 billion (2022: R298.4 billion). Corporate lending portfolios grew by 24.2% driven by increased corporate credit demand across our lending specialisations. Advances to private clients reported subdued growth of 2.6% with reasonable growth in residential mortgages

In the UK, net core loans grew by 7.9% to £15.6 billion since 31 March 2022 driven by residential mortgages and strong demand for corporate credit across multiple portfolios which was offset by higher redemptions in the current year. Residential mortgages also had higher redemptions in the second half of the financial year.

Customer deposits increased by 5.8% in constant currency and decreased 1.4% to £39.6 billion (FY2022: £40.1 billion) at 31 March 2023. Customer deposits increased by 4.5% to £19.1 billion for Investec plc and increased by 6.8% to R448.5 billion for Investec Limited.

FUM declined 4.5% amid high market volatility and lower net inflows.

South Africa Wealth & Investment FUM increased by 9.3% to R398.4 billion driven by discretionary and annuity net inflows of R5.9 billion, and the net impact from positive foreign currency translation gains which were partially offset by negative returns in our offshore offering. Non-discretionary FUM reported net outflows of R10.6 billion in the current year.

The UK Wealth and Investment FUM decreased by 5.0% to £40.7 billion impacted by declining market levels since 31 March 2022.

Capital and liquidity ratios

	2023	2022
Investec limited		
CET1	14.7%	14.0%
Leverage ratio	6.5%	7.4%
Investec plc		
CET1	12.0%	11.7%
Leverage ratio	9.4%	9.2%

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 14.7% and 6.5% for Investec Limited (increased AIRB scope) and 12.0% and 9.4% for Investec plc (Standardised approach) respectively.

The Group targets a minimum CET1 ratio above 10% for Investec plc and 11.5% to 12.5% for Investec Ltd. Total capital adequacy ratio target range is 14% to 17% for Investec plc, and greater than 15% for Investec Limited, both on consolidated basis.

Investec Limited received approval to adopt the AIRB approach for measurement of capital on the Income Producing Real Estate portfolio (IPRE). Investec Limited also migrated the High Value Commercial Real Estate (HVCRE) portfolio to the slotting approach, a subset of the Foundation Internal Ratings-Based (FIRB) approach. Combined, this uplifted the CET1 ratio by 242bps.

CFO REPORT
CONTINUED

Looking forward

The Group remains well-capitalized and maintains robust liquidity levels. Our strong balance sheet will allow us to navigate the uncertain macro-economic outlook. We are firmly committed to our medium-term targets, and are well positioned to pursue identified growth opportunities in our chosen markets.

FY2024 guidance

Based on the macro-economic outlook for our two core geographies, the Group currently expects:

- Revenue outlook to be underpinned by moderate book growth, continued elevated interest rates and client activity levels
- Overall costs contained with cost to income ratio of approximately 60%, despite inflationary pressures and continued investment in the business
- Normalisation of expected credit loss impairment charges and consequent credit loss ratio increase towards the Group's 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
- Capital optimisation strategies to continue as well as progress on IEP realisations
- ROE to be around the mid-point of the Group's current target range of 12% to 16%.

Conclusion

The Group reiterates its commitment to deliver improved sustainable returns to our shareholders in the long term. This will be underpinned by our ongoing strategic execution on identified growth opportunities, continued focus on capital discipline and costs efficiencies. Following the Rathbones shareholder approval of the combination with Investec Wealth & Investment UK on 23 June 2023, we look forward to the next phase of this transformational transaction for our UK business, subject to regulatory approval.

Nishlan Samujh
Group Finance Director

Divisional review

03

IN THIS SECTION

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.

Highlights

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.

Funds under management

£40.7bn
(2022: £42.9bn)

Net core loans

£15.6bn
(2022: £14.4bn)

Customer deposits

£19.1bn
(2022: £18.3bn)

Adjusted operating profit

£395.0mn
(2022: £302.8mn)

Cost to income

64.5%
(2022: 70.0%)

ROE post tax

12.7%
(2022: 11.3%)

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)

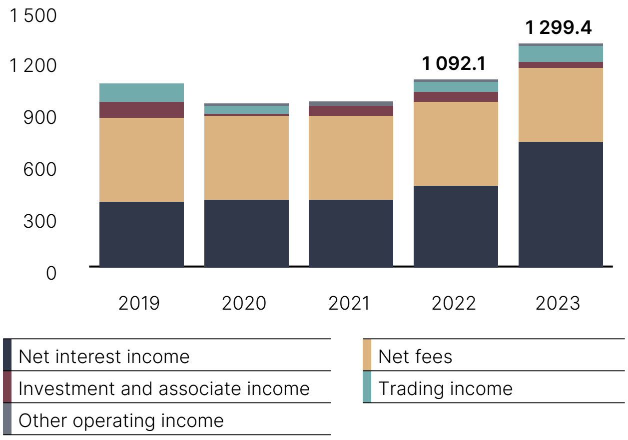
Corporate client offering

- Corporates
- Private equity
- Institutions
- Intermediaries
- Government

UK AND OTHER
CONTINUED

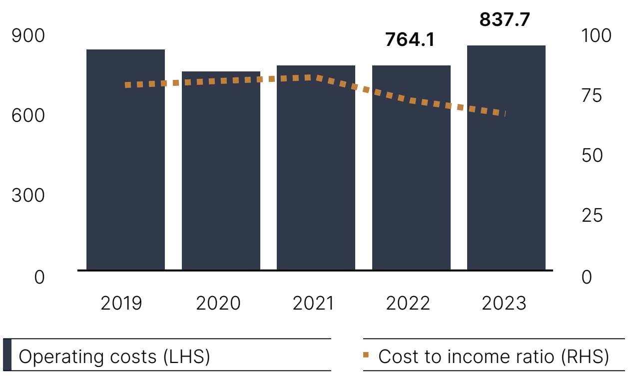
Total operating income before expected credit loss impairment charges

£'million



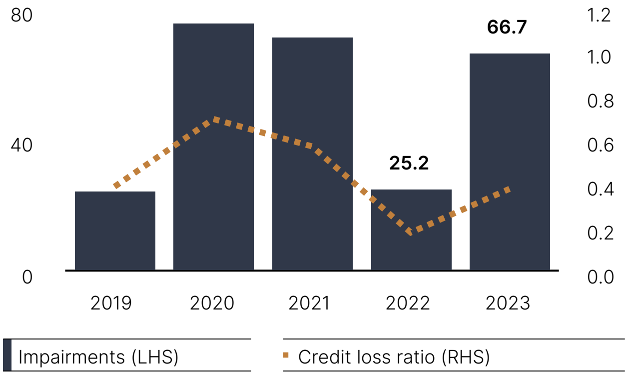
Operating costs

£'million | Percentage



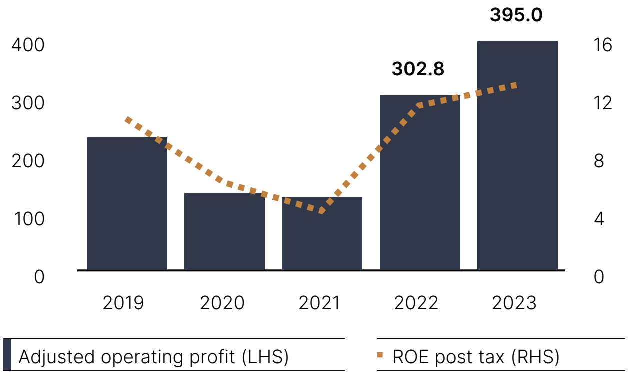
Expected credit loss impairment charges

£'million | Percentage



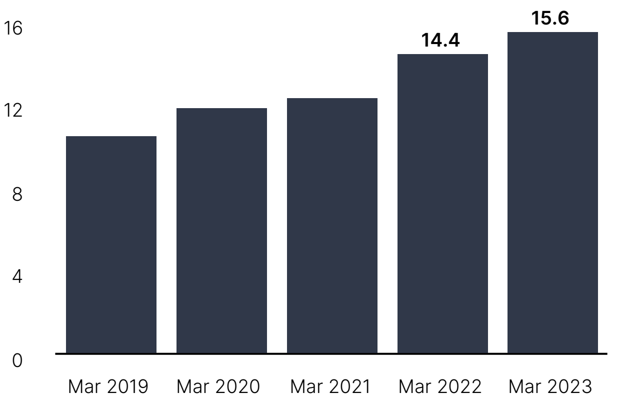
Adjusted operating profit and ROE

£'million | Percentage



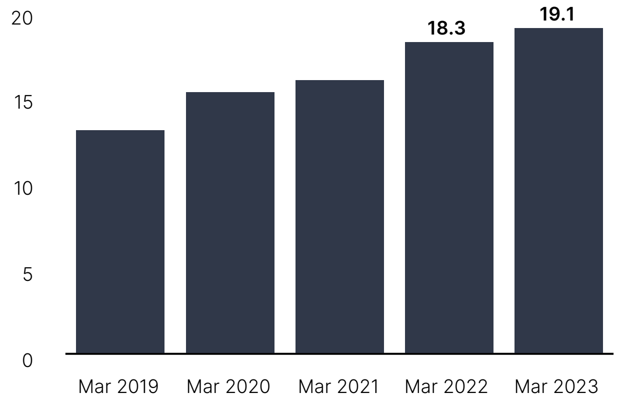
Net core loans

£'billion



Total customer deposits

£'billion



WEALTH & INVESTMENT

Business Head

Iain Hooley

Awards

Won 'Best Discretionary Fund Manager' at the Moneyfacts Investment Life & Pension Awards

Won 'Customer-Facing Digital Capabilities', 'Diversity and Inclusion in Wealth Management' and 'UK Wealth Planning Team' at the WealthBriefing European Awards

Winner of the 'London' Category at CityWire Adviser Choice Award

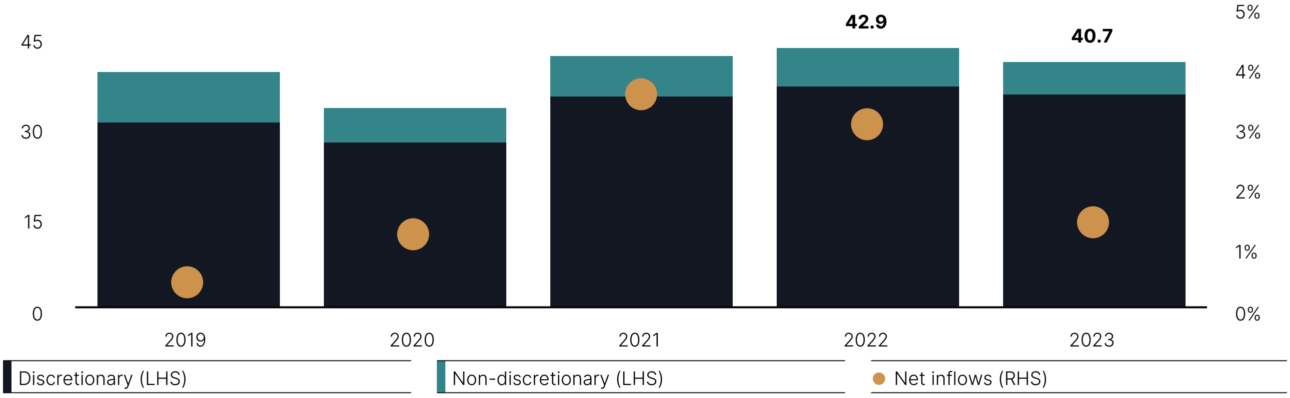
With over £40 billion of FUM, we are one of the UK's largest wealth and investment managers.

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

- The business generated operating profit of £91.8 million (1.3% above the prior year) and an operating margin of 25.8% (2022: 27.0%)
- Operating income increased by 2.8% with higher net interest income from rising global interest rates offset by net fee and commission income decreasing by £12.4 million (3.7%) as a result of lower market levels, and subdued net inflows.
- Operating costs increased by 3.3% primarily from inflationary pressures and normalisation of certain business expenses as pandemic related restrictions eased.
- FUM declined to £40.7bn at 31 March 2023 (2022: £42.9bn) largely reflecting unfavourable market movements.

Funds under management and net flows



Reasons for the variance in FUM since 31 March 2022

- Unfavourable market movements (MSCI PIMFA Balanced Index down 5.4%), together with lower investment performance during the year, partially offset by:
- Net inflows of £608.0 million resulting in net organic growth in funds under management of 1.4% (2022: 2.9%). We have maintained good net new clients inflows similar to the prior year but have seen lower net client flows from existing clients which is expected given the high inflationary and interest rate rise environment.
- The acquisition of Murray Asset Management (MAM) during the year, which added £352 million to FUM at 31 March 2023.

Funds under management

£'million	31 March 2023	31 March 2022	% change
Discretionary	35 291	36 728	(3.9%)
Non-discretionary*	5 456	6 166	(11.5%)
Total	**40 747**	**42 894**	**(5.0%)**

* Non-discretionary includes advisory-managed FUM of £1 185 million (31 March 2022: £1 627 million). Managed funds therefore represent 90% of the UK domestic total FUM at 31 March 2023 (31 March 2022: 89%)
Note: FUM represents FUM relating to the UK domestic and Channel Islands business only. FUM relating to the Swiss business, previously included in the UK & Other Wealth & Investment division, is now included within the South African Wealth and Investment division. Refer to page 68 for further details

WEALTH & INVESTMENT
CONTINUED

Net inflows over the period

£'million	31 March 2023	31 March 2022
Discretionary	521	808
Non-discretionary	87	410
Total	**608**	**1 218**

Income statement analysis and key income drivers

£'000	31 March 2023	31 March 2022*	Variance	% change
Net interest income	22 763	970	21 793	>100%
Net fee and commission income	324 907	337 352	(12 445)	(3.7%)
Operating income	**347 670**	**338 322**	**9 348**	**2.8%**
Operating costs	(255 914)	(247 729)	(8 185)	3.3%
Adjusted operating profit	**91 756**	**90 593**	**1 163**	**1.3%**
Key income drivers				
Operating margin#	25.8%	27.0%		
Net inflows in FUM as a % of opening FUM	1.4%	2.9%		
Average income yield earned on FUM^	0.83%	0.81%		

* The results of the Switzerland business previously included above, albeit highlighted separately, are now included within the South African Wealth & Investment division. Prior year numbers have been restated for comparability. Refer to page 68 for further detail.

\# The calculation of the operating margin for the UK domestic business excludes net interest income of £2 670 000 (2022: net interest expense of £755 000) 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 26.4% (2022: 26.8%).

^ 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.

Strategy execution

Highlights: Sustainability

- Continued industry engagement and participation, including attendance at the Annual Principles for Responsible Investment (PRI) Conference
- Our Climate Change in the Arctic event, with a keynote speech from HSH Prince Albert II of Monaco, directly engaged clients in conversation around sustainability and impact
- We published our most comprehensive disclosure of Stewardship activity to date, including a summary of our engagement and policy work
- We continued our focus on developing sustainability expertise throughout the year, with 60 colleagues (including executive committee and board members) completing Sustainable Finance courses with the University of Cambridge Institute for Sustainability Leadership (CISL), and 10 colleagues achieving the CFA Certificate in ESG Investing.

Highlights: Belonging, Inclusion and Diversity (BID)

- We became members of the Business Disability Forum – the leading business membership organisation in disability inclusion
- For the fifth consecutive year we are participating in the 30% Club mentoring scheme, a cross company, cross industry programme for women
- We continue to actively engage with colleagues and clients on topics including neurodiversity, International Women's Day and racial inequality
- We continue to publish both our gender and ethnicity pay gap data. As at 5 April 2022 our mean gender pay gap stood at 43.4% and our mean ethnicity pay gap stood at 23.9%. We remain committed to reducing our gender and ethnicity pay gaps, and we are working hard to increase senior female and Black, Asian and Minority Ethnic representation throughout the organisation
- We exceeded our Women In Finance target, with over 30% representation of women on the Wealth Leadership Forum.

WEALTH & INVESTMENT
CONTINUED

Strategic execution

- Referrals between Specialist Banking and IW&I resulted in £377 million FUM (ex IBSAG) (FY22: £473 million) and £60 million (FY22: £105 million) of new lending, reflecting our continued strategy to provide integrated solutions to clients through access to Group-wide products and services
- During the second half of the year we developed a more targeted approach to offering our Managed Portfolio Service (MPS) to Independent Financial Advisers (IFAs). We are seeing encouraging early results from this activity, with net inflows of £92mn into our MPS since 1 January 2023. Whilst the FUM associated with MPS is lower yielding than our core Discretionary Fund Management (DFM) service, the nature of the MPS means it is highly scalable and creates opportunities to build relationships with IFAs who may also require our higher yielding bespoke DFM service for their clients
- We successfully completed the acquisition of Edinburgh-based wealth management firm - Murray Asset Management (MAM). The acquisition strengthens our presence in the strategically important Scottish market
- Following the formation of our new Investment & Research Office in FY2022, we continue build on the depth of our research capability and the quality of our investment offering. This includes updating our Strategic Asset Allocation to broaden our exposure to global market opportunities
- We entered into a definitive agreement regarding an all-share combination of Investec Wealth & Investment Limited and Rathbones - Please see further details below.

Growth opportunities and outlook

- Iain Hooley has been appointed as the IW&I Chief Executive Officer (subject to regulatory approval) effective 16 February 2023. Barbara-Ann King stepped down from the Board of Investec Wealth & Investment Limited and from her role as Chief Executive Officer and will be on garden leave until her departure from the Group on 13 August 2023
- The long-term outlook for the UK wealth management industry remains positive and attractive, despite current macro-economic headwinds
- Our commitment to continued investment in technology to improve efficiency remains key and will be realised through the Rathbones combination given Rathbones is already using the platform we have selected as our platform of choice to scale the business.

Growth opportunities and outlook: Rathbones and Investec Wealth & Investment UK all share combination

The Boards of Investec plc and Rathbones Group plc have entered into a definitive agreement regarding an all-share combination of Investec Wealth & Investment Limited and Rathbones. This will create the UK's leading discretionary wealth manager ('the Enlarged Rathbones Group'), with ~£100 billion of funds under management and administration, delivering scale that will underpin future growth. The combination establishes a long-term strategic partnership between the Enlarged Rathbones Group and Investec, which will enhance the client proposition across banking and wealth management services for both Groups.

This is core to Investec's growth strategy, which is underpinned by our commitment to bring the best of Investec to every client interaction, and drives synergies between our business units and geographies.

On completion, Investec will own 41.25% of the economic interest in the Enlarged Rathbones Group's share capital, with Investec's voting rights limited to 29.9%. This reaffirms our commitment to the attractive UK wealth management sector

The Enlarged Rathbones Group will remain an independent listed business operating under the Rathbones brand, with Investec as a long-term, strategic shareholder. It is intended that the Enlarged Rathbones Group's London office will be at 30 Gresham Street, which will further support the strategic partnership between our two organisations.

The commercial and strategic benefits of the proposed combination include the following:

- The combination of talent and offerings between Investec and Rathbones will create real client value and a real powerhouse in the industry. Rathbones and IW&I UK have complementary business models providing bespoke investment management and financial planning services to private clients, intermediaries and charities.
- Geographic coverage: The Enlarged Rathbones Group will have an expanded network of offices across 23 towns and cities in the UK and Channel Islands, making it attractive to the brightest and best talent in the industry. This will give us presence in strategically important locations like Newcastle and Cambridge and reinforces our presence in the North of England.
- Systems & Technology: The Enlarged Rathbones Group will also benefit from cooperation on select services with Investec. The combination allows the Enlarged Rathbones Group to leverage Rathbones' investment in technology and operating model to deliver best-in-class client experience whilst improving operating efficiency across the larger combined business.
- The combination is expected to deliver significant value creation through the strong fit between the two operating models with target annual run rate cash synergies of at least £60 million driven by cost savings and higher net interest income.

The combination is subject to regulatory and other approvals. Rathbones shareholder approval was obtained on 23 June 2023. Completion is expected to occur either late Q3 or early Q4 2023.

SPECIALIST BANKING OVERVIEW

Business head

Ruth Leas

Awards

Won 'Bank of the Year' at the 2023 City A.M. Awards

Won 'Lender of the Year' at the 2023 Real Deal Private Equity Awards

Dominated the top rankings of the 2022 Institutional Investor's UK SMID Survey of Institutional investment professionals

Highlights

Adjusted operating profit

£303.4mn

(2022: £193.7mn)

ROE post tax

12.5%

(2022: 9.7%)

Cost to income

60.4%

(2022: 69.6%)

Credit loss ratio

0.37%

(31 March 2022: 0.17%)

Overview of performance in the period under review

- Strong performance, with adjusted operating profit up 56.7% against the prior year driven by strong revenue growth across our lending franchises and increased trading income given heightened market volatility during the year
- Net core loans grew by 7.9% since 31 March 2022. This was driven by growth in residential mortgages, continued client acquisition and strong demand for corporate credit across multiple portfolios. There was a marked slow down in loan growth during the second half of the year given heightened uncertainty in the UK and rising global interest rates at the beginning of 2H2023, however, the impact on lending activity has begun to abate
- Operating income was supported by book growth, continued client activity, and rising interest rates
- Operating costs increased by 12.4% year on year driven by an increase in variable remuneration in line with improved business performance, inflationary pressures and investment in people and technology. Fixed operating costs grew 8.4% and below the UK inflation rate. Fixed operating costs have been well managed over the past four years, growing at a c.1% CAGR. Cost to income ratio improved to 60.4% (2022: 69.6%)
- Pre-provision adjusted operating profit was up 69.1% to £370.1 million (2022: £218.8 million)
- ECL impairment charges totalled £66.7 million, resulting in a credit loss ratio of 0.37% (2022: 0.17%). The increase in ECL charges was driven by an increase in modelled ECLs due to forward-looking macro-economic assumptions and Stage 3 ECL charges on certain exposures. Post-model management overlay of £11.9 million raised since the onset of the COVID-19 pandemic was released and is now reflected in-model outcomes. A remaining post-model management overlay of £4.9 million at 31 March 2023 is considered appropriate to capture risks assessed to be inadequately reflected in the model
- 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 2023**	31 March 2022	Variance	% change
Net interest income	708 839	480 451	228 388	47.5%
Net fee and commission income	108 760	151 286	(42 526)	(28.1%)
Investment income	5 005	10 849	(5 844)	(53.9%)
Share of post-taxation profit of associates and joint venture holdings	4 951	13 879	(8 928)	(64.3%)
Trading income/(loss) arising from				
– customer flow	86 114	59 178	26 936	45.5%
– balance sheet management and other trading activities	13 123	(6 797)	19 920	>100%
Other operating (loss)/income	6 879	11 533	(4 654)	(40.4%)
Total operating income before expected credit loss impairment charges	**933 671**	**720 379**	**213 292**	**29.6%**
Expected credit loss impairment charges	(66 712)	(25 175)	(41 537)	>100%
Operating income	**866 959**	**695 204**	**171 755**	**24.7%**
Operating costs	(563 571)	(501 551)	(62 020)	12.4%
Adjusted operating profit	**303 388**	**193 653**	**109 735**	**56.7%**

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.

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

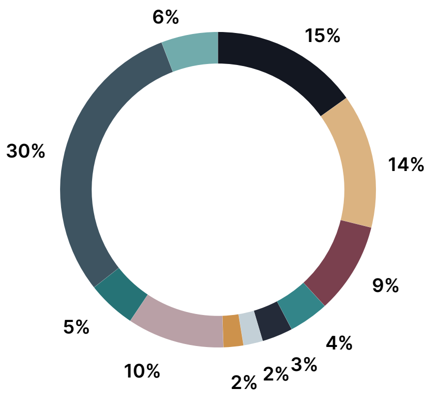
In the UK corporate mid-market our breadth of capabilities differentiates us from competitors. In the Private Client market our high levels of service attract HNW individuals underserved by traditional retail and private banks.

In FY2023

Our focus on connectivity and collaboration continues to deliver strong results.

- Continued momentum of intra-bank referrals, generating new business predominantly through lending, advisory, and client hedging solutions
- Enhanced connectivity where Bank referred and created £477 million of incremental FUM for the UK and Swiss Wealth & Investment businesses (FY22: £473 million)
- Unlocking significant client value: providing our clients with a holistic solution remains a priority as we target to increase the average number of products per core client.

Diversified loan book by risk category: Core loans £15.6 billion



Corporate and other lending	49%
Asset finance	15%
Corporate and acquisition finance	14%
Fund finance	9%
Power and infrastructure finance	4%
Other corporate and financial institutions and governments	3%
Asset-based lending	2%
Aviation finance	2%
Lending collateralised by property	**15%**
Commercial real estate	10%
Residential real estate	5%
High net worth and other private client lending	**36%**
Mortgages	30%
Other high net worth lending	6%

Highlights: Sustainability

- We remain active participants in the Net-Zero Banking Alliance to align our lending and investment portfolios with net-zero emissions by 2050
- We have strengthened our fossil fuel policy and set a target to have zero coal exposure in our loan book by 31 March 2027. In addition, we have committed to not provide financing to new oil and gas exploration, extraction and production projects from 1 January 2035
- We have signed up to the Partnership for Biodiversity Accounting Financials (PBAF) to help us assess and disclose the impact of dependencies on biodiversity of our loans and investment
- We have included high-level information according to the Task Force on Nature-related Financial Disclosures (TNFD) in our Task Force on Climate-related Financial Disclosures (TCFD) report
- We are proud to have been selected as one of the top 100 most sustainable companies in the world by Corporate Knights and one of Europe's 2023 climate leaders by the Financial Times.

Highlights: Belonging, Inclusion and Diversity (BID)

- We have a female CEO, CFO and COO, and currently have 50% females and 30% minority ethnic representation on the Investec Bank plc Board. Our senior leadership has 37% female representation and 37% minority ethnic representation. Of total hires in the period 40% were female and 38% were minority ethnic
- We continue to publish both our gender and ethnicity pay gap data. As of 5 April 2022 our mean gender pay gap was 25.6% and our mean ethnicity pay gap was 15.1%
- We are actively engaged with colleagues and clients and held several events on topics including neurodiversity, International Women's Day, and racial inequality
- We became members of the Business Disability Forum – business membership organisation in disability inclusion.
- Our recently launched Peppy Health app, supporting with fertility, pregnancy and menopause has been extended to include support for Men's and Women's health
- We continue to offer programmes to develop our organisational capabilities in relation to BID including; 30% Club cross company mentoring programme for women, Reciprocal mentoring, Allies programme, and Zebra Crossing, our flagship two-day diversity and inclusion programme aimed at minimising unconscious bias and raising awareness of multicultural differences at personal, interpersonal and institutional levels.

PRIVATE BANKING

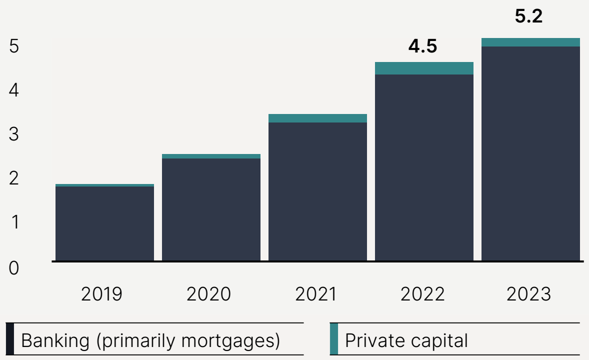
Our Private Banking activities focus on providing bespoke solutions underpinned by in-depth knowledge and understanding of our clients' personal and business aspirations and goals, supported by a broad private banking offering. We understand that every client is an individual, and that they are typically 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 underserviced part of the UK market. This segment comprises lending (primarily residential mortgages), risk management solutions and transactional banking to HNW clients, as well as flexible capital solutions for established privately owned businesses and entrepreneurs (Private Capital).

Performance in the period under review

- Adjusted operating profit of £70.2 million (2022: £30.8 million) reflects ongoing strategic execution in growing the business to scale by leveraging existing infrastructure
- Net interest income increased 82.4% compared to the prior year, driven by a higher average loan book growth of 26.7% since 31 March 2022 and rising interest rates. The mortgage growth of 15.9% annualised in 1H2023 was followed by muted growth in 2H2023 given the sharp interest rates increases post the UK political instability around the mini budget at the end of September 2022.

Loans and advances to customers

£'billion

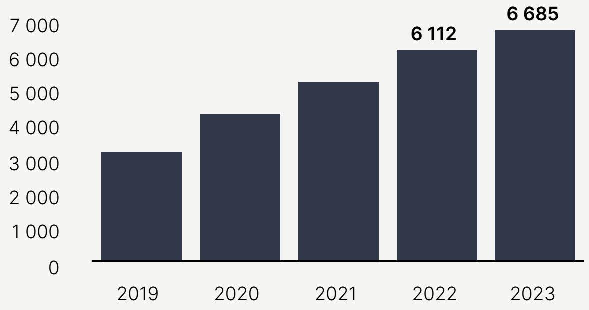


Loan book growth:

- Loan book growth continued for both HNW banking and Private Capital, up 14.1% and 38.5%, respectively, since 31 March 2022 – driven by focused execution of strategy and continued client acquisition
- In contrast to 2021, when demand for residential mortgages accelerated ahead of the deadline for the COVID-19 related Stamp Duty relief, we experienced lower mortgage activity levels in 2H2023 given the rising and volatile interest rate environment in the UK
- The book growth was achieved with no changes to credit underwriting standards notwithstanding the increasingly competitive market.

Note: In addition to the loan book shown above, our Channel Islands business had c.£520mn (2022: £500mn) of mortgages as at 31 March 2023.

UK HNW client acquisition



Continued success in client acquisition:

- We acquired 960 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 in established areas (London and the South East) with recourse to the individual and high level of cash equity contributions into transactions

Note: In addition to these client figures, our Channel Islands business has 1 062 HNW clients (2022: 870). This brings our total number of HNW clients to 7 747 (2022: 6 982).

Strategy execution

- The results reflect our continued success in executing our HNW client acquisition strategy. 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 addresses 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.

PRIVATE BANKING
CONTINUED

Income statement analysis and key income drivers

£'000	**31 March 2023**	31 March 2022	Variance	% change
Net interest income	128 945	70 692	58 253	82.4%
Net fee and commission income	1 946	1 556	390	25.1%
Investment income/(loss)	141	816	(675)	(82.7%)
Trading income arising from				
– customer flow	4 449	2 228	2 221	99.7%
– balance sheet management and other trading activities	13	2	11	>100%
Total operating income before expected credit loss impairment charges	135 494	**75 294**	**60 200**	**80.0%**
Expected credit loss impairment charges	(6 344)	(2 432)	(3 912)	>100%
Operating income	129 150	**72 862**	**56 288**	**77.3%**
Operating costs	(58 996)	(42 034)	(16 962)	40.4%
Adjusted operating profit/(loss)	**70 154**	**30 828**	**39 326**	**>100.0%**
Key income drivers				
ROE post-tax*	21.9%	10.2%		
Cost to income ratio	43.5%	55.8%		
Growth in loans and advances to customers	15.4%	35.1%		
Growth in risk weighted assets*	12.3%	37.5%		

* Prior year ROE post tax and growth in risk weighted assets have been restated due to a reallocation of risk weighted assets

Other factors driving the performance in the period under review included

- Adjusted operating profit of £70.2 million (2022: £30.8 million) reflects ongoing strategic execution in growing the business to scale by leveraging existing infrastructure and continued client acquisition
- Growth in net interest income was driven by a higher average loan book and the positive effect of rising interest rates
- ECL impairment charges for the period increased to £6.3 million (2022: £2.4 million) largely driven by ECL impairment charges, primarily on Stage 3 ECL charges on certain exposures as well as overall book growth and seasoning of the loan book. The credit loss ratio on the private client mortgage book remains low at c.4bps, indicative of the strong credit performance of the book. Further information on the Group's asset quality can be found in the Group's 2023 risk and governance report which is published and available on our website
- Operating costs increased by £17.0 million or 40.4%, reflecting increased variable remuneration in line with business performance, post pandemic normalisation of discretionary expenditure, and inflationary pressures.

Growth opportunities and outlook

- Notwithstanding the uncertain macro-economic backdrop that prevailed during the year, and with growth in the mortgage book being higher in 1H2023 vs 2H2023, we have continued to grow our lending book, increase our client base, and capitalise on the existing market opportunity. We continue to see demand for our efficient, refreshingly human private client offering. Our increased profitability is testament to the clear market opportunity and the strength of our proposition to capture it
- Our One Investec approach ensures that we provide an integrated banking and wealth management offering to our clients. Private Banking client base continues to generate wealth opportunities and FUM for our Wealth & Investment businesses. However, over 80% of our HNW banking clients do not currently have a relationship with our Wealth & Investment businesses, with significant levels of investible wealth currently sitting with other financial institutions, thus we remain focused on capitalising on this opportunity. We continue to enhance collaboration to provide a holistic proposition for our HNW clients' growth journeys
- The proposed all-share combination with Rathbones will enhance the client proposition across banking and wealth management services for both Investec Group and Enlarged Rathbones Group
- Having established a strong presence in the market over the last five 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

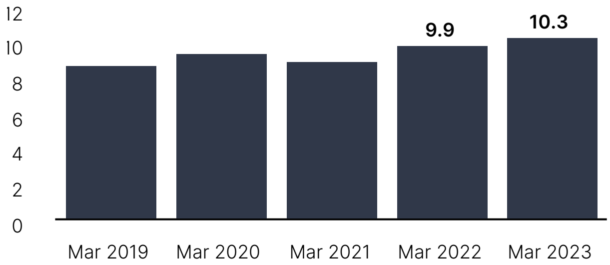
This segment comprises business activities that provide lending, advisory and risk management services to growth-orientated corporate clients in the private companies, private equity and listed companies arenas, including specialist sector-focused expertise. This segment also includes our central treasury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

Performance in the period under review

- The results reflect a solid performance, with an adjusted operating profit of £233.2 million or 43.2% ahead of £162.8 million reported in 2022. The continued improvement in performance is in part attributable to the strategic changes we have implemented over the past 24 months
- Net interest income increased by £170.1 million (41.5%) to £579.9 million, driven by higher average loan book and rising interest rates
- Impairment charges increased to £60.4 million (2022: £22.7 million) driven by an increase in modelled ECLs due to forward-looking macro-economic assumptions and the Stage 3 ECL charges, offset by a release in the management overlay held.

Loans and advances to customers

£'billion



Loan book growth

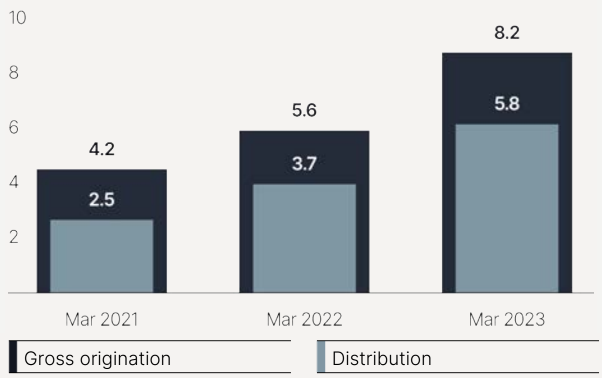
- The loan book grew by 4.6% since 31 March 2022 to £10.3 billion
- Lending activity increased across portfolios, supported by new client acquisition as we continue to build scale and relevance in our client franchises, as well as repeat business with existing clients
- We continue to utilise our origination and distribution capability to manage diversity and concentration of our lending portfolios and generate additional ROE-accretive revenue for the Group.

Spotlight on our Private Equity Fund Solutions offering

- Our Fund Solutions business creates holistic and bespoke solutions for Funds and General Partner (GP) Financing covering each stage of the fund lifecycle
- We partner and grow with a range of institutional investors building strong relationships in the market. This allows us to be relevant to various funds and to provide funds with the support and flexibility to seize opportunities, deliver returns and generate value
- Our Fund Solutions business is helping us achieve our key strategic objective of growing external sources of capital and capital light revenues. Many of our Fund Solutions clients are also clients of other areas of the bank
- Through the business, we also give investors access to the private funds management industry, where we leverage our market-leading position and experience to simultaneously meet investor and borrower needs
- Structured solutions that provide mutual benefits are the hallmark of our capability. During the financial year, the team partnered with pension and insurance investors to provide more than £8.2 billion of financial facilities to fund managers, of which over £5.8 billion was provided by our institutional partners
- Looking forward, the Fund Solutions business remains focused on unlocking further growth and putting our clients' funding needs at the centre of everything we do.

Fund Solutions gross origination and distribution

£'billion



Awards won in the past year

Winner

Best Fund Financing Solution

(Private Equity Wire European Awards 2022)

Research analyst rank across eight sectors

#1

(2022 Institutional Investor's UK Small & Mid-Cap survey)

Winner

Best Service from an Asset Based Finance Provider

(Business Moneyfacts Winner 2023)

Winner

Best Service from an Invoice Finance Provider

(Business Moneyfacts Winner 2023)

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

Income statement analysis and key income drivers

£'000	**31 March 2023**	31 March 2022	Variance	% change
Net interest income	579 894	409 759	170 135	41.5%
Net fee and commission income	106 814	149 730	(42 916)	(28.7%)
Investment income	4 864	10 033	(5 169)	(51.5%)
Share of post-taxation profit of associates and joint venture holdings	4 951	13 879	(8 928)	(64.3%)
Trading income/(loss) arising from				
– customer flow	81 665	56 950	24 715	43.4%
– balance sheet management and other trading activities	13 110	(6 799)	19 909	>100%
Other operating income/(loss)	6 879	11 533	(4 654)	(40.4%)
Total operating income before expected credit loss impairment charges	**798 177**	**645 085**	**153 092**	**23.7%**
Expected credit loss impairment charges	(60 368)	(22 743)	(37 625)	>100%
Operating income	**737 809**	**622 342**	**115 467**	**18.6%**
	(504 575)	(459 517)	(45 058)	9.8%
Adjusted operating profit	**233 234**	**162 825**	**70 409**	**43.2%**
Key income drivers				
ROE post-tax*	10.9%	9.7%		
Cost to income ratio	63.2%	71.2%		
Growth in loans and advances to customers	4.6%	10.1%		
Growth in risk weighted assets*	4.0%	(0.9%)		

* Prior year ROE and growth in risk weighted assets have been restated due to a reallocation of risk weighted assets

Other factors driving the performance in the period under review included

- The £170.1 million increase in net interest income was primarily driven by higher average loan books across a number of portfolios, and the impact of rising interest rates
- Net fee and commission income decreased by £42.9 million to £106.8 million. Higher advisory fees from Growth and Leveraged Finance and Fund Solutions was offset by lower fees from equity capital markets
- Investment income of £4.9 million was driven by realised gains on disposal of investments and dividend income and unrealised losses on investments
- Trading income from customer flow increased 43.4% over the prior period reflecting strong client activity levels in our interest rate and currency desks given market volatility. This was offset by subdued activity in the listed companies client group
- Trading income from balance sheet management and other trading activities increased to £13.1 million from (£6.8 million) in the prior year reflecting the positive positioning in balance sheet management activities
- Other operating income of £6.9 million (2022: £11.5 million income) 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
- Expected credit loss impairment charges increased to £60.4 million, primarily due to a deterioration of forward-looking macro-economic assumptions and updated scenario weightings. Post-model management overlay of £11.9 million raised since the onset of the COVID-19 pandemic was released and is now reflected in-model. A management overlay of £4.9 million was retained to account for risks judged as not reflected in-model. Further information on the macro-economic scenarios applied and the Group's asset quality can be found in the Group's 2023 risk and governance report which is published and available on our website
- Operating costs increased by 9.8% to £504.6 million, driven by an increase in variable remuneration in line with business performance, post pandemic normalisation of discretionary expenditure, and investment into people and technology.

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 mid-market is reflected in broad-based loan book growth and continued client acquisition
- Our One Investec approach – underpinned by connected client ecosystems – has continued to facilitate increased collaboration, supporting our ability to provide clients with a holistic solution and generate additional opportunities
- The strength of our client franchises has been independently recognised through the numerous awards we have won
- We continue to generate diversified, capital light earnings by utilising external 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 and Leverage Finance and Real Estate lending have positioned us well to further diversify this income stream
- We continue to proactively pursue growth in our Mergers and Acquisitions (M&A) Advisory business both locally within the UK and internationally, by leveraging our own international networks and partnerships. In June 2023, we acquired a majority interest in Capitalmind, increasing our shareholding from 30% to approximately 60% and becoming a leading provider of M&A advice in Europe. This is transformative for Investec's capital light strategy in Europe, bringing Capitalmind's M&A business into the Investec umbrella, and providing Investec with a majority owned footprint across several major economies in Western Europe. Our European M&A Advisory offering is also highly complementary to our European lending activities, in particular Fund Solutions and Growth & Leveraged Finance, as these are all focused on the private equity community. The acquisition enhances the opportunity to leverage a broader array of products into Capitalmind's clients in Continental Europe and, by having an integrated M&A Advisory presence in Europe, we are able to demonstrate relevance to clients located in other geographies (in particular South Africa and India).
- We remain focused on digitalisation and innovation to deliver scale, efficiency and longer-term growth through investing in technology and strategic alliances. Our selection of Microsoft as our key cloud provider has offered a multitude of benefits. The vast portfolio of services has enabled us to expedite our cloud strategy, including the exploration of cutting edge technologies like generative Artificial Intelligence (AI) and quantum computing. We have coupled this with investment in our people to upskill and engage with hypothesis led experimentation to identify where our technology offerings are our differentiator. Our Out of the Ordinary people and deep relationships is Investec's key differentiator.
- Investec India strategy is consistent with Group strategy to increase contribution from capital light revenues. The India equities business writes research on 250 listed Indian companies, the M&A business has significant market presence in our target sectors ,the private credit business has arranged in excess of $5 bn of debt for Indian counterparts and has successfully closed its first private credit third party capital fund for $135 million

Growth opportunities and outlook

- We are cautiously optimistic looking ahead as the UK economic position and growth evolves following increased inflation, higher cost of living and energy prices. We are well-capitalised, lowly leveraged, and continue to maintain strong liquidity buffers and ratios. We are well placed to manage further volatility should it arise and to take advantage of opportunities as they present themselves
- Our One Investec client ecosystem approach remains one of our key strategic differentiators and will continue to drive success in leveraging the whole of Investec's capability to provide solutions for clients. The announced combination of our UK IW&I business and Rathbones is expected to drive further collaboration opportunity between the UK Bank and the enlarged Rathbones Group. The co-operation agreement will govern the long-term, strategic partnership and is expected to unlock significant value in the medium to long term
- Aligned to our organisational value of 'living in society, not off it', our Belonging, Inclusion and Diversity (BID) focus is on inclusive leadership and creating an environment where a sense of belonging permeates
- 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
- We continue to enhance our offering to UK private companies to allow us to continue growing our client base and market share, and provide greater depth of support to clients. This has included further automation and digitalisation of our asset finance and FX propositions which will support growth going forward. This is in addition to the good progress we are seeing from the One Investec approach to delivering multiple solutions to more clients
- In our Private Equity Client Group, we continue to see positive growth prospects and strong position in the mid-market. We anticipate our clients will look to be opportunistic in a period of economic pressure and valuation weakness
- We expect our M&A Advisory business to benefit from maturing and new sector teams, the growing Private Equity Coverage and Origination function and our international partnerships in Continental Europe (with Capitalmind) and in the USA (with BlackArch), which continue to facilitate an expansion of our cross-border M&A advisory services
- Against a difficult market backdrop and historically low levels of equity capital markets activity persisting market-wide, public M&A continues to be a key contributor to performance for our Listed Client Group and we remain committed to investing to deepen and broaden our offering and capabilities. We anticipate growth companies to return to equity as an attractive source of funding and the strength of our top-ranked platform will allow us to capitalise on the opportunity when equity capital markets recover
- We intend to raise additional external capital through funds and syndications to support a wider client offering and we are excited about our effort to generate further capital light revenue for the Group
- Within the Indian market, we see an opportunity to increase our market share, underpinned by the strength of our partnership with the State Bank of India.

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.10% (31 March 2022: c.15%) investment in Ninety One (formerly Investec Asset Management).

In the prior year at a DLC Group level, Investec held a 25% shareholding in Ninety One (c.10% was held in Investec Limited in addition to the Investec plc holding). Effective 30 May 2022, the Group distributed a 15% shareholding in Ninety One, retaining a c.10% shareholding held entirely by Investec plc. Investec accounted for its combined 25% investment in Ninety One by applying equity accounting until 30 May 2022. As of 1 June 2022, the c.10% holding is now accounted for as an investment held at fair value through other comprehensive income.

Portfolio breakdown and ROE

31 March 2023	**Asset analysis £'000**	Income analysis £'000
Ninety One plc	172 285	18 103
Total exposures on balance sheet	**172 285**	
Ordinary shareholders' equity held on investment portfolio – 31 March 2023	51 300	
Ordinary shareholders' equity held on investment portfolio – 31 March 2022	222 278	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2023	136 789	
Post-tax return on adjusted average ordinary shareholders' equity – 31 March 2023		**13.2%**

31 March 2022	**Asset analysis £'000**	Income analysis £'000
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%**

^ The equity-accounted valuation of the investment in Ninety One plc was £230.1 million at 31 March 2022. This differs to the market value of the 15% stake held by Investec plc which was £386.0 million at 31 March 2022.

Income statement analysis

£'000	**31 March 2023**	31 March 2022	Variance	% change
Investment income	13 210	—	13 210	100.0%
Share of post-taxation profit of associates and joint venture holdings	4 893	33 387	(28 494)	(85.3%)
Total operating income before expected credit loss impairment charges	**18 103**	**33 387**	**(15 284)**	**(45.8%)**
Expected credit loss impairment charges	—	—	—	—
Operating costs	—	—	—	—
Adjusted operating profit	**18 103**	**33 387**	**(15 284)**	**(45.8%)**

Factors driving the performance in the period under review included

- Share of post-taxation profit of associates reflects earnings from the Group's investment in Ninety One for the two months from 1 April 2022 to 30 May 2022 (versus twelve months in the prior year). As of 1 June 2022, the reduced holding of c.10% has been accounted as an investment held through Other Comprehensive Income.

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.

Highlights

Best Private Bank and Wealth Manager in South Africa for 10 consecutive years
Recognised by Euromoney and, for the last 10 years, by the Financial Times of London.

Funds under management
£20.2bn
(2022: £20.9bn)

Net core loans
£14.6bn
(2022: £15.5bn)

Customer deposits
£20.4bn
(2022: £21.8bn)

Adjusted operating profit
£440.9mn
(2022: £384.6mn)

Cost to income
53.0%
(2022: 54.8%)

ROE post-tax
14.8%
(2022: 11.5%)

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

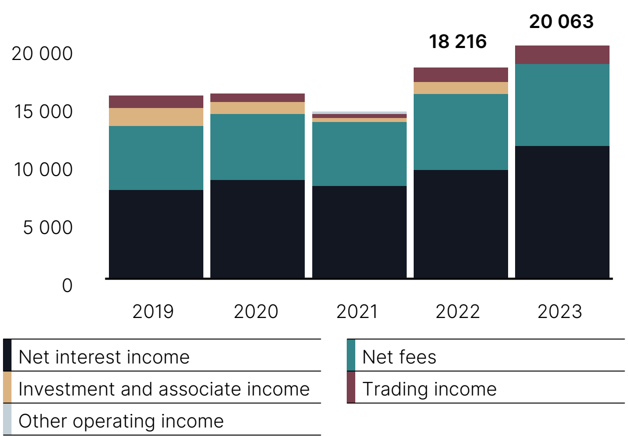
Corporate client offering

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

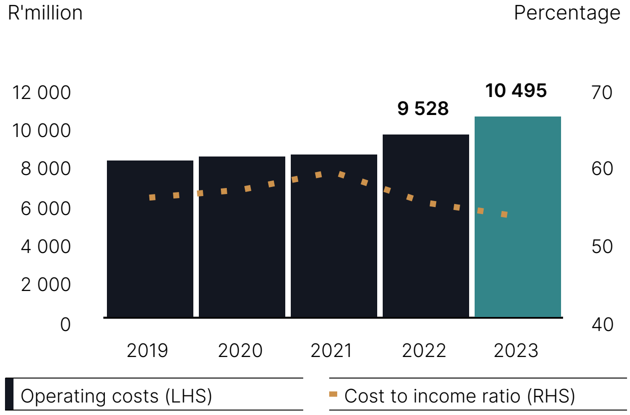
SOUTHERN AFRICA
CONTINUED

Total operating income before expected credit loss impairment charges

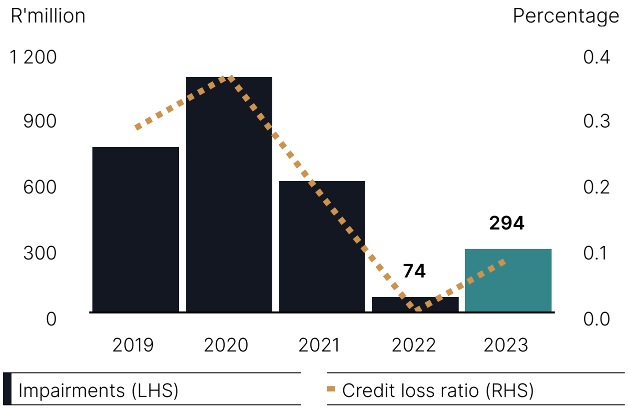
R'million



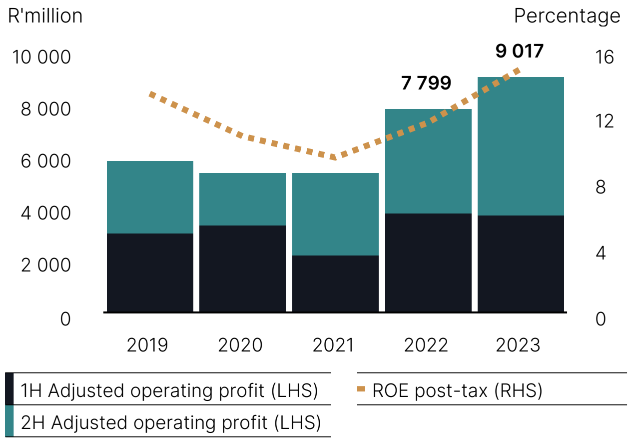
Operating costs



Expected credit losses/impairment losses

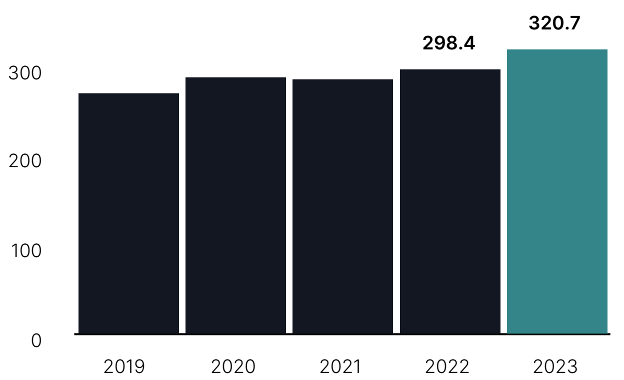


Adjusted operating profit and ROE



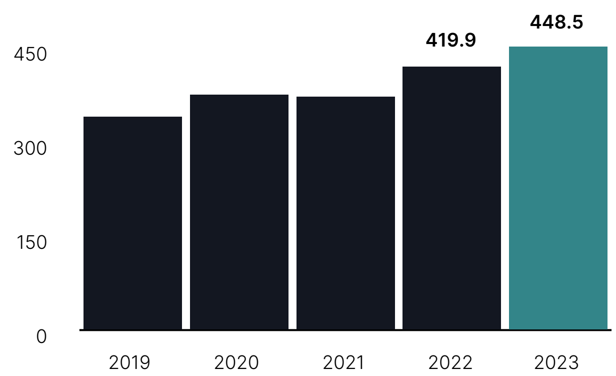
Net core loans

R'billion



Total customer deposits

R'billion



WEALTH & INVESTMENT

Business head

Joubert Hay

Awards

Ranked #1 by the Financial Times of London for 10 consecutive years (2013 to 2022)

Ranked #1 by the Financial Times of London – 'Best Private Bank and Wealth Manager in Africa for philanthropy services' (2022)

Citywire South Africa Awards:

Best Fund Manager – Equity (South Africa) (2023)
Best Fund Manager – Mixed Assets (USD) (2023)

Raging Bull Awards:
Best South African Equity General Fund for straight performance over three years (2023)
Best Offshore Global Asset Allocation Fund on a risk-adjusted basis over five years (2023)

Wealth & Investment (IW&I) manages the wealth of high net worth individuals 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

- Following a strategic review, the reported results now include the Investec Switzerland operations, which were previously reported as part of the UK & Other Wealth & Investment business. Further details are provided in the footnote on the following page
- Adjusted operating profit grew by 0.8% to £32.8 million (2022: £32.5 million) amid a challenging operating environment
- The business reported a 3.2% decline in FUM to £19.8 billion (2022: £20.5 billion). The impact of the positive net inflows (R5.9 billion, £289.0 million) in discretionary funds was offset by net outflows (R10.6 billion, £520.4 million) from non-discretionary funds and translation losses from the period-end Rand/Pound Sterling exchange rate
- Lower year-on-year net inflows in discretionary annuity assets reflect investor sentiment that prevailed throughout the year globally and in South Africa
- Client retention and acquisition remained strong in a competitive market environment.

Funds under management

Total – £'million	31 March 2023	31 March 2022	% change
South Africa	**18 155**	**18 957**	**(4.2%)**
Discretionary	10 151	9 756	4.0%
Non-discretionary	8 004	9 201	(13.0%)
Switzerland	**1 675**	**1 525**	**9.8%**
Discretionary	553	487	13.6%
Non-discretionary	1 122	1 038	8.1%
Total	**19 830**	**20 482**	**(3.2%)**

South Africa – R'million	31 March 2023	31 March 2022	% change
Discretionary and annuity assets	222 741	187 658	18.7%
Non-discretionary	175 630	176 982	(0.8%)
Total	**398 371**	**364 640**	**9.3%**

Net flows over the period

South Africa – R'million	31 March 2023	31 March 2022
Discretionary and annuity assets	5 910	12 060
Non-discretionary	(10 643)	1 238
Total	**(4 733)**	**13 298**

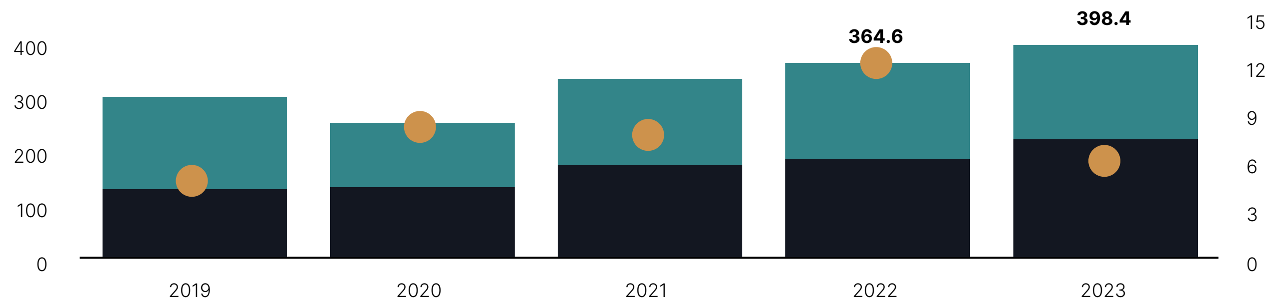
WEALTH & INVESTMENT
CONTINUED

FUM variance drivers since 31 March 2023

- Organic growth in discretionary and annuity assets of 3.1% largely driven by flows into our local offering
- Impact from positive foreign currency translation gains which were partially offset by negative dollar returns in our offshore offering
- Net outflows in non-discretionary FUM.

Funds under management and net flows - South Africa

R'billion



Income statement analysis

£'000	31 March 2023	31 March 2022^	Variance	% change	% change in Rands
Net interest income	10 172	5 670	4 502	79.4%	
Net fee and commission income	108 063	107 963	100	0.1%	
Investment income	382	620	(238)	(38.4%)	
Trading income arising from					
– customer flow	1 196	923	273	29.6%	
– balance sheet management and other trading activities	399	304	95	31.3%	
Other operating (loss)/income	(38)	10	(48)	>100.0%	
Total operating income before expected credit losses	**120 174**	**115 490**	**4 684**	**4.1%**	
Of which: South Africa	105 926	106 630	(704)	(0.7%)	0.6%
Of which: Switzerland	14 248	8 860	5 388	60.8%	
Expected credit loss impairment charges	(3)	(5)	2	(40.0%)	
Total operating income after expected credit loss impairment charges	**120 171**	**115 485**	**4 686**	**4.1%**	
Operating costs	(87 372)	(82 943)	(4 429)	5.3%	
Of which: South Africa	(73 090)	(71 176)	(1 914)	2.7%	4.2%
Of which: Switzerland	(14 282)	(11 767)	(2 515)	21.4%	
Adjusted operating profit	**32 799**	**32 542**	**257**	**0.8%**	
Of which: South Africa	32 832	35 454	(2 622)	(7.4%)	(6.8%)
Of which: Switzerland	(33)	(2 912)	2 879	98.9%	
Key income drivers					
Operating margin	27.3%	28.2%			
Of which: South Africa	31.0%	33.2%			
Net organic growth in discretionary and annuity FUM as a % of opening FUM - South Africa	3.1%	6.9%			
Average income yield earned on discretionary and annuity FUM° - South Africa	0.92%	0.95%			

° The average income yield earned 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.

^ Restated: Following a strategic review, our Swiss operations have been earmarked to play a key role in the Group's strategic expansion of its international wealth services. To ensure strategic alignment, the results of the Switzerland wealth business are now reported as part of the Southern Africa Wealth & Investment business (previously reported as part of the UK & Other Wealth & Investment business). The comparative period has been restated to reflect this change. There has been no change in the legal or ownership structures.

WEALTH & INVESTMENT
CONTINUED

Overview of the South African financial performance (in Rands)

- Revenue grew by 0.6% underpinned by inflows into local investment products in the current year and offshore investment products in the prior year in discretionary and annuity portfolios. Non-discretionary brokerage decreased markedly in the current period due to lower trading volumes given the market volatility
- Operating costs increased by 4.2%, driven by investment in growth, including higher technology spend, as well as post-pandemic normalisation of business expenses, offset by lower variable remuneration
- The business achieved an operating margin of 31.0% (2022: 33.2%).

Strategy execution

- Alignment to the Investec Group strategic objectives that will be the centre of our growth agenda moving forward. This includes a focus on our three centres of excellence: 1) Private Clients acquisition and servicing, 2) Investec Investment Management capability, and 3) our Investment Platform
- Our greatest distinction is our ability to offer seamless local and international banking and wealth management through One Place™. We continue to evolve the One Place™ offering to enhance the client value proposition
- Strengthening our client relationships through increased face-to-face engagement and targeted events across regions.
- Private client centric strategies are showing success with a focus on collaboration and leadership cohesion across IW&I and Private Bank
- Our award-winning local and international investment offering provides clients access to a broad range of investment opportunities together with proximity to our globally integrated investment process
- Increased focus on people across learning and development, recruitment alignment, integration of new starters and fostering a stronger sense of belonging and inclusion within teams.

Looking ahead

- Integrating Investec's purpose within our business and to clients via our Philanthropy offering and other initiatives
- Deepening the integration of ESG considerations into our investment process, providing sustainable investment opportunities and driving the upskilling of teams aligned to this
- Enhancing the use of data to deliver on strategic objectives
- Delivering on our investment platform and focusing on the modernisation of operational and technological capabilities to drive business efficiencies
- Accelerate the utilisation of Investec Switzerland's capabilities, operationally and for clients, and defining a growth strategy within the Swiss region
- Enhancing the alternative investments offering to include a private market strategy and continue providing our clients with access to special investment opportunities.

SPECIALIST BANKING OVERVIEW

Business head

Richard Wainwright

Awards

Recognised as the 'Best performing bank in South Africa' by The Banker (Top 1000 World Banks 2022)

Recognised as the 'Bank of the Year' at the inaugural News24 Business Awards (2023)

Highlights

Adjusted operating profit

£423.8mn
(2022: £349.4mn)

ROE post tax

16.9%
(2022: 12.1%)

Cost to income

48.2%
(2022: 51.1%)

Credit loss ratio

0.08%
(2022: Nil)

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

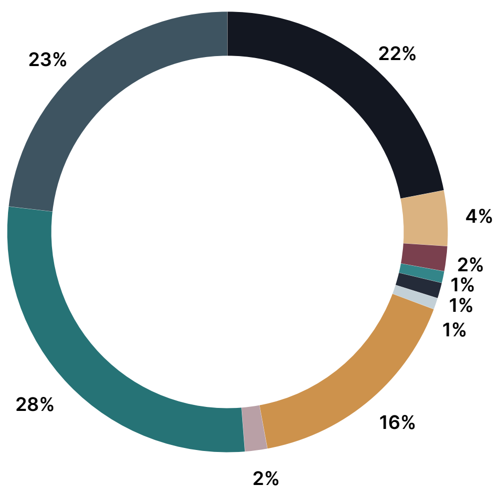
- Adjusted operating profit for the SA specialist bank increased 22.0% (21.3% in Pounds) driven by a strong performance in our corporate and institutional clients franchises and improved second half performance in the Private Bank
- Revenue grew by 18.2%, due to higher average interest earning assets, rising interest rates, increased client activity and continued client acquisition in line with our growth strategy. This was augmented by positive investment income
- The cost to income ratio was 48.2% (2022: 51.1%) as revenues grew ahead of expenses. Operating costs increased 11.4% driven by higher personnel expenses due to salary increases, increased headcount to support growth, and the post-pandemic normalisation of certain discretionary expenditure. Fixed costs increased 14.8%, following periods of well contained fixed cost growth, resulting in a 5.5% compounded annual growth rate since March 2019
- Pre-provision adjusted operating profit increased 25.2%, reflecting strong underlying performance from all client franchises
- ECL impairment charges increased by more than 100.0%. The credit loss ratio was 8bps, driven by stage 3 ECL charges. Post-model management overlays of R106 million, previously held for anticipated migration risk in Private Bank, have been released and are now catered for in-model. The remaining overlay as at 31 March 2023 of R113 million (2022: R219 million) accounts for emerging risks assessed as inadequately reflected in the forward-looking model for commercial real estate lending clients. The ECL charge included the reversal of impairments and recoveries on previously impaired loans.
- Net core loans grew by 7.5% to R320.7 billion (2022: R298.4 billion). Corporate lending portfolios grew by 20.7% year on year, driven by increased corporate credit demand across our lending specialisations. Advances to private clients reported subdued growth of 2.6% for the year with reasonable growth in residential mortgages.

Income statement

£'000	**31 March 2023**	31 March 2022	Variance	% change	% change in Rands
Net interest income	585 797	496 351	89 446	18.0%	19.1%
Net fee and commission income	187 622	171 555	16 067	9.4%	10.3%
Investment income/(loss)	19 574	4 803	14 771	>100.0%	>100.0%
Share of post-taxation loss of associates and joint venture holdings	(33)	371	(404)	>100%	>100.0%
Trading income/(loss) arising from					
– customer flow	54 889	47 945	6 944	14.5%	16.4%
– balance sheet management and other trading activities	713	(10)	723	>100.0%	>100.0%
Other operating (loss)/income	(2 455)	647	(3 102)	>100.0%	>100.0%
Total operating income before expected credit loss impairment charges	**846 107**	**721 662**	**124 445**	**17.2%**	**18.2%**
Expected credit loss impairment charges	(14 131)	(3 067)	(11 064)	>100.0%	>100.0%
Operating income	**831 976**	**718 595**	**113 381**	**15.8%**	**16.7%**
Operating costs	(407 467)	(368 967)	(38 500)	10.4%	11.4%
Operating profit before goodwill, acquired intangibles and strategic actions	**424 509**	**349 628**	**74 881**	**21.4%**	**22.2%**
Profit attributable to non-controlling interests	(752)	(252)	(500)	>100.0%	>100.0%
Adjusted operating profit	**423 757**	**349 376**	**74 381**	**21.3%**	**22.0%**

SPECIALIST BANKING OVERVIEW
CONTINUED

Diversified loan book by risk category: Core loans
Mar-23: £14.6 billion



Corporate and other lending	31%
Corporate and acquisition finance	22%
Fund finance	4%
Power and infrastructure finance	2%
Asset finance	1%
Aviation finance	1%
Other corporate and financial institutions and governments	1%
Lending collateralised by property	**18%**
Commercial real estate	16%
Residential real estate	2%
High net worth and other private client lending	**51%**
Mortgages	28%
HNW and specialised lending*	23%

* Of the 23% in HNW and specialised lending, 13.1% (being 57% of 23%) (31 March 2022: 14.0%) relates to lending collateralised by property which is supported by high net worth clients.

Highlights: Sustainability

- We remain committed to net-zero carbon emissions and are active participants in the Net-Zero Banking Alliance to align our lending and investment portfolios with net-zero emissions by 2050
- We have strengthened our fossil fuel policy and set a target to have zero coal exposure in our loan book by 31 March 2030. In addition, we have committed to not provide financing to new oil and gas exploration, extraction and production projects from 1 January 2035
- We have signed up to the Partnership for Biodiversity Accounting Financials (PBAF) to help us assess and disclose the impact of dependencies on biodiversity of our loans and investments
- We have included high-level information according to the Task Force on Nature-related Financial Disclosures (TNFD) in our Task Force on Climate-related Financial Disclosures (TCFD) report
- We are proud to have been selected as one of the top 100 most sustainable companies in the world by Corporate Knights.

Highlights: Belonging, Inclusion and Diversity (BID)

- Representation of Black people in Top Management has increased to 53% (from 41% the prior year)
- We remain committed to making Investec a place where it is 'easy to be me'. In support of this we have created several networks designed to enable story-telling and shared learning experiences. These networks include a Gender network, Pride (LGBTQIA) network and a Young Minds Network
- We ran a learnership for 30 differently abled people, in partnership with the national Institute of the Deaf, during the 2022 calendar year. The programme achieved significant success, prompting an increase in the number of learners the programme can accommodate, and is scheduled to run again during the 2023 calendar year
- Our reverse mentorship programme in South Africa recognises the need to create spaces that enable young, aspirational talent to connect and learn with leaders. The programme aims to establish intergenerational channels for knowledge exchange, enabling different generations to learn from each other. These employees will take on mentorship roles to leaders
- Our Young Leaders Council aims to blend innovation with experience and harness the generational range within Investec. The council rotates annually and is mandated to address organisational challenges and topics set by the Executives.

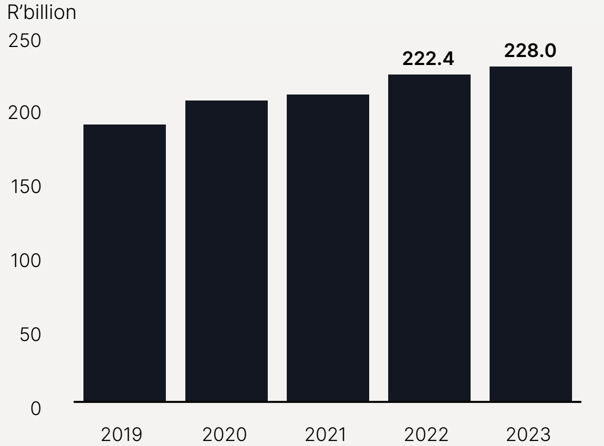
PRIVATE BANKING

We believe in forming long term 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 private 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 decreased by 9.1% to R3 677 million (2022: R4 044 million) primarily driven by the ECL charge in the current financial year, compared to a net recovery in FY2022. Pre-provision adjusted operating profit increased by 6.7%, supported by continued client acquisition, higher average book size and rising interest rates environment.
- Point of sale (POS) client activity increased 25.7% from the prior year and lending activity declined year on year given the inflationary and rising interest rate environment.

Loans and advances to customers*

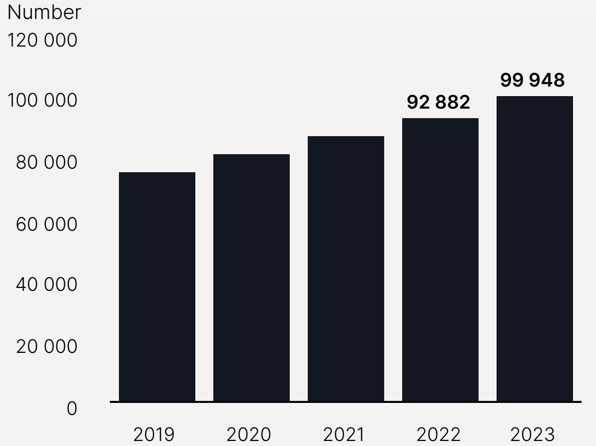


Increased lending balances:

- The loan book grew 2.6% since 31 March 2022
- Lending turnover decreased by 3% relative to prior year. The strong turnover growth in residential mortgages and other lending books was more than offset by the lower year on year turnover from commercial property and private capital portfolios.

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

Core client acquisition



Continued focus on client acquisition:

- Our core client base increased 7.6% since 31 March 2022
- New accounts opened were 14% above those opened in the prior period underscoring our increased focus on client acquisition.

Awards:

Financial Times of London Global Private Banking Awards 2022

Best Private Bank and Wealth Manager in SA – for the 10th consecutive year.

Best Private Bank and Wealth manager in Africa for philanthropy services.

Financial Times of London Global Private Banking Awards 2022

Best private bank and wealth manager for technology use in Africa

PRIVATE BANKING
CONTINUED

Strategy execution

Entrenchment: Ensuring clients are wholly entrenched in the full Investec value proposition (within South Africa and internationally)

- The opportunity for further growth remains in our HNW private client franchise. Through improved coordination and relevant integration of our strategies across our Bank and Wealth businesses, we can achieve continued market growth. Our unique One Place™ offering ensures that our clients can seamlessly access a comprehensive suite of banking and investment services both locally and internationally
- We are accelerating the scaling of Investec Life and My Investments products into our banking client base
- Client acquisition remains a key priority for the business, underpinned by an approach through multiple channels, initiatives and proactive client engagement. We continue to actively pursue new and emerging professionals
- Traditional client segments remain a source for growth, with a renewed focus and engagement to build and evolve segment strategies with specific focus on the commerce and entrepreneur segments.

Income statement analysis and key income drivers

£'000	31 March 2023	31 March 2022	Variance	% change	% change in Rands
Net interest income	299 154	274 895	24 259	8.8%	10.0%
Net fee and commission income	59 373	56 194	3 179	5.7%	6.5%
Investment income	15 000	15 967	(967)	(6.1%)	(4.1%)
Share of post-taxation loss of associates and joint venture holdings	(158)	117	(275)	(>100.0%)	(>100.0%)
Trading income/(loss) arising from					
– customer flow	—	—	—	—%	—%
– balance sheet management and other trading activities	50	(145)	195	>100.0%	>100.0%
Other operating income	6	3	3	100.0%	89.7%
Total operating income before expected credit losses	**373 425**	**347 031**	**26 394**	**7.6%**	**8.7%**
Expected credit loss impairment releases	(11 333)	17 843	(29 176)	(>100.0%)	(>100.0%)
Operating income	**362 092**	**364 874**	**(2 782)**	**(0.8%)**	**—%**
Operating costs	(182 476)	(166 047)	(16 429)	9.9%	10.9%
Adjusted operating profit	**179 616**	**198 827**	**(19 211)**	**(9.7%)**	**(9.1%)**
Key income drivers					
ROE post-tax	19.8%	16.7%			
Cost to income ratio	48.9%	47.8%			
Growth in loans and advances to customers in Rands*	2.6%	6.3%			
Growth in risk weighted assets in Rands	(23.3%)	(5.2%)			

* Including own originated securitised assets.

Overview of financial performance (in Rands)

- Net interest income was 10.0% higher than the prior year due to higher average lending books and positive endowment effect from rising interest rates
- Net fees increased by 6.5% period on period underpinned by growth in the number of clients and increased POS activity, partly offset by the negative impact of lower lending fees
- Investment income decreased 4.1% due to lower realised profit share and dividend income in the current year relative to prior year. This was partly offset by positive fair value adjustments on unlisted equities
- Impairments increased due to additional provisions made on specific exposures primarily in Stage 3 in the current year. This was partly offset by the release of post-model management overlays previously held for anticipated migration risk which are now catered for in-model. Further information on the Group's asset quality can be found in the Group's 2023 risk and governance report which is published and available on our website
- Operating costs increased 10.9% due to inflationary related salary increases, higher headcount, higher lounge costs as clients travelled more frequently and increased marketing spend. The cost to income ratio was 48.7% (2022: 47.8%).

PRIVATE BANKING
CONTINUED

Growth outlook

- We are building frictionless client journeys and evolving our private banking platform to grow, protect and connect clients. Leveraging our deep client relationships, the insights we have of our clients and our own expertise provide the foundation for this future ecosystem
- We will continue to stretch our ambitions to acquire new clients within our risk appetite; leveraging off our unique offering, allowing our clients to bank and invest locally and, in the UK, all in One Place™
- We are accelerating our investment in our digital and technology platforms that deliver improved client experience and new capabilities.

CORPORATE, INVESTMENT BANKING AND OTHER

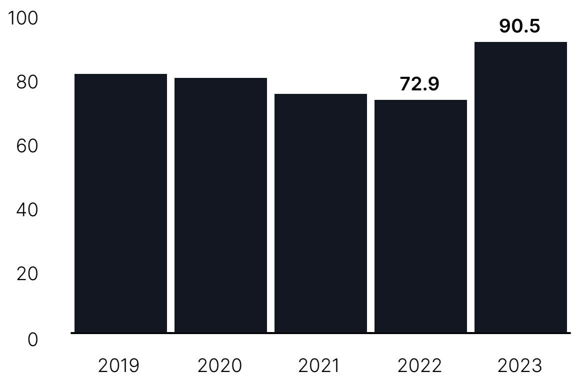
Our Corporate and Investment Banking businesses have built powerful franchises across South Africa's leading corporates, SOEs, public sector bodies, institutions and intermediaries. Our broad and international offering of financing, advice and structuring and treasury services is built on enduring relationships,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

Performance highlights:

- Adjusted operating profit increased 63.2% to R4 991 million (2022: R3 060 million) driven by high client activity levels across our franchises and continued market share gains in selected niches
- Revenue increased by 27.1%, benefitting from increased activity levels across the business, higher average lending books and the endowment effect from a rising interest rate environment. The strong revenue performance was broad based across net interest income and non-interest revenue
- Pre-provision adjusted operating profit increased by 44.7% as revenue grew ahead of operating costs, reflecting the revenue performance described above.

Loans and advances to customers*

R'billion



* Net of impairments and deferred fees.

Lending activity:

- The corporate loan book increased by 24.2% since March 2022 to R90.5 billion
- Growth in the lending book was broad based across corporate lending including our specialist lending areas
- The strong lending turnover was against elevated period on period repayment rates relative to historical experience
- Our lending in the rest of Africa increased by 5.4% to USD529 million from USD502 million in March 2022.

Growth initiatives:

10 291
31 Mar 2022: 8 287
Total policies issued to date – Investec Life

1 961
31 Mar 2022: 1 317
Number of clients on Investec Business Online

1 690
31 Mar 2022: 1 019
Business Transactional Banking clients

Ansarada DealMakers Annual Awards 2022:

M&A - Investment Advisors
1st
Deal Flow

General Corporate Finance - Investment Advisors
2nd
Deal Flow

M&A - Sponsors
1st
Deal Flow

General Corporate Finance - Sponsors
1st
Deal Flow

M&A - Sponsors
2nd
Deal Value

General Corporate Finance - Sponsors
2nd
Deal Value

Africa Global Funds Service Providers Awards 2022:

Best Prime Broker

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

Global Trade Review (GTR) Awards 2022:

Best Deals Award	**Inaugural GTR Industry Achievement**
Sustainable Export Credit (Ghana Western Rail) Social export Credit in Healthcare (Ghana Western Regional Hospitals)	Award for co-chairing production of ICC White Paper on Sustainability in Export Finance
TXF Africa Export Finance Deal of the Year 2022	**TXF Inaugural GTR Industry Achievement Award 2022**
The largest ever financed rail investment in Ghana and one of the first sustainable export finance loans in Africa	Co-chairing production of ICC White Paper on Sustainability in Export Finance

Income statement analysis and key income drivers

£'000	31 March 2023	31 March 2022	Variance	% change	% change in Rands
Net interest income	286 643	221 456	65 187	29.4%	30.4%
Net fee and commission income	128 249	115 361	12 888	11.2%	12.1%
Investment income/(loss)	4 574	(11 164)	15 738	>100.0%	>100.0%
Share of post-taxation profit/(loss) of associates and joint venture holdings	125	254	(129)	(50.8%)	(55.4%)
Trading income/(loss) arising from					
– customer flow	54 889	47 945	6 944	14.5%	16.4%
– balance sheet management and other trading activities	663	135	528	>100.0%	>100.0%
Other operating (loss)/income	(2 461)	644	(3 105)	(>100.0%)	(>100.0%)
Total operating income before expected credit losses	**472 682**	**374 631**	**98 051**	**26.2%**	**27.1%**
Expected credit loss impairment charges	(2 798)	(20 910)	18 112	(86.6%)	(90.0%)
Operating income	**469 884**	**353 721**	**116 163**	**32.8%**	**33.9%**
Operating costs	(224 991)	(202 920)	(22 071)	10.9%	11.9%
Operating profit before goodwill, acquired intangibles and strategic actions	**244 893**	**150 801**	**94 092**	**62.4%**	**63.5%**
Loss attributable to non-controlling interests	(752)	(252)	(500)	(>100.0%)	(>100.0%)
Adjusted operating profit	**244 141**	**150 549**	**93 592**	**62.2%**	**63.2%**
Key income drivers					
ROE post-tax	14.6%	8.2%			
Cost to income ratio	47.7%	54.2%			
Growth in loans and advances to customers in Rands	24.2%	(2.4%)			
Growth in risk weighted assets in Rands	3.1%	(13.5%)			

Overview of financial performance (in Rands)

- Net interest income increased 30.4%, driven by higher average interest earning assets, particularly lending books as lending turnover increased by 57% year on year, increased credit spreads given tightened financial conditions and endowment effects from rising interest rates
- Net fees were 12.1% ahead of the prior period. Corporate and Institutional Banking fees increased across our global markets business on the back of increased client activities given the persistent market volatility. Fees also increased due to higher Corporate Finance advisory activity and broad based increase in lending turnover
- Investment income reflects a normalised run rate as the prior year was affected by higher negative fair value adjustments on certain unlisted investments

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

- Trading income from customer flow increased due to increased client activity driven by heightened volatility and rising interest rates. This was offset by the base effects from few larger client trades in the prior year which did not repeat. Balance sheet management and other trading activities reflects net foreign currency translation gains on non-Rand denominated monetary assets and liabilities. This was partly offset by mark-to-market losses on certain interest rate and currency swaps. These are timing differences arising where hedge accounting could not be applied to an economic hedge in terms of IFRS accounting
- Expected credit loss impairment charges decreased 90.0% largely as a result of recoveries and reversals of previously impaired loans and reduction on modelled portfolio impairments. These were offset by benign Stage 3 impairment charges. Further information on the Group's asset quality can be found in the Group's 2023 risk and governance report which is published and available on our website
- Operating costs increased 11.9% since the prior year. Fixed personnel costs increased as a result of salary increases, increased variable remuneration due to improved performance, increase in headcount and post-pandemic normalisation of discretionary expenditure such as marketing, travel, entertainment, training and development and CSI expenditure. The cost to income ratio improved to 47.7% (2022: 54.2%).

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

Strategy execution

Corporate and Institutional Banking

- We remain focused on maintaining and expanding on a diversified portfolio of business activities
- Trading areas have performed well during the current interest rate cycle and high levels of volatility in financial markets. We remain risk conscious and act with discipline
- Treasury Sales and Balance sheet management activities have benefited from strong growth in retail funding, the rising interest rate cycle and improved client activity
- Strong asset growth in the Specialised lending areas with a keen focus on client segments and areas of specialisation have delivered commendable results. Client franchises are well established and continue to focus on client growth and market positioning. The Structured products franchise is a market leader and continues to grow assets under management through its various product offerings to market
- The Business transactional banking platform, which also complements our mid-market corporate proposition is starting to deliver on multiple fronts. It underpins the development of the transactional deposit franchise and serves to bolster the mid-market corporate proposition
- Investec Life is well positioned as an integral component of the Investec private client offering. The risk business is showing positive results and the Investments business continues its strong growth
- We continue to improve on time to market, speed of execution and support to clients via consistent client processes and strategic use of data
- Disciplined cost management and capital allocation remains front of mind.

Investment Banking

- Continued strategic execution of focusing on targeted sectors and clients in our Investment Banking business has led to new client gains and increased share of wallet within our existing client base
- Our advisory business saw increased market share gains in a number of transactions and strong performance in the industry, earning accolades at the 2022 DealMakers Annual Awards
- The trends in our advisory business extend to Equity Capital Markets, which continues to build on its leading position in equity capital raises in South Africa
- Our lending activities to large corporates and sponsors continued to increase market share with pleasing book growth in a competitive market.

Investec for Business

- Ongoing expansion of our high touch differentiated lending offering into the South African mid-market
- We continue to target above-market book growth while optimising our core product offering. The leveraging of our existing capabilities enhances our ability to achieve growth and scale
- Optimisation of our cost base through digitalisation has helped drive internal efficiencies and improve the client experience.

Growth outlook

- The macro-outlook remains complex with a pressured consumer and possible recession in developing markets setting the scene for a low growth environment.

Corporate and Institutional Banking

- We continue to see opportunities in our key franchises. Our objective is to increase revenue and risk adjusted returns by focusing on the following economic opportunities:
  - Growth in the Energy and Infrastructure sectors underpinned by the opportunity arising from the energy crisis and bottlenecks in the logistics sector
  - Grow our trade finance capability to support our clients' growth aspirations in the rest of Africa
  - The various areas of specialisation in our lending cluster remains a focused growth opportunity for us
  - The Fund Initiatives cluster is looking to add further investment offerings
- Key focus on ESG in our lending activities and actively positioned to participate across the following key ESG themes:
  - Renewable energy and the Just Energy Transition
  - Sovereign lending for the development of healthcare ECA backed facilities and critical transportation infrastructure
- We remain committed to investment in our digital platforms with a focus on delivering improved client experience.

Investment Banking

- While corporate appetite remains constrained by the uncertain macroeconomic climate, we are encouraged by the continued level of activity across our Investment Banking client base. We see growth opportunities in sectors where clients with strong strategic and financial positions seek to capitalise on the market volatility. As a result, we will continue to invest in capacity to meet the client demand
- In line with our risk-based approach, we anticipate growth in both our financing book and restructuring advisory services amid increased levels of market volatility
- We continue to seek new revenue opportunities. These include a focused family office offering in the Investment Bank in collaboration with Private Capital to bring the best of investment banking and our One Investec proposition to this client segment.

Investec for Business

- Despite a tough economic outlook, we see continued opportunities in the relatively resilient South African mid-market. The dynamic nature of our lending offerings enables us to readily respond to market and economic shifts, either capitalising on opportunities or proactively managing risks
- We strive to ensure that our quality of service and simplicity of product offering is a market differentiator. Our flexibility allows us to easily adapt to the changing needs of our clients, ensure our continued relevance and the ability to grow alongside them. Product and platforms are leveraged to give clients a ‘One Place for business’ experience and to position Investec as the primary bank for this client base
- There remain many opportunities in higher growth industries where we have limited exposures such as green energy, secondary agriculture, and general aviation.

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.

IEP Group Proprietary Limited	Investec Property Fund Limited	Other unlisted investments
47.4% shareholding	**24.3% shareholding**	

Ninety One DLC (Ninety One)

In the South African Group Investment portfolio, Investec Limited no longer holds any shareholding (31 March 2022: 10%) in Ninety One (formerly Investec Asset Management).

In the prior year, at a DLC Group level, Investec held a 25% shareholding in Ninety One (of which c.15% was held in Investec plc – refer to page 65). Effective 30 May 2022, the Group successfully distributed a 15% holding in Ninety One, retaining a c.10% shareholding entirely held by Investec plc. Investec accounted for its combined 25% investment in Ninety One by applying equity accounting until 30 May 2022. As of 1 June 2022 the c.10% holding held by Investec plc is now accounted for as an investment held at fair value through other comprehensive income as reflected on page 65.

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. IEP has a wholly-owned subsidiary, being the Bud Group.

IEP and Bud Group shareholders approved and implemented a restructure of the IEP and Bud Group in order to facilitate an exit by certain IEP shareholders, including Investec, by way of a share buyback. The restructure entailed the transfer of certain chemical and minerals assets, as well as an interest in Assupol, a company in the financial services industry, to a Newco (of which Investec has a c. 59% economic interest), to facilitate the orderly disposal of those assets.

As a result of asset sales pursuant to the restructure, c. R812m cash proceeds were received by Investec Limited prior to year end, with an additional R183m received post year end. It is anticipated that the remaining asset disposal processes will conclude over the next 18 months, subject to market conditions.

Investec ceased equity accounting for its 47.4% stake in IEP on 30 November 2022 and the investment is accounted for as a fair value instrument with a value of £213.4 million (R4.7 billion) at 31 March 2023. During the period, Investec recognised equity-accounted earnings of £17.0 million (R340.0 million) in relation to IEP. At 31 March 2023, a £9.1 million (R200 million) FV loss was recognised to align the carrying value with the realisable value. Subsequent to year end and the realisation of certain assets in IEP, Investec's stake in IEP has reduced to 38.3%.

Investec Property Fund Limited (IPF)

IPF is an internationally focused Real Estate Investment Trust (REIT) domiciled in South Africa and has been listed on the Johannesburg Stock Exchange (JSE) since 2011. Its R23.5bn investment portfolio comprises direct and indirect real estate investments in South Africa, Europe and Australia.

In South Africa, IPF directly owns a sizeable portfolio of 79 properties diversified across the retail, industrial and office sectors valued at R14.6 billion. 55% of IPF's gross assets under management are composed of offshore investments, namely a 83% interest in a Pan-European logistics portfolio located across seven European countries.

The Fund is currently externally managed by Investec Property (Pty) Ltd, a wholly owned subsidiary of Investec Limited, and in both these regions the manager has a presence on-the-ground. In March 2023, IPF announced the proposed internalisation of its management function in SA and Europe which will create a fully integrated real estate company and unlock the broader growth strategy of the fund going forward. The internalisation was approved by shareholders on 17 May 2023 and remains subject to Competition Commission approval.

The Fund recently re-entered the Australian market through a 50% / 50% JV with the management team of the Irongate funds management business, and acquired the Irongate Australia Fund Management platform with A$450m of third-party equity under management.

Investec has a 24.3% shareholding in IPF and consolidates the Fund with a net asset value of £593 million (R13 billion).

Other unlisted investments

Investec holds certain other historical unlisted equity investments to the value of £30.9 million (R678 million).

GROUP INVESTMENTS
CONTINUED

Portfolio breakdown and ROE

31 March 2023	Asset analysis £'000	Income analysis £'000	Asset analysis R'million	Income analysis R'million
Ninety One Limited^	—	3 185	—	63
IEP Group Proprietary Limited (IEP)	213 412	8 004	4 683	140
Other unlisted investments*	30 890	166	678	4
Investec Property Fund**	141 061	50	3 090	(16)
Total exposures on balance sheet	**385 363**	**11 405**	**8 451**	**191**
Debt funded	133 240	(11 728)	2 919	(240)
Equity	252 123		5 532	
Total capital resources and funding	**385 363**		**8 451**	
Adjusted operating profit		**(323)**		**(49)**
Taxation		(945)		(18)
Operating profit after taxation		**(1 268)**		**(67)**
Risk weighted assets	**1 794 033**		**39 367**	
Ordinary shareholders' equity held on investment portfolio – 31 March 2023	252 123		5 532	
Ordinary shareholders' equity held on investment portfolio – 31 March 2022	338 691		6 514	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2023	295 407		6 023	
Post-tax return on adjusted average ordinary shareholders' equity 31 March 2023		**(0.4%)**		

31 March 2022	Asset analysis £'000	Income analysis £'000	Asset analysis R'million	Income analysis R'million
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		6 498	
Post-tax return on adjusted average ordinary shareholders' equity 31 March 2022		**6.2%**		

^ The equity-accounted valuation differs to the market value of the 10% stake held by Investec Limited which was £232.0 million (R4.5 billion) at 31 March 2023.
* Does not include equity investments residing in our corporate and private client businesses.
** The proportionate NAV consolidated for the Group's investment holding of 24.3% in the Investec Property Fund.

GROUP INVESTMENTS
CONTINUED

Income statement analysis

£'000	31 March 2023	31 March 2022	Variance	% change	% change in Rands
Net interest expense	(31 814)	(38 172)	6 358	(16.7%)	(16.0%)
Net fee and commission income	50 001	50 060	(59)	(0.1%)	0.6%
Investment (loss)/income	(55 316)	11 702	(67 018)	(>100.0%)	(>100.0%)
Share of post-taxation profit of associates and joint venture holdings	19 338	31 919	(12 581)	(39.4%)	(40.0%)
Trading income/(loss) arising from					
– customer flow	(10 995)	20 231	(31 226)	(>100.0%)	(>100.0%)
– balance sheet management and other trading activities	43 479	(14 625)	58 104	>100.0%	>100.0%
Total operating income before expected credit loss impairment charges	**14 693**	**61 115**	**(46 422)**	**(76.0%)**	**(83.7%)**
Expected credit loss impairment charges	(243)	(581)	338	(58.2%)	(61.4%)
Operating income	**14 450**	**60 534**	**(46 084)**	**(76.1%)**	**(83.9%)**
Operating costs	(2 959)	(1 946)	(1 013)	52.1%	55.6%
Operating profit before goodwill, acquired intangibles and strategic actions	**11 491**	**58 588**	**(47 097)**	**(80.4%)**	**(88.6%)**
Profit attributable to non-controlling interests	(11 814)	(39 918)	28 104	(70.4%)	(77.1%)
Adjusted operating profit	**(323)**	**18 670**	**(18 993)**	**>100.0%**	**(>100.0%)**

Factors driving the performance in the period under review

- Net interest expense was lower than the prior year mainly due to an interest rate hedge by IPF, and reduced funding costs
- Net fee and commission income (comprising rental income earned by IPF) remained flat, driven primarily by strong letting activity and a stabilisation of the sector
- The investment loss in the current period was negatively impacted by the devaluation of IEP and material write downs in both IPF's European and South African portfolios
- Share of post-taxation profit of associates and joint venture holdings was 40% lower in Rands. Lower earnings from Ninety One, due to the distribution to shareholders in May 2022 and consequent derecognition as an associate investment, was offset by improved performance of the underlying investee companies in the IEP Group
- The net trading income arising from customer flow, balance sheet management and other trading activities is primarily driven by FX revaluations on Euro-denominated investments in IPF and fair value losses on derivative instruments in IPF
- ECL impairment charges declined, reflecting lower 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

04

IN THIS SECTION

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

Against a backdrop of extreme volatility, rising inflation and interest rates and falling GDP growth, we have continued to grow our business across both core geographies in a risk conscious manner. The Group remains well capitalised, maintains high levels of liquidity, runs modest levels of market risk and favours lending to clients with predictable income streams that provide sound collateral.

Liquidity is and has remained a key focus against the backdrop of a mini banking crisis which led to the failure of a number of US regional banks as well as a significant G-SIB. The US failures were driven by a mismatch in interest rates and duration of assets and liabilities, both of which are closely monitored against conservative risk appetites at Investec.

Loans and advances to customers as a percentage of customer deposits remained conservative at 75.6% with both jurisdictions holding significant cash and near cash invested in liquid, short-dated high-quality liquid assets (HQLA) assets and deposits with central banks.

Investec plc has a substantial portion of its liquidity provided under the Financial Services Compensation Scheme (FSCS) which guarantees investor deposits. In South Africa, significant deposits are sourced from the wholesale market, however retail deposits have continued to increase.

In December 2022, the Board approved a structural hedging programme in the UK to reduce sensitivity of earnings to interest rate movements. No material earnings impact has occurred for this reporting period given the short duration of time since initiating the hedge.

Notwithstanding the challenging economic environment in which we operate, the Group remains well capitalised and is well positioned for disciplined growth, serving our targeted client base. Client activity levels have remained high during the financial year which has allowed us to grow the Group's net core loan book to £30.2 billion or 7.7% growth in neutral currency.

We are encouraged by the resilience demonstrated by our client base in their chosen sectors. We are particularly pleased by the continued growth of our exposure to high net worth clients in the UK private banking business as we execute on our strategy to build market share in this attractive segment.

Although ECLs have increased in both jurisdictions we are confident that we have a well diversified portfolio across sectors. Given the increase in interest rates especially in the UK, we expect asset valuations to come under pressure. To date, we have seen limited new defaults across the UK and South Africa and the credit loss ratio remains below 'through-the-cycle' levels. The underlying loan portfolios continue to perform well with no evident signs of deteriorating trends in specific sectors. Property lending is undertaken at conservative loan-to-values (LTVs), taking into account a forward-looking view of asset values.

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.

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

Non-financial risks that arise through the group's operations remain highly topical and continue to receive a significant amount of management time, particularly in light of the evolving technological landscape.

The importance of operational resilience to ensure minimal client disruption is paramount. We take a highly disciplined approach to recovery and resolution planning and remain focused on managing conduct, reputational and operational risks.

Concentration risk related to big tech and cloud platforms is increasing. Growing reliance on technology service providers, an industry-wide trend, heightens the potential impact of third party disruption, cyber threats, and data breaches.

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. The recent FATF greylisting status of South Africa has not had a material impact on the Group to date with consequential risks being closely monitored. Investec continues to evolve risk-based practices to respond to industry developments.

Succession planning was the 'flavour of the year' topic for both the PRA and South African PA for the year ended 31 March 2023. Succession risk remains well controlled within the Group and is further covered in the DLC Nomdac report on page 94 of the Investec Group's 2023 risk and governance report.

On 4 April 2023, the Group announced an all-share combination of the UK Wealth & Investment business with Rathbones Group plc. This transaction, subject to certain approvals (some of which have since been obtained), will create the UK's leading discretionary wealth manager and establish a long-term strategic partnership between the enlarged Rathbones and Investec. Work is underway with a dedicated transition team to ensure that execution risk of the transaction is minimised.

We continue to progress in entrenching sustainability across all aspects of our business. Our commitment to human rights and support for internationally recognised principles, guidelines and voluntary ESG standards is tightly integrated into our credit decision-making process and considers the important aspects of each geography we operate in.

GROUP CHIEF RISK OFFICER REPORT
CONTINUED

2023 salient features

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

	UK and Other^^	Southern Africa^^^	Total Group
	£	R	£
Net core loans (million)	15 563	320 711	30 179
Total assets (excluding assurance assets) (million)	28 433	635 618	57 184
Total risk-weighted assets (million)	17 767	283 600	30 693^
Total equity (million)	2 719	61 506	5 332
Cash and near cash (million)	8 550	171 400	16 361
Customer accounts (deposits) (million)	19 116	448 513	39 556
Loans and advances to customers as a % of customer deposits	81.4%	70.2%	75.6%
Structured credit as a % of total assets*	2.5%	0.2%	1.4%
Banking book investment and equity risk exposures as a % of total assets*	2.0%	2.8%	2.4%
Traded market risk: 95% one-day value at risk (million)	0.4	10.1	n/a
Core loans to equity ratio	5.7x	5.2x	5.7x
Total gearing ratio**	10.5x	10.3x	10.7x
Return on average assets[#]	1.07%	1.05%	1.06%
Return on average risk-weighted assets[#]	1.73%	2.13%	1.91%
Stage 3 exposures as a % of gross core loans subject to ECL	2.3%	2.8%	2.5%
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	1.8%	2.2%	2.0%
Credit loss ratio	0.37%	0.08%	0.23%
Level 3 (fair value assets) as a % of total assets	6.5%	2.9%	4.7%
Common Equity Tier 1 ratio[##]	12.0%	14.7%	n/a
Tier 1 ratio[##]	13.4%	15.9%	n/a
Total Capital ratio[##]	17.5%	18.3%	n/a
Leverage ratio	9.4%	6.5%	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 215. 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 £55 million (31 March 2022: £44 million) for Investec plc would lower the CET1 ratio by 31bps (31 March 2022: 28bps).
^^^ Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET1 ratio would be 117bps (31 March 2022: 134bps) lower respectively.

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 but 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.

Outlook

Fundamental risk performance during the period has been solid and management remains focused on maintaining the sound underlying balance sheets, notwithstanding the macro-economic pressures we continue to face in our areas of operation, including the potentially higher-for-longer interest rate environment in the UK and the loadshedding and upcoming elections in South Africa. This is enabled by strong ongoing management of the portfolios and supported by a strong capital base as well as high levels of liquidity and diversified funding.

Mark Currie

Group Chief Risk Officer

Read more on page 4 of the Investec Group's 2023 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 but geographical and divisional structure, in line with our management approach, ensuring that the appropriate processes are used to address all risks across the Group. There are specialist divisions in the UK and South 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
- Support the long-term sustainability of the Group by providing an established, independent framework for identifying, evaluating, monitoring and mitigating risk with good customer outcomes
- Set, approve and monitor adherence to underlying risk parameters and limits across the Group and ensure they are implemented and adhered to consistently within the Board-approved risk appetite
- Aggregate and monitor 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 in the UK and South Africa, 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 committees.

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.

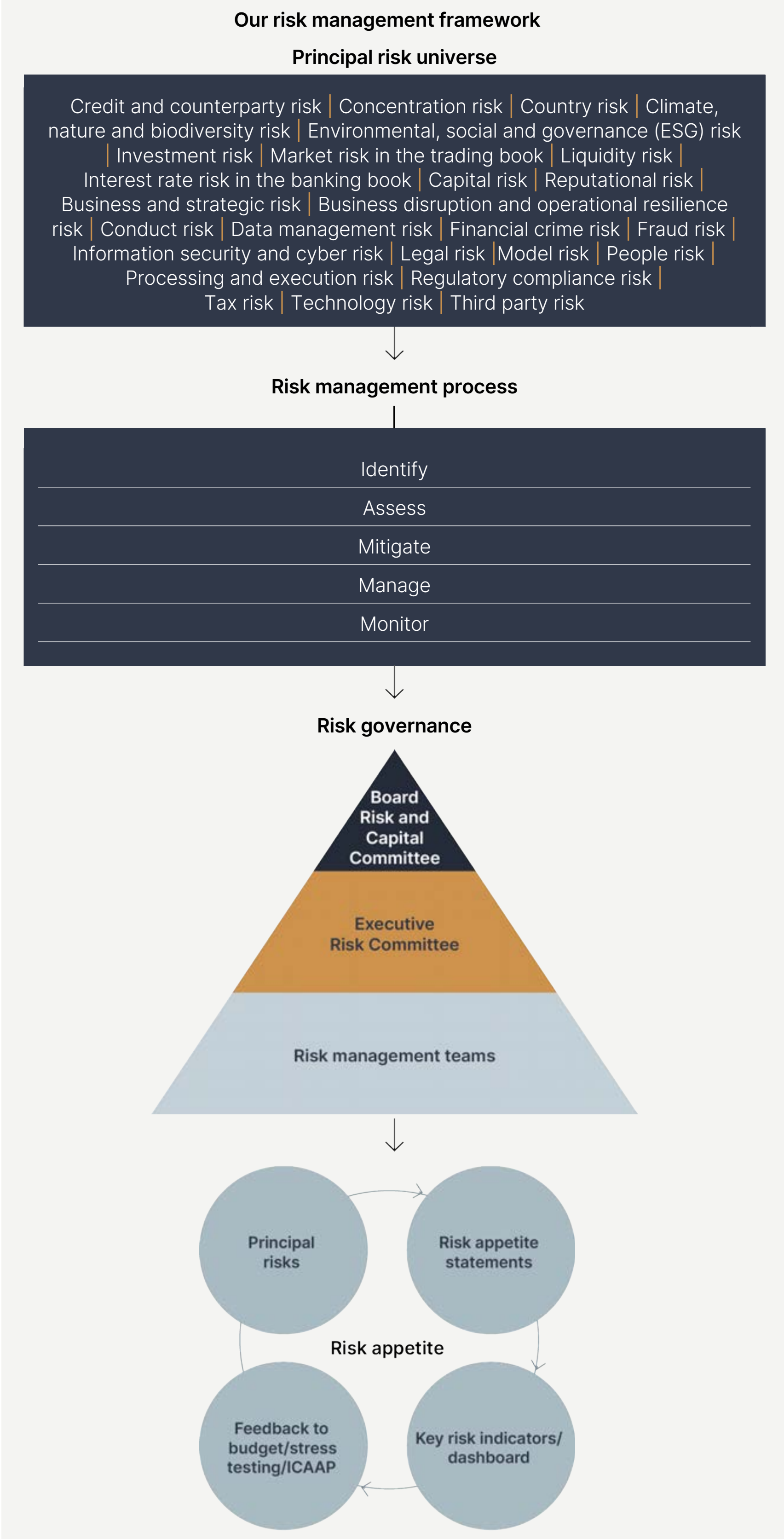
A documented process exists where our risk profile is measured against our risk appetite and this positioning is presented to the Board. In the section that follows, the Group's high-level summary of overall risk appetite and positioning has been detailed against the respective principal risks.

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.



Please read more about our risk management framework and risk governance on page 25 of the Investec Group's 2023 risk and governance report

PRINCIPAL RISKS

An overview of the principal risks relating to our operations

Link to strategy – key

Connected client ecosystems | Growth initiatives | Optimisation of returns | Entrepreneurial culture | Digitalisation | Strategic use of data

Credit and counterparty risk

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

Link to strategy and opportunities

Group committee oversight

DLC BRCC, DLC Audit Committee, Group ERC

More information

Read more on pages 27 to 49 of the Investec Group's 2023 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.

Year in review and changes to risk

We remain confident that we have a well-diversified portfolio across sectors.

Although the current macro-environment presents certain pressures, the Group was able to maintain asset performance and the credit loss ratio remains below 'through-the cycle' levels at 0.23% (31 March 2022: 0.08%). The UK credit loss ratio is trending towards the top end of the 'through-the-cycle' range driven by increased Stage 3 ECL charges, as well as an increase in modelled ECLs due to forward-looking macro-economic assumptions offset by a release in the management overlay held. In South Africa, although increased since March 2022, the credit loss ratio remains low at 0.08% at 31 March 2023 (31 March 2022: 0.00%) as a result of new impairments being offset by reversals of certain prior year specific provisions, post write-off recoveries as well as a partial release in management ECL overlay. Excluding the post write-off recoveries and the release in management ECL overlay the reported credit loss ratio would be 0.26% (31 March 2022: 0.12%).

Stage 3 exposures total 2.5% of gross core loans subject to ECL at 31 March 2023 (31 March 2022: 2.0%) driven by idiosyncratic new defaults across both the UK and South Africa. Stage 3 exposures are well covered by ECL provisions. The percentage of Stage 3 loans (net of ECL but before taking collateral into account) to net core loans and advances subject to ECL amounted to 2.0% (31 March 2022: 1.6%).

PRINCIPAL RISKS
CONTINUED

Concentration risk

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

Link to strategy and opportunities

Group committee oversight

DLC BRCC, DLC Audit Committee, Group ERC, DLC IT Risk and Governance Committee

More information

Read more on page 27 of the Investec Group's 2023 risk and governance report.

Monitoring and mitigation activities

- As a matter of course, concentration risk is well managed and exposures are well spread across geographies and industries
- We target a diversified funding base, avoiding undue concentrations by investor type, maturity, market source, instrument and currency
- Consideration is given to concentration risk when assessing outsourcing and third parties, both within the business and across the financial sector systemically
- We target a diversified loan portfolio, lending to clients we know and understand. Credit and counterparty risk is always assessed with reference to the aggregate exposure to a single counterparty or group of related parties to manage concentration risk. In order to manage concentration, we will consider a sell-down of exposures to market participants if required
- Concentration risk can also exist where loan maturities are clustered to single periods in time. Loan maturities are monitored on a portfolio and a transaction level
- Third party and outsourcing concentrations are permitted in relation to regulated, systemically important entities, external auditors or specialist global network infrastructures. Where strategic decisions result in concentration risk in third parties outside of these classifications, these decisions are based on considered analysis where the benefits outweigh the risks and appropriate controls have been deployed for managing and monitoring the associated risks.

Country risk

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

Link to strategy and opportunities

Group committee oversight

DLC BRCC, Group ERC

More information

Read more on page 28 of the Investec Group's 2023 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.

PRINCIPAL RISKS
CONTINUED

Climate, nature and biodiversity risk

The risk that our lending and investment activities give rise to unintended biodiversity and/or physical climate deterioration through not managing transition risk in alignment with the Paris goals

Link to strategy and opportunities

Group committee oversight

DLC BRCC, DLC SEC, Group ERC, Group ESG Executive Committee

More information

Read more on pages 107 to 122 and pages 28, 55 and 56 of the of the Investec Group's 2023 risk and governance report and the Investec Group's 2023 sustainability report which is published and available on our website: www.investec.com

Monitoring and mitigation activities
- We recognise the complexity and urgency of climate change. We are committed to supporting the transition to a clean and energy efficient world while preserving biodiversity and the wellbeing of our people and our planet
- Investec's climate change position statement and climate change framework stems from the belief that 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 and healthier world
- Our environmental policy considers the risks and opportunities that climate change, nature and biodiversity degradation present to the global economy
- Accordingly, climate-related, nature-related and biodiversity risks 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 DLC Social and Ethics Committee on general sustainability issues, including climate-related, nature-related and biodiversity matters
- The Group ESG Executive Committee coordinates climate-related and biodiversity risks and opportunities across geographies and businesses from both a strategy and policy perspective.

Year in review and changes to risk
Our climate change framework takes into account our commitment to a net-zero carbon economy. In addition, our biodiversity statement strengthens our commitment to protecting our natural environment. As such we adopt a precautionary approach towards managing climate, nature-related and biodiversity risks in all decision-making processes. We have updated our Group fossil fuel policy with Investec plc committing to zero coal in the loan book by 31 March 2027 and Investec Limited to zero thermal coal in the loan book by 31 March 2030.

Environmental, social and governance (ESG) risk

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

Link to strategy and opportunities

Group committee oversight

DLC BRCC, DLC SEC, Group ERC, Group ESG Executive Committee

More information

Read more on pages 107 to 122 and pages 28, 55 and 56 of the Investec Group's 2023 risk and governance report and the Investec Group's 2023 sustainability report which is published and available on our website: www.investec.com

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, ESG risks 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 DLC Social and Ethics Committee on general ESG and sustainability matters
- The Group ESG Executive Committee coordinates general sustainability and ESG risks and opportunities across geographies and businesses from both a strategy and policy perspective
- We have linked ESG metrics and KPIs to Executive Directors compensation.

Year in review and changes to risk
Our Group purpose statement requires that sustainability be regarded as an integral part of our business rather than ancillary to it. Over the past year we have made progress on our impact SDGs, namely climate action and reducing inequalities, as well as our six core SDGs. We continue to incorporate sustainability in the way we do business and create innovative, impactful solutions.

PRINCIPAL RISKS
CONTINUED

Investment risk

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

Link to strategy and opportunities

Group committee oversight

DLC BRCC, Group ERC

More information

Read more on pages 57 and 58 of the Investec Group's 2023 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.

Year in review and changes to risk

We continue to manage our investment portfolio exposure in line with our objective of optimising capital allocation, reducing income volatility and aligning the business with our client franchises. The investment portfolio on the balance sheet, which now includes c.10% holding in Ninety One, totalled £1 331 million at 31 March 2023 (£1 159 million excluding the Ninety One holding).

Following the distribution that took place on 31 May 2022, Investec retains a c.10% shareholding in Ninety One (previously known as Investec Asset Management) as an investment, all held within Investec plc (31 March 2022: 25% holding, 15% and 10% in UK and South Africa respectively).

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 and opportunities

Group committee oversight

DLC BRCC, Group ERC

More information

Read more on pages 61 to 65 of the Investec Group's 2023 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.

Year in review and changes to risk

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

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 and opportunities

Group committee oversight

DLC BRCC, Group ERC

More information

Read more on pages 66 to 75 of the Investec Group's 2023 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 Board Risk and Capital Committee (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 regulatory 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 of 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.

Year in review and changes to risk

In the UK, loans and advances to customers as a percentage of customer deposits remained conservative at 81.4%. Investec plc has a substantial portion of eligible deposits that are covered by FSCS protection. We are confident that we are well funded should further disruption occur in funding markets given our diversified deposit base and bias towards term rather than overnight funding. We have limited reliance on wholesale markets and took advantage of opportunities to lengthen the duration of this funding at favourable terms. As a result we have no requirement to issue in the wholesale markets in the financial year to end March 2024.

In the UK, c 383% and the Net Stable Funding ratio (NSFR) was 147%, both metrics well ahead of current minimum regulatory requirements.

In South Africa, funding continues to be raised through a diverse mix of customer liabilities by customer type, currency, channel and tenor. Our medium to long term focus remains strengthening the Group's structural funding profile through growing the retail deposit base and encouraging our transactional deposit offering. Loans and advances to customers as a percentage of customer deposits remained conservative at 70.2%. Cash and near cash balances at 31 March 2023 amounted to R171.4 billion (31 March 2022: R159.5 billion). Consistent with our liquidity management philosophy, we delivered liquidity ratios well above the regulatory requirements. Investec Bank Limited (consolidated Group) ended the year to 31 March 2023 with the three-month average of its LCR at 153.6% and NSFR of 116.4%.

PRINCIPAL RISKS
CONTINUED

Interest rate risk in the banking book (IRRBB)

IRRBB arises from the impact of adverse movements in interest rates on both net interest earnings and economic value of equity. IRRBB 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 and opportunities

Group committee oversight

DLC BRCC, Group ERC

More information

Read more
on pages 72 to 75 of the Investec Group's 2023 risk and governance report.

Monitoring and mitigation activities

- The daily management of IRRBB is centralised within the Treasury of each banking entity and is subject to local independent risk and local Asset and Liability Committee (ALCO) review
- Together with the business, the 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 IRRBB 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) IRRBB 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
- IRRBB is measured and analysed by utilising standard tools of traditional interest rate repricing mismatch and net present value (NPV) sensitivity to changes in interest rate risk factors.

Year in review and changes to risk

We have limited appetite for IRRBB which is closely monitored and managed.

In December 2022, the Board approved a structural hedging programme in the UK to reduce sensitivity of earnings to interest rate movements. No material earnings impact has occurred for this reporting period given the short duration of time since initiating the hedge.

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 and opportunities

Group committee oversight

DLC Audit Committee, DLC Capital Committee, DLC BRCC, Group ERC

More information

Read more on pages 83 to 91 of the Investec Group's 2023 risk and governance report.

Monitoring and mitigation activities

- Both Investec plc and Investec Limited 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 by IBL, IBP, PLC and DLC Capital Committees before being recommended for approval to IBL BRCC, IBP BRCC, DLC BRCC and the respective Boards
- 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
- The leverage ratio is considered and monitored as part of the capital management framework.

Year in review and changes to risk

The Group maintained a sound capital position with a Common Equity Tier 1 (CET1) ratio of 12.0% for Investec plc (standardised approach) and 14.7% for Investec Limited (IRB approach) at 31 March 2023. We remain ahead of our Group targets and well in excess of regulatory minimums.

The Group continued to execute on its strategic priorities to grow with discipline and implemented a number of capital optimisation strategies.

Investec Limited received approval to adopt the AIRB approach for measurement of capital on the income producing real estate (IPRE) portfolio. Investec also migrated the high volatility commercial real estate (HVCRE) portfolio to the slotting approach, a subset of the FIRB approach, creating further optionality for capital deployment. This resulted in the CET1 ratio increasing by 242bps.

Investec Limited successfully executed R5.5 billion of the R7 billion DLC share buyback program announced to the market in September 2022. As at 31 March 2023 CET1 reduced by R5.3 billion, being R1.1 billion relating to Investec Limited treasury shares and R4.2 billion due to the deduction of Investec Limited's investment in Investec plc's shares at market value.

Investec plc is in the early stages of a process to migrate from the Standardised approach to the IRB approach.

Reputational risk

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

Link to strategy and opportunities

Group committee oversight

DLC BRCC, DLC SEC, Group ERC

More information

Read more on page 78 of the Investec Group's 2023 risk and governance report.

Monitoring and mitigation activities

- We have various policies and practices to mitigate and/or manage reputational risk, including strong values that are regularly and proactively reinforced
- Reputational risk is mitigated and/or managed as much as possible through detailed processes and governance/escalation procedures from business units to 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.

Year in review and changes to risk

We have continued with programmes to entrench and invigorate our values and culture. In addition, we provide continued learning and development given the changing regulatory requirements.

PRINCIPAL RISKS
CONTINUED

Business and strategic risk

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

Link to strategy and opportunities

Group committee oversight

DLC Audit Committee, DLC Remuneration Committee, DLC BRCC, DLC Capital Committee, Group ERC

More information

Read more on pages 5 to 82.

Monitoring and mitigation activities

- The risk of loss caused by income volatility is mitigated through diversification of income sources, reducing concentration of income from any one type of business or geography and maintaining a flexible cost base
- 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.

Year in review and changes to risk

The Group achieved strong financial performance amidst a complex macro-economic backdrop that prevailed throughout the financial year. Revenue grew 14.6%, benefitting from higher global interest rates and loan growth, which was underpinned by client acquisition and increased client activity. Fee and commission income was negatively impacted by the unfavourable market movements and weakening macro backdrop. ROE was 13.7% (FY2022: 11.4%) and return on ROTE was 14.7% (FY2022: 12.3%). The cost to income ratio improved to 59.6% (FY2022: 63.3%) with operating costs growing by 9.5%. Fixed operating expenditure increased by 11.3%, due to inflationary pressures, continued investment in people and technology to support growth, and post-pandemic normalisation in certain discretionary spend.

On 4 April 2023, Investec announced the all-share combination of Investec Wealth & Investment UK (IW&I UK) with Rathbones plc to create the UK's leading discretionary wealth manager with approximately £100 billion in funds under management and administration. The combination, subject to certain approvals (some of which have since been obtained), establishes a long-term strategic partnership between the enlarged Rathbones and the Investec Group and will enhance the client proposition.

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

Link to strategy and opportunities

Group committee oversight

DLC BRCC, DLC IT Risk and Governance Committee, DLC SEC, Group ERC

More information

Read more on pages 76 to 81 of the Investec Group's 2023 risk and governance report.

Monitoring and mitigation activities

- The Group manages operational risk through an embedded operational risk management framework
- Operational risk sub-types which are significant in nature are managed by dedicated specialist teams within the Group. These operational risk sub-types are addressed in specific, detailed risk policies and procedures, but are included within the operational risk management framework and are reported and monitored within the operational risk appetite.

These sub-types include:

- Business disruption and operational resilience risk
- Conduct risk
- Data management risk
- Financial crime risk
- Fraud risk
- Information security and cyber risk
- Legal risk
- Model risk
- People risk
- Physical security and safety risk
- Processing and execution risk
- Regulatory compliance risk
- Tax risk
- Technology risk
- Third party risk.

Year in review and changes to risk

We take a highly disciplined approach to recovery and resolution planning and remain focused on managing conduct, reputational and operational risks and in recovery across our banking and Wealth & Investment businesses. Countering financial and cyber crime remain very high priorities. Operational resilience continues to be of importance and we regularly test to ensure minimal client disruption. The Group continually aims to strengthen and test systems and controls in order to manage cyber risk as well as meet regulatory obligations to combat money laundering, fraud and corruption.

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

PRINCIPAL RISKS
CONTINUED

Operational risk – Business disruption and operational resilience risk

The risk associated with disruptive incidents which may impact important business services and critical functions/resources including processes, premises, staff, equipment, third party services and systems

Link to strategy and opportunities

More information

Read more on pages 76 and 77 of the Investec Group's 2023 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, obtaining third party dependency business continuity assurances and ensuring readiness of physical solutions for critical infrastructure components
- Resilience testing is conducted annually to validate continuity strategies and ensure they remain effective and appropriate. This includes annual recovery testing for all key systems that support important/critical business services.

Year in review and changes to risk
Operational resilience continues to be of importance and we regularly test our information technology and related applications to ensure minimum client disruption. In addition, we ensure our third parties have adequate resilience plans in place.

The risk of escalated loadshedding effects in South Africa are actively monitored and assessed as part of Investec's operational resilience and business continuity frameworks. This allows Investec to mitigate against the potential impact on its operations and enables Investec to continue to provide clients with essential banking services. This is done in conjunction with government and relevant industry bodies such as the Banking Association of South Africa (BASA).

Operational risk – Conduct risk

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

Link to strategy and opportunities

More information

Read more on pages 76, 77 and 78 to 81 of the Investec Group's 2023 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 taken
- 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 the UK and South Africa 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 and opportunities

More information

Read more on pages 76 and 77 of the Investec Group's 2023 risk and governance report.

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

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

Link to strategy and opportunities

More information

Read more on pages 76, 77 and 79 to 81 of the Investec Group's 2023 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
- There is regular reporting to the DLC Audit Committee as well as Group ERC
- 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 identified 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 and opportunities

More information

Read more on pages 76 and 77 of the Investec Group's 2023 risk and governance report.

Monitoring and mitigation activities
- Investec manages internal and external 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 information assets, including cyber threats to the Group's operations and data

Link to strategy and opportunities

More information

Read more on pages 76 and 77 of the Investec Group's 2023 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, inappropriate 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
  - Access to systems and data is closely controlled and privileged IT access is restricted and actively monitored
  - A dedicated insider threat team drives proactive discovery of confidential data, targeted monitoring, and response to potential data loss events
- External threats relate to cyberattacks such as ransomware, denial of service and cyber fraud
  - This is mitigated by an adaptive cyber strategy integrating prediction, prevention, detection and response capabilities
  - Robust security controls leverage defence-in-depth and advanced technologies to protect against sophisticated attacks
  - Cyber risk is actively monitored by a 24/7 global cyber team and threat intelligence services, and security incident response processes are continuously improved
  - Cyber controls are stress-tested through security assessments and attack simulations, run both internally and in conjunction with independent specialists
  - Periodic updates to the Board keep them abreast of the threat landscape and informed on the Group's security position
  - Regular security training to all staff ensures high levels of awareness and vigilance.

Operational risk – Legal risk

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

Link to strategy and opportunities

More information

Read more on pages 76, 77 and 78 of the Investec Group's 2023 risk and governance report.

Monitoring and mitigation activities

- Members of the legal risk function in both the UK and South Africa are mandated to ensure we keep abreast of developments and changes in the nature and extent of our activities, and to benchmark our processes against best practice
- There is a central independent in-house legal team with embedded business unit legal officers where business volumes or needs dictate
- The Group maintains adequate insurance to cover key insurable risks
- The legal risk function is supplemented by a pre-approved panel of third party legal firms to be utilised where necessary
- 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.

Operational risk – Model risk

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

Link to strategy and opportunities

More information

Read more on pages 76 and 77 of the Investec Group's 2023 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 associated with the inability to recruit, retain and engage diverse talent across the organisation and remain aligned to the Investec cultures and values

Link to strategy and opportunities

More information

Read more on pages 110 and 111 and the Investec Group's 2023 sustainability report which is published and available on our website: www.investec.com

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 and opportunities

More information

Read more on pages 76 and 77 of the Investec Group's 2023 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 risk associated with changing legislation, regulation, policies, voluntary codes of practice and their interpretation in the markets in which we operate

Link to strategy and opportunities

More information

Read more on pages 76, 77 and 79 to 81 of the Investec Group's 2023 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

Link to strategy and opportunities

More information

Read more on pages 76, 77, 79 and 81 of the Investec Group's 2023 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 or malfunction of critical IT infrastructure, systems or applications that support key business processes and client services

Link to strategy and opportunities

More information

Read more on pages 76 and 77 of the Investec Group's 2023 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 support a resilient technology environment that is able to withstand failure and minimise service disruption
- Strategic roadmaps direct implementation of new technologies to enhance capacity, scalability and reduce reliance on legacy components within the technology environment
- Cloud computing is leveraged in a risk appropriate manner, to accelerate value delivery while ensuring that required safeguards are in place
- Internal controls are automated where possible and augmented with monitoring to reduce human error and enhance efficiency
- Technology governance structures review IT projects and provide oversight of new investments in infrastructure and software
- Systems are aligned to approved standards and sound architectural principles to reduce technical complexity and leverage common functions and services
- The risk of errors in production systems is reduced through design reviews, secure development practices and robust testing.

Operational risk – Third party risk

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

Link to strategy and opportunities

More information

Read more on pages 76 and 77 of the Investec Group's 2023 risk and governance report.

Monitoring and mitigation activities
- Third party policies and practices govern the assessment, selection, approval and oversight of third party services
- A global third party management team has been established to coordinate, streamline and enhance consistency of third party processes
- Robust due diligence processes are in place to evaluate third party suitability, resilience and controls with the appropriate level of rigour based on the scale, complexity and service materiality
- 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
- Appropriate supplier business contingency plans, including exit strategies for key/critical vendors, are established and managed to minimise client impact following any disruption in service
- Regular monitoring is conducted to maintain an understanding of our strategic partnerships with cloud providers and that of their fourth party providers.

PRINCIPAL RISKS
CONTINUED

Emerging and other risks

The risks below may have the potential to impact and/or influence our principal risks and consequently the operations, financial performance, viability and prospects of the Group.

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

These emerging risks are highlighted below and should be read in the context of our approach to risk management and our overall Group risk appetite framework.

Additional risks and uncertainties not presently known to us or that we currently deem immaterial may in the future also negatively impact our business operations.

Emerging and other risks are factored into the Board's viability assessment on page 147.

Macro-economic and geopolitical risks

	Risk trend since 2022	Links to principal risks	More information
The Group is subject to inherent risks arising from general macro-economic and geopolitical conditions in the countries in which it operates, in particular the UK and South Africa, which includes potential outcomes and impacts of the national elections in both jurisdictions taking place in 2024. The Group considers global economic and geopolitical conditions including the risk associated with increasing international tension and political polarisation, wars and terrorist acts that detract from peaceful international relations and contribute to economic instability. Macro-economic risks include a rising interest rate environment to counter rising inflation compounded by supply chain issues and rising commodity prices which may lead to a recession. In March 2023, the global banking industry experienced volatility driven by uncertainty around the viability of certain banks, particularly US regional banks, as a result of strategies deployed to manage interest rate risk.	↑	• Credit and counterparty risk • Country risk • Business risk • Regulatory compliance risk • Conduct risk • Business disruption and operational resilience risk • Interest rate risk in the banking book	→ See page 17 to 22 and page 51 to 54 of the Investec Group's 2023 risk and governance report for more information on forward-looking macro-economic scenarios

People risk

	Risk trend since 2022	Links to principal risks	More information
The Group focuses on building a strong, diverse and capable workforce. The risk associated with staff recruitment and retention in an extremely competitive market, with shortage of certain skills, is continuously considered and reviewed. We are constantly considering the future world of work, how we prioritise a safe working environment for employees and remain relevant and forward thinking, with a focus on adaptability and agility in response to a changing environment. The Group's culture and performance is a high priority when considering working arrangements as well as consequential impacts on talent retention.	↔	• People risk • Conduct risk	→ See pages 110 and 111

Developments in the technology landscape

	Risk trend since 2022	Links to principal risks	More information
The Group recognises the potential challenges faced in ensuring successful delivery of digitalisation strategies and the embedding of change. These challenges relate to the technology investments, resourcing levels, and skills needed to operate a digital business. Concentration risk related to big technology players and cloud platforms is increasing. Growing reliance on technology service providers heightens the potential impact of third party disruption, cyber threats and data breaches. Developments in the technology landscape are closely monitored to ensure appropriate response and management of disruptive effects on the Group. Recent advances in artificial intelligence language models highlight the additional risk created (including to security of data) as a result of exponential growth and speed of take-up in new technologies and the importance of remaining up-to-date with the evolving landscape. The impact of digitalisation initiatives and cloud adoption on the Group's risk profile is continually tracked, with consideration given to key controls related to cyber risk, technology integration, data privacy and vendor resiliency.	↑	• Technology risk • Third party risk • Concentration risk • Information security and cyber risk • Fraud risk • Business disruption and operational resilience risk	→ See pages 23 to 25 and pages 76 and 77 of the Investec Group's 2023 risk and governance report

PRINCIPAL RISKS
CONTINUED

Fluctuations in exchange rates could have an adverse impact on the Group's results

The Group's reporting currency is Pound Sterling. Certain of our operations are conducted by entities outside the UK. The results of operations and the financial position of individual companies are reported in the local currencies of the countries in which they are domiciled, including Rands, Euros, US Dollars and Swiss Francs. These results are then translated into Pound Sterling at the applicable foreign currency exchange rates for inclusion in the Group's financial statements.

In the case of the income statement, the weighted average rate for the relevant period is applied and, in the case of the balance sheet, the relevant closing rate is used. Exchange rates between local currencies and Pound Sterling have fluctuated substantially over the financial year.

Risk trend since 2022

↔

Links to principal risks

- Business risk
- Regulatory compliance risk
- Country risk

More information

See page 24 of the Investec Group's 2023 year-end results booklet

Credit ratings impact the Group's borrowing costs and its access to debt capital markets

Rating agencies have, in the past, altered their ratings of all or a majority of the participants in a given industry as a result of the risks affecting that industry. The reduction in the Group's respective banking entities' long- or short-term credit ratings could increase their borrowing costs and limit their access to capital markets.

Adjustments in the sovereign rating of South Africa will lead to an automatic adjustment in the ratings of the major banks in South Africa, including IBL. South Africa's sovereign rating from Moody's remained at Ba2 over the period, although the negative outlook was upgraded to stable on 1 April 2022. Fitch also left South Africa's rating unchanged, at BB, and upgraded its negative outlook to stable in December 2022. S&P confirmed South Africa's credit rating at BB-, but after adjusting the outlook to positive in May 2022, it dropped it to stable in March 2023. The improvement in South Africa's outlook attached to the credit ratings was a consequence of lower debt to GDP ratios, both actual and projected, as significant fiscal consolidation had occurred, while GDP was also revised to higher historical levels in Rand terms. The emerging forward-looking concerns include the impact that loadshedding will have on economic growth and so on government revenue and borrowings.

Following the volatile period experienced in March 2023 and the resolution of a European G-SIB, wholesale market spreads widened significantly, particularly in Additional Tier 1 securities. The UK's bank resolution framework, as set out by the Bank of England (BoE), has a clear statutory order in which shareholders and creditors would bear losses in a resolution or insolvency scenario.

Risk trend since 2022

↑

Links to principal risks

- Credit and counterparty risk
- Liquidity risk
- Business risk
- Capital risk

More information

See page 162 and pages 51 to 54 of the Investec Group's 2023 risk and governance report for more information on forward-looking macro-economic scenarios

Competition is intense in the financial services industry in which the Group operates

The financial services industry is competitive and the Group faces substantial competition in all aspects of its business. The Group has developed leading positions in many of its core areas of activity, but does not take competition lightly, and our strategic objectives continue to focus on building business depth; providing the best integrated solution to our clients; and leveraging our digitalisation strategy in order to remain competitive.

Risk trend since 2022

↔

Links to principal risks

- Business risk
- People risk
- Reputational and strategic risk

More information

See pages 5 to 9 and pages 17 to 22

Sustainability

05

IN THIS SECTION

OUR SUSTAINABILITY STRATEGY

Our sustainability strategy

Addressing climate change and inequality is critical to the success of our business. Two Sustainable Development Goals (SDGs) are fundamental to Investec – climate action (SDG 13) and reduced inequalities (SDG 10) – with a further six SDGs, core to our sustainability strategy. These eight 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 sustainability priorities
Where we focus our resources and activities

1. Positively contribute to the SDGs and in alignment with our SDGs
2. Operate responsibly and ethically
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 pillars
How we structure our reporting and measure our progress

Our people

Commitments

- Talent attraction, development and retention
- Employee engagement
- Employee wellbeing
- Learning and development
- Recognising and rewarding our people
- Belonging, inclusion and diversity
- Job creation and learning opportunities.

See **page 110**

Our communities

Commitments

- Creating education and learnership* opportunities within our communities
- Creating jobs for young people through quality work experience placements
- Living sustainably with cognisance of climate and nature-related challenges
- Supporting and encouraging staff participation through volunteering initiatives within our communities.

See **page 112**

Sustainable finance

Commitments

- Supporting infrastructure solutions that promote renewable and clean energy
- Managing, monitoring and tracking our Scope 3 emissions towards net zero by 2050
- Providing sustainability-linked loans through our sustainable finance framework
- Actively participating in industry initiatives and memberships.

See **page 114**

Environment and climate change

Commitments

- Transition to a net-zero carbon economy by 2050
- Committed to carbon neutrality within our direct operations
- Sourcing 100% of our Scope 2 energy from renewables through the purchase of renewable energy certificates
- Support for the Paris Agreement's aim of restricting global average temperature warming to below 2°C.

See **page 116**

Impact SDGs
The two SDGs most fundamental to our business

13 CLIMATE ACTION

- Maintain carbon neutrality within our direct operations
- Total fossil fuel exposure as a % of gross loans and advances is 1.84% (March 2022: 1.99%)

10 REDUCED INEQUALITIES

- DLC Board: 43% are women and 43% are persons of colour (measured in terms of the Parker Review)
- Female Bank Chief Executive in the UK

Core SDGs
The six SDGs core to our sustainability strategy

4 QUALITY EDUCATION | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES

Our enablers
How we operate sustainably and responsibly

Living sustainably | Partnering with clients | Aligning our community initiatives | Engaging through advocacy

* Learnerships are vocational education and training programmes in South Africa to facilitate the linkage between structured learning and work experience to obtain a registered qualification

OUR SUSTAINABILITY STRATEGY
CONTINUED

What does sustainability mean to us?

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 of living in society, not off it.

As a financial services organisation with a strong footing in both the developed and developing world, we believe we make a meaningful contribution to society and the environment. We believe that the 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 for the year ended 31 March 2023 has been obtained from EY to support various KPIs as reported in this sustainability section. Refer to the EY report as published in the Investec Group's 2023 sustainability report, available on the Investec website, for further information regarding the scope and the procedures performed. KPIs covered by the report have been marked by the above icon.

Our sustainability enablers
Where we focus our resources and activity

How we are embedding sustainability into our business strategy	**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.	**Aligning our community initiatives** with our SDG priorities to maximise impact in education, entrepreneurship and the environment.	**Engaging through advocacy** through active participation in a number of membership and industry alliances.
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.	• Environment and climate change statement • Biodiversity statement • Operational resilience statement • Procurement statement • Fossil fuel policy • Defence policy • The way we do business policy. We perform ESG screening when onboarding new clients, and on all our lending and investment activities.	• Offering sustainability products and services: particularly in water, renewables, infrastructure, job creation, clean cities and education • Using our specialist skills to support clients' sustainability ambitions • Working with our clients to transition towards a net-zero world.	• Creating education and learnership opportunities within our communities through the programmes we support • Offering entrepreneurship and job creation programmes • Preserving nature and biodiversity through our conservation efforts and greening our communities.	• Using the strength of our brand to educate and promote sustainable thinking • Working with industry in the UK and South Africa to ensure policy coherence • Active participation in UNGC, UN GISD, UN PRI, UNEP FI, BASA, PCAF and other forums • Signatories of UNEP FI and the UN PRB.
Wealth and 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.	• 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.	• We actively engage and interact with companies' management teams on ESG matters • 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.	• Our client philanthropy offering supports long-term sustainable initiatives across South Africa and manages foundation investments • In the UK, our charities division is committed to delivering sustainable long-term investment returns to enable our charities to support their beneficiaries and help them help others.	• Signatory of the UN PRI • Signatory of the UK Stewardship Code • Signatory of the Code for Responsible Investing in South Africa (CRISA) • Member of the Institutional Investors Group on Climate Change (IIGCC) • Member of Climate Action 100+.

OUR SUSTAINABILITY STRATEGY
CONTINUED

Governance

Sound corporate governance is implicit in our values, culture, processes, functions and organisational structure. Our values require that directors and employees behave with integrity, displaying consistent and uncompromised moral strength to promote and maintain trust.

Social, environmental and ethical risk considerations are fundamental to our values, culture and code of conduct. The Group supports an approach to ESG which strives to minimise investing in projects or dealing with counterparties where 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 matters (including ESG) to minimise the risks and require clients to meet appropriate technical, governance, transparency, social and environmental standards. For example:

- As part of our client onboarding process, we assess, where appropriate, potential clients for various types of risks including whether they have adequate ESG policies in place
- 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, labour rights regulations and against our supplier code of conduct
- We regularly review sensitive sectors and activities prone to bearing environmental and social risks.

Materiality

We engage in continuous stakeholder engagement as part of our ongoing sustainability strategy development, and to identify priority material areas. In 2023 this included updating our fossil fuel policy and releasing two new Group statements - the Group biodiversity statement and the Group modern slavery act statement. We aim to formalise this process by undertaking a double materiality* assessment in the next year, the results of which we intend to include in our next annual report.

* Double materiality refers to how our business is affected by sustainability issues (outside in) and how our activities impact society and the environment (inside out).

Our 2023 performance

We have strengthened our fossil fuel policy by:

- Committing to zero coal in our loan book by 31 March 2027 in Investec plc
- Committing to zero thermal coal in our loan book by 31 March 2030 in Investec Limited
- Stopping all limited recourse project financing to new thermal coal mines, regardless of jurisdiction as of 31 March 2023
- Committing to not financing any new oil and gas extraction, exploration, or production from 1 January 2035
- Joined the Partnership for Biodiversity Accounting Financials (PBAF)
- Maintained carbon neutrality in our direct operational emissions for the fifth financial year as part of our ongoing carbon neutral commitment.

Board responsibility

- The Board has the ultimate accountability to monitor the operations of the Group as a responsible corporate entity
- The Board oversees Investec's response to sustainability-related matters including climate, nature and biodiversity risks and opportunities. At the highest governance level, the Board establishes the purpose of the Group.

See **page 120**

Sustainability policies

- ESG and sustainability framework
- Group environmental policy and climate change statement
- Group biodiversity statement
- Group procurement statement
- Group modern day slavery statement
- Policy on environmental and social risk practices in lending and investing activities
- Group fossil fuel policy
- Defence sector policy
- IW&I voting and active engagement policy
- The way we do business policy.

Refer to the **Investec Group's 2023 sustainability report**

Sustainability screening

- Assess the alignment of the transaction with our sustainability policies
- Ensure there is no involvement in zero-tolerance activities
- Assess ambitions towards net-zero pathways
- Assess ESG ratings
- Assess public reporting on sustainability matters
- Assess disclosures in line with the GRI and TCFD
- Assess alignment with the SDGs
- Investigate any media controversies or reputational issues facing the client involved.

Refer to the **Investec Group's 2023 sustainability report**

Sustainability in our supply chain

- Our Group supplier code of conduct sets out the standards and behaviour expected from all suppliers and service providers relating to sustainability, integrity and ethical conduct, which form part of the core values of the Investec Group
- Suppliers and service providers are expected to adhere to this code and to remain mindful that their activities may impact the Investec Group's reputation and the trust that clients, employees, shareholders and all relevant stakeholders place in the Group.

Refer to the **Investec Group's 2023 sustainability report**

OUR PEOPLE

Our people

Our approach

Our purpose-led culture is Investec's strategic differentiator. As a culture-driven organisation, our values and philosophies must underpin and inform the conduct of our people. Our flat organisational structure ensures high levels of access for all, demonstrating deep respect for individuals and enabling an environment that encourages authentic dialogue, great flexibility, and speed of execution in line with our purpose and business strategies. This unique cultural approach is embedded through structures and practices that underpin our employee value proposition.

Link to the SDGs

We are committed to	What we are doing
Talent attraction, development and retention We invest significantly in opportunities for developing and upskilling employees	Within South Africa, our early career offering includes several graduate programmes and learnerships. In the UK, our early career strategy includes apprenticeship, internship and school outreach programmes
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	Our employee engagement initiatives include culture dialogues; team culture sessions; regular staff updates; an induction programme; ongoing learning programmes; a comprehensive intranet and a newly launched global employee app
Employee wellbeing Our approach to wellbeing is all-encompassing and forms part of the Investec Experience	We consider wellbeing as four interconnected elements: Be Healthy, Be You, Be Present, and Be Connected
Learning and development As a learning organisation we aim to constantly stretch and develop our people	We continue to invest significantly in providing learning opportunities to develop our people holistically
Recognising and rewarding our people Our remuneration practices comply with local regulations and reward people meaningfully	We support a minimum living wage. In addition, 7% of the Group's shares are held by staff
Belonging, inclusion and diversity Our diversity and inclusion framework aims to encourage a sense of belonging for all our people, irrespective of difference	• 43% female Board representation • 43% Board members are persons of colour (as defined by the Parker Review)
Job creation and learning opportunities Investment in job creation and learning opportunities in the communities in which we operate.	In line with our purpose, we continue to invest significantly in education and job creation opportunities in the communities around us.

Highlights in 2023

1.8%

Learning and development spend for the Group as a % of staff costs (2022: 1.6%)

43%

Female representation on the Board (against a target of 33%)

Our targets

- 33% female representation on the Board
- >1.5% learning and development spend as a % of staff costs

Key

On track | More to do | Behind schedule

OUR PEOPLE
CONTINUED

Our activities

Diversity and inclusion

Investec's approach is to recruit and develop people based on aptitude and attitude, with the deliberate intention to build a diverse workforce. Our recruitment strategies actively seek diversity, 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
- We aim for our workforce 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 offer diversity programmes for our employees through our learning and development opportunities
- We encourage transformation by bringing about greater representation in our workplace
- 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.

Board diversity
%

Male Board members	57 %
Female Board members	43 %

Learning and development

As a learning organisation we aim to constantly stretch and develop our people, recognising that 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 and deliver an Out of the Ordinary experience for the client. At Investec, the way we develop people is consistent with our culture and values. Learning in our culture is enabled through the flat structure and relational nature of our business, which allows access and exposure to diverse learning experiences and communities. Learning is also facilitated through our culture of open and honest dialogue and genuine feedback that encourages people to reflect and grow personally and professionally. Employees are encouraged to be the driving force behind their own developmental and to be proactive in identifying and addressing their developmental needs. This allows them to maximise learning opportunities which are most relevant to their unique needs and context. We have deliberately focused on enhancing our leader capability across the board by evolving our leadership development offering to support emerging, new, and existing leaders to develop the necessary skills and mindsets to adapt to business demands.

Progress in 2023

- At 31 March 2023 there was 43% representation of women on the Board and 43% persons of colour, measured in terms of the Parker Review metrics
- Our UK business is a signatory to the Race at Work Charter and has made significant progress against five institutional commitments to address racial inequality
- We are making progress in decreasing our gender pay gap in the UK and will continue to manage it in South Africa:
  - Investec Limited: 28.2% at 31 March 2023 (March 2022: 27.9%)^
  - Investec plc: 32.6% at 31 March 2023 (March 2022: 33.9%).^
- For the second year running we voluntarily disclosed our ethnicity pay gap
  - Investec Bank UK: 15.1% mean hourly pay gap at 31 March 2023 15.1% (March 2022: 12.9%)^
  - Investec Wealth & Investment UK: 23.9% at 31 March 2023 (March 2022: 20.7%)^

^ Gender and ethnicity pay gap stats are reported a year in arrears.

Key learnings in 2023

Mental health and financial wellbeing have become key areas of concern over the past few years. We recognised the impact that COVID-19 and the ensuing challenges imposed on our staff and have responded by enhancing our wellbeing initiatives and related learning offerings across the Group.

The cost of living crisis in the UK highlighted the inequalities that exist and persist in that geography, and we responded by offering a one-off cost of living allowance awarded to UK employees earning a salary below a certain threshold. We also provided access to resources around financial planning and financial education.

In South Africa, we have further increased our minimum pay to R250k per annum, effective 1 June 2023.

Priorities for 2024

- Continue to invest in education and job creation initiatives for our own employees as well as for the communities in which we operate
- Continue to focus on the mental and financial wellbeing of our people
- Continue to focus on diversity.

For more information on our **commitment to our people**, refer to the Investec Group's 2023 sustainability report.

OUR COMMUNITIES

Our communities

Our approach

A sustainable economy is a key factor in achieving our vision of creating enduring worth. When an economy thrives in the long term, it provides opportunities for businesses to grow and innovate, balancing economic, social and environmental goals with active economic participation. 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 concentrate our efforts on those areas that are most closely aligned to our philosophy. Our approach focuses on three categories of impact: education and learnerships, entrepreneurship and job creation, and environment and philanthropy.

Link to the SDGs

We are committed to	What we are doing
Education and learnerships We focus on creating education and learnership opportunities within our communities, contributing to SDG 4 (quality education)	In South Africa, two new Promaths centres launched and funded by Investec bringing the total to ten centres across South Africa In the UK, staff take part in a range of coaching and mentoring programmes aimed at enhancing the employability and skills of young people, refugees and asylum seekers by providing guidance, support, and skill building opportunities to help them succeed in the job market
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)	Continued to support Startup School, the Finance Readiness Programme, and the YES Initiative in South Africa In the UK, we continued to partner with the Bromley by Bow Centre focusing on social economic regeneration in one of London's most deprived boroughs
Environment and philanthropy We have a strong commitment to ensure we live sustainably, within the planetary boundaries. We do this by protecting biodiversity, promoting a clean environment and supporting high-quality, carbon reduction initiatives	Raised awareness of the role of banks and the private sector in combating illegal wildlife trade, collaborating with the public sector and law enforcement in South Africa Extended our partnership with The Hawk Conservancy Trust, resulting in further research, rehabilitation and releasing birds of prey, and 'Explore Nature Days' for local students in the UK
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.	Our staff give their time, money, goods and skills to support communities and actively volunteer their time and donate through our payroll giving schemes, Give as you Earn and Pennies from Heaven.

Highlights in 2023

1.3%

Group community spend as a % of Group operating profit* (2022: 1.3%)

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

3 100

South African youth provided with Investec internships through Youth Employment Service since inception in March 2018

Our targets

Corporate Social Investment (CSI) spend as % of operating profit: >1%

Key

On track | More to do | Behind schedule

OUR COMMUNITIES
CONTINUED

Our activities

Education and learnerships

We believe that supporting considered educational initiatives aligned to our Corporate Social Investment (CSI) strategy facilitates meaningful broader societal transformation.

In SA, our education interventions are intended to drive change that will see a greater number of disadvantaged young people produce exceptional maths and science results. We aim to help them 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 academic achievement, our community partners also focus on employability as well as life and interpersonal skills.

Spend on community initiatives by category (total: £10.7mn)
%

	2022	2023
Education and learnerships	54.0%	**55.1%**
Entrepreneurship and job creation	24.6%	**22.5%**
Environment and other philanthropy	21.4%	**22.4%**

Entrepreneurship and job creation

While we understand the breadth of socio-economic challenges in South Africa, we believe that enabling people to become active economic participants through entrepreneurship can make a real difference. Our approach aims to enable as many people as possible, to become active economic participants in society. This has a positive effect on those individuals, 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. These 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, and from ethnic minority groups.

We support the philanthropic endeavours of our clients through long-term sustainable initiatives across South Africa and the UK.

Progress in 2023

Investec Limited

- We expanded the number of Investec-funded Promaths centres to 10, and our Promaths learners continued to achieve exceptional results in maths and science
- We awarded more university bursaries to enable students to attend tertiary institutions that they might otherwise not afford. In 2022, we introduced medical bursaries into our university bursary portfolio and received our second cohort of students for the 2023 academic year
- The number of users on our career guidance helpline platform, CareerXplora, increased to 15 336 from 8 670 users in the previous year.

Investec plc

- We continued to invest in Arrival, helping young people from lower socio-economic backgrounds and minority ethnic groups
- We continued to be the sole funder for the Bromley by Bow Centre's social incubation programme, Investec Beyond Business
- There was a significant increase in staff volunteering on our programmes this year to 503 volunteers (from 350 the previous year) with a total of 3 336 volunteering hours (from 2 028 the previous year).

Key learnings in 2023

In SA, technology challenges, such as lack of electricity supply and connectivity issues, resulted in some of our programmes, such as Promaths Online, not being able to continue as per normal. We have therefore adopted a hybrid model and continue to explore alternatives to overcome these challenges. While we appreciate the role that technology plays in the expansion of our programmes, this needs to be done within an ecosystem that is strong enough to sustain it.

In the UK, we have seen an increase in the number of challenges facing the communities in which we operate. We have seen the pressures of the rising costs of living drive a significant increase in demand for foodbanks. Furthermore, the ongoing impacts of austerity have resulted in continued pressure on budgets in the public and voluntary sector and have led to an increase in the need for the support we provide.

Priorities for 2024

Investec Limited

- Continue to explore working around existing technology challenges to expand Promaths offerings
- Invite more partners to support Promaths centres to increase learner support
- Continue to expand our CareerXplora platform.

Investec plc

- Better measure and understand the impact of the efforts of our business and staff on the communities we support
- Evolve our UK education, entrepreneurship and environment CSI offerings to support and complement business needs
- Review and refresh our CSI interventions emphasising the impact that aligns with our SDG priorities.

For more information on our **commitment to our communities**, refer to the Investec Group's 2023 sustainability report.

SUSTAINABLE FINANCE

Sustainable finance

Our approach

Investec exists to create enduring worth. Our purpose demands that we regard sustainability as an integral part of our business rather than ancillary to it.

We 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.

Link to the SDGs

Addressing climate and inequality issues are fundamental to the success of our business.

We are committed to	What we are doing
Positively contributing to the UN Sustainable Development Goals	Supporting infrastructure solutions that promote renewable and clean energy as well as clean water and sanitation
Operating responsibly and ethically with cognisance of climate and nature-related challenges	Managing, monitoring and tracking our Scope 3 financed emissions to achieve net-zero by 2050
Partnering with stakeholders to maximise positive impact	Supporting South Africa's pathway to a low-carbon economy and a more climate-resilient and equitable society Funding clients in the UK to support the UK's climate transition
Providing profitable, impactful and sustainable products and services	Providing sustainability-linked loans through our sustainable finance framework
Proactively advocating for industry alignment and best practice.	Actively participating in industry initiatives and memberships. Refer to the Investec Group's 2023 sustainability report for memberships and industry participation.

Highlights in 2023

€178mn

commercial loan agreement that partly financed a €178mn water infrastructure project in Cote d'Ivoire

$80mn

senior credit facility in collaboration with Proparco to implement the Transforming Financial Systems for Climate (TFSC) programme in South Africa

£110mn

senior debt facilities to supports InstaVolt's accelerated EV charging network

Our targets

- Zero thermal coal exposures in our loan book by 31 March 2030
- Manage Scope 3 financed emissions to net zero by 2050

Key

On track | More to do | Behind schedule

SUSTAINABLE FINANCE
CONTINUED

Our activities

Sustainable finance framework

Our sustainable finance framework outlines the methodology and supporting policies and procedures that support sustainable financing practices within the Group.

The framework is underpinned by addressing climate (SDG 13) and reduced inequalities (SDG 10), both fundamental to the success of our business. We address these impact SDGs with a further six SDGs, core to our strategy. These eight priority SDGs are globally aligned, yet locally relevant to our core geographies.

These further six SDGs were selected by looking at the needs of the two jurisdictions where we have the largest presence, South Africa and the UK. The SDG selection process also factored in the core capabilities and expertise we have within the business and where we believe we can maximise impact.

Furthermore, these core SDGs also reflect our current business model and growth strategy to fund a stable and sustainable economy. In addition, we have a strong focus on financing entrepreneurs who are critical in accelerating job creation and supporting sustained economic growth.

Impact SDGs

Core SDGs

Sustainable finance within our business

Over the past financial year, we launched and participated in several sustainable finance products and innovations that complement our impact and core SDG priorities. As part of our net-zero strategy, we support infrastructure solutions that promote renewable and clean energy.

Living with constant loadshedding in South Africa, we are acutely aware of the need for energy security and the imperative to transition to a low-carbon economy. Our ability to help realise this goal was bolstered this year when we secured a $80mn senior credit facility from Proparco, earmarked to support projects that promote a more climate-resilient and equitable South Africa.

In addition, we have rolled out a funding solution for our private banking clients. The funding is available for the installation of solar panels and battery storage systems in their homes, small businesses and practices, and provides a power solution in South Africa, which is currently affected by regular electricity outages.

In the UK, we set up a Sustainable Business Forum to drive the increased commercialisation of sustainability in partnership with our clients. We are financing electric vehicles (EVs) through our vehicle finance platform, Mann Island Finance. We also led the $125mn Cypress Creek solar deal and participated in a £110mn facility to assist InstaVolt in its rollout of EV charging stations.

Globally, we participated in £1.38bn of renewable energy projects as at 31 March 2023 (2022: £0.70bn).

Progress in 2023

We made significant progress in embracing sustainable finance principles and integrating them into our business.

- We have been recognised as one of the 100 most sustainable companies in the world by Corporate Knights
- We have seen continued inflows into the Investec Global Sustainable Equity Fund – $46.2mn (since its launch in March 2021)
- We have exceeded £1bn in funding for student accommodation since 2011 which has provided 22 000 beds across 55 schemes in 23 UK cities.

Key learnings in 2023

We recognise the need to focus on enhancing our data collection and reporting capabilities to provide accurate disclosures on all our sustainable finance activities across the Group. We have seen how collaboration across the sector and with all stakeholders can contribute to sharing best practices and developing a common set of standards. We need to invest in internal capacity building to enhance our understanding of sustainable finance and to develop skills to effectively navigate the evolving landscape of sustainable finance.

Priorities for 2024

- Establish a Sustainable Business Forum in South Africa to drive the commercialisation of sustainability
- Quantify transactions which fall within our sustainable finance framework to ensure accurate disclosure of all sustainable finance activities across the Group
- Continue to work on sustainability strategies for each of our businesses.

For more information on our **sustainable finance and investment activities**, refer to the Investec Group's 2023 sustainability report.

THE ENVIRONMENT AND CLIMATE CHANGE

The environment and climate change

Our approach

We recognise the complexity and urgency of climate change, and the consequences this has on nature and biodiversity and social wellbeing. The Investec Group environmental policy and climate change statement considers the risks and opportunities that climate change presents to the global economy. In addition, our biodiversity statement considers the impact our activities may have on biodiverse ecosystems.

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.

Link to the SDGs

We are committed to	What we are doing
Supporting the transition to a zero-carbon economy while realising that this might take time due to socio-economic constraints	Investec is a global business and operating in both the developed and developing world within 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
Embracing our responsibility to understand and manage our own carbon footprint and maintain carbon neutrality within our direct operations	We achieved carbon neutral status in our Scope 1, 2 and operational Scope 3 emissions for the fifth financial year, through the purchase of high-quality offsets for our unavoidable residual emissions. We remain committed to ongoing carbon neutrality
Supporting 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 calculated our Scope 3 financed emissions within our various asset classes and are tracking our progress using FY 2021 as our baseline. Our progress against these targets is detailed in our TCFD report
Tracking our progress in our Scope 3 financed emissions	• We are members of the Net-Zero Banking Alliance • For the second year, we are disclosing our baseline Scope 3 financed emissions • We are committed to zero thermal coal in our loan book by 31 March 2030
Recognising the link between climate change and biodiversity loss, and therefore consider nature and biodiversity-related matters in our decision-making processes.	• We are a founding member of the African Natural Capital Alliance (ANCA) • We are partners of the Partnership for Biodiversity Accounting Financials (PBAF) and supporting TNFD.

Highlights in 2023

0.10%

Thermal coal as a % of loans and advances (March 2022: 0.10%)

1.84%

Fossil fuels as a % of loans and advances (March 2022: 1.99%)

Our targets

- Carbon neutrality within our direct Scope 1, 2 and operational Scope 3 activities (On track)
- Zero thermal coal exposures in our loan book by 31 March 2030 (On track)
- Net-zero Scope 3 financed emissions by 2050 (More to do)

Key

On track | More to do | Behind schedule

THE ENVIRONMENT AND CLIMATE CHANGE
CONTINUED

Our activities

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
- Promoting responsible consumption.

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.

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

(2023: 37 869 tCO2e/intensity 4.44 per employee)
(2020: 40 564 tCO2e/intensity 4.59 per employee)

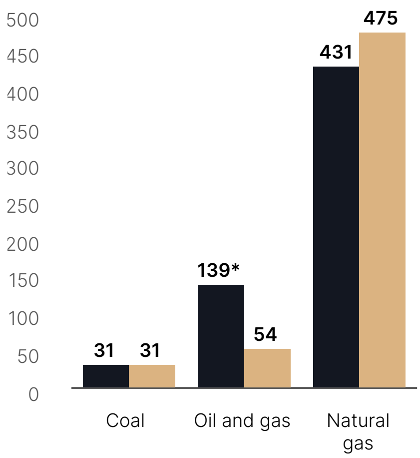
Investec Group energy portfolio at 31 March 2023

Coal	**2.7 %**
Oil and gas	**4.8 %**
Natural gas	**41.5 %**
Renewables	**51.1 %**

Progress in 2023

- Maintained carbon neutrality in our unavoidable residual emissions for the fifth financial year as part of our commitment to ongoing carbon neutrality in our Scope 1, Scope 2 and operational Scope 3 emissions
- IW&I joined the Institutional Investors Group on Climate Change (IIGCC)
- Measured and reported on our material Scope 3 financed emissions and compared our progress against our 2021 baseline
- Signed up to the Partnership of Biodiversity Accounting Financials (PBAF) and supporting the recommendations from the TNFD.

Fossil fuel exposure at 31 March 2023
£560mn (March 2022: £601mn*)



2022
2023

* Restated.

Key learnings in 2023

Our commitment to transparency requires that we acknowledge the areas where we are falling short, and where further attention is needed. We recognise the need to put considerable effort into creating systems to produce consistent and accurate data. In addition, the transition to net zero is exceptionally challenging. The decisions we need to make cannot solely focus on climate impacts. We also have to incorporate the profound impacts on humanity too. Clear and consistent guidance from Regulators is required to navigate multiple pathways, with many uncertainties, towards a just transition.

We believe that as a financial institution, coupled with the strength of our brand, we can, and must, use our position to steer capital flows towards a net-zero world. In addition, we have much to learn in managing and measuring our impact on nature and biodiversity. This is why we joined the Partnership for Biodiversity Accounting Financials, which enables us to assess and disclose our impact and dependencies on biodiversity within our loans and investments.

Priorities for 2024

- Strengthen and enhance our systems to manage and measure climate and nature-related risks and dependencies
- Work with, and assist, our clients in their net-zero carbon journey.

For more information on our **commitment to the environment and climate change**, refer to the Investec Group's 2023 sustainability report and the Investec Group's 2023 climate and nature-related financial disclosures report.

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). 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. CO_2e values are attributed to these sources via an automatic conversion module in the third-party system to enable the calculation. Where we do not have direct data, we use calculated extrapolations. This includes a spend based approach for travel, which accounted for 13% of our Scope 3 operations emissions in 2023. The implementation of this tool allows us to produce reliable emissions data, accurately build an accurate history of our carbon footprint and assists in setting targets for future emissions. The environmental manager within each geography is responsible for monitoring the GHG emissions. Every year, we endeavour to improve the thoroughness of our data collection processes. The Investec plc Streamlined Energy and Carbon Report can be found on the Investec website.

Assessment parameters

Consolidation approach

- Operational control

Emission factor data source

- DEFRA (2022), International Energy Agency (IEA), eGRID (for New York electricity) and Eskom (for South Africa electricity)

Intensity ratio

- Emissions per average headcount
- Emissions per office space m^2

Independent assurance

- Reasonable assurance provided by EY for the year ended 31 March 2023

Coverage

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

THE ENVIRONMENT AND CLIMATE CHANGE
CONTINUED

We have seen an increase in our emissions due to employees returning to work and resuming activities which include commercial flights (domestic and international). However, our emissions remain below pre-COVID-19 levels. In addition, we had a significant increase in diesel usage due to loadshedding in South Africa.

Carbon footprint for the Group*		Units	**31 March 2023** Consumption in unit of measure	**31 March 2023** Tonnes of CO_2 equivalent	31 March 2022[5] Consumption in unit of measure	31 March 2022[5] Tonnes of CO_2 equivalent
Scope 1				**2 736**		**184**
Energy	Natural gas	kWh	**240 944**	**44**	237 093	43
	LPG stationary[1]	L	**29 394**	**46**	5 537	9
	CO_2 purchased	kg	**58**	**–**	154	–
	Diesel[2]	L	**982 289**	**2 513**	34 283	86
Refrigerant	Refrigerant[3]	kg	**35**	**111**	2	4
Employee travel	Vehicle fleet	km	**130 361**	**22**	238 207	41
Scope 2				**23 570**		**24 640**
Energy	Electrical energy consumption	kWh	**26 410 854**	**23 570**	26 669 829	24 640
Scope 3				**11 564**		**5 229**
Paper	Paper consumption	t	**65**	**60**	38	36
Waste	General waste	t	**311**	**139**	182	83
Employee travel	Rail travel[4]	km	**376 883**	**12**	189 977 [5]	7
	Road business travel[4]	km	**1 127 587**	**192**	590 258 [5]	101
	Taxi[4]	km	**57 134**	**10**	5 288 [5]	1
	Commercial airlines[4]	km	**33 121 057**	**9 010**	9 651 879 [5]	2 834
	Rail travel (spend-based approach)	$	**569 469**	**385**	247 632	238
	Taxi (spend-based approach)	$	**218 575**	**148**	89 062	85
	Commercial airlines (spend-based approach)	$	**530 162**	**736**	145 545	287
	Road business travel (spend-based approach)	$	**358 379**	**242**	219 449	211
Work-from-home emissions	Electrical energy consumption	kWh	**730 451**	**402**	1 253 231	844
	Natural gas	kWh	**709 891**	**130**	1 428 402	262
	LPG stationary	L	**62 403**	**97**	155 037	241
Total emissions[6]				**37 869**		**30 052**
No scope						
Water		kl	**83 008**	**22 598**	71 174	
Recycled waste		t	**156**		244	
Intensity						
Emissions per average headcount				**4.44**		3.539
Emissions per m^2 office space				**0.26**		0.2
Water consumption per average headcount		kl		**9.74**		8.38
Intensity excl Scope 2						
Emissions per average headcount				**1.68**		0.64
Emissions per m^2 office space				**0.10**		0.04
Climate change commitments						
Scope 2 zaRECs		MWh	**21 790**	**22 598**	22 327	23 589
Scope 2 REGOs in the UK		MWh	**4 621**	**971**	4 343	1 051
Carbon credits				**14 299**		5 413
Total emissions after mitigation				**—**		**—**

* Reasonable assurance obtained from EY for select metrics. Please refer to EY's assurance report in the Group's 2023 sustainability report, available on our website

[1] Increase in LPG due to all kitchens converted to piped gas systems so less reliance on electricity
[2] Increase in diesel due to loadshedding in South Africa
[3] Increase in refrigerant due to repairs at the Sandton and Cape Town offices
[4] Increase in business travel as business as usual activities resume
[5] Numbers restated from previous year due to review of the calculation approach specific to UK
[6] While we have seen an increase in emissions year-on-year, we are 7% lower on emissions against 31 March 2020 (40 564 tonnes of CO_2 equivalent)

CLIMATE CHANGE FRAMEWORK

Climate and nature framework: Transitioning to a zero-carbon economy

Governance

Board of Directors

At the highest governance level, the Board has the ultimate accountability to monitor how well the Group is operating as a responsible organisation.

This includes considerations around climate and nature-related risks and opportunities when reviewing the Group strategy.

Board-appointed committees

The Board is supported by various Board-appointed committees, with each contributing its specialised capability around climate- and nature-related risks and opportunities.

These include:

- DLC SEC
- DLC BRCC
- DLC Audit Committee
- DLC Remuneration Committee.

Executive responsibility

For climate and nature-related risks and opportunities, our CE, Fani Titi, takes ultimate executive responsibility.

The CE is supported by the:

- Group ESG Executive Committee that reports relevant sustainability matters to the DLC SEC and Group Executive Risk Committee (ERC)
- Executive responsibility within the Specialist Bank
- Executive responsibility within Wealth & Investment.

Management responsibility

- In South Africa, management participates in the various executive forums, which are then discussed at various executive committees
- In the UK, the Sustainable Business Forum supports business units to drive sustainability-related revenues and to coordinate those efforts across Investec plc
- Within Wealth & Investment, the Sustainable Investment Forum coordinates the integration of sustainability-related matters across various jurisdictions.

Publicly available policies and statements

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

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 offerings
- 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

- We identify climate and nature-related risks by integrating ESG considerations into our day-to-day operations.

Business opportunities

- We use our specialist skills in advisory, lending and investing to support clients' sustainability ambitions
- We use our expertise to 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

- Our environmental management system to manages and limits our direct carbon impact.

Climate, nature and biodiversity risk

- Our climate change framework takes into account our commitment to a net-zero carbon economy. In addition, our biodiversity statement strengthens our commitment to protecting our natural environment. As such, we adopt a precautionary approach towards managing climate and nature-related risks in all our decision-making processes.

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
- Investec plc has committed to zero coal in the loan book by 31 March 2027
- Investec Limited and Investec Group have committed to zero thermal coal in the loan book by 31 March 2030.

For more information, refer to the **Investec Group's 2023 sustainability report** and the **Investec Group's 2023 climate and nature-related financial disclosures report**.

For more information, refer to the **Investec Group's 2023 sustainability report** and the **Investec Group's 2023 climate and nature-related financial disclosures report**.

CLIMATED-RELATED DISCLOSURES

Climate-related disclosures

We believe our climate-related disclosures as at the end of 31 March 2023 are in compliance with LR9.8.6R(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). Our disclosures are summarised in our TCFD report, which is available on our website. For more information on the TCFD Recommendations, refer to page 119 in the annexures.

We believe that our widest and most positive influence is realised when our businesses 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.

01 Maintaining carbon neutral status within our global operations

Highlights

- We are incorporating environmental values into our culture and decision making
- We have maintained carbon neutral status for the fifth consecutive year
- Our direct operational carbon footprint increased by 26% compared to March 2022 but remains 7% lower compared to pre-COVID-19 (March 2020)
- 100% of our Scope 2 energy is sourced from renewables through the purchase of renewable energy certificates
- We have committed to net-zero in our Scope 3 financed emissions by 2050.

02 Financing a resilient economy and partnering with our clients

Highlights

Our sustainable finance framework is aligned to the SDGs. Our initiatives in the past year included:

- Acting as co-arranger in the €178mn commercial loan agreement in the Water for All priority programme for remote villages in Cote d'Ivoire to develop and rehabilitate essential water supply infrastructure across up to 111 locations, enhancing access to potable water for two million people
- Securing a senior credit facility of $80mn in collaboration with Proparco to implement the Transforming Financial Systems for Climate (TFSC) programme in South Africa
- Launching a funding solution offering for private clients, focusing on assets such as solar and water storage.

03 Managing and steering our portfolios towards a net-zero world

Highlights

- We have committed to zero thermal coal exposures in our loan book by 31 March 2030
- We are monitoring and managing our exposures to fossil fuels and other high-emitting sectors
- We have measured our financed emissions within our material lending and investing activities against our 2021 baseline
- We have completed a pro-climate assessment to identify gaps in our current climate strategy.

04 Continuing our participation in advocacy and collaboration

Highlights

- Our commitment to sustainability is evident from the many organisations with whom we engage and support
- Active collaboration and participation in sustainable initiatives can direct capital towards environmentally and socially responsible projects
- Actively working with regulators allows us to stay informed around regulatory changes and ensure compliance with evolving sustainability frameworks. Furthermore, participation and engagement can help shape policies and standards that promote sustainability within the industry.

MEMBERSHIPS AND PARTICIPATION

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.

We are members of:
- The Net-Zero Banking Alliance (NZBA)
- The Institute of International Finance (IIF) and participate in the working group focused on providing a standardised template for TCFD disclosures for banks
- The World Benchmarking Alliance (WBA)
- The 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
  - Sustainable Finance Committee
  - Positive Impact Finance Committee
- The United Nations Environment Programme Finance Initiative (UNEP FI)
- The CDP (formerly known as the Carbon Disclosure Project) since 2009
- The United for Wildlife's Financial Taskforce to combat illegal wildlife trade (part of the Royal Foundation)
- The UN Global Investors for Sustainable Development (GISD) alliance working groups
- The Partnership for Carbon Accounting Financials (PCAF) in South Africa and the UK
- The Partnership for Biodiversity Accounting Financials (PBAF)
- The United Nations Global Compact 10 principles on human rights, labour, environment and anti-corruption and report annually our communication of progress.

Wealth & Investment specific memberships:
- Signatory to Climate Action 100+ and are represented on the Climate Action 100+ forum
- Investor signatory of the CDP
- Participant in the CDP Non-Disclosure Campaign
- Signatory to the United Nations Principles for Responsible Investment (UN PRI)
- Subscriber to the Code for Responsible Investing in South Africa (CRISA)
- Subscriber to the UK Stewardship Code
- Member of the Cambridge Institute for Sustainable Leadership's Investment Leadership Group
- Joined the Institutional Investors Group on Climate Change (IIGCC).

Ratings and rankings in the sustainability indices

S&P Global

Top 2%
in the global diversified financial services sector (inclusion since 2006)

GLOBAL 100

Top 100
in global sustainable companies as rated by Corporate Knights

MSCI ESG RATINGS AAA

Top 2%
in the financial services sector in the MSCI Global Sustainability Index

SUSTAINALYTICS RATED

Top 14%
of diversified banks and included in the Global Sustainability Leaders Index

JSE

Top 30
in the FTSE/JSE Responsible Investment Index

CDP

Score A-
against an industry average of B-

Corporate ESG Performance Prime ISS ESG

Top 20%
of the ISS ESG global universe
Rated Prime – absolute best in class

FTSE4Good

Included
in the FTSE UK 100 ESG Select Index and the FTSE4Good Index

Awards

- Ranked 7th in the Corporate Knights Sustainable Revenues Ranking, 2022 and included in the top 100 global sustainable companies in the world
- Won Best Specialist ESG Research in the ESG Investing Awards in the UK, 2022
- Ranked 1st for Best Private Bank and Wealth Manager in Africa for philanthropy services by the Financial Times, 2022
- Investec UK Charities' team ranked 8th by the Charity Finance Fund Management Survey by size of charitable funds managed
- Ranked 4th in the 2022 Universum Employer of Choice Survey by professionals in South Africa
- Awarded two Best Deals in 2022 by GTR for the €600mn Ghana Western Rail transaction and the €220mn Western Regional Hospitals transaction.

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.

Governance

06

IN THIS SECTION

CHAIR'S INTRODUCTION

Strategic execution bearing fruit

> Our strategy is working and positioning us well for the challenges and opportunities ahead.

Philip Hourquebie
Chair

This year we oversaw the renewal and further inculcation of our purpose and values in everything we do. The Board's work this year was influenced by the persistent uncertainty and volatility in the global macro-economic environment.

Throughout the year, the Board remained steadfastly focused on all aspects of good governance, which underpins the Group's ability to continue meeting the needs of all our stakeholders.

Purpose

We seek to create enduring worth. Worth resonates on a deeper level; it connects to the intrinsically human focus of our brand and is about value creation that benefits all our stakeholders.

The focus is on long-term, continuous value creation, in the interest of returns for the organisation, its stakeholders, humanity and the planet. We have worked tirelessly to integrate this purpose in a holistic manner to the mandates of our executive team. We look at the world around us and see opportunities to contribute, to do better, to forge partnerships that empower and forever change the landscape and lives of our stakeholders. This philosophy is consistently applied across disciplines within the organisation, spanning from revenue generating, operations, digital and technology, risk and compliance to our employee value proposition. The pursuit of creating positive opportunities for change is an integral part of our identity.

The Board supported the executive management in realigning Investec's purpose and values to strategy. We believe that the purpose is foundational in navigating the uncertain environment and a world significantly altered by the pandemic.

Values

We have recently realigned our organisational values (see page 5) through extensive consultation, ensuring that they reflect our steadfast beliefs and our aspirations.

Culture

The Board supported management's active role in continuously evaluating our evolving culture, with enhancements made during the year. Our culture is our strategic differentiator. The organisation is purposeful, the values underpin and inform conduct and the culture creates the context for performance. Our employee value proposition, known as the Investec Experience, is an articulation of this culture – it positions a reciprocity that communicates the significant commitment the organisation makes to employees, and then guides employee delivery of value, behaviour and relationships. We enable this proposition through our physical and digital workplaces, how we position the brand, connect with employees, prioritise diversity and inclusion and create meaning at work. Our culture drives our actions, standards and expectations, enables us to fulfil our purpose and achieve our strategic objectives and creates a distinctive Investec experience.

Strategy

The Board has continued to oversee and monitor progress on the Group's strategy. Building on the success to simplify and focus the business, we have pivoted to pursuing disciplined growth. This growth will be achieved through our deep specialisations, with greater emphasis placed on what we can do for our clients when we act in an integrated way to bring the best of Investec to every relationship and interaction. We refer to this as our One Investec strategy.

CHAIR'S INTRODUCTION
CONTINUED

As part of this strategy, in April 2023 we were excited to announce, the proposed combination of Investec Wealth & Investment UK and Rathbones, which brings together two businesses with a long-standing heritage in UK wealth management and closely aligned cultures. The transaction represents a real step-change and long-term opportunity for our UK wealth strategy, giving us the scale to power future growth.

Read more on the Group's strategy on pages 23 to 25.

Financial performance

The Group reported strong results against a challenging macro backdrop, with all our client franchises delivering growth in pre-provision adjusted operating profit, which is testament to their strength and diversity, as well as the disciplined execution of our strategy. We have also made significant progress in our capital optimisation strategy; in aggregate, returning circa £780 million to shareholders, comprising ordinary dividends, the share purchase programme and the distribution of 15% shareholding in Ninety One. Read more on our financial performance on pages 44 to 49.

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 32 to 40.

Board effectiveness

Each year the Board undertakes a formal evaluation of its performance. This year's review was internally facilitated by Company Secretarial. Read more on page 144.

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 pages 94 to 96 of the Investec Group's 2023 risk and governance report.

Board and committee changes

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

- Vanessa Olver, an independent 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 Board Risk and Capital Committee (BRCC)
- David Friedland, having reached nine years of service with the Group in March 2022, stepped down from the Board and as Chair of the DLC BRCC in August 2022, with Vanessa succeeding him as Chair of the DLC BRCC. The Board offers its sincere thanks to David for his exemplary service and commitment to the Group
- Vanessa, on her appointment as Chair of the DLC BRCC, also joined DLC Nominations and Directors' Affairs Committee (Nomdac) as a member
- Nicky Newton-King, an independent Non-Executive Director, was appointed a member of the DLC Remuneration Committee in September 2022

Since 31 March 2023, we have also announced the following changes.

- To simplify the Board structure, Richard Wainwright and Ciaran Whelan will not stand for re-election at the 2023 AGM, and will accordingly step down from the Board in August 2023. This will reduce the number of Executive Directors on the Board to two
- Khumo Shuenyane, who will reach nine years of service with the Group in August 2023, will also not stand for re-election at the 2023 AGMs of the Group and IBL, and will accordingly step down from the Board and IBL Board in August 2023. I will succeed Khumo as Chair of the IBL Board, with Nicky succeeding Khumo as Chair of the DLC Social and Ethics Committee (SEC)
- Zarina Bassa, who will reach nine years of service with the Group in November 2023, will not stand for re-election at the 2024 AGM, and will accordingly step down from the Board in August 2024. We will confirm Zarina's successor at the conclusion of our ongoing selection process.

2023/24 focus areas
- Oversee the business performance during the period of uncertainty
- Monitor the execution of the growth-led strategy
- Oversee the succession plan for the Board and senior management.

Sustainability

Addressing climate change and inequality is fundamental to the success of our business. We focus on eight priority Sustainable Development Goals (SDGs): two impact SDGs, climate action and reduced inequalities, 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. Read more on our approach to ESG in the Investec Group's 2023 sustainability report.

Corporate governance

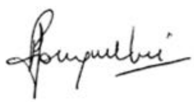
The Group's statements of compliance with the UK Corporate Governance Code 2018 and King IV™ Code can be found on pages 132 and 133.

In conclusion

I would like to thank our clients, for their continued support, as we work hard to execute our strategy.

I am also grateful to our colleagues, for their passion and outstanding commitment to Investec, and in particular, our management team, for their exemplary leadership, which is evidenced by our strong set of results.

Finally, I offer my sincere thanks to my fellow Board members, for their astute counsel, and continued commitment to the Group.



Philip Hourquebie
Chair
27 June 2023

DIRECTOR BIOGRAPHIES

Who we are

Biographies of our directors as at 31 March 2023 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 BRRC
N	DLC Nomdac
R	DLC Remuneration Committee
A	DLC Audit Committee
S	DLC SEC
■	Denotes Committee Chair

Philip Hourquebie

Chair

B N R

Age
70

Nationality
British

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

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

Independent
On appointment

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

B N R A

Age
58

Nationality
South African

Qualifications
BAcc, DipAcc, CA (SA)

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

Independent
Yes

Relevant skills and experience
Zarina's previous appointments include partner of Ernst & Young, Executive Director of Absa 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 Standards Board, and a Non-Executive Director of the Financial Services Board, the South African Institute of Chartered Accountants, Kumba Iron Ore Limited, Mediclinic International, Sun International Limited, Mercedes South Africa, Oceana Group, 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

DIRECTOR BIOGRAPHIES
CONTINUED

Henrietta Baldock

Independent Non-Executive Director

B N R

Age
52

Nationality
British

Qualifications
BSc (Hons)

Date of appointment
August 2019

Independent
Yes

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 on a number of significant transactions. 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

Stephen Koseff

Non-Executive Director

B

Age
71

Nationality
South African

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

Date of appointment
September 2020

Independent
No

Relevant skills and experience
Stephen was with Investec for 39 years in various capacities and the Group CEO from 1996 to 2018. In 2017, Stephen was awarded an Honorary Doctor of Commerce Degree by the University of the Witwatersrand. He was a former member of Business Leadership South Africa, the Financial Markets Advisory Board, chairman and member of the South African Banking Association and Independent Bankers Association, and former director of the JSE, Bidvest Group and Irongate Funds Management. . Stephen is Chair of Innovation Africa SA NPC and Co-Chair of the Youth Employment Service (YES). Stephen brings strong commercial, finance, risk and industry expertise to the Board.

External appointments
Bid Corporation Limited, Bravo Transport Holdings Limited, Bud Group (Pty) Limited, IEP Group (Pty) Limited and ArrowPoint Capital

Nicola Newton-King

Independent Non-Executive Director

B S R

Age
56

Nationality
South African

Qualifications
BA, LLB, LLM, LLD

Date of appointment
May 2021

Independent
Yes

Relevant skills and experience
Nicky is a lawyer by training. She was a senior Executive with the JSE for 23 years, and the CEO from 2012 to 2019. In her tenure at the JSE, Nicky was responsible for repositioning it as a modern securities exchange and as a thought leader amongst global exchanges around ESG. 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
MTN Group Limited and Stellenbosch University

DIRECTOR BIOGRAPHIES
CONTINUED

Jasandra Nyker

Independent Non-Executive Director

B S

Age
50

Nationality
British

Qualifications
BSc, MBA

Date of appointment
May 2021

Independent
Yes

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. Jasandra was also formerly CEO of BioTherm Energy, an African Independent Power Producer. This background demonstrates her extensive knowledge of and experience in building businesses, private equity investing and energy transition.

External appointments
Emira Property Fund Limited

Vanessa Olver

Independent Non-Executive Director

B N A

Age
49

Nationality
South African

Qualifications
BCom, HDipAcc, HDipTax, CA(SA), CPA (USA)

Date of appointment
May 2022

Independent
Yes

Relevant skills and experience
Vanessa is a chartered accountant, who has substantial strategic, risk, finance, governance, and technology related experience, having held a number of senior executive roles, including previously serving as Chief Enablement Officer (Rest of Africa) at Absa Group, Deputy Chief Executive Officer at Business Connexion Group and finance director of Stanbic Bank after having spent 7 years abroad at Deloitte US and Aviva plc. Vanessa has also established Quantum Change, an advisory and recruitment firm which focusses on enabling strategic change within organisations.

External appointments
None

Khumo Shuenyane

Independent Non-Executive Director

B N S

Age
52

Nationality
South African

Qualifications
BEcon, CA (England and Wales)

Date of appointment
August 2014

Independent
Yes

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

DIRECTOR BIOGRAPHIES
CONTINUED

Philisiwe Sibiya
Independent Non-Executive Director

B A

Age
46

Nationality
South African

Qualifications
BAcc, DIP Acc, CA (SA)

Date of appointment
August 2019

Independent
Yes

Relevant skills and experience
Philisiwe is the founder and CEO of the Shingai Group. She was 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

B N

Age
69

Nationality
British

Qualifications
MBA, ACIB, FCBI

Date of appointment
May 2021

Independent
Yes

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 CEO and Chair of Royal Bank of Scotland's global transaction services division and as Head of Global Banking Division Asia Pacific at Deutsche Bank, as well as various non-executive positions including Agricultural Bank of China and Deutsche Bank Nederland. Brian is an advisory Board member of Lysis Financial and a Board mentor for Critical Eye.

External appointments
Westpac Europe Limited

Fani Titi
Chief Executive

B S

Age
60

Nationality
South African

Qualifications
BSc Hons (cum laude), MA, MBA

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

Independent
No

Relevant skills and experience
Fani was appointed joint CEO of Investec Group on 1st April 2019, and sole Group Chief Executive on 16th March 2020. Prior to that Fani chaired the Investec Group Board between November 2011 and May 2018, and was a member of the Group Board since January 2004. Prior to joining Investec, Fani was a private equity professional with the private equity groups the Tiso group and Kagiso Trust Investment Investments. Fani brings banking and commercial expertise to the Board.

External appointments
IEP Group (Pty) Ltd

DIRECTOR BIOGRAPHIES
CONTINUED

Nishlan Samujh

Group Finance Director / CFO

B

Age
49

Nationality
South African

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

Date of appointment
April 2019

Independent
No

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. He was then appointed Group Finance Director in 2019. This background affords significant financial expertise, and regulatory reporting skills.

External appointments
None

Richard Wainwright

Executive Director

Age
60

Nationality
South African

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

Date of appointment
September 2020

Independent
No

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 financial products and project finance divisions in 1996. He was appointed as head of the Group's corporate and institutional banking division in 2005. He brings investment banking, tax, risk and industry expertise to the Board.

External appointments
IEP Group (Pty) Ltd, Bud Group (Pty) Limited and Banking Association of South Africa (BASA)

Ciaran Whelan

Executive Director

Age
59

Nationality
Irish

Qualifications
FCA (Irish), HDip Tax (SA)

Date of appointment
April 2020

Independent
No

Relevant skills and experience
Ciaran joined Investec in 1988. He has had varied experience within the organisation, including as Chief Executive of Investec Wealth & Investment (UK), Chief Executive of Investec Bank Australia Limited and the Global Head of Investec Private Bank. 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 2023. 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 pages 127 to 131).

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 87 and 88).

D. Engagement with the Group's stakeholders is effective and encourages their participation (read more on pages 32 to 40).

E. Workforce policies and practices are consistent with the Group's purpose and values, and overseen by the Board (read more on page 142). 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 135).

G. The Board comprises an appropriate combination of Non-Executive and Executive Directors (read more on pages 138 to 140).

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 2023 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 138 to 140).

L. The annual effectiveness review of the Board and the individual directors considers overall composition, diversity, effectiveness and contribution (read more on page 144).

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 101 to 115 of the Investec Group's 2023 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 110 of the Investec Group's 2023 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 116 to 119 of the Investec Group's 2023 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 objectives and delivery (read more on pages 156 to 159).

Q. A transparent and formal procedure is used to develop policy and agree executive and senior management remuneration (read more on pages 155 to 158).

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 156 to 159).

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 2023. 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

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.

B. Regarding application of these principles refer to the King IV Compliance Statement as available on www.investec.com, the Corporate governance and the DLC Nomdac report as contained on pages 125 to 144 of this report, and pages 94 to 96 of of the Investec Group's 2023 risk and governance report.

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 14 and 17 to 29).

Governance Structures and Delegation

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 Group Chief Executive, membership requirements and procedural conduct at Board meetings, amongst other matters.

E. The composition of the Board and its committees are in line with the King IV™ Code and there is a clear balance of power to ensure that no individual has undue decision-making powers.

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. The DLC Nomdac reviews the knowledge, skills, experience and capacity of all committee members on an ongoing basis.

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.

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.

Governance Functional Areas

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.

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.

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 areas of speciality is tabled at each meeting.

L. The directors' remuneration report sets out our remuneration policies and implementation thereof.

M. Refer to DLC Audit Committee report as contained on pages 101 to 116 of the Investec Group's 2023 risk and governance report.

Stakeholder Relationships

N. This report covers the period 1 April 2022 to 31 March 2023 and includes material issues up to the date of Board approval on 27 June 2023. 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 higher 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 Boards and Board committees is further supported by:

- The membership or attendance of the Chair of the Group committee at the respective subsidiary committees
- The chairs of the subsidiary Boards being members of the Group Board
- The attendance of the Chair of the Group Board at the subsidiary Boards

A key focus for the Board in the year has been 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. Further details as to the improvements made to our governance structure during the year may be found on page 96 of the Investec Group's 2023 risk and governance report.

The governance framework from a Group perspective is detailed below:

Investec Limited and Investec plc Board

Our strategy	Our principal risks	s172(1) statement	Board activities	Our sustainability strategy
Pages 23 to 25	Pages 89 to 104	Pages 32 to 40	Pages 141 to 144	Pages 107 to 109

↑

DLC Audit Committee	DLC Remuneration Committee	DLC Nominations and Directors' Affairs Committee	DLC Board Risk and Capital Committee	DLC Social and Ethics Committee
Page 137	Page 137	Page 136	Page 136	Page 137

↑

Executive committees

The Group executive committee is accountable to the Executive Directors for the implementation of the agreed strategy. This is achieved through the management of the Group's businesses, oversight of group-wide performance and operational governance on a day-to-day basis. It is in turn supported by an executive/management committee structure.

↑

Supporting committees

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, as regards 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
- Ensures the Group's culture is embedded and perpetuated across the organisation
- Develops and supports the growth of all the Group's businesses
- Develops and recommends our sustainability plans, policies and strategy
- Monitors and manages the operational requirements and administration of the Group.

Finance Director / Chief Financial Officer

- 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 management of risk, as set out in the risk management framework
- Monitors the Group's progress with our sustainability strategy
- 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 OF BOARD COMMITTEES

Summary of Board committees

The following pages provide a summary of the mandate, composition (as at 31 March 2023) and key matters considered in the year by the Board committees. Further details may be found in the Investec Group's 2023 risk and governance report, and remuneration report.

DLC Board Risk and Capital Committee

Chair
Vanessa Olver

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 over the risk and capital 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 processes for the management and control of risk and capital exposures. The Committee's responsibilities extend across all of the Group's activities.

Key matters dealt with in the year

- Monitored liquidity and capital adequacy to ensure regulatory minimums were well met
- Monitored certain credit and counterparty names and certain portfolios taking into account the higher interest rate and inflation environment
- Monitored investment valuations
- Continued focus on Information security and cyber risk
- Monitored the effectiveness and adequacy of controls in mitigating IT risk
- Monitored the impact of the FATF greylisting of South Africa and any new regulations

Read more on pages 116 to 119 of the Investec Group's 2023 risk and governance report.

DLC Nominations and Directors' Affairs Committee

Chair
Philip Hourquebie

Members
Henrietta Baldock
Zarina Bassa
Vanessa Olver
Khumo Shuenyane
Brian Stevenson

Number of meetings
6

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

- Considered the succession plans for the Board and senior management
- Conducted a comprehensive review of the Matters Reserved for the Group Board and the Boards of the Group's principal subsidiaries
- Considered the 2022/23 annual Board effectiveness review, and the actions arising from the previous externally facilitated review.

Read more on pages 94 to 96 of the Investec Group's 2023 risk and governance report.

SUMMARY OF BOARD COMMITTEES
CONTINUED

DLC Remuneration Committee

Chair
Henrietta Baldock

Members
Zarina Bassa
Philip Hourquebie
Nicky Newton-King

Number of meetings
7

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

- Undertook an extensive review to assess whether a windfall gain had arisen from the long-term incentive grant made in June 2020
- Embedded a more 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. This has also been cascaded further into the organisation.

Read more on pages 156 to 159.

DLC Audit Committee

Chair
Zarina Bassa

Members
Vanessa Olver
Philisiwe Sibiya

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 financial reporting environment, the consolidated financial report and accounts for the DLC Group.

Key matters dealt with in the year

- Challenged the level of ECL, model and methodology and assumptions applied to calculate the ECL provisions held by the Group
- Considered potential legal and uncertain tax matters with a view to ensuring appropriate accounting treatment in the financial statements
- Evaluated the appropriateness of the accounting treatment of the investments in Ninety One at DLC level and the investment in IEP
- Oversaw the commencement of the shadow audit process by PwC Inc. for the audit of Investec Limited
- Concluded a comprehensive tender process in respect of the rotation of the second joint audit firm of Investec Ltd.

Read more on pages 101 to 115 of the Investec Group's 2023 risk and governance report.

DLC Social and Ethics Committee

Chair
Khumo Shuenyane

Members
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 to 100 of the Investec Group's 2023 risk and governance report.

BOARD COMPOSITION

An experienced and diverse team

Board composition

The composition of the Board has been designed to ensure that we have the appropriate mix of knowledge, skills, experience, independence and diversity. These qualities are the foundation for the range of perspectives, insights and challenge needed to drive good decision-making in order to support the delivery of the Group's strategic objectives.

Membership

At the date of this annual report, the Board comprised four Executive Directors and ten Non-Executive Directors, including the Chair.

The changes to the composition of the Board during the year, following the year end as well as those forthcoming, are detailed on page 126.

The names of the directors during the year, and the dates of their appointments are set out on page 140.

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.

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.

Throughout the year ended 31 March 2023, 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's deliberation on the independence of the Non-Executive Directors included the consideration of the following relationships and associations in regards to specific directors:

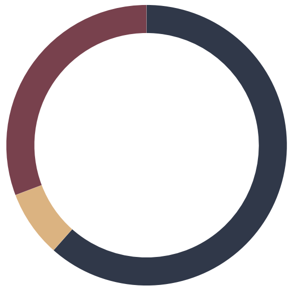
- The nine-year anniversary of the appointment of Zarina Bassa to the Board will be on 1 November 2023. In accordance with directive 4/2018, as issued by the South African Prudential Authority, the Board has obtained permission for Zarina to remain as an independent Non-Executive Director until the 2024 AGM. This arrangement will allow for a more measured Board succession, support the continued transition of Non-Executive Directors and strengthen the average tenure of the Board
- 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.

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 the appropriate skills, knowledge and experience, and an understanding of Investec's unique culture.

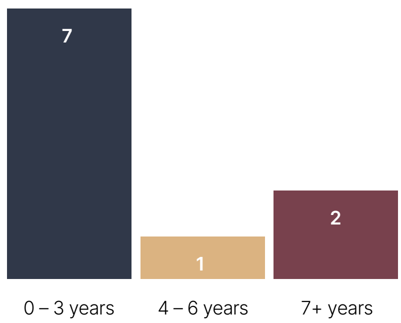
The Board does not believe that the tenure of any of the identified independent Non-Executive Directors standing for re-election at the AGM in August 2023 interferes with their independence of judgement or their ability to act in the Group's best interest.

Independence
excluding the Chair

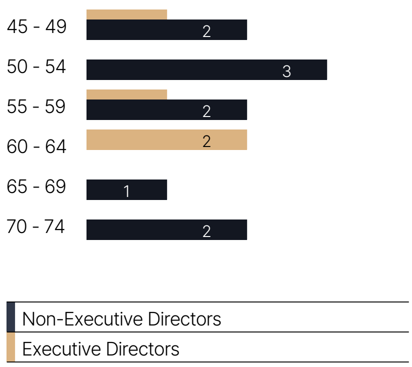


Independent Non-Executive Directors	8
Non-Executive Directors	1
Executive Directors	4

Non-Executive Director tenure



Age
years



BOARD COMPOSITION
CONTINUED

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.

The Board considered the new UK Listing Rules requirements on diversity-related reporting, and agreed to amend our target from 33% to 40% female representation on the Board.

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 2023 Group sustainability report.

In accordance with the requirements of the South African Financial Sector Code, the Board has 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 2023:

- Six Board members who are from a minority ethnic background (as defined by the UK Listing Rules)
- 22% of the Board members ordinarily resident in South Africa are black women
- 56% of the Board members ordinarily resident in South Africa are black people.

The Board aims that over time its composition will achieve these goals, and diversity is therefore a key consideration when planning for succession and deliberating on potential Board appointments.

Gender diversity

Male	8
Female	6

Ethnic diversity

White	8
Black	6

Board and executive management diversity[1]

at 31 March 2023

Gender	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management[1]	Percentage of executive management
Men	8	57%	3	8	80%
Women	6	43%	1	2	20%
Not specified / prefer not to say	—	—	—	—	—

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management[1]	Percentage of executive management
White British or other White (including minority-white groups)	8	56%	1	7	70%
Mixed / multiple ethnic groups	—	—	—	—	—
Asian / Asian British	3	22%	2	2	20%
Black / African / Caribbean / Black British	3	22%	1	1	10%
Other ethnic group, including Arab	—	—	—		
Not specified / prefer not to say	—	—	—	—	—

1. These tables detail our disclosure in respect of UK Listing Rule 9.8.6R. As at 31 March 2023, we had met the targets set out under LR 9.8.6R (9), in that at least 40% of the individuals on the Board are women and that at least one of the Chair, CEO, CFO or SID is female.
2. This is the executive committee below the Board (the Group Executive Team). We exclude Board members from this group.

BOARD COMPOSITION
CONTINUED

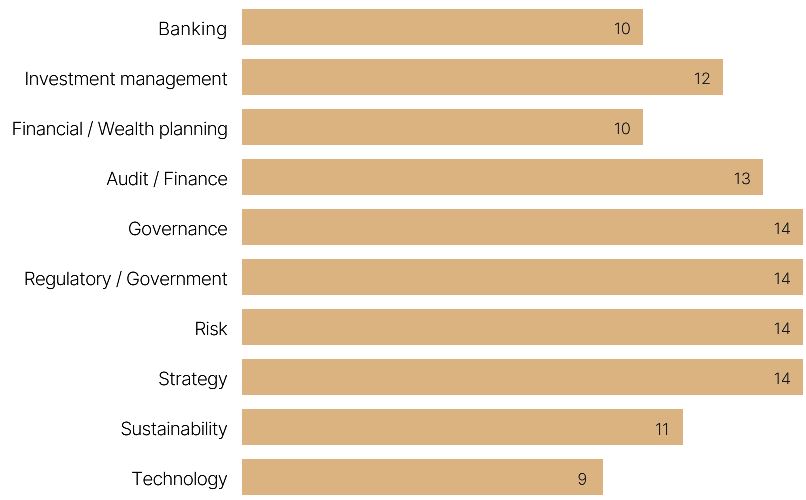
Skills

The Board considers the collective skills, knowledge and experience of the directors, when assessing the overall composition and suitability of the Board. In addition to a range of skills, the Board also values the innate difference in approach and thinking styles, which results from the varied backgrounds and experiences of our directors. This is covered more fully in the individual biographies across pages 127 to 131.

The skills matrix captures the key skills of our directors, and is used by the DLC Nomdac in its annual assessment of the individual suitability of each director and the collective suitability of the Board. During the year, the DLC Nomdac, on conducting its assessment, confirmed that it was satisfied that each of the individual directors and the Board collectively were suitable.

The Board, and DLC Nomdac, also considers the skills matrix when reviewing the succession plans for the Board.

Skills
(Number of Board members with respective skill)



Attendance

Members	Investec plc	Investec Limited	DLC Nominations and Directors' Affairs Committee	DLC Social and Ethics Committee	DLC Audit Committee	DLC Board Risk and Capital Committee
Philip Hourquebie (Chair)	8/8	8/8	6/6 (Chair)	–	-	5/5
Fani Titi (Chief Executive)	8/8	8/8	–	4/4	–	5/5
Henrietta Baldock	8/8	8/8	5/6	–	–	5/5
Zarina Bassa	8/8	8/8	6/6	–	7/7 (Chair)	5/5
David Friedland[1]	3/3	3/3	2/2	–	2/2	2/2
Stephen Koseff	8/8	8/8	–	–	–	5/5
Nicky Newton-King	8/8	8/8	–	4/4	–	5/5
Jasandra Nyker	8/8	8/8	–	4/4	–	5/5
Vanessa Olver[2]	7/7	7/7	4/4	-	5/5	4/4 (Chair)
Nishlan Samujh	8/8	8/8	–	–	–	5/5
Philisiwe Sibiya	8/8	8/8	–	–	7/7	5/5
Khumo Shuenyane	8/8	8/8	6/6	4/4 (Chair)	–	5/5
Brian Stevenson	8/8	8/8	6/6	–	–	5/5
Richard Wainwright	8/8	8/8	–	–	–	–
Ciaran Whelan	8/8	8/8	–	–	–	–

1. David Friedland stepped down from the Board on 4 August 2022.
2. Vanessa Olver was appointed to the Board on 18 May 2022.
3. Where a director is unable to attend a meeting, they receive papers in advance and have the opportunity to provide comments to the Chair.
4. During the year, there were six meetings of the Board, a Board strategy session, a separate Investec plc Board meeting, a separate Investec Limited Board meeting and separate sessions held to discuss key strategic initiatives.

BOARD ACTIVITIES

What we did in 2022/23

The following pages outline the key topics reviewed, monitored, considered and debated by the Board in 2022/23. Discussions at Board meetings are structured using a carefully tailored agenda that is agreed in advance by the Chair, in conjunction with the Chief Executive and the Company Secretaries.

Strategy

Strategic initiatives

The Board reviewed the Group's key strategic initiatives, including the continued advancement of the Group's One Investec mindset.

The Board also deliberated on the proposed combination of Investec Wealth & Investment UK and Rathbones Group plc, the restructure of Investec Equity Partners (IEP) Group and the internalisation of the Investec Property Fund management committee.

Board strategy session

The Board held a specific session in respect of strategy, at which it discussed the progress made against the Group's strategic objectives, and analysed an update on the Group's financial outlook.

The Board also considered proposals in respect of the strategies for the Group's principal operating subsidiaries.

Shareholders and key stakeholders

Dividend

The Board recommended a final dividend of 14 pence per ordinary share (May 2022), and an interim dividend of 13.5 pence per ordinary share (November 2022).

Share purchase programme

The Board considered, and approved, the buyback of up to ZAR7 billion of the Group's shares, as part of our capital optimisation strategy.

Ninety One distribution

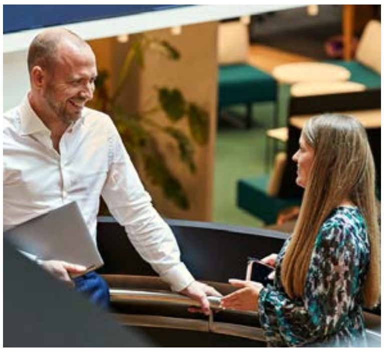
The Board authorised the distribution of 15% of the Group's shareholding in Ninety One to shareholders.

BOARD ACTIVITIES
CONTINUED

Governance

Committee reporting

The Board received written Committee reports from the Chairs of the Board Committees on the proceedings of those meetings, including the key discussion points and particular matters to bring to the Board's attention.



Matters Reserved for the Board

The Board conducted a comprehensive review of the Matters Reserved for the Board, IBL Board, IBP Board, IW&I South Africa Board and IW&I UK Board.

Board effectiveness review

The Board discussed the outcome of the 2022/23 annual Board effectiveness review and agreed actions arising from it.

The Board also reviewed progress made against the action plan for 2021/22.

Read more on **page 144**

Risk and assurance

Risk profile

The Board reviewed and debated the overall risk profile of the Group, and in particular principal risks, emerging risks and risk appetite.

Risk management

The Board reviewed the risk management systems, including financial, operating and compliance controls, and reviewed the effectiveness of the Group's internal control systems.

Financial

Group budget

The Board considered performance versus the 2022/23 Group budget.

The Board also agreed the 2023/24 Group budget.

Going concern and viability statement

The Board reviewed and approved the going concern and viability statement.

Results

The Board reviewed and approved the half and full year results.

Purpose, culture and values

Purpose

The Board supported the further communication of our purpose, clarifying what enduring worth means for our stakeholders.

Culture and values

The Board monitored and assessed culture, and agreed it was aligned with our values and strategy.

The Board also oversaw the refinement of the articulation of our values.

People strategy, leadership and succession

Executive succession plan

The Board considered the Executive succession plan for the Group and its principal operating subsidiaries.

The Board also reviewed the Executive talent pipeline.

Board succession plan

The Board oversaw the arrangements for Board succession planning, and approved the appointment of Vanessa Olver as an independent Non-Executive Director.

Read more on **page 126**

BOARD ACTIVITIES
CONTINUED

How the Board engages with our people

Investec values all of its people for their contributions and celebrates who they are.

The Investec culture is based on principles of engagement and relationship, and we aim to be a place where every employees is able to challenge and have their voice heard. The same cultural practices are extended into workforce engagement.

The Board continually monitors the mechanisms by which we engage employees to ensure they remain effective, give a meaningful understanding of the views of the workforce and 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 a monitoring component and the dialogues within it seek to understand how people experience, and are aligned to, our purpose, values and culture. These include:

- Culture dialogues that include all leaders and employees, which are facilitated by the executive, with the intention of understanding the lived experience of all employees at Investec, measuring progress against our espoused culture and, where relevant, informing future interventions
- Team culture sessions are facilitated by People and Organisation and seek to align team culture to organisational culture to enable performance
- Regular staff updates and dialogues hosted by the Executive leadership of the Group aimed at keeping employees up to date with strategic priorities and performance and enabling employees to engage directly with the executive
- Ongoing messaging from the Executive leadership including email updates, staff intranet and other digital channels
- An induction programme for new employees which seeks to inculcate our culture, led by the purpose and values as well as strategic intent, hosted by the Chief Executive and senior leaders
- Ongoing learning, leadership development and diversity programmes offered to all employees
- Tailored internal investor relations presentations on Group results, strategy updates and market feedback
- A newly launched global employee app called Investec Spaces that provides employees with mobile access to our digital workplace (various Investec tools and system)
- Comprehensive wellbeing programmes in anchor geographies

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.

There is a designated Non-Executive Director responsible for workforce engagement for Investec plc, supported by non-executive directors in both of Investec plc's main subsidiaries, Investec Bank plc and Investec Wealth & Investment (UK).

Henrietta Baldock, Chair of the DLC Remuneration Committee, acts as the designated Non-Executive Director for Investec plc, whilst, David Germain and Cath Thorpe, act as the designated Non-Executive Directors for Investec Bank plc and Investec Wealth & Investment UK 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 activities that have taken place for all employees across the Group, including the common themes raised, are provided to the Board on a six-monthly basis and provide input into informing Board discussions and decisions. Management also provides an update at each Board meeting, as to the key matters related to our people.

FY2022/23 highlights

Rolled out culture dialogues to all jurisdictions

Decision to lead the South African market in terms of minimum salary

Awarded a once-off cost of living allowance to all employees in the UK earning a salary below a certain threshold in response to the unprecedented increase in the cost of living across the UK.

BOARD EFFECTIVENESS

Board effectiveness

Our annual effectiveness review enables the Board to continue to enhance its own performance. The review provides an opportunity for reflection, and to consider ways of identifying greater efficiencies, maximising strengths and highlighting potential areas of further development.

The evaluation process

YEAR 1 – FY2022
External evaluation
Detailed evaluation by external facilitator, Fidelio Partners

YEAR 2 – FY2023
Internal evaluation
Internal evaluation with particular focus on the action plan resulting from the external evaluation

YEAR 3 – FY2024
Internal evaluation
Questionnaire-based internal evaluation

Impact of the 2022 action plan

The action plan resulting from last year's review has been a core foundation of the work conducted by the Board during the year.

The Board reviewed the Group's governance framework, including a review of the Matters Reserved for the Board and the Boards of the Group's principal operating subsidiaries, which were consolidated within a single document.

The relationship between the Group and the Group's principal subsidiaries was also enhanced by the introduction of regular reports from the Group Chief Executive to the Boards of the Group's principal subsidiaries, and the establishment of an annual Directors' Conference.

The Board held a specific Board strategy session, as the Group continues its strategy to deliver disciplined growth in the long-term pursuit of our purpose.

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.

This year's review

The 2022/23 review was internally facilitated by Company Secretarial, and took the form of a self-assessment questionnaire, followed by one-on-one meetings between the Chair and each of the directors. These meetings provided the Board members with the opportunity to discuss any other matters pertaining to the Board or the Board committees.

Board review insights

A report was prepared by Company Secretarial, based on the results of the questionnaires and the matters raised in the meetings with the Chair. The final report was then circulated to the members, and became a discussion tool for the DLC Nomdac and the Board, helping them to devise the action plan for the year ahead. The main points highlighted are summarised below:

Strategy
The Board agreed that there had been an improvement in the time spent on strategy, but that there could be a better coordination of strategic conversations across the Group.

Stakeholder relations
While there was an acknowledgement of the engagement by the Executive with clients, suppliers and communities, greater line of sight at a Board level was sought.

Board logistics
The Board agreed, however, that the Board and Board committee cycle was long, and that although there had been improvements in the material provided to the Board, there was still room for further improvement.

Board action plan 2023

- Facilitating the better coordination of strategy conversations across the Group
- Increasing the Board's visibility of the Group's engagement with clients, suppliers and communities
- Enhancing the material provided to the Board, to provide greater focus and avoid information overload.

Conclusion

Overall, the Board, Board committees, and the individual directors, were considered to be performing effectively.

DIRECTORS' REPORT

The directors' report for the year ended 31 March 2023 comprises pages 125 to 153 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 5 to 122, as the Board considers them to be of strategic importance. Specifically, these are:

- Future business developments (throughout the strategic report)
- Risk management on pages 87 and 88
- Information on how the directors have had regard to the Group's stakeholders, and the effect of that regard, on pages 32 to 40.

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 Group can be found on pages 94 to 100 of the Investec Group's 2023 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 118 and are incorporated here by reference.

Additional information for shareholders of Investec plc is detailed in schedule A to the directors' report on pages 152 and 153.

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 127 to 131.

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		
David Friedland	Non-Executive Director	4 August 2022
Appointments		
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 2023 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' and officers' liability insurance

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

Change of control

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

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

All of the 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 2022 AGM. Shareholders will be asked to renew this authority at the 2023 AGM.

Contracts

Details of contracts with directors can be found on pages 20 and 21 of the Investec Group's 2023 remuneration report.

Authorised and issued share capital

Investec plc and Investec Limited

Details of the share capital are set out on pages 124 to 128 of the Investec Group 2023 annual financial statements in notes 44 to 47.

Investec plc

Investec plc did not issue any ordinary shares during the financial year ended 31 March 2023.

Investec plc did not repurchase any of its ordinary shares during the financial year ended 31 March 2023.

Investec Limited purchased 42 485 632 of Investec plc's ordinary shares during the financial year ended 31 March 2023 representing 6.1% of the issued share capital. These shares are being held exclusive of voting rights in treasury.

At 31 March 2023, Investec plc held 49 720 148 shares in treasury (2022: 48 997 877), for allotment under share plans. The maximum number of shares held in treasury by Investec plc during the period under review was 50 288 648 shares.

Investec Limited

Investec Limited repurchased 11 393 755 (2022: 8 496 839) of its ordinary shares during the financial year ended 31 March 2023 representing 3.67% (2022: 2.66%) of the issued share capital. The ordinary shares remaining in issue following these repurchases amounts to 299 014 115 (2022: 310 407 870).

Investec Limited repurchased 4 382 795 (2022: 1 537 823) non-redeemable non-cumulative non-participating preference shares, representing 14.99% (2022: 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 4 August 2022 and approved by the South African Prudential Authority. The preference shares remaining in issue following these repurchases amounts to 24 835 843 (2022: 29 218 638) shares. The delisting of 357 914 non-redeemable non-cumulative non-participating preference shares, which formed part of the last tranche of repurchased shares occurred post 31 March 2023. Prior to this delisting the issued share capital was 25 193 757.

At 31 March 2023, Investec Limited held 50 689 788 (2022: 52 277 446) shares in treasury, for allotment under share plans. The maximum number of shares held in treasury by Investec Limited during the period under review was 52 282 935 (2022: 54 427 984) shares.

Ordinary dividends

Investec plc

An interim dividend of 13.5p per ordinary share (2021: 11.0p) was paid on 9 January 2023, as follows:

- 13.5p per ordinary share to non-South African resident shareholders registered on 9 December 2022, and
- South African resident shareholders registered on 9 December 2022, through a dividend paid by Investec Limited on the SA DAS share, equivalent to 13.5p per ordinary share.

The directors have proposed a final dividend to shareholders registered on 18 August 2023, of 17.5p (2022: 14.0p) per ordinary share, subject to the approval of the members of Investec plc at the AGM which is scheduled to take place on 3 August 2023. If approved, this will be paid on 4 September 2023, as follows:

- 17.5p per ordinary share to non-South African resident shareholders registered on 18 August 2023, and
- South African resident shareholders registered on 18 August 2023, through a dividend paid by Investec Limited on the SA DAS share, equivalent to 17.5p per ordinary share.

Investec Limited

An interim dividend of 278 cents (2021: 230 cents) per ordinary share was declared to shareholders registered on 9 December 2022 and was paid on 9 January 2023.

The directors have proposed a final dividend to shareholders registered on 18 August 2023, of 423 cents (2022: 279 cents) per ordinary share, which is subject to the approval by the members of Investec Limited at the AGM that is scheduled to take place on 3 August 2023; if approved, this will be paid on 4 September 2023.

Preference dividends

Investec plc

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

Preference dividend number 33 for the period 1 April 2022 to 30 September 2022, amounting to 11.44521p per share, was declared to members holding preference shares registered on 9 December 2022 and was paid on 23 December 2022.

Preference dividend number 34 for the period 1 October 2022 to 31 March 2023, amounting to 21.58904p per share, was declared to members holding preference shares registered on 9 June 2023 and was paid on 23 June 2023.

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

Preference dividend number 23 for the period 1 April 2022 to 30 September 2022, amounting to 402.51369 cents per share, was declared to members holding Rand-denominated non-redeemable, non-cumulative, non-participating preference shares registered on

DIRECTORS' REPORT
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9 December 2022 and was paid on 23 December 2022.

Preference dividend number 24 for the period 1 October 2022 to 31 March 2023, amounting to 490.94179 cents per share, was declared to members holding preference shares registered on 9 June 2023 and was paid on 23 June 2023.

Investec Limited

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

Preference dividend number 36 for the period 1 April 2022 to 30 September 2022, amounting to 329.08429 cents per share (2022: 272.94074), was declared to shareholders holding preference shares registered on 9 December 2022 and was paid on 23 December 2022.

Preference dividend number 37 for the period 1 October 2022 to 31 March 2023, amounting to 401.90045 cents per share (2022: 282.26249), was declared to shareholders holding preference shares registered on 9 June 2023 and was paid on 23 June 2023.

Redeemable cumulative preference shares

Dividends amounting to R18 852 043 (2022: R15 388 595) 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 149) 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 24 of the Investec Group's 2023 risk and governance report.

Through its various committees, notably the Audit Committees and the DLC BRCC, 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 2023 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 and the results of their combined assurance coverage and each assurance 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, which are higher 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 £16.4 billion in cash and near cash assets, representing 41.4% of customer deposits.The Group develops annual capital plans (refreshed after six months), that look forward over a three-year period. The capital plans are refreshed on an ad hoc basis if a material event occurs or is likely to occur. These plans are designed to assess the capital adequacy of the Group's respective banking entities under a range of economic and internal conditions, with the impact on earnings, asset growth, risk appetite and liquidity considered. The output of capital planning allows senior management and the Board to make decisions to ensure that the Group continues to hold sufficient capital to meet internal and regulatory capital targets over the medium term (i.e. three years). The Group targets a CET1 ratio in excess of 10%, a tier 1 ratio greater than 11%, a minimum capital adequacy ratio of 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. Multiple scenarios are considered to account for the uncertain forward-looking macro-economic environment. The scenarios described below were as at 31 March 2023, and we have experienced an evolving macro-economic environment since the financial year-end which has

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resulted in higher interest rates than were previously assumed in the base case forecast horizon for the UK. Nevertheless these scenarios are still considered appropriate to assess the ongoing viability of the Group given the severity of the two downside scenarios.

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 with sufficient domestic policy support measures to support this acceleration, while global financial market risk sentiment is neutral to positive. South Africa remains in the BB credit rating category bracket as fiscal consolidation (debt to GDP stabilisation) occurs. The Rand stabilises, then strengthens somewhat and inflation is impacted by the course of weather patterns via food price inflation. The impact of loadshedding at an average of stage 5 is included for 2023 and lessening in subsequent years as more generating capacity comes on line. A transition to renewable energy and a slow move away from fossil fuel usage occurs and measures to alleviate the impact of climate change on the economy are modestly implemented. Little expropriation without compensation occurs. The Russian/Ukraine conflict eases. The greylisting lasts 2-3 years.
- Lite down case: The international environment (including global financial market risk sentiment) is that of the base case, but the domestic environment differs. South Africa's GDP growth is weak, Business confidence is depressed, with significant loadshedding, weak investment growth, very weak rail and port capacity, civil and political unrest, and a recession. Substantial Rand weakness drives high inflation, along with unfavourable weather conditions. Little transition to renewable energy is apparent, while there is increased pressure on government finances from disaster relief due to unfavourable weather conditions driven by climate change. Expropriation of private sector property is very limited and has a modestly negative impact on the economy. The greylisting is lengthy. Government debt and debt projections fail to stabilise, and South Africa drops into the single B credit ratings from all three of the key credit rating agencies for local and foreign currency sovereign debt but avoids C grades on eventual fiscal consolidation.
- Severe down case: There is a lengthy recession in South Africa. Deteriorating government finances see the state borrowing from increasingly wider sources as it sinks deeper into a debt trap. South Africa's credit ratings fall into the C grades, with an increased risk of default. There is a lengthy global recession and/or global financial crisis, with insufficient monetary and other policy support measures. Severe Rand weakness is a feature as well as very high domestic inflation, which is also affected by severely unfavourable weather conditions. There is a failure to transition to renewable energy and to implement sufficient measures to alleviate the impact of climate change on the economy. Full implementation of expropriation without compensation occurs (particularly for land held for speculative purposes), with a significant negative impact on the economy, along with widespread loadshedding, strike action and civil unrest. SA is blacklisted in this scenario

Investec plc:

- Base case: The UK economy recovers from a period of weakness, a trajectory which is followed by a number of other western economies, while inflation falls sharply. This is underpinned by the absence of sharp energy price increases and indeed UK natural gas prices are expected to remain materially lower than in 2022. The expected recession over 2023 is expected to be relatively short and shallow with a peak to trough drop in output of around 0.5%. The Bank rate is 4.50% and falls later in 2023 as inflation declines and the economy remains weak. The unemployment rate increases from a starting point below 4% to 5.3% as economic conditions are unfavourable but also because the decline in labour participation rates is gradually reversed. The housing market goes through a difficult period in 2023. National house prices experience a peak-to-trough decline of 7% with no recovery before the end of the year. Globally, the situation is projected to be similar to that of the UK with many economies struggling, inflation pressures falling and with some central banks easing monetary policy this year.
- Inflation Entrenched: The entrenched inflation scenario assumes that upside inflation risks materialise, with core inflation remaining persistent across the forecast horizon, for example inflation is expected to still average 4% at the end of the forecast period. As such central banks tighten policy further and maintain high policy rates, The Bank of England base rate is 4.50% and is maintain at that level throughout the scenario horizon. Amidst this high interest rate, high inflation environment, a recession ensues in the near term and remains stagnant across the forecast period as a whole.
- BoE Annual Cyclical Scenario (ACS): The Bank of England's regulatory scenario which encompasses a severe global economic downturn, which both at the domestic and global level is more severe than the Global Financial Crisis of 2008/09, with world GDP assumed to fall 2.5%. The context of the scenario is an economic shock driven by energy and other cost pressures which cause a sharp rise in inflation, in turn prompting a sharp rise in interest rates; the BoE's Bank rate is assumed to rise to 6%. In the UK a year long recession ensues before a recovery is witnessed, supported by an easing in monetary policy. Notably there are severe shocks across various sectors, UK house prices are expected to fall 30% for example, whilst global financial markets witness a significant repricing, equity indices such as the FTSE 100 fall 45%, whilst credit spreads widen sharply.

The Group implements regulatory scenarios when they are published by regulators (SA PA biennial scenario and UK BoE Annual Cyclical Scenario). The South African PA scenarios will be run in June 2023 and the results will be included in the financial stability review that will be published by the South African PA in November 2023. The BoE published their new ACS in September 2022 and this scenario has been implemented as part of the Investec Plc 2023 stress testing program.

The Board has assessed the Group's viability in its 'base case' and stress scenarios. The Board has also assessed the Group's viability with regards to the impact of the proposed combination of the Rathbones Group and Investec Wealth & Investment Limited in its 'base case' and stress scenario. In assessing the Group's viability, a number of assumptions are built into its capital and liquidity plans. In the stress scenarios

DIRECTORS' REPORT
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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 and risk assessments in line with the requirements stipulated by Supervisory Statement SS3/19 'Enhancing banks' and insurers' approaches to managing the financials 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. To date, findings indicate that transition and physical risk is low and Investec plc has sufficient capital and liquidity to continue as a going concern and meet regulatory capital and liquidity requirements.

Investec Bank Limited continues to make progress in quantifying the impact of climate related stresses. The current focus includes estimation of PDs and LGDs based on climate specific economic scenarios, as well as a specific analysis of the property portfolio's sensitivity to climate related risks. Climate-related risks have been identified by the South African PA as an industry wide area of focus for the 2023 calendar year. This will include a review of how Investec Bank Limited governs, manages, stresses and reports climate related risks.

Furthermore, the Group is required to have a contingency funding and recovery plan for both Investec Limited and Investec plc as well as a resolution pack for Investec plc and, once new regulations are promulgated in South Africa, a resolution plan for Investec Limited. The purpose of the recovery plans is 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 maintains an operational resilience framework that defines important business services and impact tolerances and plans to respond effectively to a disruption. This not only ensures continuity of business operations but also safeguards the interests of key stakeholders including clients and regulators, as well as maintaining our reputation, brand and value-creating activities.

The capital and liquidity plans, stress scenarios, contingency funding and recovery plan, 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 2026.

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 81 which show a strategic and financial overview of the business
- Pages 88 to 104 which provide detail on the principal and emerging risks the Group faces and the processes in place to assist the Group in mitigating its principal risks
- Page 88 which provides information on the overall Group's risk appetite
- Pages 25 to 26 of the Investec Group's 2023 risk and governance report, which provide an overview of the Group's approach to risk management
- Pages 8, 28, 61 to 63, and 86 of the Investec Group's 2023 risk and governance report which highlight information on the Group's various stress testing processes
- Pages 64 to 75 of the Investec Group's 2023 risk and governance report which specifically focus on the Group's philosophy and approach to liquidity management
- Page 82 of the Investec Group's 2023 risk and governance report which provides detail on the recovery and resolution planning for Investec plc and Investec Limited
- Pages 83 to 86 of the Investec Group's 2023 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 27 June 2023. 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 9, pages 23 to 25 and page 89 to 104.

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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, has 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 DLC, Investec Limited and Investec plc 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 101 to 115 of the Investec Group's 2023 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.

Ernst & Young LLP have indicated their willingness to continue in office as auditors of Investec plc and Ernst & Young Inc. have indicated their willingness to continue in office as joint auditor of Investec Limited.

The appointment of PwC Inc. in a shadow capacity, for the financial year starting 1 April 2022, was recommended and approved by ordinary shareholders at the AGM held in August 2022. A formal transition process commenced during 2022, whereby PwC Inc. shadowed the full audit cycle performed by the incumbent joint external auditors. The purpose of the shadow period was for PwC Inc. to obtain sufficient information about the Group, the financial control environment and the audit process to ensure a smooth transition as external auditor in the following year i.e for the audit commencing 1 April 2023. Non-audit services provided by PwC Inc. were reviewed and considered in advance of their appointment as external auditors to ensure their continued independence.

PwC Inc. have indicated their willingness to act as joint auditor of Investec Limited.

The Board having satisfied itself as to their independence and effectiveness, has proposed a resolution to re-appoint Ernst & Young LLP as auditor of Investec plc and Ernst & Young Inc. as joint auditor of Investec Limited, and to appoint PwC Inc. as joint auditor of Investec Limited, at the AGM scheduled to take place on 3 August 2023.

Following a comprehensive tender process, Deloitte LLP was nominated as the new external auditor for Investec plc and Deloitte Inc. was nominated as one of the new joint external auditors for Investec Limited, subject to regulatory approval, for the financial year starting 1 April 2024. A formal transition process will commence during 2023, whereby Deloitte LLP and Deloitte Inc. will observe the full audit cycle performed by the incumbent external auditors. The formal shadow period will commence from 1 April 2023 for the year ending 31 March 2024. The appointments of Deloitte LLP and Deloitte Inc. in a shadow capacity, for the 2024 financial year, will be recommended for approval at the AGM to be held in August 2023.

Major shareholders

The largest shareholders of Investec plc and Investec Limited are shown on page 206.

Special resolutions

Investec plc

At the AGM held on 4 August 2022, 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 4 August 2022, 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 4 August 2022, resolution 38 (political donations), passed with a less than 80% majority.

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 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.

DIRECTORS' REPORT
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Diversity and inclusion

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

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

Empowerment and transformation

Investec recognises that economic growth and societal transformation is vital to creating a sustainable future for all the communities in which it operates, and that as a financial services provider, it plays a critical role in enabling this.

Further information is provided in the Investec Group's 2023 sustainability report.

Research and development

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

Political donations and expenditure

The Group did not make any political donations in the financial year ended 31 March 2023 (2022: Nil).

Subsidiary and associated companies

Details of principal subsidiary and associated companies are reflected on pages 141 to 145 of the Investec Group's 2023 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 of the annual financial statements.

Restatements

As at 31 March 2022, £70.7 million and 31 March 2021, £72.2 million, initial margin on collateral, which is not available as an offset to individual exposures, was recorded in derivative financial instruments liabilities instead of other assets.

In addition, certain derivative financial assets and liabilities that are managed by the Group's trading desks were previously presented on a gross basis, while the IAS 32 on-balance sheet netting requirements were met. Due to an upgrade of the internal reporting processes, the intent to net settle was evidenced. The derivative transactions, totalling £14.1 million at 31 March 2023 (31 March 2022: £26.7 million, 31 March 2021: £31.5 million) satisfied the legally enforceable right of set off in terms of IAS 32. These positions are also operationally net settled through the use of the Continuous Linked Settlement (CLS) system.

Refer to Note 61 of the annual financial statements.

Events after the reporting date

Refer to Note 62 of the annual financial statements.

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

Philip Hourquebie
Group Chair
27 June 2023

Fani Titi
Group Chief Executive
27 June 2023

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 2023 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

SCHEDULE A TO THE DIRECTORS' REPORT
CONTINUED

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.

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.

Investec plc preference shares

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

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

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

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

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

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

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:

(i) Variation of the rights attaching to the shares or

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

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

Remuneration

07

IN THIS SECTION

ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR

Annual statement from the Remuneration Committee Chair

Henrietta Baldock
27 June 2023

	Eligible to attend	Attended
Henrietta Baldock (Chair)	7	7
Nicky Newton-King	3 [1]	3 [1]
Philip Hourquebie	7	7
Zarina Bassa	7	7

1. Nicky Newton-King became a committee member on 22 September 2022

Key achievements in FY 2023

- Further incorporated shareholder feedback in setting performance targets, including being more rigorous in our approach to the assessment of the non-financial measures for the short-term and long-term incentives
- Focused on the external challenges that presented during the year which had an impact on employees, including mitigating the impacts of the cost-of-living challenges faced by our people
- Undertook an extensive review to assess whether a "windfall gain" had arisen from the long-term incentive grant made in June 2020

Areas of focus in FY 2024

- Develop a new Directors' Remuneration Policy to be presented to shareholders for approval at the AGM in 2024. This will include consideration of the impending likely removal of the "bonus cap" and involve extensive engagement with key shareholders to develop the revised policy
- Consider the remuneration implications following the all-share combination of UK IW&I with Rathbones
- Continue to consider and provide initiatives to support our employees under the banner "Power of Purpose", including mitigating cost-of-living challenges

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
- 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, full report can be found within the Investec Group Remuneration Report which is published separately. We appreciate the constructive engagements we had with our shareholders and executives during the year.

Performance in the year

The Group successfully navigated a complex macro-economic backdrop. We achieved 21.6% adjusted operating profit growth to £835.9 million and a Return on Equity (ROE) of 13.7%.

The strong revenue performance was supported by continued client acquisition, resulting in higher average advances, rising interest rates and increased client activity. Fee and commission income in our Wealth & Investment businesses was negatively impacted by the effects of the market sell off on average funds under management.

The overall performance also reflects the effects of inflationary pressures on operating costs as well as normalisation in both discretionary expenditure and expected credit impairment loss.

We continue to maintain strong capital and liquidity levels while striving to provide improved shareholder returns, including dividends. This year we have achieved our financial targets announced in guidance provided in November 2022, a year ahead of schedule.

We returned approximately £780 million to shareholders, comprising ordinary dividends, the share buy-back / repurchase and the distribution of the 15% shareholding in Ninety One.

Full details of our performance for 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.

Performance against targets:

Below we cover the salient features of the 2023 remuneration achievements, illustrated through the lens of the Group Chief Executive remuneration outcomes.

- Short-term incentive (STI) achievement against both the financial and non-financial measures was between on-target and stretch
- Long-term Incentive (LTI) achievement against the financial measures achieved stretch level and between on-target and stretch for the non-financial measures.

ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR
CONTINUED

Remuneration Awarded – Group Chief Executive	2022 (£'000)	2023 (£'000)	% change
Fixed Remuneration	1 000	1 040	4 %
Personal Security Benefit*	—	89	— %
STI	1 679	1 568	(7) %
LTI**	800	832	4 %
Total Remuneration	**3 479**	**3 529**	**1 %**

Fixed remuneration increased by 4% which was below the general employee population increase of approximately 6%. STI reduced year-on-year as the outcomes were assessed at between on-target and stretch while the prior year financial measures were assessed at stretch, and downward discretion was applied in the current year.

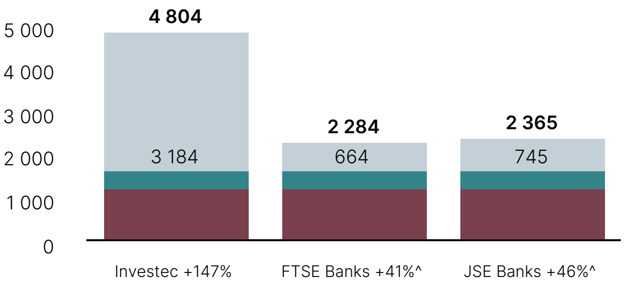
Single Figure of Remuneration – Group Chief Executive	2022 (£'000)	2023 (£'000)	% change
Fixed Remuneration	1 000	1 040	4 %
Personal Security Benefit*	—	89	— %
STI	1 679	1 568	(7) %
LTI***	1 651	4 804	191 %
Total Remuneration	**4 330**	**7 501**	**73 %**

* The value of this benefit is not included in variable remuneration calculations
** The 2023 LTI Grant - conditional on performance measures over a three-year period ending 31 March 2026
*** The 2020 LTI award in line with UK regulatory requirements- performance assessed over the three year ended 31 March 2023, the award will vest in equal proportions over the five-year period commencing on 05 June 2023.

The LTI award of £4.804 million reflected in the 2023 single figure amount represents the outcome of the 2020 LTI and includes the share price appreciation amount of £3.184m. Also included within the £3.184m is the distribution of the 15% shareholding in Ninety One made in May 2022.

Share price outperformance against peer group in both the UK and SA over the three-year positively influenced the 2020 LTI award

Share price appreciation modelling - (£'000s)



LTI share price appreciation
LTI achievement against performance assessment - £420 ('000)
LTI grant - £1 200 ('000)

^ Share price appreciation % increase modelled with the performance of the respective indices during the same three-year period from grant date to vesting date of the 2020 LTI award

The single figure of remuneration has increased from 2022 for two key reasons:

- An increase in the level of vesting of the LTI award compared to the prior year; this vested at the maximum of 135% of on-target number of shares (reduced from the calculated outcome of 142.7%), following the strong financial and non-financial performance over the three-year performance period, and
- The significant increase in the share price over the performance period.

The Remuneration Committee considered at length whether there had been a "windfall gain" arising from the LTI grant made in June 2020, noting the LTI value was reduced at grant by 10% to reflect the significant reduction in share price. However, as outlined in more detail in the "Consideration of the application of discretion for 'windfall gains' for the 2020 LTI" section on page 158, the Committee considered that no windfall gain had arisen.

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 periods, and are also aligned to the experience of our shareholders and employees. The one and three-year total shareholder returns for Investec plc were 1% and 265%, respectively, excluding the distribution of the 15% shareholding in Ninety One.

Executive Director outcomes

2023 STI performance assessment

Group Profit Before Tax (PBT) and Group RoE outcomes both exceeded on-target but did not achieve the stretch targets set.

The Group Cost to Income Ratio exceeded the stretch target set and the Group Cost Growth metric exceeded threshold but did not achieve the on-target level set.

The Committee assessed achievement against the non-financial objectives at between on-target and stretch level for culture and values, ESG related measures, and strategic objectives, with the exception of Richard Wainwright for whom the Committee assessed achievement against culture and values and the strategic measures at stretch.

The overall STI achievement was 83.8% of the maximum opportunity for Fani Titi and Nishlan Samujh. The Committee exercised a 10% downward discretion to the STI for Fani Titi as described in the "Exercise of discretion" section on page 158. This resulted in a final STI achievement of 75.4% of the maximum opportunity.

Richard Wainwright and Ciaran Whelan had a portion of their financial metrics based on their primary business areas, being the entire South African business, and IW&I UK respectively.

PBT achievement for the South African business was in excess of on-target but did not achieve stretch while RoE and the Cost to Income Ratio were both between threshold and on-target. The Cost Growth metric did not achieve threshold.

The overall STI vested at 73.8% of the maximum opportunity for Richard Wainwright.

Achievement against the PBT metric for the IW&I UK business was in excess of on-target but did not achieve stretch. The Cost to Income Ratio and the Cost Growth metrics both exceeded the stretch targets set. The RoE underpin of 25% was also met.

The overall STI vested at 82.2% of the maximum opportunity for Ciaran Whelan. The Committee exercised a 10% downward discretion to the STI for Ciaran Whelan as described in the "Exercise of discretion" section on page 158. This resulted in a final STI achievement of 74.0% of the maximum opportunity.

Full details of the financial and non-financial performance measures and outcomes are outlined in the Investec Group Remuneration Report.

ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR
CONTINUED

2020 LTI performance assessment

The growth in Tangible Net Asset Value (TNAV) over the three-year period was above stretch; this was positively influenced by the distribution of the 15% shareholding in Ninety One. The average Return On Risk-Weighted Assets (RORWA) was in excess of on-target but did not achieve stretch. The Committee assessed culture and values, franchise development, employee relationships, governance and regulatory relationships all in excess of on-target but not at stretch.

Final vesting was 100% of maximum opportunity capped at this level in line with the policy. Full details of the financial and non-financial performance measures and outcomes are outlined in the Investec Group Remuneration Report.

Consideration of the application of discretion for "windfall gains" for the 2020 LTI

The 2020 LTI was granted shortly after the outbreak of the COVID-19 pandemic. At the time of grant, the Committee exercised its discretion and reduced the LTI grant by 10% to reflect the significant reduction in the share price in early 2020. In addition the Committee exercised downward discretion to the 2020 STI, and the current Executive Directors rescinded the remainder of the STI in order to align with shareholder and employee experience.

The Committee devoted extensive time to considering whether discretion should be applied to the vesting of this award. This focused on whether a "windfall gain" had arisen, given the depressed share price at the time of grant. The Committee concluded there was no windfall gain for the following reasons:

- The Investec share price has significantly outperformed its comparator indices in both the UK and South Africa over the performance period, as shown in the graph on page 157. This is clear evidence of the Investec share price growth being driven by company-specific factors rather than simply a market-wide rebound from an artificially low starting point. The share price has done much more than just return to a pre-COVID-19 level.
- Share price growth for the Investec award is 106% greater than the FTSE Banks Index and 142% greater than the JSE Banks Index over the same period.
- The Investec share price started to recover approximately twelve months after the relevant comparator indices, indicating the recovery was not market-driven but instead linked to the positive long-term impact of the strategic management actions announced in 2019. We have had a very positive response from shareholders and from other market commentators on the direction in which the business has travelled over the last couple of years.
- In addition to the 10% downward reduction applied on grant, the award was subject to a cap which limited the vesting level to 135% of the on-target number of shares granted. The performance result was higher than this level, leading to a further 7.7% reduction from the calculated outcomes; and
- In reviewing the outcome, the Committee considered the experience of shareholders and employees, the majority of whom receive share awards. Both stakeholder groups will have enjoyed the re-rating of the Investec share against the market, reflecting the significant progress made around the One Investec strategy to simplify and focus the business for growth.

Standing back from the detail the Remuneration Committee reflected on the overall value of the single figure of remuneration of the Group Chief Executive and Chief Financial Officer for the year and considered whether there were any unintended consequences of the outcome or whether the outcome was unreasonable. The Committee deliberated extensively on this matter. It concluded that no further adjustments were required, notwithstanding the single figure quantum, due to the following factors:

- The structure of the remuneration program and targets set were all appropriate
- The Committee had applied a 10% downward discretion on grant
- The higher payout was predominantly due to the exceptional performance of Investec shares, re-rating the business relative to our peer groups based on the successful implementation of the strategy; and
- Shareholders and employees have had the same experience over the period.

It should also be noted the award will vest up to eight years from grant with a further 12 month holding period, therefore fully aligned to the shareholder experience over this period.

Exercise of discretion

The Committee considered exercising its discretion in relation to the 2023 STI outcomes, the 2020 LTI vesting and the grant level of the 2023 LTI.

The executive succession plan executed in October 2022 has delivered the anticipated outcomes, albeit with difficulties in our IW&I UK business. The Remuneration Committee incorporated the consequences of the IW&I UK leadership transition and related challenges by agreeing a 10% downward adjustment to the STI awards for Fani Titi and Ciaran Whelan.

Please refer to the section above for the consideration of the 2020 LTI vesting.

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.

Fixed pay and total reward 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.

ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR CONTINUED

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, and the majority receive, long-term share incentives; this is designed to give our people a sense of ownership, so they feel invested in the organisation.

The Committee considered whether performance adjustment, in the form of malus and/or clawback should be applied where applicable.

Directors' Remuneration Policy

The current Directors' Remuneration Policy was approved by Investec shareholders at the AGM held on 5 August 2021 and amended at the AGM held on 4 August 2022. The Remuneration 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 in the context of pre-set targets and performance for the Executive Directors. A revised Directors' Remuneration Policy will be presented to shareholders for approval at the AGM in August 2024.

Compliance and governance statement

The remuneration report 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 disclosures as mandated by the UK's PRA and South African Prudential Authority .

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 proposed a minor amendment to the policy in August 2022, and were pleased to receive votes in favour of the remuneration policy of 90%, and 98% in favour of the Directors' Remuneration Report for the 2022 year.

The financial performance targets for the 2023 LTI awards have been adjusted upwards, with growth in TNAV up by at least 10% as indicated below.

We look forward to consulting further with our key shareholders and other relevant bodies in the run up to the AGM, as we normally do.

Forward-looking performance targets

2023 LTI: targets	Threshold	Target	Stretch
3-yr ave. RoE - 2022 grant	12.0 %	14.0 %	16.0 %
3-yr ave. RoE - 2023 grant	14.0 %	15.0 %	16.0 %
3-yr TNAV growth - 2022 grant	15.0 %	30.0 %	45.0 %
3-yr TNAV growth - 2023 grant	18.0 %	33.0 %	52.0 %

Relative TSR targets remains unchanged

2024 STI: targets	Threshold	Target	Stretch
RoE - 2023	10.5 %	12.0 %	14.0 %
RoE - 2024	13.0 %	14.0 %	15.5 %
Cost: Income ratio - 2023	65.0 %	63.0 %	60.0 %
Cost: Income ratio - 2024	61.0 %	59.0 %	56.0 %

PBT and the cost growth metric will be disclosed in the 2024 Annual Report due to commercial sensitivity

Technical adjustments to the performance targets will be made to account for the all share combination with Rathbones Group plc following the completion of the deal.

Non-Executive Director fees

The fee structure for Non-Executive Directors has been reviewed and a 4.5% increase has been proposed, full details of proposed fees for 2024 are detailed within the Investec Group Remuneration Report .

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 employees, 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 2023 annual general meeting for:

- 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 2023

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

27 June 2023

Summary annual financial statements

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IN THIS SECTION

DIRECTORS' RESPONSIBILITIES

Directors' responsibilities

The following statement, which should be read in conjunction with the auditor's report set out on pages 21 to 40 of the Investec Group's 2023 annual financial statements, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the accounts.

The directors are required by the UK Companies Act and South African Companies Act to prepare financial statements for each financial year. Under those laws the directors have elected to prepare the Group financial statements in accordance with UK adopted international accounting standards and with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). At 31 March 2023, UK adopted IAS are identical in all material respects to current IFRS applicable to the Group, with differences only in the effective dates of certain standards. The parent Company financial statements have been prepared in accordance with Section 408 of the UK Companies Act 2006. Under Company law the directors must not approve the Group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.
Under the Financial Conduct Authority's (FCA's) Disclosure Guidance and Transparency Rules (DTR), Group financial statements are required to be prepared in accordance with UK adopted international accounting standards and with IFRS as issued by the IASB.

In preparing the financial statements the directors are required to:

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

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

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Investec website.

Directors' responsibility statement

The directors, whose names and functions are set out on pages 127 to 131 of Investec Group's 2023 integrated and strategic annual report, confirm to the best of their knowledge:

- That the consolidated financial statements, prepared in accordance with UK adopted international accounting standards and with IFRS as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- That the annual report, including the strategic report (as contained in the Investec Group's 2023 integrated and strategic report), includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
- That they consider that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

DIRECTORS' RESPONSIBILITIES
CONTINUED

Chief Executive and Group Finance Director responsibility statement

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

- the annual financial statements set out on pages 41 to 151 of the Investec Group's 2023 annual financial statements, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies"; and
- We are not aware of any fraud involving directors.

Signed by the CEO and Financial Director

Fani Titi
Chief Executive
27 June 2023

Nishlan Samujh
Group Finance Director
27 June 2023

Financial results

The combined consolidated results of Investec plc and Investec Limited are set out in the annual financial statements and accompanying notes for the year ended 31 March 2023.

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

Approval of annual financial statements

The directors' report and the annual financial statements of the companies and the Group, which appear on pages 145 to 153 in Investec Group's 2023 integrated and strategic annual report, and pages 41 to 151 of the Investec Group's 2023 annual financial statements, respectively were approved by the Board of Directors on 27 June 2023.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the companies' website. Legislation in the UK governing the preparation and dissemination of the annual financial statements may differ from legislation in other jurisdictions.

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

Philip Hourquebie
Chair
27 June 2023

Fani Titi
Chief Executive
27 June 2023

Declaration by the Company secretary

In terms of Section 88(2)(e) of the South African Companies Act, I hereby certify that, to the best of my knowledge and belief, Investec Limited has lodged with the Companies and Intellectual Property Commission, for the financial year ended 31 March 2023, all such returns and notices as are required in terms of the Act and that all such returns and notices are true, correct and up to date.

Niki van Wyk
Company secretary, Investec Limited
27 June 2023

COMBINED CONSOLIDATED INCOME STATEMENT

For the year to 31 March £'000	2023	2022
Interest income	3 397 341	1 951 209
Interest income calculated using the effective interest method	2 890 776	1 717 776
Other interest income	506 565	233 433
Interest expense	(2 101 584)	(1 005 939)
Net interest income	**1 295 757**	**945 270**
Fee and commission income	832 213	864 639
Fee and commission expense	(52 860)	(46 423)
Investment (loss)/income	(17 145)	27 974
Share of post-taxation profit of associates and joint venture holdings	29 149	79 556
Trading income/(loss) arising from		
– customer flow	131 204	128 277
– balance sheet management and other trading activities	57 714	(21 128)
Other operating income	4 386	12 190
Total operating income before expected credit loss impairment charges	**2 280 418**	**1 990 355**
Expected credit loss impairment charges	(81 089)	(28 828)
Operating income	**2 199 329**	**1 961 527**
Operating costs	(1 350 835)	(1 233 948)
Operating profit before goodwill, acquired intangibles and strategic actions	**848 494**	**727 579**
Impairment of goodwill	(890)	(1 962)
Amortisation of acquired intangibles	(15 160)	(15 477)
Amortisation of acquired intangibles of associates	(1 542)	(9 249)
Closure and rundown of the Hong Kong direct investments business	(450)	(1 203)
Operating profit	**830 452**	**699 688**
Net gain/(implementation costs) on distribution of associate to shareholders	154 438	(2 427)
Financial impact of Group restructures	(4 968)	—
Profit before taxation	**979 922**	**697 261**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(179 704)	(143 309)
Taxation on acquired intangibles and strategic actions	17 213	2 422
Profit after taxation	**817 431**	**556 374**
Profit attributable to non-controlling interests	(12 566)	(40 170)
Earnings attributable to shareholders	**804 865**	**516 204**
Earnings attributable to ordinary shareholders	764 446	475 469
Earnings attributable to perpetual preferred securities and other Additional Tier 1 security holders	40 419	40 735

Earnings per share

For the year to 31 March	2023	2022
Basic earnings per share – pence	**85.8**	**52.0**
Diluted basic earnings per share – pence	**82.5**	**50.2**

COMBINED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

For the year to 31 March £'000	2023	2022
Profit after taxation	817 431	556 374
Other comprehensive income:		
Items that may be reclassified to the income statement:		
Fair value movements on cash flow hedges taken directly to other comprehensive income	39 717	(4 311)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(48 515)	(301)
Gain on realisation of debt instruments at FVOCI recycled through the income statement	(2 960)	(2 010)
Foreign currency adjustments on translating foreign operations	(306 053)	173 160
Items that will not be reclassified to the income statement:		
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	(7)	617
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	(657)	3 420
Movement in post-retirement benefit liabilities	75	40
Net gain attributable to own credit risk	104	11 095
Total comprehensive income	**499 135**	**738 084**
Total comprehensive income attributable to ordinary shareholders	513 518	629 300
Total comprehensive (loss)/income attributable to non-controlling interests	(54 802)	68 049
Total comprehensive income attributable to perpetual preferred securities	40 419	40 735
Total comprehensive income	**499 135**	**738 084**

COMBINED CONSOLIDATED BALANCE SHEET

At 31 March £'000	2023	2022^	2021^
Assets			
Cash and balances at central banks	6 437 709	5 998 270	3 517 100
Loans and advances to banks	1 450 627	2 552 061	2 637 436
Non-sovereign and non-bank cash placements	644 065	684 983	439 841
Reverse repurchase agreements and cash collateral on securities borrowed	3 632 658	4 609 778	3 575 713
Sovereign debt securities	4 751 646	4 148 867	3 711 623
Bank debt securities	939 509	1 515 210	1 121 730
Other debt securities	1 229 392	1 229 287	1 364 235
Derivative financial instruments	1 386 134	1 590 513	1 683 214
Securities arising from trading activities	1 632 391	683 329	1 024 671
Investment portfolio	1 330 907	912 872	909 050
Loans and advances to customers	29 911 158	29 561 088	26 041 087
Own originated loans and advances to customers securitised	272 879	375 763	401 912
Other loans and advances	142 726	128 284	102 135
Other securitised assets	103 151	123 888	140 087
Interests in associated undertakings and joint venture holdings	53 703	734 434	679 157
Current taxation assets	69 322	33 653	60 325
Deferred taxation assets	258 126	259 370	246 622
Other assets	1 581 693	2 139 354	2 237 646
Property and equipment	278 561	335 420	329 972
Investment properties	722 481	820 555	832 061
Goodwill	262 632	258 404	259 805
Software	15 401	9 443	58 968
Other acquired intangible assets	41 136	44 152	12 574
Non-current assets classified as held for sale	35 761	79 229	51 783
	57 183 768	**58 828 207**	**51 438 747**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	110 891	59 549	52 405
	57 294 659	**58 887 756**	**51 491 152**
Liabilities			
Deposits by banks	3 617 524	3 178 668	2 403 712
Derivative financial instruments	2 424 036	2 581 315	2 231 166
Other trading liabilities	202 256	275 589	326 189
Repurchase agreements and cash collateral on securities lent	936 564	863 285	1 003 312
Customer accounts (deposits)	39 555 669	40 118 412	34 449 430
Debt securities in issue	1 802 586	2 043 640	1 892 319
Liabilities arising on securitisation of own originated loans and advances	163 787	238 370	160 646
Liabilities arising on securitisation of other assets	81 609	95 885	108 281
Current taxation liabilities	83 183	41 631	78 790
Deferred taxation liabilities	26 545	19 624	40 333
Other liabilities	1 873 714	2 315 841	1 951 122
	50 767 473	**51 772 260**	**44 645 300**
Liabilities to customers under investment contracts	108 370	56 475	49 798
Insurance liabilities, including unit-linked liabilities	2 521	3 074	2 607
	50 878 364	**51 831 809**	**44 697 705**
Subordinated liabilities	1 084 630	1 316 191	1 480 951
	51 962 994	**53 148 000**	**46 178 656**
Equity			
Ordinary share capital	247	247	247
Ordinary share premium	1 208 161	1 516 024	1 517 852
Treasury shares	(564 678)	(318 987)	(267 508)
Other reserves	(850 742)	(650 228)	(788 222)
Retained income	4 553 011	4 069 776	3 772 628
Ordinary shareholders' equity	**4 345 999**	**4 616 832**	**4 234 997**
Perpetual preference share capital and premium	136 259	174 869	174 053
Shareholders' equity excluding non-controlling interests	**4 482 258**	**4 791 701**	**4 409 050**
Other Additional Tier 1 securities in issue	398 568	411 683	335 111
Non-controlling interests	450 839	536 372	568 335
– Perpetual preferred securities issued by subsidiaries	—	—	72 750
– Non-controlling interests in partially held subsidiaries	450 839	536 372	495 585
Total equity	**5 331 665**	**5 739 756**	**5 312 496**
Total liabilities and equity	**57 294 659**	**58 887 756**	**51 491 152**

^ Restated as detailed in restatement note on page 200.

COMBINED CONSOLIDATED CASH FLOW STATEMENT

For the year to 31 March £'000	2023	2022^
Cash inflow from operating activities		
Profit before taxation adjusted for non-cash, non-operating items and other required adjustments	1 009 019	816 404
Taxation paid	(171 292)	(152 140)
Increase in operating assets	(2 710 850)	(3 321 970)
Increase in operating liabilities	2 342 880	5 729 246
Net cash inflow from operating activities	**469 757**	**3 071 540**
Cash flows from investing activities		
Cash flow on acquisition of Group operations, net of cash acquired	(9 720)	—
Cash inflow on disposal of Group operations	12	14 274
Derecognition of cash on disposal of subsidiaries	—	(4 152)
Cash outflow on acquisition of associates and joint venture holdings	—	(8 780)
Cash flow on disposal of associates and joint venture holdings	565	39 222
Cash flow on acquisition of property, equipment, software and other intangible assets	(30 337)	(9 323)
Cash flow on disposal of property, equipment, software and other intangible assets	25 487	4 324
Net cash (outflow)/inflow from investing activities	**(13 993)**	**35 565**
Cash flows from financing activities		
Dividends paid to ordinary shareholders	(260 673)	(178 418)
Dividends paid to other equity holders	(71 268)	(83 524)
Acquisition of non-controlling interest	118	443
Repurchase of perpetual preference shares	(19 379)	(77 835)
Proceeds on issue of other Additional Tier 1 securities in issue	22 787	67 552
Repayment of other Additional Tier 1 securities in issue	(15 951)	—
Cash flow on acquisition of treasury shares, net of related costs	(262 248)	(71 836)
Share buyback of ordinary share capital	(56 863)	(36 150)
Proceeds on subordinated liabilities raised	460 934	421 506
Repayment of subordinated liabilities	(665 648)	(583 918)
Lease liabilities paid	(46 493)	(45 743)
Net cash outflow from financing activities	**(914 684)**	**(587 923)**
Effects of exchange rates on cash and cash equivalents	**(196 806)**	**90 928**
Net (decrease)/increase in cash and cash equivalents	**(655 726)**	**2 610 110**
Cash and cash equivalents at the beginning of the year	9 099 740	6 489 630
Cash and cash equivalents at the end of the year	**8 444 014**	**9 099 740**
Cash and cash equivalents is defined as including:		
Cash and balances at central banks	6 437 709	5 998 270
On demand loans and advances to banks	1 359 689	2 414 562
Non-sovereign and non-bank cash placements	644 065	684 983
Expected credit loss on cash and cash equivalents	2 551	1 925
Cash and cash equivalents at the end of the year	**8 444 014**	**9 099 740**

^ Restated as detailed in restatement note on page 200.

Cash and cash equivalents is defined as including: cash and balances at central banks, on demand loans and advances to banks and non-sovereign and non-bank cash placements (all of which have a maturity profile of less than three months).

The Group is required to maintain reserve deposits with central banks and other regulatory authorities and these amounted to £527.2 million (31 March 2022: £530.2 million). These are included in cash and cash equivalents.

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary share capital	Ordinary share premium	Treasury shares
At 1 April 2021	**247**	**1 517 852**	**(267 508)**
Movement in reserves 1 April 2021 – 31 March 2022			
Profit after taxation	—	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Movement in post-retirement benefit liabilities	—	—	—
Net gain attributable to own credit risk	—	—	—
Total comprehensive income for the year	**—**	**—**	**—**
Issue of Other Additional Tier 1 Security instruments	—	—	—
Net equity movements in interests in associated undertakings	—	—	—
Movement in treasury shares	—	—	(51 479)
Share-based payments adjustments	—	—	—
Transfer to regulatory general risk reserve	—	—	—
Share-buyback of ordinary share capital	—	(1 828)	—
Repurchase of perpetual preference share capital	—	—	—
Net equity impact of non-controlling interest movement	—	—	—
Dividends declared to other equity holders including other Additional Tier 1 securities	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and other Additional Tier 1 securities	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
At 31 March 2022	**247**	**1 516 024**	**(318 987)**

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

Other reserves												
Capital reserve account	Fair value reserve	Regulatory general risk reserve	Cash flow hedge reserve	Foreign currency reserves	Own credit risk reserve	Retained income	**Ordinary shareholders' equity**	Perpetual preference share capital	**Shareholders' equity excluding non-controlling interests**	Other Additional Tier 1 securities in issue	Non-controlling interests	**Total equity**
(21 363)	**515**	**42 132**	**(98 902)**	**(699 558)**	**(11 046)**	**3 772 628**	**4 234 997**	**174 053**	**4 409 050**	**335 111**	**568 335**	**5 312 496**
—	—	—	—	—	—	516 204	516 204	—	516 204	—	40 170	556 374
—	—	—	(4 311)	—	—	—	(4 311)	—	(4 311)	—	—	(4 311)
—	(301)	—	—	—	—	—	(301)	—	(301)	—	—	(301)
—	(2 010)	—	—	—	—	—	(2 010)	—	(2 010)	—	—	(2 010)
—	—	—	—	127 523	—	—	127 523	8 738	136 261	9 020	27 879	173 160
—	(47)	—	—	—	664	—	617	—	617	—	—	617
—	3 420	—	—	—	—	—	3 420	—	3 420	—	—	3 420
—	—	—	—	—	—	40	40	—	40	—	—	40
—	—	—	—	—	11 095	—	11 095	—	11 095	—	—	11 095
—	**1 062**	**—**	**(4 311)**	**127 523**	**11 759**	**516 244**	**652 277**	**8 738**	**661 015**	**9 020**	**68 049**	**738 084**
—	—	—	—	—	—	—	—	—	—	67 552	—	67 552
—	—	—	—	—	—	6 788	6 788	—	6 788	—	—	6 788
4 365	—	—	—	—	—	—	(47 114)	—	(47 114)	—	—	(47 114)
—	—	—	—	—	—	23 932	23 932	—	23 932	—	—	23 932
—	—	(2 404)	—	—	—	2 404	—	—	—	—	—	—
—	—	—	—	—	—	(34 322)	(36 150)	—	(36 150)	—	—	(36 150)
—	—	—	—	—	—	1 255	1 255	(7 922)	(6 667)	—	(71 168)	(77 835)
—	—	—	—	—	—	—	—	—	—	—	443	443
—	—	—	—	—	—	(40 735)	(40 735)	8 606	(32 129)	26 757	5 372	—
—	—	—	—	—	—	—	—	(8 606)	(8 606)	(26 757)	(5 372)	(40 735)
—	—	—	—	—	—	(178 418)	(178 418)	—	(178 418)	—	—	(178 418)
—	—	—	—	—	—	—	—	—	—	—	(29 287)	(29 287)
(16 998)	**1 577**	**39 728**	**(103 213)**	**(572 035)**	**713**	**4 069 776**	**4 616 832**	**174 869**	**4 791 701**	**411 683**	**536 372**	**5 739 756**

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

£'000	Ordinary share capital	Ordinary share premium	Treasury shares
At 31 March 2022	**247**	**1 516 024**	**(318 987)**
Movement in reserves 1 April 2021 – 31 March 2022			
Profit after taxation	—	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Movement in post-retirement benefit liabilities	—	—	—
Net gain attributable to own credit risk	—	—	—
Total comprehensive income for the year	**—**	**—**	**—**
Issue of other Additional Tier 1 security instruments	—	—	—
Repayment of other Additional Tier 1 security instruments	—	—	—
Repurchase of perpetual preference share capital	—	—	—
Share-buyback of ordinary share capital	—	(56 863)	—
Movement in treasury shares	—	—	(245 691)
Share-based payments adjustments	—	—	—
Transfer to regulatory general risk reserve	—	—	—
Employee benefit liability recognised	—	—	—
Transfer from share premium to retained income	—	(251 000)	—
Net equity impact of non-controlling interest movements	—	—	—
Dividends declared to other equity holders including other Additional Tier 1 securities	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and other Additional Tier 1 securities	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
Distribution to ordinary shareholders	—	—	—
At 31 March 2023	**247**	**1 208 161**	**(564 678)**

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

	Other reserves												
	Capital reserve account	Fair value reserve	Regulatory general risk reserve	Cash flow hedge reserve	Foreign currency reserves	Own credit risk reserve	Retained income	**Ordinary shareholders' equity**	Perpetual preference share capital	**Shareholders' equity excluding non-controlling interests**	Other Additional Tier 1 securities in issue	Non-controlling interests	**Total equity**
	(16 998)	**1 577**	**39 728**	**(103 213)**	**(572 035)**	**713**	**4 069 776**	**4 616 832**	**174 869**	**4 791 701**	**411 683**	**536 372**	**5 739 756**
	—	—	—	—	—	—	804 865	804 865	—	804 865	—	12 566	817 431
	—	—	—	39 717	—	—	—	39 717	—	39 717	—	—	39 717
	—	(48 515)	—	—	—	—	—	(48 515)	—	(48 515)	—	—	(48 515)
	—	(2 960)	—	—	—	—	—	(2 960)	—	(2 960)	—	—	(2 960)
	—	—	—	—	(200 220)	—	—	(200 220)	(18 514)	(218 734)	(19 951)	(67 368)	(306 053)
	—	(7)	—	—	—	—	—	(7)	—	(7)	—	—	(7)
	—	(657)	—	—	—	—	—	(657)	—	(657)	—	—	(657)
	—	—	—	—	—	—	75	75	—	75	—	—	75
	—	—	—	—	—	104	—	104	—	104	—	—	104
	—	**(52 139)**	**—**	**39 717**	**(200 220)**	**104**	**804 940**	**592 402**	**(18 514)**	**573 888**	**(19 951)**	**(54 802)**	**499 135**
	—	—	—	—	—	—	—	—	—	—	22 787	—	22 787
	—	—	—	—	—	—	—	—	—	—	(15 951)	—	(15 951)
	—	—	—	—	—	—	717	717	(20 096)	(19 379)	—	—	(19 379)
	—	—	—	—	—	—	—	(56 863)	—	(56 863)	—	—	(56 863)
	5 683	—	—	—	—	—	—	(240 008)	—	(240 008)	—	—	(240 008)
	—	—	—	—	—	—	25 904	25 904	—	25 904	—	—	25 904
	—	—	6 341	—	—	—	(6 341)	—	—	—	—	—	—
	—	—	—	—	—	—	(9 224)	(9 224)	—	(9 224)	—	—	(9 224)
	—	—	—	—	—	—	251 000	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	118	118
	—	—	—	—	—	—	(40 419)	(40 419)	8 568	(31 851)	31 851	—	—
	—	—	—	—	—	—	—	—	(8 568)	(8 568)	(31 851)	—	(40 419)
	—	—	—	—	—	—	(260 673)	(260 673)	—	(260 673)	—	—	(260 673)
	—	—	—	—	—	—	—	—	—	—	—	(30 849)	(30 849)
	—	—	—	—	—	—	(282 669)	(282 669)	—	(282 669)	—	—	(282 669)
	(11 315)	**(50 562)**	**46 069**	**(63 496)**	**(772 255)**	**817**	**4 553 011**	**4 345 999**	**136 259**	**4 482 258**	**398 568**	**450 839**	**5 331 665**

ACCOUNTING POLICIES

Basis of presentation

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

As stated on page 162, the directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

The accounting policies adopted by the Group are consistent with the prior year.

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

Presentation of information

Capital disclosures relating to the nature and extent of risks have been included in sections marked as audited in the risk management report on pages 83 to 91 of the Investec Group's 2023 risk and governance report.

Certain disclosures required under IAS 24 Related Party Disclosures have been included in the section marked as audited in the in the Investec Group's 2023 remuneration report on pages 25 to 44.

Audit conclusion

These abridged annual financial statements have been extracted from the audited annual financial statements on which Ernst & Young LLP and Ernst & Young Inc. have issued an unmodified audit report. The auditors report on the annual combined consolidated and separate annual financial statements is available for inspection at the companies registered office.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Combined consolidated segmental analysis

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

For the year to 31 March 2023	Private Client					
		Specialist Banking				
£'000	Wealth & Investment^	Private Banking	Corporate, Investment Banking and Other	Group Investments	Group Costs	Total Group
UK and Other	91 756	70 154	233 234	18 103	(18 209)	395 038
Southern Africa	32 799	179 616	244 141	(323)	(15 343)	440 890
Adjusted operating profit	**124 555**	**249 770**	**477 375**	**17 780**	**(33 552)**	**835 928**
Non-controlling interest*						12 566
Adjusted operating profit before non-controlling interests						**848 494**

For the year to 31 March 2022	Private Client					
		Specialist Banking				
£'000	Wealth & Investment^	Private Banking	Corporate, Investment Banking and Other	Group Investments	Group Costs	Total Group
UK and Other	90 593	30 828	162 825	33 387	(14 819)	302 814
Southern Africa	32 542	198 827	150 549	18 670	(15 993)	384 595
Adjusted operating profit	**123 135**	**229 655**	**313 374**	**52 057**	**(30 812)**	**687 409**
Non-controlling interest*						40 170
Adjusted operating profit before non-controlling interests						**727 579**

* Profit/(loss) attributable to non-controlling interests predominantly relates to the Investec Property Fund Limited.

^ Restated: Following a strategic review, our Swiss operations have been earmarked to play a key role in the Group's strategic expansion of its international wealth services. To ensure strategic alignment, the operational results of the Switzerland wealth business are now reported as part of the Southern Africa Wealth & Investment business (previously reported as part of UK & Other Wealth & Investment business). The comparative period has been restated to reflect this change. There has been no change in the legal or ownership structures.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Combined consolidated segmental analysis continued

For the year to 31 March 2023 £'000	UK and Other	Southern Africa	Total
Segmental geographic analysis – income statement			
Net interest income	731 602	564 155	1 295 757
Net fee and commission income	433 667	345 686	779 353
Investment (loss)/income	18 215	(35 360)	(17 145)
Share of post-taxation profit of associates and joint venture holdings	9 844	19 305	29 149
Trading income arising from			
– customer flow	86 114	45 090	131 204
– balance sheet management and other trading activities	13 123	44 591	57 714
Other operating income/(loss)	6 879	(2 493)	4 386
Total operating income before expected credit loss impairment charges	**1 299 444**	**980 974**	**2 280 418**
Expected credit loss impairment charges	(66 712)	(14 377)	(81 089)
Operating income	**1 232 732**	**966 597**	**2 199 329**
Operating costs	(837 694)	(513 141)	(1 350 835)
Operating profit before goodwill, acquired intangibles and strategic actions	**395 038**	**453 456**	**848 494**
Profit attributable to non-controlling interests	—	(12 566)	(12 566)
Adjusted operating profit	**395 038**	**440 890**	**835 928**
Impairment of goodwill	(805)	(85)	(890)
Amortisation of acquired intangibles	(12 625)	(2 535)	(15 160)
Amortisation of acquired intangibles of associates	(1 003)	(539)	(1 542)
Closure and rundown of the Hong Kong direct investments business	(450)	—	(450)
Net gain/(implementation costs) on distribution of associate to shareholders	86 945	67 493	154 438
Financial impact of Group restructures	(4 968)	—	(4 968)
Earnings attributable to shareholders before taxation	**462 132**	**505 224**	**967 356**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(76 701)	(103 003)	(179 704)
Taxation on acquired intangibles and strategic actions	2 031	15 182	17 213
Earnings attributable to shareholders	**387 462**	**417 403**	**804 865**
Selected returns and key statistics			
Cost to income ratio	64.5%	53.0%	59.6%
Staff compensation to operating income	46.3%	37.8%	42.7%
Adjusted operating profit per employee (£'000)	111.4	95.9	102.7
Effective operational tax rate	19.9%	23.7%	21.9%
Total assets (£'million)	28 433	28 862	57 295

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Combined consolidated segmental analysis continued

For the year to 31 March 2022 **£'000**	UK and Other^^	Southern Africa^^	**Total**
Segmental geographic analysis – income statement			
Net interest income	481 421	463 849	945 270
Net fee and commission income	488 638	329 578	818 216
Investment income	10 849	17 125	27 974
Share of post-taxation profit of associates and joint venture holdings	47 266	32 290	79 556
Trading income/(loss) arising from			
– customer flow	59 178	69 099	128 277
– balance sheet management and other trading activities	(6 797)	(14 331)	(21 128)
Other operating income	11 533	657	12 190
Total operating income before expected credit loss impairment charges	**1 092 088**	**898 267**	**1 990 355**
Expected credit loss impairment charges	(25 175)	(3 653)	(28 828)
Operating income	**1 066 913**	**894 614**	**1 961 527**
Operating costs	(764 099)	(469 849)	(1 233 948)
Operating profit before goodwill, acquired intangibles and strategic actions	**302 814**	**424 765**	**727 579**
Profit attributable to other non-controlling interests	—	(40 170)	(40 170)
Adjusted operating profit	**302 814**	**384 595**	**687 409**
Impairment of goodwill	—	(1 962)	(1 962)
Amortisation of acquired intangibles	(12 936)	(2 541)	(15 477)
Amortisation of acquired intangibles of associates	(6 017)	(3 232)	(9 249)
Closure and rundown of the Hong Kong direct investments business	(1 203)	—	(1 203)
Net gain/(implementation costs) on distribution of associate to shareholders	(1 016)	(1 411)	(2 427)
Earnings attributable to shareholders before taxation	**281 642**	**375 449**	**657 091**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(37 612)	(105 697)	(143 309)
Taxation on acquired intangibles and strategic actions	1 678	744	2 422
Earnings attributable to shareholders	**245 708**	**270 496**	**516 204**
Selected returns and key statistics			
Cost to income ratio	70.0%	54.8%	63.3%
Staff compensation to operating income	51.3%	39.0%	45.8%
Adjusted operating profit per employee (£'000)	87.4	87.5	87.4
Effective operational tax rate	14.7%	26.9%	22.1%
Total assets (£'million)^	27 805	31 083	58 888

^ Restated as detailed in restatement note on page 200.
^^ Restated: Following a strategic review, our Swiss operations have been earmarked to play a key role in the Group's strategic expansion of its international wealth services. To ensure strategic alignment, the operational results of the Switzerland wealth business are now reported as part of the Southern Africa Wealth & Investment business (previously reported as part of UK & Other Wealth & Investment business). The comparative period has been restated to reflect this change. There has been no change in the legal or ownership structures.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Combined consolidated segmental analysis continued

	UK and Other						
	Private Client						
		Specialist Banking					
For the year to 31 March 2023 **£'000**	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	**Total Specialist Banking**	Group Investments	Group Costs	**Total**
Net interest income/(expense)	22 763	128 945	579 894	708 839	—	—	731 602
Net fee and commission income	324 907	1 946	106 814	108 760	—	—	433 667
Investment (loss)/ income	—	141	4 864	5 005	13 210	—	18 215
Share of post-taxation profit/(loss) of associates and joint venture holdings	—	—	4 951	4 951	4 893	—	9 844
Trading income/(loss) arising from							
– customer flow	—	4 449	81 665	86 114	—	—	86 114
– balance sheet management and other trading activities	—	13	13 110	13 123	—	—	13 123
Other operating income/(loss)	—	—	6 879	6 879	—	—	6 879
Total operating income before expected credit loss impairment charges	**347 670**	**135 494**	**798 177**	**933 671**	**18 103**	**—**	**1 299 444**
Expected credit loss impairment charges	—	(6 344)	(60 368)	(66 712)	—	—	(66 712)
Operating income	**347 670**	**129 150**	**737 809**	**866 959**	**18 103**	**—**	**1 232 732**
Operating costs	(255 914)	(58 996)	(504 575)	(563 571)	—	(18 209)	(837 694)
Operating profit/(loss) before goodwill, acquired intangibles and strategic actions	**91 756**	**70 154**	**233 234**	**303 388**	**18 103**	**(18 209)**	**395 038**
Profit attributable to non-controlling interests	—	—	—	—	—	—	—
Operating profit before goodwill, acquired intangibles and after non-controlling interests	**91 756**	**70 154**	**233 234**	**303 388**	**18 103**	**(18 209)**	**395 038**
Selected returns and key statistics							
Cost to income ratio	73.6%	43.5%	63.2%	60.4%	n/a	n/a	64.5%
Total assets (£'million)	996	5 202	22 063	27 265	172	n/a	28 433

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Southern Africa							
Private Client							
	Specialist Banking						
Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	**Total Specialist Banking**	Group Investments	Group Costs	**Total**	**Total Group**
10 172	299 154	286 643	585 797	(31 814)	—	564 155	1 295 757
108 063	59 373	128 249	187 622	50 001	—	345 686	779 353
382	15 000	4 574	19 574	(55 316)	—	(35 360)	(17 145)
—	(158)	125	(33)	19 338	—	19 305	29 149
1 196	—	54 889	54 889	(10 995)	—	45 090	131 204
399	50	663	713	43 479	—	44 591	57 714
(38)	6	(2 461)	(2 455)	—	—	(2 493)	4 386
120 174	**373 425**	**472 682**	**846 107**	**14 693**	**—**	**980 974**	**2 280 418**
(3)	(11 333)	(2 798)	(14 131)	(243)	—	(14 377)	(81 089)
120 171	**362 092**	**469 884**	**831 976**	**14 450**	**—**	**966 597**	**2 199 329**
(87 372)	(182 476)	(224 991)	(407 467)	(2 959)	(15 343)	(513 141)	(1 350 835)
32 799	**179 616**	**244 893**	**424 509**	**11 491**	**(15 343)**	**453 456**	**848 494**
—	—	(752)	(752)	(11 814)	—	(12 566)	(12 566)
32 799	**179 616**	**244 141**	**423 757**	**(323)**	**(15 343)**	**440 890**	**835 928**
72.7%	48.9%	47.7%	48.2%	n/a	n/a	53.0%	59.6%
229	10 460	16 817	27 277	1 356	n/a	28 862	57 295

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Combined consolidated segmental analysis continued

	UK and Other						
	Private Client						
		Specialist Banking					
For the year to 31 March 2022 **£'000**	Wealth & Investment^^	Private Banking	Corporate, Investment Banking and Other	**Total Specialist Banking**	Group Investments	Group Costs	**Total**
Net interest income/(expense)	970	70 692	409 759	480 451	—	—	481 421
Net fee and commission income	337 352	1 556	149 730	151 286	—	—	488 638
Investment income/(loss)	—	816	10 033	10 849	—	—	10 849
Share of post-taxation profit of associates and joint venture holdings	—	—	13 879	13 879	33 387	—	47 266
Trading income/(loss) arising from							
– customer flow	—	2 228	56 950	59 178	—	—	59 178
– balance sheet management and other trading activities	—	2	(6 799)	(6 797)	—	—	(6 797)
Other operating income	—	—	11 533	11 533	—	—	11 533
Total operating income before expected credit loss impairment charges	**338 322**	**75 294**	**645 085**	**720 379**	**33 387**	**—**	**1 092 088**
Expected credit loss impairment charges	—	(2 432)	(22 743)	(25 175)	—	—	(25 175)
Operating income	**338 322**	**72 862**	**622 342**	**695 204**	**33 387**	**—**	**1 066 913**
Operating costs	(247 729)	(42 034)	(459 517)	(501 551)	—	(14 819)	(764 099)
Operating profit/(loss) before goodwill, acquired intangibles and strategic actions	**90 593**	**30 828**	**162 825**	**193 653**	**33 387**	**(14 819)**	**302 814**
Profit attributable to non-controlling interests	—	—	—	—	—	—	—
Operating profit before goodwill, acquired intangibles and after non-controlling interests	**90 593**	**30 828**	**162 825**	**193 653**	**33 387**	**(14 819)**	**302 814**
Selected returns and key statistics							
Cost to income ratio	73.2%	55.8%	71.2%	69.6%	n/a	n/a	70.0%
Total assets (£'million)^	1 062	4 528	21 985	26 513	230	n/a	27 805

^ Restated as detailed in restatement note on page 200.

^^ Restated: Following a strategic review, our Swiss operations have been earmarked to play a key role in the Group's strategic expansion of its international wealth services. To ensure strategic alignment, the operational results of the Switzerland wealth business are now reported as part of the Southern Africa Wealth & Investment business (previously reported as part of UK & Other Wealth & Investment business). The comparative period has been restated to reflect this change. There has been no change in the legal or ownership structures.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Southern Africa								
Private Client								
	Specialist Banking							
Wealth & Investment^^	Private Banking	Corporate, Investment Banking and Other	**Total Specialist Banking**	Group Investments	Group Costs	**Total**	**Total Group**
5 670	274 895	221 456	496 351	(38 172)	—	463 849	945 270
107 963	56 194	115 361	171 555	50 060	—	329 578	818 216
620	15 967	(11 164)	4 803	11 702	—	17 125	27 974
—	117	254	371	31 919	—	32 290	79 556
923	—	47 945	47 945	20 231	—	69 099	128 277
304	(145)	135	(10)	(14 625)	—	(14 331)	(21 128)
10	3	644	647	—	—	657	12 190
115 490	**347 031**	**374 631**	**721 662**	**61 115**	**—**	**898 267**	**1 990 355**
(5)	17 843	(20 910)	(3 067)	(581)	—	(3 653)	(28 828)
115 485	**364 874**	**353 721**	**718 595**	**60 534**	**—**	**894 614**	**1 961 527**
(82 943)	(166 047)	(202 920)	(368 967)	(1 946)	(15 993)	(469 849)	(1 233 948)
32 542	**198 827**	**150 801**	**349 628**	**58 588**	**(15 993)**	**424 765**	**727 579**
—	—	(252)	(252)	(39 918)	—	(40 170)	(40 170)
32 542	**198 827**	**150 549**	**349 376**	**18 670**	**(15 993)**	**384 595**	**687 409**
71.8%	47.8%	54.2%	51.1%	9.2%	n/a	54.8%	63.3%
205	11 629	17 577	29 206	1 672	n/a	31 083	58 888

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Combined consolidated segmental analysis continued

At 31 March 2023 £'000	UK and Other	Southern Africa	Total
Segmental geographic analysis – balance sheet assets and liabilities			
Assets			
Cash and balances at central banks	5 400 401	1 037 308	6 437 709
Loans and advances to banks	889 034	561 593	1 450 627
Non-sovereign and non-bank cash placements	—	644 065	644 065
Reverse repurchase agreements and cash collateral on securities borrowed	1 338 699	2 293 959	3 632 658
Sovereign debt securities	1 221 744	3 529 902	4 751 646
Bank debt securities	204 691	734 818	939 509
Other debt securities	697 275	532 117	1 229 392
Derivative financial instruments	633 649	752 485	1 386 134
Securities arising from trading activities	127 537	1 504 854	1 632 391
Investment portfolio	489 204	841 703	1 330 907
Loans and advances to customers	15 567 809	14 343 349	29 911 158
Own originated loans and advances to customers securitised	—	272 879	272 879
Other loans and advances	142 665	61	142 726
Other securitised assets	78 231	24 920	103 151
Interests in associated undertakings and joint venture holdings	52 320	1 383	53 703
Current taxation assets	69 257	65	69 322
Deferred taxation assets	134 564	123 562	258 126
Other assets	959 421	622 272	1 581 693
Property and equipment	121 014	157 547	278 561
Investment properties	—	722 481	722 481
Goodwill	255 267	7 365	262 632
Software	9 415	5 986	15 401
Other acquired intangible assets	40 550	586	41 136
Non-current assets classified as held for sale	—	35 761	35 761
	28 432 747	**28 751 021**	**57 183 768**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	110 891	110 891
	28 432 747	**28 861 912**	**57 294 659**
Liabilities			
Deposits by banks	2 168 795	1 448 729	3 617 524
Derivative financial instruments	701 282	1 722 754	2 424 036
Other trading liabilities	28 184	174 072	202 256
Repurchase agreements and cash collateral on securities lent	119 321	817 243	936 564
Customer accounts (deposits)	19 115 554	20 440 115	39 555 669
Debt securities in issue	1 449 545	353 041	1 802 586
Liabilities arising on securitisation of own originated loans and advances	—	163 787	163 787
Liabilities arising on securitisation of other assets	81 609	—	81 609
Current taxation liabilities	40 303	42 880	83 183
Deferred taxation liabilities	22 216	4 329	26 545
Other liabilities	1 229 580	644 134	1 873 714
	24 956 389	**25 811 084**	**50 767 473**
Liabilities to customers under investment contracts	—	108 370	108 370
Insurance liabilities, including unit-linked liabilities	—	2 521	2 521
	24 956 389	**25 921 975**	**50 878 364**
Subordinated liabilities	731 483	353 147	1 084 630
	25 687 872	**26 275 122**	**51 962 994**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Combined consolidated segmental analysis continued

At 31 March 2022^ £'000	UK and Other	Southern Africa	Total
Segmental geographic analysis – balance sheet assets and liabilities			
Assets			
Cash and balances at central banks	5 379 994	618 276	5 998 270
Loans and advances to banks	1 459 590	1 092 471	2 552 061
Non-sovereign and non-bank cash placements	—	684 983	684 983
Reverse repurchase agreements and cash collateral on securities borrowed	1 447 473	3 162 305	4 609 778
Sovereign debt securities	1 165 777	2 983 090	4 148 867
Bank debt securities	61 714	1 453 496	1 515 210
Other debt securities	427 761	801 526	1 229 287
Derivative financial instruments	692 975	897 538	1 590 513
Securities arising from trading activities	163 165	520 164	683 329
Investment portfolio	338 523	574 349	912 872
Loans and advances to customers	14 426 475	15 134 613	29 561 088
Own originated loans and advances to customers securitised	—	375 763	375 763
Other loans and advances	122 681	5 603	128 284
Other securitised assets	93 087	30 801	123 888
Interests in associated undertakings and joint venture holdings	296 951	437 483	734 434
Current taxation assets	33 448	205	33 653
Deferred taxation assets	110 377	148 993	259 370
Other assets	1 131 744	1 007 610	2 139 354
Property and equipment	155 055	180 365	335 420
Investment properties	—	820 555	820 555
Goodwill	249 836	8 568	258 404
Software	7 066	2 377	9 443
Other acquired intangible assets	40 807	3 345	44 152
Non-current assets classified as held for sale	—	79 229	79 229
	27 804 499	**31 023 708**	**58 828 207**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	59 549	59 549
	27 804 499	**31 083 257**	**58 887 756**
Liabilities			
Deposits by banks	2 022 679	1 155 989	3 178 668
Derivative financial instruments	859 922	1 721 393	2 581 315
Other trading liabilities	42 944	232 645	275 589
Repurchase agreements and cash collateral on securities lent	138 496	724 789	863 285
Customer accounts (deposits)	18 286 043	21 832 369	40 118 412
Debt securities in issue	1 648 177	395 463	2 043 640
Liabilities arising on securitisation of own originated loans and advances	—	238 370	238 370
Liabilities arising on securitisation of other assets	95 885	—	95 885
Current taxation liabilities	2 460	39 171	41 631
Deferred taxation liabilities	—	19 624	19 624
Other liabilities	1 368 868	946 973	2 315 841
	24 465 474	**27 306 786**	**51 772 260**
Liabilities to customers under investment contracts	—	56 475	56 475
Insurance liabilities, including unit-linked liabilities	—	3 074	3 074
	24 465 474	**27 366 335**	**51 831 809**
Subordinated liabilities	758 739	557 452	1 316 191
	25 224 213	**27 923 787**	**53 148 000**

^ Restated as detailed in restatement note on page 200.

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Net fee and commission income

For the year to 31 March 2023 £'000	UK and Other	Southern Africa	Total
Wealth & Investment net fee and commission income	**324 907**	**108 063**	**432 970**
Fund management fees/fees for funds under management	287 779	66 418	354 197
Private client transactional fees*	37 128	44 614	81 742
Fee and commission expense	—	(2 969)	(2 969)
Specialist Banking net fee and commission income	**108 760**	**187 622**	**296 382**
Specialist Banking fee and commission income**	123 511	219 128	342 639
Specialist Banking fee and commission expense	(14 751)	(31 506)	(46 257)
Group Investments net fee and commission income	**—**	**50 001**	**50 001**
Group Investments fee and commission income**^	—	53 635	53 635
Group Investments fee and commission expense	—	(3 634)	(3 634)
Net fee and commission income	**433 667**	**345 686**	**779 353**
Annuity fees (net of fees payable)	303 522	252 893	556 415
Deal fees	130 145	92 793	222 938

For the year to 31 March 2022 £'000	UK and Other#	Southern Africa#	Total
Wealth & Investment net fee and commission income	**337 352**	**107 963**	**445 315**
Fund management fees/fees for funds under management	296 006	61 641	357 647
Private client transactional fees*	41 346	48 740	90 086
Fee and commission expense	—	(2 418)	(2 418)
Specialist Banking net fee and commission income	**151 286**	**171 555**	**322 841**
Specialist Banking fee and commission income**	165 543	197 544	363 087
Specialist Banking fee and commission expense	(14 257)	(25 989)	(40 246)
Group Investments net fee and commission income	**—**	**50 060**	**50 060**
Group Investments fee and commission income**^	—	53 819	53 819
Group Investments fee and commission expense	—	(3 759)	(3 759)
Net fee and commission income	**488 638**	**329 578**	**818 216**
Annuity fees (net of fees payable)	312 324	259 114	571 438
Deal fees	176 314	70 464	246 778

* Trust and fiduciary fees amounted to £0.4 million (2022: £0.4 million) and are included in Private client transactional fees.
** Included in Group Investments and Specialist Banking is fee and commission income of £78.0 million (2022: £85.0 million) for operating lease income which is out of the scope of IFRS 15 – Revenue from contracts with customers. Refer to note 14 for detail on operating lease disclosures.
^ Included within Group Investments fee and commission income is a net contribution from rental activities resulting from the consolidation of IPF of £56.0 million (2022: £55.8 million) comprising property revenue of £90.3 million (2022: £87.9 million) and property expenses of £34.3 million (2022: £32.1 million).
# Restated between geographies. Refer to page 173.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Earnings per share

For the year to 31 March	2023	2022
Earnings	**£'000**	£'000
Earnings attributable to shareholders	804 865	516 204
Dividends payable to perpetual preference shareholders and other Additional Tier 1 security holders (other equity holders)	(40 419)	(40 735)
Gain on repurchase of perpetual preference shares	717	1 255
Earnings and diluted earnings attributable to ordinary shareholders	**765 163**	**476 724**
Adjusted earnings		
Earnings attributable to shareholders	804 865	516 204
Impairment of goodwill	890	1 962
Amortisation of acquired intangibles	15 160	15 477
Amortisation of acquired intangibles of associates	1 542	9 249
Closure and rundown of the Hong Kong direct investments business	450	1 203
Net gain/(implementation costs) on distribution of associate to shareholders	(154 438)	2 427
Financial impact of Group restructures	4 968	—
Taxation on acquired intangibles and strategic actions	(17 213)	(2 422)
Dividends payable to perpetual preference shareholders and other Additional Tier 1 security holders (other equity holders)	(40 419)	(40 735)
Accrual adjustment on earnings attributable to other equity holders*	(1 453)	1 802
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items	**614 352**	**505 167**
Headline earnings		
Earnings attributable to shareholders	804 865	516 204
Impairment of goodwill	890	1 962
Gain on distribution of associate to shareholders	(155 146)	—
Taxation on gain on distribution of associate to shareholders	(14 501)	—
Dividends payable to perpetual preference shareholders and other Additional Tier 1 security holders (other equity holders)	(40 419)	(40 735)
Headline adjustments of associates	561	5 625
Property revaluation, net of taxation and non-controlling interests**	(1 355)	5 066
Gain on repurchase of perpetual preference shares	717	1 255
Headline earnings attributable to ordinary shareholders* **	**595 612**	**489 377**
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	1 003 063 501	1 014 217 111
Weighted average number of treasury shares held by Investec Limited	(11 201 481)	—
Weighted average number of treasury shares held by share schemes	(99 921 608)	(96 765 211)
Weighted average number of shares in issue during the year	**891 940 412**	**917 451 900**
Weighted average number of shares resulting from future dilutive potential shares	35 365 704	31 296 653
Adjusted weighted number of shares potentially in issue	**927 306 116**	**948 748 553**
Basic earnings per share – pence	**85.8**	**52.0**
Diluted basic earnings per share– pence	82.5	50.2
Adjusted earnings per share – pence	**68.9**	**55.1**
Diluted adjusted earnings per share – pence	66.3	53.2
Headline earnings per share – pence* **	**66.8**	**53.3**
Diluted headline earnings per share – pence***	64.2	51.6

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

** Taxation on revaluation headline earnings adjustments amounted to £1.0 million (2022: £2.9 million) with an impact of £3.6 million (2022: £14.1 million) on earnings attributable to non-controlling interests. The amount includes property revaluations included in equity accounted earnings.

*** Headline earnings per share has been calculated and is disclosed in accordance with the JSE listing requirements, and in terms of circular 1/2021 issued by the South African Institute of Chartered Accountants.

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

	At fair value through profit and loss		
	IFRS 9 mandatory		
At 31 March 2023 **£'000**	Trading*	Non-trading*	Designated at initial recognition
Assets			
Cash and balances at central banks	—	—	—
Loans and advances to banks	—	—	—
Non-sovereign and non-bank cash placements	—	5 909	—
Reverse repurchase agreements and cash collateral on securities borrowed	179 433	782 357	—
Sovereign debt securities	—	399 897	—
Bank debt securities	—	75 265	—
Other debt securities	—	115 158	—
Derivative financial instruments	1 386 134	—	—
Securities arising from trading activities	1 610 154	9 321	12 916
Investment portfolio	8 812	1 134 431	—
Loans and advances to customers	—	625 309	639 632
Own originated loans and advances to customers securitised	—	—	—
Other loans and advances	—	—	—
Other securitised assets	—	—	78 231
Interests in associated undertakings and joint venture holdings	—	—	—
Current taxation asset	—	—	
Deferred taxation assets	—	—	—
Other assets	166 366	91 012	—
Property and equipment	—	—	—
Investment properties	—	—	—
Goodwill	—	—	—
Software	—	—	—
Other acquired intangible assets	—	—	
Non-current assets classified as held for sale	—	—	—
	3 350 899	**3 238 659**	**730 779**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	—	—
	3 350 899	**3 238 659**	**730 779**
Liabilities			
Deposits by banks	—	—	—
Derivative financial instruments	2 424 036	—	—
Other trading liabilities	202 256	—	—
Repurchase agreements and cash collateral on securities lent	169 063	—	—
Customer accounts (deposits)	—	—	3 188 859
Debt securities in issue	—	—	21 554
Liabilities arising on securitisation of own originated loans and advances	—	—	—
Liabilities arising on securitisation of other assets	—	—	81 609
Current taxation liabilities	—	—	—
Deferred taxation liabilities	—	—	—
Other liabilities	47 292	52 400	—
	2 842 647	**52 400**	**3 292 022**
Liabilities to customers under investment contracts	—	—	—
Insurance liabilities, including unit-linked liabilities	—	—	—
	2 842 647	**52 400**	**3 292 022**
Subordinated liabilities	—	—	—
	2 842 647	**52 400**	**3 292 022**

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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At fair value through other comprehensive income						
Debt instruments with a dual business model	Equity instruments	Financial assets linked to investment contract liabilities	**Total instruments at fair value**	**Amortised cost**	**Non-financial instruments or scoped out of IFRS 9**	**Total**
—	—	—	—	6 437 709	—	6 437 709
—	—	—	—	1 450 627	—	1 450 627
—	—	—	5 909	638 156	—	644 065
—	—	—	961 790	2 670 868	—	3 632 658
3 127 326	—	—	3 527 223	1 224 423	—	4 751 646
537 665	—	—	612 930	326 579	—	939 509
294 486	—	—	409 644	819 748	—	1 229 392
—	—	—	1 386 134	—	—	1 386 134
—	—	—	1 632 391	—	—	1 632 391
—	187 664	—	1 330 907	—	—	1 330 907
843 428	—	—	2 108 369	27 802 789	—	29 911 158
—	—	—	—	272 879	—	272 879
—	—	—	—	142 726	—	142 726
—	—	—	78 231	24 920	—	103 151
—	—	—	—	—	53 703	53 703
—	—	—	—	—	69 322	69 322
—	—	—	—	—	258 126	258 126
—	—	—	257 378	811 379	512 936	1 581 693
—	—	—	—	—	278 561	278 561
—	—	—	—	—	722 481	722 481
—	—	—	—	—	262 632	262 632
—	—	—	—	—	15 401	15 401
—	—	—	—	—	41 136	41 136
—	—	—	—	—	35 761	35 761
4 802 905	**187 664**	**—**	**12 310 906**	**42 622 803**	**2 250 059**	**57 183 768**
—	—	110 891	110 891	—	—	110 891
4 802 905	**187 664**	**110 891**	**12 421 797**	**42 622 803**	**2 250 059**	**57 294 659**
—	—	—	—	3 617 524	—	3 617 524
—	—	—	2 424 036	—	—	2 424 036
—	—	—	202 256	—	—	202 256
—	—	—	169 063	767 501	—	936 564
—	—	—	3 188 859	36 366 810	—	39 555 669
—	—	—	21 554	1 781 032	—	1 802 586
—	—	—	—	163 787	—	163 787
—	—	—	81 609	—	—	81 609
—	—	—	—	—	83 183	83 183
—	—	—	—	—	26 545	26 545
—	—	—	99 692	916 649	857 373	1 873 714
—	**—**	**—**	**6 187 069**	**43 613 303**	**967 101**	**50 767 473**
—	—	108 370	108 370	—	—	108 370
—	—	2 521	2 521	—	—	2 521
—	**—**	**110 891**	**6 297 960**	**43 613 303**	**967 101**	**50 878 364**
—	—	—	—	1 084 630	—	1 084 630
—	**—**	**110 891**	**6 297 960**	**44 697 933**	**967 101**	**51 962 994**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

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

At 31 March 2022^ £'000	At fair value through profit and loss IFRS 9 mandatory Trading*	Non-trading*	Designated at initial recognition
Assets			
Cash and balances at central banks	—	—	—
Loans and advances to banks	—	—	—
Non-sovereign and non-bank cash placements	—	29 321	—
Reverse repurchase agreements and cash collateral on securities borrowed	460 264	1 383 934	38 649
Sovereign debt securities	—	405 930	—
Bank debt securities	—	14 994	—
Other debt securities	—	159 988	—
Derivative financial instruments	1 590 513	—	—
Securities arising from trading activities	641 868	21 108	20 353
Investment portfolio	9 879	888 811	—
Loans and advances to customers	—	688 645	1 000 469
Own originated loans and advances to customers securitised	—	—	—
Other loans and advances	—	—	—
Other securitised assets	—	—	93 087
Interests in associated undertakings and joint venture holdings	—	—	—
Current taxation assets	—	—	—
Deferred taxation assets	—	—	—
Other assets	226 663	121 965	—
Property and equipment	—	—	—
Investment properties	—	—	—
Goodwill	—	—	—
Software	—	—	—
Other acquired intangible assets	—	—	—
Non-current assets classified as held for sale	—	25 880	—
	2 929 187	**3 740 576**	**1 152 558**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	—	—
	2 929 187	**3 740 576**	**1 152 558**
Liabilities			
Deposits by banks	—	—	—
Derivative financial instruments	2 581 315	—	—
Other trading liabilities	275 589	—	—
Repurchase agreements and cash collateral on securities lent	163 877	—	—
Customer accounts (deposits)	—	—	2 945 831
Debt securities in issue	—	—	46 192
Liabilities arising on securitisation of own originated loans and advances	—	—	—
Liabilities arising on securitisation of other assets	—	—	95 885
Current taxation liabilities	—	—	—
Deferred taxation liabilities	—	—	—
Other liabilities	57 569	49 418	—
	3 078 350	**49 418**	**3 087 908**
Liabilities to customers under investment contracts	—	—	—
Insurance liabilities, including unit-linked liabilities	—	—	—
	3 078 350	**49 418**	**3 087 908**
Subordinated liabilities	—	—	—
	3 078 350	**49 418**	**3 087 908**

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

^ Restated as detailed in restatement note on page 200.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

At fair value through other comprehensive income						
Debt instruments with a dual business model	Equity Instruments	Financial assets linked to investment contract liabilities	**Total instruments at fair value**	**Amortised cost**	**Non-financial instruments or scoped out of IFRS 9**	**Total**
—	—	—	—	5 998 270	—	5 998 270
—	—	—	—	2 552 061	—	2 552 061
—	—	—	29 321	655 662	—	684 983
—	—	—	1 882 847	2 726 931	—	4 609 778
2 965 774	—	—	3 371 704	777 163	—	4 148 867
892 815	—	—	907 809	607 401	—	1 515 210
560 281	—	—	720 269	509 018	—	1 229 287
—	—	—	1 376 489	—	—	1 376 489
—	—	—	683 329	—	—	683 329
—	14 182	—	912 872	—	—	912 872
685 386	—	—	2 374 500	27 186 588	—	29 561 088
—	—	—	—	375 763	—	375 763
—	—	—	—	128 284	—	128 284
—	—	—	93 087	30 801	—	123 888
—	—	—	—	—	734 434	734 434
—	—	—	—	—	33 653	33 653
—	—	—	—	—	259 370	259 370
—	—	—	348 628	1 349 259	441 467	2 139 354
—	—	—	—	—	335 420	335 420
—	—	—	—	—	820 555	820 555
—	—	—	—	—	258 404	258 404
—	—	—	—	—	9 443	9 443
—	—	—	—	—	44 152	44 152
—	—	—	25 880	—	53 349	79 229
5 104 256	**14 182**	**—**	**12 726 735**	**42 897 201**	**2 990 247**	**58 614 183**
—	—	59 549	59 549	—	—	59 549
5 104 256	**14 182**	**59 549**	**12 786 284**	**42 897 201**	**2 990 247**	**58 673 732**
—	—	—	—	3 178 668	—	3 178 668
—	—	—	2 367 291	—	—	2 367 291
—	—	—	275 589	—	—	275 589
—	—	—	163 877	699 408	—	863 285
—	—	—	2 945 831	37 172 581	—	40 118 412
—	—	—	46 192	1 997 448	—	2 043 640
—	—	—	—	238 370	—	238 370
—	—	—	95 885	—	—	95 885
—	—	—	—	—	41 631	41 631
—	—	—	—	—	19 624	19 624
—	—	—	106 987	1 330 695	878 159	2 315 841
—	**—**	**—**	**6 001 652**	**44 617 170**	**939 414**	**51 558 236**
—	—	56 475	56 475	—	—	56 475
—	—	3 074	3 074	—	—	3 074
—	**—**	**59 549**	**6 061 201**	**44 617 170**	**939 414**	**51 617 785**
—	—	—	—	1 316 191	—	1 316 191
—	**—**	**59 549**	**6 061 201**	**45 933 361**	**939 414**	**52 933 976**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Financial instruments at fair value

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

The different levels are identified as follows:

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

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

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

At 31 March 2023		Fair value category		
£'000	**Total instruments at fair value**	Level 1	Level 2	Level 3
Assets				
Non-sovereign and non-bank cash placements	5 909	—	5 909	—
Reverse repurchase agreements and cash collateral on securities borrowed	961 790	—	961 790	—
Sovereign debt securities	3 527 223	3 527 223	—	—
Bank debt securities	612 930	406 088	206 842	—
Other debt securities	409 644	102 035	213 677	93 932
Derivative financial instruments	1 386 134	—	1 332 950	53 184
Securities arising from trading activities	1 632 391	1 611 233	17 156	4 002
Investment portfolio	1 330 907	200 252	2 691	1 127 964
Loans and advances to customers*	2 108 369	—	771 498	1 336 871
Other securitised assets	78 231	—	—	78 231
Other assets	257 378	257 378	—	—
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	110 891	110 891	—	—
	12 421 797	**6 215 100**	**3 512 513**	**2 694 184**
Liabilities				
Derivative financial instruments	2 424 036	—	2 364 578	59 458
Other trading liabilities	202 256	154 473	47 783	—
Repurchase agreements and cash collateral on securities lent	169 063	—	169 063	—
Customer accounts (deposits)	3 188 859	—	3 188 859	—
Debt securities in issue	21 554	—	21 554	—
Liabilities arising on securitisation of other assets	81 609	—	—	81 609
Other liabilities	99 692	—	47 292	52 400
Liabilities to customers under investment contracts	108 370	—	108 370	—
Insurance liabilities, including unit-linked liabilities	2 521	—	2 521	—
	6 297 960	**154 473**	**5 950 020**	**193 467**
Net financial assets/(liabilities) at fair value	**6 123 837**	**6 060 627**	**(2 437 507)**	**2 500 717**

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Financial instruments at fair value continued

At 31 March 2022^ £'000	Total instruments at fair value	Fair value category Level 1	Level 2	Level 3
Assets				
Non-sovereign and non-bank cash placements	29 321	—	29 321	—
Reverse repurchase agreements and cash collateral on securities borrowed	1 882 847	—	1 882 847	—
Sovereign debt securities	3 371 704	3 371 704	—	—
Bank debt securities	907 809	330 177	577 632	—
Other debt securities	720 269	46 310	568 928	105 031
Derivative financial instruments	1 590 513	19	1 546 544	43 950
Securities arising from trading activities	683 329	664 422	14 127	4 780
Investment portfolio	912 872	30 901	8 263	873 708
Loans and advances to customers*	2 374 500	—	1 122 268	1 252 232
Other securitised assets	93 087	—	—	93 087
Other assets^	348 628	348 628	—	—
Non-current assets classified as held for sale	25 880	—	—	25 880
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	59 549	59 549	—	—
	13 000 308	**4 851 710**	**5 749 930**	**2 398 668**
Liabilities				
Deposits by banks	—	—	—	—
Derivative financial instruments^	2 581 315	36 289	2 499 257	45 769
Other trading liabilities	275 589	111 273	164 316	—
Repurchase agreements and cash collateral on securities lent	163 877	—	163 877	—
Customer accounts (deposits)	2 945 831	—	2 945 831	—
Debt securities in issue	46 192	—	46 192	—
Liabilities arising on securitisation of other assets	95 885	—	—	95 885
Other liabilities	106 987	—	57 569	49 418
Liabilities to customers under investment contracts	56 475	—	56 475	—
Insurance liabilities, including unit-linked liabilities	3 074	—	3 074	—
	6 275 225	**147 562**	**5 936 591**	**191 072**
Net financial assets/(liabilities) at fair value	**6 725 083**	**4 704 148**	**(186 661)**	**2 207 596**

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

^ Restated as detailed in restatement note on page 200.

Transfers between level 1 and level 2

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Financial instruments at fair value continued

Measurement of fair value financial assets and liabilities at level 2

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Financial instruments at fair value continued

Level 3 financial instruments

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

	Investment portfolio	Loans and advances to customers	Other securitised assets	Other level 3 assets^^	Total
Assets					
Balance at 1 April 2021	**862 528**	**1 047 390**	**107 259**	**176 250**	**2 193 427**
Total gains/(losses)	(1 434)	63 202	(657)	22 116	83 227
In the income statement	(1 434)	63 768	(657)	22 116	83 793
In the statement of comprehensive income	—	(566)	—	—	(566)
Purchases	66 934	1 845 044	—	59 165	1 971 143
Sales	(69 620)	(1 079 005)	—	(38 836)	(1 187 461)
Issues	197	—	—	—	197
Settlements	(21 931)	(696 114)	(13 515)	(49 391)	(780 951)
Transfers into level 3	621	37 262	—	—	37 883
Foreign exchange adjustments	36 413	34 453	—	10 337	81 203
Balance at 31 March 2022	**873 708**	**1 252 232**	**93 087**	**179 641**	**2 398 668**
Total gains/(losses)	(40 039)	92 109	1 000	5 253	58 323
In the income statement	(40 039)	92 365	1 000	5 253	58 579
In the statement of comprehensive income	—	(256)	—	—	(256)
Purchases	138 597	1 692 584	—	26 056	1 857 237
Sales	(45 897)	(762 668)	—	(36 946)	(845 511)
Issues	680	8 305	—	—	8 985
Settlements	(60 665)	(983 912)	(15 856)	(31 148)	(1 091 581)
Transfers into level 3	6 304	—	—	4 746	11 050
Transfers from interests in associated undertakings^	277 542	—	—	—	277 542
Foreign exchange adjustments	(22 266)	38 221	—	3 516	19 471
Balance at 31 March 2023	**1 127 964**	**1 336 871**	**78 231**	**151 118**	**2 694 184**

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

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

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

For the year ended 31 March 2023, investment portfolio of £6.3 million, derivatives financial instruments assets of £4.7 million were transferred from level 2 to level 3, and derivative financial instruments liability of £8,000 was transferred from level 3 to level 2. In the prior year, investment portfolio of £0.6 million was transferred from level 2 to level 3. The valuation methodologies were reviewed and unobservable inputs were used to determine the fair value.

£'000	Liabilities arising on securitisation of other assets	Other level 3 liabilities^	Total
Liabilities			
Balance at 1 April 2021	**108 281**	**73 592**	**181 873**
Net losses/(gains) in the income statement	(2 094)	18 461	16 367
Settlements	(10 303)	(1 451)	(11 754)
Foreign exchange adjustments	1	4 585	4 586
Balance at 31 March 2022	**95 885**	**95 187**	**191 072**
Net gains in the income statement	1 384	6 814	8 198
Purchases	—	6 324	6 324
Settlements	(15 660)	(562)	(16 222)
Transfers out of level 3	—	(8)	(8)
Foreign exchange adjustments	—	4 103	4 103
Balance at 31 March 2023	**81 609**	**111 858**	**193 467**

^ Comprises level 3 derivative financial instruments and other liabilities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Financial instruments at fair value continued

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

For the year to 31 March £'000	Total	Realised	Unrealised
2023			
Total gains/(losses) included in the income statement for the year			
Net interest income	98 169	86 175	11 994
Investment (loss)/ income*	(41 148)	605	(41 753)
Trading income arising from customer flow	160	1	159
Trading income arising from balance sheet management and other trading activities	2 996	—	2 996
	60 177	**86 781**	**(26 604)**
Total gains/(losses) included in other comprehensive income for the year			
Gains on realisation on debt instruments at FVOCI recycled through the income statement	433	433	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(256)	—	(256)
	177	**433**	**(256)**
2022			
Total gains/(losses) included in the income statement for the year			
Net interest income	66 069	58 038	8 031
Investment income/(loss)*	4 901	47 671	(42 770)
Trading loss arising from customer flow	(2 194)	(491)	(1 703)
Trading income arising from balance sheet management and other trading activities	(1 350)	—	(1 350)
	67 426	**105 218**	**(37 792)**
Total gains/(losses) included in other comprehensive income for the year			
Gains on realisation on debt instruments at FVOCI recycled through the income statement	440	440	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(566)	—	(566)
	(126)	**440**	**(566)**

* In the prior year included within the balance are fair value gains of £0.7 million.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Financial instruments at fair value continued

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

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

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

* The sensitivity of the fair value of liabilities arising on securitisation of other assets has been considered together with other securitised assets.
^ Other – The valuation sensitivity has been assessed by adjusting various inputs such as expected cash flows, discount rates, earnings multiples rather than a single input. It is deemed appropriate to reflect the outcome on a portfolio basis for the purposes of this analysis as the sensitivity of the assets cannot be determined through the adjustment of a single input.
^^ Underlying asset values are calculated by reference to a tangible asset, for example property, aircraft or shares.
** The EBITDA, cash flows and property values have been stressed on an investment-by-investment and loan-by-loan basis in order to obtain favourable and unfavourable valuations.
# Property values are the significant unobservable input for these valuations. The capitalisation rates have been stressed by 0.25bp when valuing these properties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Financial instruments at fair value continued

At 31 March 2022	Balance sheet value £'000	Significant unobservable input changed	Range which unobservable input has been changed	Potential impact on the income statement: Favourable changes £'000	Potential impact on the income statement: Unfavourable changes £'000
Assets					
Other debt securities	105 031	Potential impact on income statement		3 199	(5 851)
		Credit spreads	0.74%-2.75%	141	(286)
		Cash flow adjustments	CPR 8.4%	6	(8)
		Other	^	3 052	(5 557)
Derivative financial instruments	43 950	Potential impact on income statement		4 643	(5 266)
		Volatilities	5%-18.9%	15	(29)
		Cash flow adjustments	CPR 8.4%	—	(6)
		Underlying asset value	^^	4 026	(4 028)
		Other^	^	602	(1 203)
Securities arising from trading activities	4 780	Potential impact on income statement			
		Cash flow adjustments	CPR 11%	481	(635)
Investment portfolio	873 708	Potential impact on income statement		104 279	(137 434)
		Price earnings multiple	5.5x-15x	9 505	(18 206)
		Underlying asset value	^^	9 636	(20 897)
		EBITDA	**	12 530	(9 459)
		Discount rate	17.5%	620	(623)
		Cash flows	**	1 703	(1 370)
		Property values	#	51 361	(51 361)
		Precious and industrial metal prices	(5%)-5%	1 424	(1 424)
		Underlying asset value	^^	1 614	(3 214)
		Other^	^	15 886	(30 880)
Loans and advances to customers	1 252 232	Potential impact on income statement		32 727	(52 588)
		Credit spreads	0.15%-34.3%	10 656	(27 586)
		Price earnings multiple	3.5x-4.2x	7 824	(1 136)
		Underlying asset value	^^	3 641	(5 778)
		Property values	#	7 776	(12 428)
		Other^	^	2 830	(5 660)
		Potential impact on other comprehensive income			
		Credit spreads	0.14%-6.17%	8 440	(15 725)
Other securitised assets	93 087	Potential impact on income statement			
		Cash flow adjustments	CPR 8.4%	988	(1 057)
Non-current assets classified as held for sale	25 880	Potential impact on income statement			
		Discount rate	13%-16%	567	(1 973)
Total level 3 assets	**2 398 668**			**155 324**	**(220 529)**
Liabilities					
Derivative financial instruments	45 769	Potential impact on income statement		(4 046)	4 060
		Volatilities	5%-18.9%	(21)	35
		Underlying asset value	^^	(4 025)	4 025
Liabilities arising on securitisation of other assets	95 885	Potential impact on income statement			
		Cash flow adjustments	CPR 4.4%	(292)	299
Other liabilities	49 418	Potential impact on income statement			
		Property prices	#	(7 103)	7 103
Total level 3 liabilities	**191 072**			**(11 441)**	**11 462**
Net level 3 assets	**2 207 596**			**143 883**	**(209 067)**

* The sensitivity of the fair value of liabilities arising on securitisation of other assets has been considered together with other securitised assets.
^ Other – The valuation sensitivity has been assessed by adjusting various inputs such as expected cash flows, discount rates, earnings multiples rather than a single input. It is deemed appropriate to reflect the outcome on a portfolio basis for the purposes of this analysis as the sensitivity of the assets cannot be determined through the adjustment of a single input.
^^ Underlying asset values are calculated by reference to a tangible asset, for example property, aircraft or shares.
** The EBITDA, cash flows and property values have been stressed on an investment-by-investment and loan-by-loan basis in order to obtain favourable and unfavourable valuations.
# Property values are the significant unobservable input for these valuations. The capitalisation rates have been stressed by 0.25bp when valuing these properties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Financial instruments at fair value continued

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

Credit spreads

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

Discount rates

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

Volatilities

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

Cash flows

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

EBITDA

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

Price earnings multiple

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

Property values and precious and industrial metals

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

Underlying asset value

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Fair value of financial instruments at amortised cost

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

Financial instruments for which fair value does not approximate carrying value

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

At 31 March 2023 **£'000**	**Carrying amount**	Fair value approximates carrying amount	Balances where fair values do not approximate carrying amounts	**Fair value of balances that do not approximate carrying amounts**	Level 1	Level 2	Level 3
Assets							
Cash and balances at central banks	6 437 709	6 437 709	—	—	—	—	—
Loans and advances to banks	1 450 627	1 450 627	—	—	—	—	—
Non-sovereign and non-bank cash placements	638 156	638 156	—	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	2 670 868	1 267 814	1 403 054	1 402 885	—	1 402 885	—
Sovereign debt securities	1 224 423	4 370	1 220 053	1 240 625	1 240 625	—	—
Bank debt securities	326 579	4 805	321 774	323 941	323 941	—	—
Other debt securities	819 748	137 429	682 319	676 397	121 505	554 892	—
Loans and advances to customers	27 802 789	13 334 165	14 468 624	14 331 553	—	1 016 300	13 315 253
Own originated loans and advances to customers securitised	272 879	272 879	—	—	—	—	—
Other loans and advances	142 726	69 827	72 899	72 976	—	72 976	—
Other securitised assets	24 920	24 920	—	—	—	—	—
Other assets	811 379	811 379	—	—	—	—	—
	42 622 803	**24 454 080**	**18 168 723**	**18 048 377**	**1 686 071**	**3 047 053**	**13 315 253**
Liabilities							
Deposits by banks	3 617 524	873 033	2 744 491	2 765 632	—	2 765 632	—
Repurchase agreements and cash collateral on securities lent	767 501	162 872	604 629	630 983	—	630 983	—
Customer accounts (deposits)	36 366 810	20 291 966	16 074 844	15 992 582	—	15 992 582	—
Debt securities in issue	1 781 032	297 489	1 483 543	1 440 357	911 762	528 595	—
Liabilities arising on securitisation of own originated loans and advances	163 787	163 787	—	—	—	—	—
Other liabilities	916 649	913 925	2 724	1 572	—	—	1 572
Subordinated liabilities	1 084 630	262 141	822 489	831 177	831 138	39	—
	44 697 933	**22 965 213**	**21 732 720**	**21 662 303**	**1 742 900**	**19 917 831**	**1 572**

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Fair value of financial instruments at amortised cost continued

At 31 March 2022 £'000	Carrying amount	Fair value approximates carrying amount	Balances where fair values do not approximate carrying amounts	Fair value of balances that do not approximate carrying amounts	Level 1	Level 2	Level 3
Assets							
Cash and balances at central banks	5 998 270	5 998 270	—	—	—	—	—
Loans and advances to banks	2 552 061	2 442 242	109 819	109 487	—	109 487	—
Non-sovereign and non-bank cash placements	655 662	655 662	—	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	2 726 931	1 240 798	1 486 133	1 485 172	—	1 485 172	—
Sovereign debt securities	777 163	—	777 163	789 650	789 650	—	—
Bank debt securities	607 401	31 105	576 296	575 241	575 241	—	—
Other debt securities	509 018	193 284	315 734	316 570	43 691	272 879	—
Loans and advances to customers	27 186 588	13 773 367	13 413 221	13 400 546	—	1 022 302	12 378 244
Own originated loans and advances to customers securitised	375 763	375 763	—	—	—	—	—
Other loans and advances	128 284	67 032	61 252	61 253	—	61 253	—
Other securitised assets	30 801	30 801	—	—	—	—	—
Other assets	1 349 259	1 349 259	—	—	—	—	—
	42 897 201	**26 157 583**	**16 739 618**	**16 737 919**	**1 408 582**	**2 951 093**	**12 378 244**
Liabilities							
Deposits by banks	3 178 668	487 580	2 691 088	2 622 320	—	2 622 320	—
Repurchase agreements and cash collateral on securities lent	699 408	460 130	239 278	241 930	—	241 930	—
Customer accounts (deposits)	37 172 581	23 285 488	13 887 093	13 908 828	—	13 908 828	—
Debt securities in issue	1 997 448	342 119	1 655 329	1 654 527	1 006 663	647 864	—
Liabilities arising on securitisation of own originated loans and advances	238 370	238 370	—	—	—	—	—
Other liabilities	1 330 695	1 327 371	3 324	2 419	—	—	2 419
Subordinated liabilities	1 316 191	245 670	1 070 521	1 132 335	1 132 335	—	—
	45 933 361	**26 386 728**	**19 546 633**	**19 562 359**	**2 138 998**	**17 420 942**	**2 419**

For the year ended 31 March 2022, there were insignificant disposals of financial instruments measured at amortised cost.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Fair value of financial instruments at amortised cost continued

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Contingent liabilities and legal matters

At 31 March **£'000**	**2023**	2022
Guarantees and assets pledged as collateral security:		
Guarantees and irrevocable letters of credit	1 789 055	1 625 001
	1 789 055	**1 625 001**

The amounts shown above are intended only to provide an indication of the volume of business outstanding at the balance sheet date.

Guarantees are issued by Investec plc and Investec Limited on behalf of third parties and other Group companies. The guarantees are issued as part of the banking business.

Financial Services Compensation Scheme

The Financial Services Compensation Scheme (FSCS), the UK's statutory fund of last resort, provides compensation to customers of UK authorised financial institutions in the event that an institution which is a participating member of the FSCS is unable, or is likely to be unable, to pay claims against it.

The FSCS raises annual levies from participating members based on their level of participation (in the case of deposits, the proportion that their protected deposits represent to total protected deposits) as at 31 December of the year preceding the scheme year. Investec Bank plc and Investec Wealth & Investment Limited are participating members of the FSCS.

At the date of these financial statements, it is not possible to estimate whether there will ultimately be additional levies on the industry, the level of Investec's market participation or other factors that may affect the amount or timing of amount that may ultimately become payable, nor the effect that such levies may have upon operating results in any particular financial period.

Legal and regulatory matters

The Group operates in a legal and regulatory environment that exposes it to legal, regulatory and litigation risks. As a result, the Group is involved in disputes, legal proceedings and is subject to enquiries and examinations, requests for information, audits, investigations and other proceedings by regulators and competition authorities which arise in the ordinary course of business. The Group evaluates all facts, the probability of the outcome of the proceedings and advice from internal and external legal counsel when considering accounting and regulatory implications. At the present time the Group does not expect the ultimate resolution of any of these ongoing regulatory reviews and other matters to have a material adverse effect on its financial position.

Historical German dividend tax arbitrage transactions

Investec Bank plc has previously been notified by the Office of the Public Prosecutor in Cologne, Germany, that it and certain of its current and former employees may be involved in possible charges relating to historical involvement in German dividend tax arbitrage transactions (known as cum-ex transactions). Investigations are ongoing and no formal proceedings have been issued against Investec Bank plc by the Office of the Public Prosecutor. In addition, Investec Bank plc received certain enquiries in respect of client tax reclaims for the periods 2010-2011 relating to the historical German dividend arbitrage transactions from the German Federal Tax Office (FTO) in Bonn. Since issuing our 31 March 2022 Annual Report, the FTO has provided more information in relation to their claims and Investec Bank plc has sought further information and clarification.

Investec Bank plc is co-operating with the German authorities and continues to conduct its own internal investigation into the matters in question. A provision is held to reflect the estimate of financial outflows that could arise as a result of this matter. There are factual issues to be resolved which may have legal consequences, including financial penalties.

In relation to potential civil claims; whilst Investec Bank plc is not a claimant nor a defendant to any civil claims in respect of cum-ex transactions, Investec Bank plc has received third party notices in relation to two civil proceedings in Germany and may elect to join the proceedings as a third party participant. Investec Bank plc has itself served third party notices on various participants to these historic transactions in order to preserve the statute of limitation on any potential future claims that Investec Bank plc may seek to bring against those parties, should Investec Bank plc incur any liability in the future. Investec Bank plc has also entered into standstill agreements with some third parties in order to suspend the limitation period in respect of the potential civil claims. While Investec Bank plc is not a claimant nor a defendant to any civil claims at this stage, it cannot rule out the possibility of civil claims by or against Investec Bank plc in future in relation to the relevant transactions.

The Group has not provided further disclosure with respect to these historical dividend arbitrage transactions because it has concluded that such disclosure may be expected to seriously prejudice its outcome.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Restatements

Balance sheet restatements

Derivative financial instruments and other assets

As at 31 March 2022, £70.7 million and 31 March 2021, £72.2 million, initial margin on collateral, which is not available as an offset to individual exposures, was recorded in derivative financial instruments liabilities instead of other assets.

In addition, certain derivative financial assets and liabilities that are managed by the Group's trading desks were previously presented on a gross basis, while the IAS 32 on-balance sheet netting requirements were met. Due to an upgrade of the internal reporting processes, the intent to net settle was evidenced. The derivative transactions, totalling £14.1 million at 31 March 2023 (31 March 2022: £26.7 million, 31 March 2021: £31.5 million) satisfied the legally enforceable right of set off in terms of IAS 32. These positions are also operationally net settled through the use of the Continuous Linked Settlement (CLS) system.

The comparative balance sheets have been restated for the reclassifications above. This change has no impact on the comparative income statements. The impact of these changes on the 31 March 2022 and 31 March 2021 balance sheets and 31 March 2022 cash flows are:

£'000	At 31 March 2022 as previously reported	Restatement	At 31 March 2022 restated
Assets			
Derivative financial instruments	1 617 240	(26 727)	1 590 513
Other assets	2 068 615	70 739	2 139 354
Total assets	58 843 744	44 012	58 887 756
Liabilities			
Derivative financial instruments	2 537 303	44 012	2 581 315
Total liabilities	53 103 988	44 012	53 148 000

£'000	At 31 March 2021 as previously reported	Restatement	At 31 March 2021 restated
Assets			
Derivative financial instruments	1 714 743	(31 529)	1 683 214
Other assets	2 165 438	72 208	2 237 646
Total assets	51 450 473	40 679	51 491 152
Liabilities			
Derivative financial instruments	2 190 487	40 679	2 231 166
Total liabilities	46 137 977	40 679	46 178 656

The impact of this change on the 31 March 2022 cash flow statement is:

£'000	At 31 March 2022 as previously reported	Restatement	At 31 March 2022 restated
Operating profit adjusted for non-cash and non-operating items	816 404	—	816 404
Taxation paid	(152 140)	—	(152 140)
Increase in operating assets	(3 318 637)	(3 333)	(3 321 970)
Increase in operating liabilities	5 725 913	3 333	5 729 246
Net cash outflow from operating activities	**3 071 540**	**—**	**3 071 540**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Events after the reporting date

Proposed sale of the Investec Property Fund Limited (IPF) asset management function in South Africa and Europe

Investec entered into an agreement with IPF on 1 March 2023 to sell its real estate asset management function across South Africa and Europe, for a maximum purchase consideration of R975 million.

Investec has carved out R125 million of the consideration in the form of an earn-out provision, linked to the growth in the existing IPF assets under management as at 31 March 2023, in excess of a minimum annual growth threshold over three years.

The IPF circular relating to the proposed transaction was posted to IPF shareholders on 17 April 2023, with the transaction being approved at a general meeting held on 17 May 2023. The transaction is further subject to the approval of the Competition Commission.

At the completion date of the sale of the asset management function, Investec will deconsolidate its existing c.24.3% investment in IPF. Going forward the investment in IPF will be equity accounted. At the date of this report, the transaction has not yet become effective. The financial effect of the deconsolidation will be dependent on the net asset value and fair value of the IPF share on the date of deconsolidation, a reliable estimate cannot be made at this point.

Proposed combination of Investec Wealth & Investment UK and Rathbones Group

It was announced on 4 April 2023 that Investec plc and Rathbones Group Plc (Rathbones) have entered into a definitive agreement regarding an all-share combination of Investec Wealth & Investment Limited (IW&I UK) and Rathbones.

Under the terms of the combination, Rathbones will issue new Rathbones shares in exchange for 100% of Investec IW&I UK's share capital. On completion, Investec Group will own 41.25% of the economic interest in the enlarged Rathbones Group's share capital, with Investec Group's voting rights limited to 29.9%.

The combination is conditional, among other things, on:

i. The Financial Conduct Authority and London Stock Exchange agreeing to admit the ordinary share element of the consideration shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities,

ii. No material adverse change having occurred in respect of either Rathbones or Investec IW&I UK,

iii. The Competition and Markets Authority (CMA) confirming in response to a briefing note that it has no further questions, or alternatively, CMA approval, and

iv. Relevant regulatory approvals and notifications being obtained, including in the UK, Jersey, Guernsey and South Africa.

At the completion date of the sale, Investec will deconsolidate its 100% investment in IW&I UK. Going forward the investment in the enlarged Rathbones Group will be equity accounted.

At the date of this report, the transaction has not yet become effective. The financial effect of deconsolidation will be dependent on the net asset value of the IW&I UK business and the fair value of the Rathbones shares on the date of deconsolidation, a reliable estimate cannot be made at this point.

Annexures

09

IN THIS SECTION

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 27 June 2023 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		

Further information on our credit ratings may be found on our website.

SHAREHOLDER ANALYSIS

Investec ordinary shares

As at 31 March 2023, Investec plc and Investec Limited had 696.1 million and 299.0 million ordinary shares in issue respectively.

Spread of ordinary shareholders as at 31 March 2023

Investec plc ordinary shares in issue

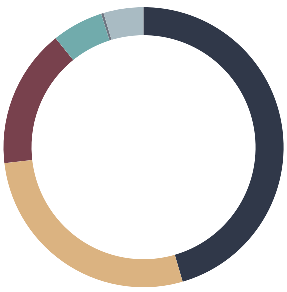
Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
14 886	1 – 500	61.4%	2 024 182	0.3%
3 282	501 – 1 000	13.5%	2 482 169	0.4%
3 923	1 001 – 5 000	16.2%	8 804 850	1.3%
671	5 001 -10 000	2.8%	4 853 795	0.7%
788	10 001 – 50 000	3.2%	17 666 516	2.4%
207	50 001 – 100 000	0.9%	14 601 288	2.1%
491	100 001 and over	2.0%	645 649 818	92.8%
24 248		**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
8 839	1 – 500	66.8%	792 568	0.3%
1 210	501 – 1 000	9.1%	923 737	0.3%
1 812	1 001 – 5 000	13.8%	4 155 811	1.4%
444	5 001 – 10 000	3.4%	3 217 520	1.1%
544	10 001 – 50 000	4.1%	12 746 187	4.3%
148	50 001 – 100 000	1.1%	10 617 141	3.5%
230	100 001 and over	1.7%	266 561 151	89.1%
13 227		**100.0%**	**299 014 115**	**100.0%**

Geographical holding by beneficial ordinary shareholder as at 31 March 2023

Investec plc



South Africa	45.5%
UK	27.7%
USA and Canada	16.0%
Rest of Europe	5.9%
Asia	0.3%
Other countries and unknown	4.6%

Investec Limited

South Africa	65.3%
UK	1.8%
USA and Canada	14.9%
Rest of Europe	4.2%
Asia	0.4%
Other countries and unknown	13.4%

SHAREHOLDER ANALYSIS
CONTINUED

Largest ordinary shareholders as at 31 March 2023

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)	93 107 609	13.4%
2.	BlackRock Inc (EU, US & UK)	51 577 486	7.4%
3.	Investec Group (UK & ZA)	51 115 426	7.3%
4.	M&G Investments (UK & ZA)	49 385 191	7.1%
5.	The Vanguard Group Inc (US, UK and AUS)	30 697 187	4.4%
6.	Investec Staff Share Scheme (UK & ZA)	30 108 972	4.3%
7.	BrightSphere Investment Group (US & UK)	25 893 448	3.7%
8.	Allan Gray (ZA)	22 414 734	3.2%
9.	Ninety One (UK & ZA)	16 858 136	2.5%
10.	Norges Bank Investment Management (NO)	12 939 885	1.9%
	Cumulative total	**384 098 074**	**55.2%**

The top 10 shareholders account for 55.2% 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)	46 718 319	15.6%
2.	Allan Gray (ZA)	24 863 033	8.3%
3.	IGL Share Scheme (UK & ZA)	15 165 799	5.1%
4.	Sanlam Group (ZA)	13 195 310	4.4%
5.	Old Mutual Investment Group (ZA)	10 902 583	3.6%
6.	The Vanguard Group Inc (US)	10 789 527	3.6%
7.	Truffle Asset Management (ZA)	9 714 656	3.2%
8.	Investec Staff Share Scheme (UK & ZA)	9 487 235	3.2%
9.	M&G Investments (UK & ZA)	7 614 816	2.6%
10.	BrightSphere Investment Group (UK & USA)	7 184 751	2.4%
	Cumulative total	**155 636 029**	**52.0%**

The top 10 shareholders account for 52.0% 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 ANALYSIS
CONTINUED

Share statistics

For the year ended	31 March 2023	31 March 2022
Price earnings ratio[1]	6.5	9.1
Dividend payout ratio (%)	45.0	45.4
Dividend yield (%)	6.9	5.0
Earnings yield (%)[1]	15.3	10.9

Investec plc

For the year ended	31 March 2023	31 March 2022
Daily average volumes of shares traded ('000)	1 534	1 605
Closing market price per share (Pound Sterling)	4.50	5.04
Number of ordinary shares in issue (million)	696.1	696.1
Market capitalisation (£'million)[2]	2 906	3 259

Investec Limited

For the year ended	31 March 2023	31 March 2022
Daily average volumes of shares traded ('000)	895	1 242
Closing market price per share (Rands)	98.12	97.51
Number of ordinary shares in issue (million)	299.0	310.4
Market capitalisation (R'million)[2]	87 787	88 268
Market capitalisation (£'million)[2]	4 023	4 559 ^

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.

^ The market capitalisation at 31 March 2022 has changed with the closing share price now used being £5.036 versus £5.03 at 31 March 2022.

SHAREHOLDER ANALYSIS
CONTINUED

Investec preference shares

Investec plc and Investec Limited have issued preference shares.

Spread of preference shareholders as at 31 March 2023

Investec plc preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
45	1 – 500	18.9%	7 561	0.3%
16	501 – 1 000	6.7%	11 277	0.4%
108	1 001 – 5 000	45.4%	224 478	8.1%
20	5 001 – 10 000	8.4%	145 530	5.3%
34	10 001 – 50 000	14.3%	760 015	27.6%
12	50 001 – 100 000	5.0%	792 805	28.8%
3	100 001 and over	1.3%	812 921	29.5%
238		**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%	4 468	3.4%
14	501 – 1 000	20.0%	11 400	8.7%
20	1 001 – 5 000	28.5%	51 408	39.0%
6	5 001 – 10 000	8.6%	40 171	30.6%
2	10 001 – 50 000	2.9%	24 000	18.3%
—	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
849	1 – 500	18.8%	191 533	0.8%
819	501 – 1 000	18.2%	688 700	2.7%
1 946	1 001 – 5 000	43.2%	4 781 727	19.0%
414	5 001 – 10 000	9.2%	3 000 783	11.9%
421	10 001 – 50 000	9.3%	8 185 362	32.5%
30	50 001 – 100 000	0.7%	2 165 384	8.6%
28	100 001 and over	0.6%	6 180 268	24.5%
4 507		**100.0%**	**25 193 757**	**100.0%**

Largest preference shareholders as at 31 March 2023

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 20.1%

CGWL Nominees Limited 5.1%

Investec plc (Rand-denominated) perpetual preference shares

Private individual 9.9%

Private individual 8.4%

Morris Orlin Outfitters Pty Ltd 7.6%

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 2023.

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 society, not off it. 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

S&P Global

Top 2%
in the global diversified financial services sector (inclusion since 2006)

JSE

Top 30
in the FTSE/JSE Responsible Investment Index

FTSE4Good

Included
in the FTSE UK 100 Select Index

Included
in the FTSE4Good Index

GLOBAL 100 2023 THE WORLD'S MOST SUSTAINABLE CORPORATIONS

Top 100
in global sustainable companies as rated by Corporate Knights

MSCI ESG RATINGS AAA

Top 2%
scoring AAA in the financial services sector in the MSCI Global Sustainability Index

CDP DISCLOSURE INSIGHT ACTION

Score A-
against an industry average of B-

SUSTAINALYTICS a Morningstar company RATED

Top 14%
of diversified banks and included in the Global Sustainability Leaders Index

Corporate ESG Performance Prime RATED BY ISS ESG

Top 20%
of the ISS ESG global universe

Rated Prime - absolute best in class

Awards

Ranked 7th in the Corporate Knights Sustainable Revenues Ranking, 2022

Won Best Specialist ESG Research in the ESG Investing Awards in the UK, 2022

Ranked 1st for Best Private Bank and Wealth Manager in Africa for philanthropy services 2022, by the Financial Times

Investec UK Charities team ranked 8th by the Charity Finance Fund Management Survey by size of charitable funds managed

4th in the 2022 Universum employer of choice survey by professionals in South Africa

Awarded two Best Deals 2022 by GTR for the €600mn Ghana Western Rail transaction and the €220mn Western Regional Hospitals transaction

SUSTAINABILITY RATINGS AND RANKINGS
CONTINUED

Integrating sustainability into business strategy

Creating enduring worth.

Sustainability principles

1

Positively contribute to the Sustainable Development Goals

2

Operating responsibly and ethically

3

Partnering with our clients and philanthropy partners to maximise positive impact

4

Providing profitable, impactful and sustainable, products and services

5

Actively advocating for industry alignment and best practice

Our sustainability framework is based on the UN SDGs

Our two impact SDGs

Addressing climate and inequality issues is fundamental to the success of our business

Our six core SDGs

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 2023, we have focused on enhancing our data quality in terms of calculating our Scope 3 financed emissions. We have also included where possible, high-level recommendations from the Task Force for Nature-related Financial Disclosures (TNFD).

Please refer to the Investec Group's 2023 climate and nature-related financial disclosures report for further detail.

Governance

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

- Board monitoring and oversight of climate and nature-related risks and opportunities is supported by clear roles and responsibilities for the Board and Board appointed Committees. The Board met six times where sustainability and climate-related 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 and nature-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:
- Build knowledge capacity on sustainability, climate and nature-related matters for Board members and members of Board-appointed Committees
- Monitor the progress in terms of the Group's net-zero ambition
- Monitor the progress to strengthen the Group's sustainability, climate and nature-related disclosures, including the TCFD disclosure, and the Group's reporting on our priorities and progress in terms of the SDGs.

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

- The Chief Executive (CE), Fani Titi, takes ultimate executive responsibility for all sustainability, climate and nature-related matters
- The CE is informed of sustainability, climate and nature-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 sustainability, climate and nature-related matters. He also receives written feedback through the Board reports
- The CE is supported by the Global Head of Sustainability and the Group ESG Executive Committee to coordinate sustainability, climate and nature-related efforts across geographies and businesses from both a strategy and policy perspective.

Future priorities:
- Strengthen the integration of sustainability, climate and nature-related matters 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 sustainability, climate and nature-related disclosures, including the TCFD disclosures, and the disclosures on the progress made in our priority SDGs.

Strategy

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

Short term:
- **Opportunity:** Limiting and minimising our direct carbon impact. We have been carbon neutral within our direct operations for the fifth consecutive financial year and have committed to ongoing carbon neutrality. 100% of our Scope 2 energy emissions are sourced from renewables through the purchase of renewable energy certificates
- **Risk:** Remaining carbon neutral in our direct operations through increasing cost of carbon credits to offset unavoidable emissions and renewable energy certificates for our Scope 2 energy requirements

Medium term:
- **Opportunity:** Financing infrastructure solutions that promote renewable and clean energy. Continue to strengthen our ESG integration within our wealth business
- **Risk:** Increasing disclosure requirements from our stakeholders and mandatory regulatory disclosure requirements. Not managing our Scope 3 emissions towards net zero by 2050

Long term:
- **Opportunity:** Sharing resources and intelligence to support global efforts to the transition of a net-zero carbon economy and playing an active role in industry initiatives and forums
- **Risk:** Inaction to move towards cleaner alternatives will lead to stranded assets.

Future priorities:
- Further engagement with our clients to assist them in their net-zero carbon ambitions
- Enhancement of nature-related knowledge and disclosures
- Continue providing innovative climate-related product offerings
- Further enhance capabilities associated with climate and nature-related risks and opportunities measurement.

OVERVIEW – CLIMATE-RELATED DISCLOSURES
CONTINUED

Strategy

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

Our sustainability principles include:
- Positively contribute to the SDGs
- 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 2022: 0.10%) as a % of gross core loans and advances
- Investec Group committing to zero thermal coal exposures in their loan book by 31 March 2030
- Harnessing climate-related opportunities through the SDGs and supported our clients through sustainability linked products.

Future priorities:
- Addressing the gaps identified in the pro-climate assessment within Investec Limited
- Conduct a pro-climate assessment within our Investec plc entity
- 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

- **Investec plc** performs climate scenario analysis and risk assessments in line with the requirements stipulated by Supervisory Statement SS3/19 'Enhancing banks' and insurers' approaches to managing the financials 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. To date, findings indicate that transition* and physical risk** is low and Investec plc has sufficient capital and liquidity to continue as a going concern and meet regulatory capital and liquidity requirements
- **Investec Bank Limited** continues to make progress in quantifying the impact of climate related stresses. The current focus includes estimation of PDs and LGDs based on climate specific economic scenarios, as well as a specific analysis of the property portfolio's sensitivity to climate related risks. The South African PA did not require any climate-related stress tests in 2022. Climate-related risks have however been identified by the South African PA as an industry wide area of focus for the 2023 calendar year. This will include a review of how Investec Bank Limited governs, manages, stresses and reports climate related risks.

Future priorities:
- Investec plc: Continue to enhance capabilities and understanding around new requirements and recommendations from the BoE
- Investec Limited: Building internal capacity for climate modelling to meet the requirements of the recommendations from the PA.

Risk management

Our processes for identifying and assessing climate and nature-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 climate and nature-related-risks is continually evolving as we improve our understanding of this complex and interconnected focus area
- 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 sustainability, climate and nature-related risks and enhancement in identifying and assessing these risks.

* Transition risks relates to the risks associated to transitioning to a lower-carbon economy, which may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change

** Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications, such as direct damage to assets and indirect impacts from supply chain disruption. Financial performance may also be affected by changes in water availability, sourcing, and quality; food security; and extreme temperature changes affecting organizations' premises, operations, supply chain, transport needs, and employee safety

OVERVIEW – CLIMATE-RELATED DISCLOSURES
CONTINUED

Risk management

Our processes for managing climate and nature-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
- Harness the expertise in our various businesses to accelerate sustainable finance that supports a zero-carbon transition
- Maximise impact by partnering with our clients, and various stakeholders to support a more resilient and inclusive world
- Continue innovation in new product development to benefit our clients and broader society.

How our processes for identifying, assessing, and managing climate and nature-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. We aim to do this every two or three years due to climate change risks being relatively stable within this time period
- Operational risk: We reviewed our exposure to physical risk within Investec Limited and Investec plc operations. Our operational risk systems incorporate climate change in their risk assessments
- Litigation / liability: We 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 and nature-related risks.

Metrics and targets

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 and refined our assumptions using the PCAF methodology within our material asset classes.

Future priorities:

- Continue to engage with stakeholders to get feedback on how we can improve our measurement and methodologies used
- Incorporate nature-related financial disclosures as the recommendations of the TNFD matures
- Identify appropriate nature-related metrics and targets.

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 fifth financial year as part of our commitment to ongoing carbon neutrality in our Scope 1, Scope 2 and operational Scope 3 emissions
- Continue to source 100% of our Scope 2 emissions from renewable sources through the purchase of renewable energy certificates
- Measured and reported on our material scope 3 financed emissions.

Refer to page 47 of the 2023 Investec plc annual report for the SECR disclosures.

Future priorities:

- Continue to monitor progress on the Group's net-zero carbon ambitions.

OVERVIEW – CLIMATE-RELATED DISCLOSURES
CONTINUED

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

Progress is monitored via climate-related targets and ambitions across the following:
- As of 31 March 2023, Investec Group stopped all project financing to new thermal coal mines, regardless of jurisdiction.
- Investec Group committed not to finance any new oil and gas extraction, exploration, or production from 1 January 2035
- Investec Group commitment to zero thermal coal exposure in their loan book by 31 March 2030
- Investec plc committed to zero coal exposure in their loan book by 31 March 2027
- Investec Limited commitment to zero thermal coal exposure in their loan book by 31 March 2030
- 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
- Assist our clients in their net-zero ambitions
- Harnessing climate-related opportunities through the SDGs and supported our clients through sustainability linked products.

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 183 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 183 for calculation.
Adjusted operating profit	Refer to the calculation in the table below:

£'000	31 March 2023	31 March 2022
Operating profit before goodwill, acquired intangibles and strategic actions	848 494	727 579
Loss/(Profit) attributable to other non-controlling interests	(12 566)	(40 170)
Adjusted operating profit	**835 928**	**687 409**

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 71 to 73 of the Investec Group's 2023 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

	UK and Other		Southern Africa		Total group	
£'million	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Loans and advances to customers per the balance sheet	15 568	14 426	14 343	15 135	29 911	29 561
Add: own originated loans and advances to customers per the balance sheet	—	—	273	376	273	376
Add: ECL held against FVOCI loans reported on the balance sheet within reserves	(5)	(3)	—	—	(5)	(3)
Net core loans	**15 563**	**14 423**	**14 616**	**15 511**	**30 179**	**29 934**
of which subject to ECL*	15 012	13 814	14 541	15 431	29 553	29 245
Net core loans at amortised cost and FVOCI	15 012	13 814	13 902	14 431	28 914	28 245
Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes)^	—	—	639	1 000	639	1 000
of which FVPL (excluding fixed rate loans above)	551	609	75	80	626	689
Add: ECL	146	134	148	140	294	274
Gross core loans	**15 709**	**14 557**	**14 764**	**15 651**	**30 473**	**30 208**
of which subject to ECL*	15 158	13 948	14 689	15 571	29 847	29 519
of which FVPL (excluding fixed rate loans above)	551	609	75	80	626	689

^ These are fixed rate loans which have passed the solely payments of principal and interest (SPPI) test and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. £0.6 billion of the drawn exposure falls into Stage 1 (31 March 2022: £1.0 billion), £1 million in Stage 2 (31 March 2022: £73 million) and the remaining £44 million in Stage 3 (31 March 2022: £47 million). The ECL on the Stage 1 portfolio is £2 million (31 March 2022: £3 million), ECL on the Stage 2 portfolio is £nil (31 March 2022: £1 million) and ECL on the Stage 3 portfolio is £11 million (31 March 2022: £10 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 2023	31 March 2022
Operating costs (A)	1 350 835	1 233 948
Total operating income before expected credit losses	2 280 418	1 990 355
Loss/(Profit) attributable to other non-controlling interests	(12 566)	(40 170)
Total (B)	2 267 852	1 950 185
Cost to income ratio (A/B)	**59.6%**	**63.3%**

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 2023 year-end results booklet.
Net interest margin	Interest income net of interest expense, divided by average interest-earning assets Refer to calculation on pages 71 to 72 of the Investec Group's 2023 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 2023 year-end results booklet.
Return on average tangible ordinary shareholders'	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 2023 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:

- Revenue outlook underpinned by moderate book growth, continued elevated interest rates and client activity levels
- Overall costs contained with cost to income ratio of approximately 60%, despite inflationary pressures and continued investment in the business
- Normalisation of expected credit loss impairment charges and consequent credit loss ratio increase towards the Group's 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
- Capital optimisation strategies to continue as well as progress on IEP

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.

ALTERNATIVE PERFORMANCE MEASURES
CONTINUED

Any forward-looking statements made are based on the knowledge of the Group at 27 June 2023.

This forward-looking statement represents a profit forecast under the Listing Rules. The Profit Forecast relates to the year ending 31 March 2023.

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 2023 unaudited preliminary financial statements, which are in accordance with UK adopted international accounting standards which comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Board (IASB) and with IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. At 31 March 2023, UK adopted IAS are identical in all material respects to current IFRS applicable to the Group, with differences only in the effective dates of certain standards.

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 at 31 March 2023.
- 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

Abbreviation	Meaning
A2X	A2X Markets stock exchange (South Africa)
AATE	The Academy of Accelerated Technology Education
AFS	Available for sale
AGM	Annual general meeting
AI	Artificial Intelligence
AIRB	Advanced Internal Ratings-Based
ALCO	Asset and Liability Committee
AOP	Adjusted operating profit
AT1	Additional Tier 1
BaaS	Banking-as-a-Service
BASA	Banking Association of South Africa
BBLS	Bounce Back Loan Scheme
BCBS	Basel Committee of Banking Supervision
BID	Belonging, Inclusion and Diversity
BIS	Bank for International Settlements
BoE	Bank of England
BOM	Bank of Mauritius
BRCC	Board Risk and Capital Committee
BSE	Botswana Stock Exchange
CA	Chartered Accountant
CAM	Combined Assurance Matrix
CBILS	Coronavirus Business Interruption Loan Scheme
CDO	Collateralised debt obligation
CEO	Chief Executive
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CFP	Contingency Funding Plan
CFRP	Contingency Funding and Recovery Plan
CLBILS	Coronavirus Large Business Interruption Loan Scheme
CLF	Committed liquidity facility
CLO	Collateralised loan obligation
CLR	Credit loss ratio
CMD	Capital Markets Day
COO	Chief Operating Officer
COVID	Corona Virus Disease
CPI	Consumer Price Index
CPR	Conditional prepayment rate
CRDIV (BASEL III)	Capital Requirements Directive IV
CRO	Chief Risk Officer
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
CVA	Credit value adjustment
DCF	Discounted cash flow

Abbreviation	Meaning
DLC	Dual listed company
DLC BRCC	DLC Board Risk and Capital Committee
DLC Nomdac	DLC Nominations and Directors Affairs Committee
DLC Remco	DLC Remuneration Committee
DLC SEC	DLC Social and Ethics Committee
DMRE	Department of Mineral Resources and Energy
EAD	Exposure at default
EBA	European Banking Authority
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECB	European central bank
ECL	Expected credit losses
EDT	Entrepreneurship Development Trust
EE	Employment equity
EP	Equator Principles
EPS	Earnings per share
ERRP	Economic Reconstruction and Recovery Plan
ERV	Expected rental value
ESG	Environmental, social and governance
EU	European Union
EQAR	Engagement Quality Assurance Review
FATF	Financial Action Task Force
FCA	Financial Conduct Authority
FIRB	Foundation Internal Ratings-Based
FRC	Financial Reporting Council
FRTB	Fundamental Review of the Trading Book
FTA	Foreign Trade Agreement
FSB	Financial Services Board
FSC	Financial Sector Code
FSCS	Financial Services Compensation Scheme
FSLAB	Financial Sector Law Amendment Bill
FUM	Funds under management
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit and loss
GBV	Gender-based violence
GCCE	Gross credit and counterparty exposure
GDP	Gross Domestic Product
GDPR	General Data Protection Plan
GFC	Global Financial Crisis
GHG	Greenhouse Gas
HNW	High net worth
HR	Human resources
HVCRE	High Volatility Commercial Real Estate
IAM	Investec Asset Management

GLOSSARY
CONTINUED

Abbreviation	Meaning
IAPF	Investec Australia Property Fund
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBL	Investec Bank Limited
IBL BRCC	IBL Board Risk and Capital Committee
IBL ERC	IBL Executive Risk Committee
IBM	Investec Bank Mauritius
IBP	Investec Bank plc
IBP BRCC	IBP Board Risk and Capital Committee
IBP ERC	IBP Executive Risk Committee
IBSAG	Investec Bank Switzerland AG
ICAAP	Internal Capital Adequacy Assessment Process
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
IFWG	Intergovernmental Fintech Working Group
IIA	Institute of Internal Auditors
IIF	Institute of International Finance
ILAAP	Internal Liquidity Adequacy Assessment Process
IPF	Investec Property Fund
IPRE	Income Producing Real Estate
IRBA	International Regulatory Board for Auditors
ISAs (UK)	International Standards on Auditing (UK)
IT	Information technology
ITGR	Information Technology Risk and Governance
IWT	Illegal wildlife trade
IW&I	Investec Wealth & Investment
JSE	Johannesburg Stock Exchange
L&D	Learning and development
LCR	Liquidity Coverage ratio
LGD	Loss given default
LHS	Left hand side
LIBOR	London Inter-Bank Offered Rate
LSE	London Stock Exchange
LTI	Long-term incentive
MAFR	Mandatory Audit Firm Rotation
MD	Managing Director
MER	Mutual Evaluation Report
MiFID	Markets in Financial Instruments Directive
MLRO	Money Laundering Reporting Officer
MW	Megawatt
NAV	Net asset value
NBFI	Non-Banking Financial Institution
NCI	Non-controlling interests

Abbreviation	Meaning
NGO	Non-governmental organisation
NIR	Non-interest revenue
NPA	National Prosecuting Authority
NPO	Non-profit organisation
NSFR	Net Stable Funding ratio
NSX	Namibian Stock Exchange
OCI	Other comprehensive income
OTC	Over the counter
PBT	Profit before tax
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of default
PPE	Personal Protective Equipment
PRA	Prudential Regulation Authority
PwC Inc.	PricewaterhouseCoopers Incorporated
RDARR	Risk Data Aggregation and Risk Reporting
REIT	Real Estate Investment Trust
RHS	Right hand side
RLS	Recovery Loan Scheme
RMIPPP	Risk Mitigation Independent Power Producer Procurement Programme
ROE	Return on equity
RORWA	Return on risk-weighted assets
ROTE	Return on tangible equity
ROU	Right of use asset
RPI	Retail Price Index
RRP	Recovery Resolution Plan
RWA	Risk Weighted Assets
S&P	Standard & Poor's
SA	South Africa
SAMLIT	South African Anti-Money Laundering Integrated Task Force
SARS	South African Revenue Service
SDGs	Sustainable Development Goals
SICR	Significant increase in credit risk
SID	Senior independent director
SIDSSA	Sustainable Infrastructure Development Symposium South Africa
SME	Small and Medium-sized Enterprises
SMMEs	Small, Medium & Micro Enterprises
SOE	State-Owned Enterprise
South African PA	South African Prudential Authority (previously known as the Banking Supervision Division of the South African Reserve Bank)
SPPI	Solely payments of principal and interest
STI	Short-term incentive
TAS	Targeted Attack Simulation
TCFD	Task Force on Climate-related Financial Disclosures

GLOSSARY
CONTINUED

Abbreviation	Meaning
tCO_2e	Tonnes of CO_2 emissions
TDI	Tolerance and Diversity Institute
TNAV	Tangible net asset value
TSR	Total shareholder return
UK	United Kingdom
UKLA	United Kingdom Listing Authority
UN	United Nations
UN GISD	United Nations Global Investment for Sustainable Development
UNEP FI	United Nations Environment Programme Finance Initiative
UNGC	United Nations Global Compact
UNPRB	United Nations Principles for Responsible Banking
UNPRI	United Nations Principles for Responsible Investment
US	United States
WACC	Weighted average cost of capital
WANOS	Weighted average number of shares in issue
YES	Youth Employment Service

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 183 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 183 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 183 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 71 of the Investec Group's 2023 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 71 of the Investec Group's 2023 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 2023 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 183.

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Registration number 3633621

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Registration number 1925/002833/06

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Directorate as at 27 June 2023

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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
Stephen Koseff
Nicky Newton-King
Jasandra Nyker
Vanessa Olver
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