



Investec plc and Investec Limited

Reviewed combined consolidated financial results for the six months ended 30 September 2023 and cash dividend declaration

Fani Titi, Group Chief Executive commented:

"The Group has delivered strong results against a difficult macroeconomic backdrop which was characterised by high inflation, elevated global interest rates and persistent market volatility. This performance was underpinned by continued success in our client acquisition strategies, loan book growth and the rising interest rate environment. Our client franchises reported solid performance while the aggregate Group financial results also reflect the impact of the conclusions of the strategic actions executed over the past 18 months. Our balance sheet remains strong and highly liquid, positioning us well to support our clients in navigating the uncertain macroeconomic backdrop and achieve our financial targets."

Basis of presentation

The average Rand / Pound Sterling exchange rate depreciated by approximately 18.6% in the 1H2024 relative to 1H2023, resulting in a significant difference between reported and neutral currency performance. The comparability of the Group's total period on period performance is affected by the financial effects of previously announced strategic actions, some of which will result in the Group performance being presented on a continuing and discontinued basis in line with applicable accounting standards. We provide further details on the structural strategic actions below.

Significant strategic actions taken include:

- Combination of Investec Wealth & Investment UK (IW&I UK) with the Rathbones Group, reflected as a discontinued operation in line with applicable accounting principles, notwithstanding the strategic shareholding in Rathbones which will be equity accounted for as an associate going forward
- An approximately R6.8 billion or c.£300 million share buy-back and share repurchase programme, in line with the Group's strategy to optimise capital in South Africa
- Disposal of the property management companies to Burstone Group Limited (formerly known as Investec Property Fund (IPF)) and consequent deconsolidation of IPF and reflection of IPF as a discontinued operation. Going forward, IPF will be accounted for at fair value through profit and loss
- The restructure of The Bud Group Holdings (formerly known as IEP) in the prior year to facilitate Investec's orderly exit
- The distribution of a 15% shareholding in Ninety One in the prior year.

Key financial metrics

Given the nature of the IW&I UK and IPF transactions, the Group essentially retains similar economic interest to these investments before and after the transactions. In order to provide information that will be more comparable to the future presentation of returns from these investments and given their new holding structures, proforma information has been prepared as if the transactions had been in effect from the beginning of the period, i.e. IW&I UK has been presented as an equity accounted investment and IPF as an investment at fair value through profit or loss. The measurement of the total contribution to profit remains based on the accounting prior to loss of control, and has not been adjusted for the change in holding structure.

	£'millions	Revenue	Cost to income	CLR	Adjusted operating profit	Adjusted EPS	HEPS	ROE	ROTE	DPS (pence)	NAV per share (pence)	TNAV per share (pence)
1H2024		1 043.8	53.3%	0.32%	441.4	38.7	36.9	14.6%	16.4%	15.5p	556.7	470.4
1H2023		960.7	55.6%	0.16%	397.1	32.9	32.0	12.9%	13.8%	13.5p	509.5	476.9
% change in £		8.6%			11.2%	17.6%	15.3%			14.8%	9.3%	(1.4%)
% change in Rands		28.8%			31.7 %	39.3%	29.6%			26.6%	25.3%	13.1%

Totals and variance determined in £'000 which may result in rounding differences.

Group financial summary:

- Revenue benefitted from a double-digit growth in net interest income driven by strong corporate loan growth and rising global interest rates. Non-interest revenue from our banking and SA wealth and investment businesses increased despite the significant economic headwinds that continued to prevail in our core geographies, supported by increased client activity. This was partially offset by the effects of the strategic actions, comprising the cessation of equity accounting of Ninety One post distribution and The Bud Group following the restructure in 2022 and the deconsolidation of IPF
- The cost to income ratio* improved to 53.3% (1H2023: 55.6%) as revenue grew well ahead of costs. Total operating costs grew by 4.1% and increased by 12.3% in neutral currency. Continued investment in our people and technology to support growth and inflationary pressures drove an increase in fixed costs. Variable remuneration increased in line with business performance
- Pre-provision adjusted operating profit increased 14.3% to £487.7 million (1H2023: £426.5 million), benefitting from the strength and diversity of our client franchises
- Asset quality remained solid with exposures well covered by collateral. Expected credit loss (ECL) impairment charges increased to £46.3 million (1H2023: £29.4 million), resulting in a credit loss ratio (CLR) of 32bps (1H2023: 16bps), towards the upper end of the Group's through-the-cycle (TTC) range of 25bps to 35bps. We have seen idiosyncratic client stresses with no evidence of trend deterioration in the overall credit quality of the book
- Return on equity (ROE) of 14.6% (1H2023: 12.9%) is within the Group's 12% to 16% target range, return on tangible equity (ROTE) for the period under review was 16.4% (1H2023: 13.8%)
- Net asset value (NAV) per share increased to 556.7p (31 March 2023: 510.3p), reflecting the strong earnings generation in the period under review and the net gain recognised on completion of the IW&I UK combination with Rathbones. Tangible net asset value (TNAV) per share declined to 470.4p (31 March 2023: 474.6p). This is due to our decision to adjust the carrying value of our strategic investment in the Rathbones Group to reflect our proportionate share of tangible equity in Rathbones, resulting in an intangible net asset value of c.77p per share.

Key drivers

- Net core loans increased 4.0% annualised to £31.0 billion (31 March 2023: £30.4 billion) and grew by 8.7% annualised on a neutral currency basis; largely driven by corporate lending in both core geographies and private client lending in South Africa
- Customer deposits increased 1.9% annualised to £39.9 billion (31 March 2023: £39.6 billion), an increase of 6.8% annualised in neutral currency
- Funds under management (FUM) in Southern Africa increased by 2.0% to £20.2 billion (31 March 2023: £19.8 billion), mainly driven by discretionary net inflows of R7.3 billion and FX translation gains on dollar denominated portfolios, partly offset by non-discretionary net outflows of R2.6 billion
- Investec Wealth & Investment UK FUM is now reported as part of the Rathbones Group following the completion of the combination in September 2023. Rathbones FUMA totalled £100.7 billion at 30 September 2023.

Balance sheet strength and strategic execution:

- The Group maintained strong capital and liquidity allowing us to navigate the current volatile and uncertain environment, support our clients and build to scale our identified growth initiatives
- The completion of the all-share combination of Investec Wealth & Investment UK (IW&I UK) with Rathbones plc created a scalable platform that will power future growth for the Group in the attractive UK Wealth segment
- The implementation of various capital optimisation strategies remain a priority for the Group, with further progress made on the share repurchase programme, as well as the disposal of the property management companies to Burstone Group (formerly known as IPF). To date, Investec has repurchased approximately 64.7 million shares or c.6.4% of shares in issue when the programme was announced, deploying c.£6.8 billion or c.£300 million of excess capital
- The Board has proposed an interim dividend of 15.5p per share (1H2023: 13.5p), an increase of 14.8% from prior period.

* Group cost-to-income ratio reduced by 2.0% in 1H2023 and 2.4% in 1H2023 due to change in accounting treatment for IW&I UK and IPF. Cost-to-income ratio excluding contribution from IW&I UK and IPF in 1H2024 and 1H2023 is 55.3% and 58.0% respectively.

Outlook

The Group is well positioned to continue supporting its clients notwithstanding the uncertain macroeconomic outlook. We have strong capital and liquidity to navigate the current environment and pursue our identified growth initiatives in our chosen markets.

FY2024 guidance

Based on the macroeconomic outlook for our two core geographies, the Group currently expects:

- The revenue momentum to be underpinned by moderate book growth, elevated interest rates, continued client acquisition and activity levels
- The cost-to-income ratio to be below 55%
- The credit loss ratio to remain within the through-the-cycle (TTC) range of 25bps to 35bps
 - South Africa to normalise towards the lower-end of the TTC range of 20bps to 30bps
 - The UK to report a credit loss ratio between 50bps and 60bps
- ROE to be above the mid-point of the Group's target range of 12% to 16%.

Key financial data

This announcement covers the results of Investec plc and Investec Limited (together "the Investec Group" or "Investec" or "the Group") for the interim period ending 30 September 2023 (1H2024). Unless stated otherwise, comparatives relate to the Group's operations for the interim period ending 30 September 2022 (1H2023).

Basic earnings per share includes a gain of £361.8 million on the combination of Investec Wealth & Investment UK with Rathbones plc, partly offset by the net loss on deconsolidation of IPF totalling £93.8 million.

Performance	1H2024	1H2023	Variance	% change	Neutral currency % change
Total operating income before expected credit losses (£'m)	1 043.8	960.7	83.0	8.6 %	17.3%
Operating costs (£'m)	(556.1)	(534.3)	(21.8)	4.1 %	12.3%
Adjusted operating profit (£'m)	441.4	397.1	44.3	11.1 %	20.8%
Adjusted earnings attributable to shareholders (£'m)	329.8	298.2	31.6	10.6 %	19.8%
Adjusted basic earnings per share (pence)	38.7	32.9	5.8	17.6 %	27.4%
Basic earnings per share (pence)	69.6	50.6	19.0	37.5%	42.5%
Headline earnings per share (pence)	36.9	32.0	5.0	15.3%	24.1%
Dividend per share (pence)	15.5	13.5			
Dividend payout ratio	40.1%	41.0%			
CLR (credit loss ratio)	0.32%	0.16%			
Cost to income ratio	53.3%	55.6%			
ROE (return on equity)	14.6%	12.9%			
ROTE (return on tangible equity)	16.4%	13.8%			

Balance sheet	30 Sept 2023	31 March 2023	Variance	% change	Neutral currency % change
Funds under management (£'bn)					
IW&I Southern Africa	20.2	19.8	0.4	2.0 %	6.4 %
Rathbones/ IW&I UK [^]	100.7	40.7			
Customer accounts (deposits) (£'bn)	39.9	39.6	0.4	1.0%	3.4%
Net core loans and advances (£'bn)	31.0	30.4	0.6	2.0%	4.3%
Cash and near cash (£'bn)	16.4	16.4	0.1	0.5%	2.7%
NAV per share (pence)	556.7	510.3	46.4	9.1%	9.3%
TNAV per share (pence)	470.4	474.6	(4.2)	(0.9%)	(0.7%)

Totals and variance determined in £'000 which may result in rounding differences.

[^] Following the all-share combination of IW&I UK and Rathbones, IW&I UK now forms part of the Rathbones Group. As at 30 September 2023, Rathbones Group, of which Investec holds a 41.25% economic interest, had funds under management of £100.7 billion.

Salient features by geography	1H2024	1H2023	Variance	% change	% change in Rands
Investec Limited (Southern Africa)					
Adjusted operating profit (£'m)	205.9	230.6	-24.7	(10.7%)	5.6%
Cost to income ratio	52.5%	51.7%			
ROE	16.0%	14.6%			
ROTE	16.1%	14.8%			
CET1	13.2%	14.1%			
Leverage ratio	5.9%	7.1%			
Customer accounts (deposits) (£'bn)	20.0	21.7	(1.7)	(7.8%)	5.9 %
Net core loans and advances (£'bn)	14.7	15.9	(1.2)	(7.5%)	6.3 %
Investec plc (UK & Other)					
Adjusted operating profit (£'m)	235.4	166.5	68.9	41.4%	
Cost to income ratio	53.9%	59.5%			
ROE	13.6%	11.1%			
ROTE	16.7%	12.6%			
CET1	11.7%	11.1%			
Leverage ratio	8.7%	8.1%			
Customer accounts (deposits) (£'bn)	19.9	18.9	1.0	5.3 %	
Net core loans and advances (£'bn)	16.3	15.3	1.0	6.5 %	

Totals and variance determined in £'000 which may result in rounding differences.

Enquiries

Investec Investor Relations

Results: Qaqambile Dwayi
Tel: +27 (0) 11 291 0129

General enquiries:
Tel: +27 (0) 11 286 7070 or investorrelations@investec.com

Brunswick (SA PR advisers)

Graeme Coetzee
Tel: +27 (0) 63 685 6053

Lansons (UK PR advisers)

Tom Baldock
Tel: +44 (0) 78 6010 1715

Presentation/conference call details

Investec management will host its annual results presentation live from London on Thursday 16 November at 11h00 (SA)/9h00 (UK) time.

Please register for the presentation at: www.investec.com/investorrelations

A live video webcast of the presentation will be available on www.investec.com

About Investec

Investec partners with private, institutional, and corporate clients, offering international banking, investments, and wealth management services in two principal markets, South Africa, and the UK, as well as certain other countries. The Group was established in 1974 and currently has 7,400+ employees.

Investec has a dual listed company structure with primary listings on the London and Johannesburg Stock Exchanges.

Johannesburg and London

JSE Debt and Equity Sponsor: Investec Bank Limited

Group financial performance

Overview

Pre-provision adjusted operating profit increased 14.3% to £487.7 million (1H2023: £426.5 million).

Revenue increased 8.6% to £1 043.8 million (1H2023: £960.7 million) and up 17.3% in neutral currency

Net interest income increased 12.3% to £682.6 million (1H2023: £607.8 million) driven by higher average interest earning assets and higher global interest rates.

Non-interest revenue (NIR) increased 2.3% to £361.1 million (1H2023: £352.9 million).

- Net fee and commission income decreased 5.1% to £196.1 million (1H2023: £206.7 million). Banking and wealth and investment businesses net fees increased on a neutral currency basis relative to the prior period despite significant economic headwinds that continue to prevail in our core geographies; underpinned by increased client activity
- Investment income of £25.4 million (1H2023: £36.6 million) reflects dividends received and realised gains on disposal of investments, partly offset by fair value adjustments
- Share of post-taxation profit of associates and joint venture holdings decreased to £39.1 million (1H2023: £60.4 million), largely driven by:
 - Cessation of equity accounting following the distribution of Ninety One in May 2022
 - Cessation of equity accounting for IEP following a restructure in November 2022
- Trading income arising from customer flow increased by 19.7% to £79.3 million from £66.2 million in the prior period, driven by increased facilitation of hedging for clients by our Treasury Risk Solutions area, higher client flow trading income in our Equity Capital Markets (ECM) activities, as well as positive risk management gains from the hedging of the remaining financial products run down book in the UK
- Net trading gains arising from balance sheet management and other trading activities of £21.5 million compared to a loss of £10.3 million in the prior period. These gains are as a result of unwinding certain existing interest rate swap hedges when initiating the implementation of the structural interest rate hedging programme in the UK; and gains arising from MTM movements in the value of interest rate hedges on the balance sheet in South Africa
- Other operating loss decreased significantly, largely due to the non-repeat of the MTM losses reported in the prior period related to the MTM on off balance sheet (Ninety One) shares held to meet non-equity settled share schemes, this was before the final vestings were accelerated during 1H2023.

Expected credit loss (ECL) impairment charges increased 57.7% to £46.3 million (1H2023: £29.4 million) resulting in a credit loss ratio of 32bps (1H2023: 16bps)

Asset quality remains solid, with exposures to a carefully defined target market well covered by collateral. The increase in the ECL impairment charges was primarily driven by specific impairments on exposures that migrated into Stage 3 in both geographies. Recoveries from previously written off exposures remained high in South Africa.

Operating costs increased 4.1% to £556.1 million (1H2023: £534.3 million) and 12.3% in neutral currency

The cost to income ratio improved to 53.3% from 55.6% in 1H2023. Fixed operating expenditure decreased 0.7%. Fixed operating costs increased by 7.5% in neutral currency due to inflationary pressures and continued investment in technology and people. Higher expenses primarily on personnel was due to annual salary increases and growth in headcount as well as higher business expenses due to increased business activity.

Taxation

The taxation charge on adjusted operating profit was £89.1 million (1H2023: £79.7 million), resulting in an effective tax rate of 22.3% (1H2023: 24.2%).

In the UK, the effective tax rate is 22.3% (1H2023: 23.8%), reflecting the weighted effective tax rate from multiple jurisdictions where Investec plc has operations.

SA's effective tax rate is 22.3% (1H2023: 26.9%).

Funding and liquidity

Customer deposits increased 1.9% annualised to £39.9 billion (31 March 2023: £39.6 billion) and increased by 6.8% annualised in neutral currency. Customer deposits increased by 8.4% annualised to £19.9 billion for Investec plc and increased by 5.3% annualised to R460.4 billion for Investec Limited since March 2023. Cash and near cash of £16.4 billion (£8.7 billion in Investec plc and R177.7 billion in Investec Limited) at 30 September 2023 represent approximately 41.2% of customer deposits. Loans and advances to customers as a percentage of customer deposits was 76.9% (1H2023: 76.4%, FY2023: 76.1%).

The Group comfortably exceeds Board-approved internal targets and Basel liquidity requirements for the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR)

- Investec Bank Limited (consolidated Group) ended the six month period to 30 September 2023 with the three-month average of its LCR at 183% and an NSFR of 113%
- Investec plc reported a LCR of 393% and a NSFR of 146% at 30 September 2023.

Capital adequacy and leverage ratios

Capital and leverage ratios remain sound, ahead of regulatory requirements. The CET1 and leverage ratio were 13.2% and 5.9% for Investec Limited (Advanced Internal Ratings Based scope) and 11.7% and 8.7% for Investec plc (Standardised approach) respectively.

Segmental performance

Wealth & Investment

Adjusted operating profit from the Wealth & Investment businesses increased 12.1% to £53.3 million (1H2023: £47.6 million), positively impacted by the net inflows in discretionary FUM in the Southern African business and higher global interest rates, partly offset by the effects of unfavourable market levels at key billing dates for fees.

Wealth & Investment	Southern Africa					UK & Other				Total	
	1H2024	1H2023	Variance			1H2024	1H2023	Variance		1H2024	1H2023
	£'m	£'m	£'m	%	% in Rands	£'m	£'m	£'m	%	£'m	£'m
Operating income	59.2	56.0	3.2	5.7%	25.4%	35.9	32.4	3.5	10.8%	95.1	88.4
Operating costs	(41.7)	(40.8)	(0.9)	2.2%	21.1%	—	—	—	—%	(41.7)	(40.8)
Adjusted operating profit	17.5	15.2	2.3	15.1%	36.5%	35.9	32.4	3.5	10.8%	53.3	47.6

Totals and variance determined in £'000 which may result in rounding differences.

Southern Africa Wealth & Investment (in Rands)

- Adjusted operating profit increased by 36.5% to R411 million (1H2023: R301 million)
- Total FUM increased by 6.9% to R465.1 billion (31 March 2023: R435.1 billion) driven by discretionary and annuity net inflows of R7.3 billion, reallocation of FUM previously reported by IW&I UK and positive foreign currency translation gains on dollar denominated portfolios. Non-discretionary FUM reported net outflows of R2.6 billion in the current period
- Revenue grew by 25.4% underpinned by inflows into local investment products in the current and prior period as well as offshore investment products in the prior years in discretionary and annuity portfolios. Non-discretionary brokerage decreased in the current period due to lower trading volumes. Revenue in Switzerland grew by 61.3% in Pounds mainly driven by elevated interest rates
- Operating costs increased 21.1%, driven by investment in people for growth, including higher technology spend, FX related increases in foreign currency denominated expenses, and higher variable remuneration in line with performance. Fixed operating expenditure increased by 19.5%. Operating margins increased to 29.5% (1H2023: 27.1%)
- The translation of the Swiss operations results in Rand resulted in FX translation gains in the current period.

UK & Other Wealth & Investment

- The all-share combination of IW&I UK and Rathbones Group Plc was successfully completed in the period under review to create the UK's leading discretionary wealth manager with c.£100bn in FUMA
- The IW&I business generated post tax earnings of £35.9 million, 10.8% above the prior period in an uncertain economic and operating environment
- Operating income was driven by higher net interest income from rising global interest rates. Net fee and commission income decreased by £0.3 million (0.2%) notwithstanding the lower average market levels at the key quarterly billing dates in the period under review (MSCI PIMFA Balanced Index down 2.4% from prior period)
- Operating costs were well contained, despite the inflationary backdrop, demonstrating a continued cost discipline. Overall costs increased by 1.1%, largely driven by non-recurring costs related to the business combination with Rathbones and the integration of the Murray Asset Management (MAM) business acquired in the prior period. Excluding these non-recurring costs, operating costs decreased by 0.7% reflecting lower FSCS costs in the current period which were partly offset by inflationary cost increases.

Specialist Banking

Adjusted operating profit from Specialist Banking increased 21.9% to £404.2 million (1H2023: £331.6 million). Pre-provision adjusted operating profit increased 24.8% to £450.5 million (1H2023: £360.9 million).

Specialist Banking	Southern Africa					UK & Other				Total	
	1H2024	1H2023	Variance			1H2024	1H2023	Variance		1H2024	1H2023
	£'m	£'m	£'m	%	Rands %	£'m	£'m	£'m	%	£'m	£'m
Operating income (before ECL)	390.2	404.5	(14.2)	(3.5%)	18.2%	553.4	435.7	117.6	27.0%	943.6	840.2
ECL impairment charges	(7.0)	(1.4)	(5.5)	>100.0%	>100.0%	(39.3)	(27.9)	(11.4)	>100.0%	(46.3)	(29.3)
Operating costs	(186.2)	(200.1)	13.9	(6.9%)	11.4%	(306.9)	(279.2)	(27.7)	9.9%	(493.1)	(479.2)
(Profit)/loss attributable to NCI	(0.2)	—	(0.2)	>100.0%	>100.0%	—	—	—	—%	(0.2)	—
Adjusted operating profit	196.8	202.9	(6.1)	(3.0%)	14.7%	207.4	128.6	78.7	61.2%	404.2	331.6

Totals and variance determined in £'000 which may result in rounding differences.

Southern Africa Specialist Banking (in Rands)

- Adjusted operating profit increased 14.7% to R4 621 million (1H2023: R4 026 million), driven by increased focus on successful execution of our various growth initiatives and market share gains in our core client franchises. Pre-provision adjusted operating profit increased by 18.2% to R4 784 million
- Net core loans grew by 8.2% annualised to R338.4 billion (31 March 2023: R325.1 billion). Corporate lending portfolios grew by 15.8% annualised since 31 March 2023, driven by increased corporate credit demand across several lending specialisations. Private Bank's loan book grew by 5.3% annualised since 31 March 2023 with strong growth in mortgages and auto finance books partially offset by the effect of muted growth in the income producing real estate book
- Revenue increased 14.4%, benefitting from higher average interest earning assets, positive endowment effect from higher interest rates, increased client activity and continued client acquisition in line with our growth strategy
 - The 14.6% growth in net interest income was driven by higher average interest earning assets and higher interest rates. This growth was achieved in the context of foregone interest (approximately R240 million) on funds utilised in the execution of the Group's c.R6.8 billion share buy-back and share repurchase programme. Noteworthy, the buy-back programme has had a positive impact on the bank's ROE.
 - Non-interest revenue increased 14.0% driven by:
 - Net fee income increased marginally, benefitting from the growth in activity levels in the corporate and institutional banking business and Investec for Business from increased demand for trade finance. Notably, these were partly offset by muted lending based fees from the income producing real estate book, lower investment banking fees as well as higher costs associated with fee generation given the increased transactional activity within Private Bank
 - Trading income from balance sheet management increased, largely driven by the non-repeat of the prior period's MTM losses associated with certain hedges in place to manage the interest rate risk in the banking book. These are timing differences that arose where hedge accounting could not be applied to an economic hedge in terms of IFRS accounting
 - Positive contribution from investment income, driven by higher realised gains on disposals and dividend income from investment portfolios in our client franchises
 - Other operating income benefitted from the non-repeat of MTM losses associated with Ninety One Limited shares held as assets in the Group's balance sheet to fulfil employee share scheme obligations

Partially offset by:

- The decrease in trading from customer flow which reflects lower liquidity levels in the bonds market given some foreign disinvestment out of South Africa.
- ECL impairment charges increased to R167 million from R22 million in the prior period. The credit loss ratio on core loans subject to ECL was 8bps (1H2023: 1bps), driven by Stage 3 ECL charges which was partially offset by the recoveries on previously impaired loans and model driven releases on Stage 1 and Stage 2 as a result of model recalibration
- The cost to income ratio was 47.7% (1H2023: 49.5%). Operating costs increased 10.4% driven by higher personnel expenses due to annual salary increases, increased headcount as we invest for growth and higher variable remuneration in line with performance. Discretionary costs also increased in line with increased business activity. Fixed costs increased 9.4%.

UK & Other Specialist Banking

- Adjusted operating profit increased by 61.2% to £207.2 million (1H2023: £128.6 million); driven by strong revenue growth across our key client franchises as we continued to successfully execute our client acquisition strategies to build scale and relevance in the UK market. Pre-provision adjusted operating profit increased by 57.6% to £246.7million
- Net core loans grew by 9.1% annualised to £16.3 billion since 31 March 2023 driven by continued client growth, strong demand for Corporate lending across multiple portfolios, which grew by 13.0% year to date annualised. The residential mortgage lending book reported muted growth of 1.6% annualised as interest rate rises adversely affected demand for mortgages in the market and increased redemptions
- Revenue growth of 27.0% was underpinned by growth in average book, increased client activity and positive endowment effect from higher interest rates. Trading income from customer flow and balance sheet management contributed positively
 - Net interest income increased by 25% benefitting from a larger book built over the past four years as we focused our client franchises to provide optimal client solutions and the successful execution of a targeted high net worth private client strategy. Higher global interest rates also supported the net interest income growth
 - Non-interest revenue increased by 32.7% driven by:
 - Higher arrangement fees from transactions in Power and Infrastructure Finance, Aviation and Real Estate. Listed companies' advisory fees increased relative to prior period. Activity levels in equity capital markets remain muted given the challenging macroeconomic environment
 - Trading income from customer flow increased by 66.2% over the period driven by increased facilitation of hedging for clients by our Treasury Risk Solutions area, increased client flow trading income in our ECM activities, as well as positive risk management gains from hedging the reduced financial products run down book
 - Trading income from balance sheet management and other trading activities increased significantly as a result of unwinding certain interest rate swap hedges as part of the implementation of the structural interest rate hedging programme

Partly offset by

- Lower investment income due to fair value adjustments on investments and lower dividend income
- ECL impairment charges totalled £39.3 million, resulting in a credit loss ratio of 55bps (1H2023: 32bps), above TTC range of 30bps to 40bps. The increase in ECL charges was largely driven by Stage 3 ECL charges on certain exposures. We have seen idiosyncratic client stresses with no evidence of trend deterioration in the overall credit quality of our books. The updated forward-looking macroeconomic scenario weightings resulted in an in-model release of £3.6 million of ECL charges
- The cost to income ratio improved to 55.4% (1H2023: 64.1%). Operating costs increased by 9.9%, primarily driven by an increase in variable remuneration in line with business performance, inflationary pressures and investment in people and technology. Fixed operating costs growth was well contained at 2.3% growth, well below the UK inflation rate and in line with Group's focus on cost efficiency.

Group Investments

Group Investments includes the holding in Ninety One, The Bud Group Holdings, Burstone Group (formerly known as IPF) and other equity investments

Group Investments	Southern Africa					UK & Other				Total	
	1H2024	1H2023	Variance			1H2024	1H2023	Variance		1H2024	1H2023
	£'m	£'m	£'m	%	% in Rands	£'m	£'m	£'m	%	£'m	£'m
Operating income (net of ECL charges)	(1.1)	20.1	(21.2)	(>100%)	(>100%)	6.2	12.1	(5.8)	(48.3%)	5.1	32.2
Operating costs	(0.3)	—	(0.3)	(>100%)	(>100%)	—	—	—	—	(0.2)	—
Adjusted operating profit	(1.4)	20.1	(21.5)	(>100%)	(>100%)	6.2	12.1	(5.8)	(48.3%)	4.9	32.2

Totals and variance determined in £'000 which may result in rounding differences.

Adjusted operating profit from Group Investments decreased by 84.8% to £4.9 million (1H2023: £32.2 million) driven by:

- The cessation of equity accounting for The Bud Group Holdings following its restructure and Ninety One post the distribution of 15% shareholding in May 2022 and lower investment income on fair value measurement of our shareholding in Burstone Group
- Lower dividend income from Ninety One.

Further information

Additional information on each of the business units is provided in the Group year-end results analyst book published on the Group's website: <http://www.investec.com>.

On behalf of the Boards of Investec plc and Investec Limited

Philip Hourquebie

Chair

16 November 2023

Fani Titi

Group Chief Executive

Notes to the commentary section above

Presentation of financial information

Investec operates under a Dual Listed Companies (DLC) structure with primary listings of Investec plc on the London Stock Exchange and Investec Limited on the JSE Limited.

In terms of the contracts constituting the DLC structure, Investec plc and Investec Limited effectively form a single economic enterprise from a shareholder perspective, in which the economic and voting rights of ordinary shareholders of the companies are maintained in equilibrium relative to each other. Creditors, however, are ring-fenced to either Investec plc or Investec Limited as there are no cross-guarantees between the companies. The directors of the two companies consider that for financial reporting purposes, the fairest presentation is achieved by combining the results and financial position of both companies.

Accordingly, these year end results reflect the results and financial position of the combined DLC Group under UK adopted International Financial Reporting Standards (IFRS) which comply with IFRS as issued by the International Accounting Standards Board (IASB) and the (EC) No. 1606/2002 as it applies in the European Union, denominated in Pounds Sterling. In the commentary above, all references to Investec or the Group relate to the combined DLC Group comprising Investec plc and Investec Limited.

Following a review of the liquidity, capital position, profitability, the business model and operational risks facing the business, the directors have a reasonable expectation that the Investec Group will be a going concern for a period of at least 12 months. The results for the six months ended 30 September 2023 have accordingly been prepared on the going concern basis.

The following table sets out the movements in certain relevant exchange rates against Pounds Sterling over the period:

Currency per GBP1.00	Six months ended 30 September 2023		Six months ended 30 September 2022		Year ended 31 March 2023	
	Closing	Average	Closing	Average	Closing	Average
South African Rand	22.99	23.48	20.05	19.80	21.94	20.45
Euro	1.15	1.16	1.14	1.17	1.14	1.16
US Dollar	1.22	1.26	1.11	1.22	1.24	1.21

Profit Forecast

The following matters highlighted in this announcement contain forward-looking statements:

- Revenue outlook to be underpinned by moderate book growth, continued elevated interest rates and client activity levels
- Overall costs to be managed in the context of inflationary pressures and continued investment in the business, with cost to income ratio to be below 55%
- The credit loss ratio to remain within the through-the-cycle (TTC) range of 25bps to 35bps
 - South Africa to normalise towards the TTC range of 20bps to 30bps
 - The UK to report a credit loss ratio between 50bps and 60bps.
- Capital optimisation strategies to continue
- ROE to be above the mid-point of the Group's current target range of 12% to 16%.

Unless the context indicates otherwise, all comparatives included in the commentary above relate to the six months ended 30 September 2022.

Amounts represented on a neutral currency basis for income statement items assume that the relevant average exchange rates for the six months ended 30 September 2023 remain the same as those in the prior year. Amounts represented on a neutral currency basis for balance sheet items assume that the relevant closing exchange rates at 30 September 2023 remain the same as those at 31 March 2023.

Neutral currency information is unreviewed and considered as pro-forma financial information as per the JSE Listings Requirements and is therefore the responsibility of the Group's Board of Directors. Pro-forma financial information was prepared for illustrative purposes and because of its nature may not fairly present the issuer's financial position, changes in equity, or results of operations.

Foreign currency impact

The Group's reporting currency is Pounds Sterling. Certain of the Group's operations are conducted by entities outside the UK. The results of operations and the financial condition of these individual companies are reported in the local currencies in which they are domiciled, including Rands, Australian Dollars, Euros, US Dollars and Indian Rupee. These results are then translated into Pounds Sterling at the applicable foreign currency exchange rates for inclusion in the Group's combined consolidated 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.

The basis of preparation of this statement and the assumptions upon which it was based are set out below. This statement is subject to various risks and uncertainties and other factors – these factors may cause the Group's actual future results, performance or achievements in the markets in which it operates to differ from those expressed in this Profit Forecast.

Any forward-looking statements made are based on the knowledge of the Group at 16 November 2023.

This forward-looking statement represents a profit forecast under the Listing Rules. The Profit Forecast relates to the year ending 31 March 2024.

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 audited annual financial statements, which are in accordance with IFRS.

Assumptions

The Profit Forecast has been prepared on the basis of the following assumptions during the forecast period:

Factors outside the influence or control of the Investec Board:

- There will be no material change in the political and/or economic environment that would materially affect the Investec Group
- There will be no material change in legislation or regulation impacting on the Investec Group's operations or its accounting policies
- There will be no business disruption that will have a significant impact on the Investec Group's operations, whether for the economic effects of increased geopolitical tensions or otherwise
- The Rand/Pound Sterling, Euro/Pound, INR/Pound and US Dollar/Pound Sterling exchange rates and the tax rates remain materially unchanged from the prevailing rates detailed above
- There will be no material changes in the structure of the markets, client demand or the competitive environment
- There will be no material change to the facts and circumstances relating to legal proceedings and uncertain tax matters.

Estimates and judgements

In preparation of the Profit Forecast, the Group makes estimations and applies judgement that could affect the reported amount of assets and liabilities within the reporting period. Key areas in which judgement is applied include:

- Valuation of unlisted investments primarily in 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 budgeted 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.

Accounting policies, significant judgements and disclosures

These reviewed condensed combined consolidated financial results have been prepared in terms of the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and the presentation and disclosure requirements of IAS 34, "Interim Financial Reporting" and IFRS as adopted by the UK which comply with IFRS as issued by the IASB. At 30 September 2023, UK adopted IFRS are identical in all material respects to current IFRS applicable to the Group, with differences only in the effective dates of certain standards.

The accounting policies applied in the preparation of the results for the year ended 30 September 2023 are consistent with those adopted in the audited financial statements for year ended 31 March 2023.

The financial results have been prepared under the supervision of Nishlan Samujh, the Group Finance Director. The interim financial statements for the six months ended 30 September 2023 are available on the Group's website:



www.investec.com

Proviso

- Please note that matters discussed in this announcement may contain forward-looking statements which are subject to various risks and uncertainties and other factors, including, but not limited to:
 - changes in the political and/or economic environment that would materially affect the Investec Group
 - changes in legislation or regulation impacting the Investec Group's operations or its accounting policies
 - changes in business conditions that will have a significant impact on the Investec Group's operations
 - changes in exchange rates and/or tax rates from the prevailing rates outlined in this announcement
 - changes in the structure of the markets, client demand or the competitive environment
- A number of these factors are beyond the Group's control
- These factors may cause the Group's future results, performance or achievements in the markets in which it operates to differ from those expressed or implied
- Any forward-looking statements made are based on the knowledge of the Group at 16 November 2023.
- The information in the Group's announcement for the six months ended 30 September 2023, which was approved by the Board of Directors on 15 November 2023, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006. The 31 March 2022 financial statements were filed with the registrar and were unqualified with the audit report containing no statements in respect of sections 498(2) or 498(3) of the UK Companies Act
- The financial information on which forward-looking statements are based is the responsibility of the Directors of the Group and has not been reviewed and reported on by the Group's auditors.



*This announcement is available on the Group's website:
www.investec.com*

Definitions

- Adjusted operating profit refers to operating profit before goodwill, acquired intangibles and strategic actions and after adjusting for earnings attributable to other non-controlling interests. Non-IFRS measures such as adjusted operating profit are considered as pro-forma financial information as per the JSE Listing Requirements. The pro-forma financial information is the responsibility of the Group's Board of Directors. Pro-forma financial information was prepared for illustrative purposes and because of its nature may not fairly present the issuer's financial position, changes in equity or results of operations
- Adjusted earnings is calculated by adjusting basic earnings attributable to shareholders for the amortisation of acquired intangible assets, non-operating items including strategic actions, and earnings attributable to perpetual preference shareholders and other additional tier 1 security holders
- Adjusted basic earnings per share is calculated as adjusted earnings attributable to shareholders divided by the weighted average number of ordinary shares in issue during the year

- Headline earnings is adjusted earnings plus the after tax financial effect of strategic actions (£169.6 million) and the amortisation of acquired intangible assets (£16.7 million). Headline earnings is an earnings measure required to be calculated and disclosed by the JSE and is calculated in accordance with the guidance provided in Circular 1/2021
- Headline earnings per share (HEPS) is calculated as headline earnings divided by the weighted average number of ordinary shares in issue during the year
- Basic earnings is earnings attributable to ordinary shareholders as defined by IAS33 Earnings Per Share
- Dividend payout ratio is calculated as the dividend per share divided by adjusted earnings per share
- Pre-provision adjusted operating profit is calculated as total operating income before expected credit loss impairment charges, net of operating costs and net of operating profits or losses attributable to other non-controlling interests
- The credit loss ratio is calculated as expected credit loss (ECL) impairment charges on gross core loans as a percentage of average gross core loans subject to ECL
- The cost to income ratio is calculated as operating costs divided by operating income before expected credit loss impairment charges (net of operating profits or losses attributable to other non-controlling interests)
- Return on average ordinary shareholders' equity (ROE) is calculated as adjusted earnings attributable to ordinary shareholders divided by average ordinary shareholders' equity
- Return on average tangible ordinary shareholders' equity (ROTE) is calculated as adjusted earnings attributable to ordinary shareholders divided by average tangible ordinary shareholders' equity
- Core loans is defined as net loans to customers plus net own originated securitised assets
- NCI is non-controlling interests.

Financial assistance

Shareholders are referred to Special Resolution number 30, which was approved at the annual general meeting held on 3 August 2023, relating to the provision of direct or indirect financial assistance in terms of Section 45 of the South African Companies Act, No 71 of 2008 to related or inter-related companies. Shareholders are hereby notified that in terms of S45(5)(a) of the South African Companies Act, the Boards of Directors of Investec Limited and Investec Bank Limited provided such financial assistance during the period 1 April 2022 to 31 March 2023 to various Group subsidiaries.

Johannesburg and London

Exchange rates between local currencies and Pounds Sterling have fluctuated over the period. The most significant impact arises from the volatility of the Rand. The average Rand: Pound Sterling exchange rate over the period has depreciated by 18.6% against the comparative six month period ended 30 September 2022, and the closing rate has depreciated by 4.8% since 31 March 2023. The following tables provide an analysis of the impact of the Rand on our reported numbers.

	Results in Pounds Sterling					Results in Rands		
	Six months to 30 Sept 2023	Six months to 30 Sept 2022	% change	Neutral currency^ Six months to 30 Sept 2023	Neutral currency % change	Six months to 30 Sept 2023	Six months to 30 Sept 2022	% change
Total Group								
Adjusted operating profit before taxation (million)	£453	£405	11.9%	£491	21.2%	R10 640	R8 024	32.6%
Earnings attributable to shareholders (million)	£615	£478	28.7%	£638	33.5%	R14 435	R9 470	52.4%
Adjusted earnings attributable to shareholders (million)	£330	£298	10.6%	£357	19.8%	R7 737	R5 911	30.9%
Adjusted earnings per share	38.7p	32.9p	17.6%	41.9p	27.4%	908c	652c	39.3%
Basic earnings per share	69.6p	50.6p	37.5%	72.1p	42.5%	1635c	1003c	63.0%
Headline earnings per share	36.9p	32.0p	15.3%	39.7p	24.1%	859c	663c	29.6%

	Results in Pounds Sterling					Results in Rands		
	At 30 Sept 2023	At 31 March 2023^	% change	Neutral currency^^ At 30 Sept 2023	Neutral currency % change	At 30 Sept 2023	At 31 March 2023^	% change
Net asset value per share	556.7p	510.3p	9.1%	557.7p	9.3%	12 801c	11 196c	14.3%
Tangible net asset value per share	470.4p	474.6p	(0.9%)	471.3p	(0.7%)	10 816c	10 414c	3.9%
Total equity (million)	£5 237	£5 334	(1.8%)	£5 333	—%	R120 417	R117 043	2.9%
Total assets (million)*	£57 254	£57 297	(0.1%)	£58 583	2.2%	R1 316 475	R1 257 255	4.7%
Core loans (million)	£30 991	£30 381	2.0%	£31 695	4.3%	R712 564	R666 633	6.9%
Cash and near cash balances (million)	£16 436	£16 361	0.5%	£16 806	2.7%	R377 928	R359 006	5.3%
Customer accounts (deposits) (million)	£39 936	£39 556	1.0%	£40 895	3.4%	R918 272	R867 968	5.8%

^ For income statement items we have used the average Rand: Pound Sterling exchange rate that was applied in the prior period, i.e. 19.80

^^ For balance sheet items we have assumed that the Rand: Pound Sterling closing exchange rate has remained neutral since 31 March 2023.

• Restated as detailed below.

Condensed combined consolidated income statement

£'000	Six months to 30 Sept 2023	Six months to 30 Sept 2022 [^]	Year to 31 March 2023 [^]
Interest income	2 157 746	1 332 538	3 369 422
Interest expense	(1 475 108)	(724 705)	(2 075 215)
Net interest income	682 638	607 833	1 294 207
Fee and commission income	225 672	233 442	453 670
Fee and commission expense	(29 611)	(26 789)	(56 315)
Investment income	22 436	29 792	29 303
Share of post-taxation profit of associates and joint venture holdings	3 241	28 012	30 034
Trading income/(loss) arising from			
– customer flow	79 296	66 236	142 199
– balance sheet management and other trading activities	21 454	(10 339)	14 235
Other operating (loss)/income	(230)	(6 651)	4 386
Total operating income before expected credit loss impairment charges	1 004 896	921 536	1 911 719
Expected credit loss impairment charges	(46 291)	(29 351)	(80 846)
Operating income	958 605	892 185	1 830 873
Operating costs	(556 108)	(534 282)	(1 085 999)
Operating profit before goodwill and acquired intangibles	402 497	357 903	744 874
Impairment of goodwill	—	(805)	(890)
Amortisation of acquired intangibles	(543)	(1 316)	(2 535)
Amortisation of acquired intangibles of associates	—	(1 542)	(1 542)
Closure and rundown of the Hong Kong direct investments business	2 304	(280)	(450)
Operating profit	404 258	353 960	739 457
Net gain on distribution of associate to shareholders	—	154 407	154 438
Financial impact of strategic actions	—	—	(30)
Profit before taxation from continuing operations	404 258	508 367	893 865
Taxation on operating profit before goodwill and acquired intangibles	(89 123)	(79 721)	(163 522)
Taxation on acquired intangibles and net gain on distribution of associate to shareholders	152	14 853	15 182
Profit after taxation from continuing operations	315 287	443 499	745 525
Profit after taxation and financial impact of strategic actions from discontinued operations*	311 367	63 297	71 906
Operating profit before non-controlling interests from discontinued operations*	45 824	63 297	76 844
Financial impact of strategic actions net of taxation from discontinued operations*	265 543	—	(4 938)
Profit after taxation from total Group	626 654	506 796	817 431
Profit attributable to non-controlling interests	(4)	—	(752)
Profit attributable to non-controlling interests of discontinued operations	(11 766)	(28 673)	(11 814)
Earnings of total Group attributable to shareholders	614 884	478 123	804 865
Earnings attributable to ordinary shareholders	593 230	458 521	764 446
Earnings attributable to perpetual preferred securities and other Additional Tier 1 security holders	21 654	19 602	40 419

[^] Restated as detailed below.

* Refer to discontinued operations disclosure.

Earnings per share

	Six months to 30 Sept 2023	Six months to 30 Sept 2022	Year to 31 March 2023
Basic earnings for total Group per share – pence	69.6	50.6	85.8
Diluted basic earnings for total Group per share – pence	67.0	48.9	82.5
Basic earnings for continuing operations per share – pence	34.5	46.8	79.1
Diluted basic earnings for continuing operations per share – pence	33.2	45.2	76.0

Combined consolidated statement of total comprehensive income

£'000	Six months to 30 Sept 2023	Six months to 30 Sept 2022 [^]	Year to 31 March 2023 [^]
Profit after taxation from continuing operations	315 287	443 499	745 525
Other comprehensive income:			
Items that may be reclassified to the income statement			
Fair value movements on cash flow hedges taken directly to other comprehensive income*	(17 759)	27 378	43 158
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*	(13 313)	(70 679)	(48 515)
Gain on realisation of debt instruments at FVOCI recycled through the income statement*	(2 873)	(1 208)	(2 960)
Foreign currency adjustments on translating foreign operations	(108 485)	(25 873)	(306 053)
Items that will not be reclassified to the income statement			
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	—	—	(7)
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income*	(338)	1 373	(657)
Remeasurement of net defined benefit pension liability	—	—	75
Net gain attributable to own credit risk*	866	85	104
Total comprehensive income from continuing operations	173 385	374 575	430 670
Total comprehensive income attributable to ordinary shareholders from continuing operations	178 530	348 473	456 867
Total comprehensive (loss)/income attributable to non-controlling interests from continuing operations	(26 799)	6 500	(66 616)
Total comprehensive income attributable to perpetual preferred securities from continuing operations	21 654	19 602	40 419
Total comprehensive income from continuing operations	173 385	374 575	430 670
Profit after taxation from discontinued operations	311 367	63 297	71 906
Other comprehensive income from discontinued operations:			
Items that may be reclassified to the income statement			
Foreign currency adjustments on translating foreign operations	55 377	—	—
Total comprehensive income from discontinued operations	366 744	63 297	71 906
Total comprehensive income attributable to ordinary shareholders from discontinued operations	354 978	34 624	60 092
Total comprehensive income attributable to non-controlling interests from discontinued operations	11 766	28 673	11 814
Total comprehensive income from discontinued operations	366 744	63 297	71 906
Profit after taxation from total Group	626 654	506 796	817 431
Other comprehensive income total Group:			
Items that may be reclassified to the income statement			
Fair value movements on cash flow hedges taken directly to other comprehensive income*	(17 759)	27 378	30 030
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*	(13 313)	(70 679)	(48 515)
Gain on realisation of debt instruments at FVOCI recycled through the income statement*	(2 873)	(1 208)	(2 960)
Foreign currency adjustments on translating foreign operations	(53 108)	(25 873)	(310 917)
Items that will never be reclassified to the income statement			
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	—	—	(7)
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	(338)	1 373	(657)
Re-measurement of net defined benefit pension asset	—	—	75
Net gain attributable to own credit risk*	866	85	104
Total comprehensive income from total Group	540 129	437 872	484 584
Total comprehensive income attributable to ordinary shareholders	545 274	411 770	498 967
Total comprehensive (loss)/income attributable to non-controlling interests	(26 799)	6 500	(54 802)
Total comprehensive income attributable to perpetual preferred securities	21 654	19 602	40 419
Total comprehensive income from total Group	540 129	437 872	484 584

[^] Restated as detailed below.

* These amounts are net of taxation of £14.2 million (30 September 2022: £13.7 million tax credit; 31 March 2023: £7.6 million).

Combined consolidated balance sheet

At £'000	30 Sept 2023	31 March 2023 [^]	30 Sept 2022 [^]
Assets			
Cash and balances at central banks	5 335 622	6 437 709	5 167 277
Loans and advances to banks	1 441 768	1 450 627	2 412 298
Non-sovereign and non-bank cash placements	396 311	442 254	427 208
Reverse repurchase agreements and cash collateral on securities borrowed	4 422 876	3 632 658	4 424 813
Sovereign debt securities	5 428 112	4 751 646	4 736 838
Bank debt securities	807 066	949 984	1 103 301
Other debt securities	1 273 232	1 244 231	1 281 527
Derivative financial instruments	1 329 833	1 386 134	1 770 133
Securities arising from trading activities	1 576 610	1 632 391	1 401 320
Investment portfolio	838 350	1 330 907	1 119 352
Loans and advances to customers	30 719 600	30 112 969	30 961 458
Own originated loans and advances to customers securitised	281 543	272 879	270 700
Other loans and advances	134 310	142 726	191 420
Other securitised assets	96 296	103 151	158 120
Interests in associated undertakings and joint venture holdings	828 093	53 703	347 723
Current taxation assets	70 415	69 322	59 221
Deferred taxation assets	202 392	235 171	245 055
Other assets	1 515 533	1 581 693	1 906 278
Property and equipment	222 133	278 561	296 896
Investment properties	111 157	722 481	807 313
Goodwill	76 085	262 632	257 228
Software	10 063	15 401	12 420
Other acquired intangible assets	—	41 136	37 527
Non-current assets classified as held for sale	3 262	35 761	38 430
	57 120 662	57 186 127	59 433 856
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	133 233	110 891	87 023
	57 253 895	57 297 018	59 520 879
Liabilities			
Deposits by banks	3 886 578	3 617 524	3 402 916
Derivative financial instruments	2 471 973	2 424 036	2 947 457
Other trading liabilities	285 463	202 256	250 774
Repurchase agreements and cash collateral on securities lent	890 512	936 564	1 022 070
Customer accounts (deposits)	39 935 727	39 555 669	40 544 710
Debt securities in issue	1 504 991	1 802 586	1 691 297
Liabilities arising on securitisation of own originated loans and advances	170 095	163 787	176 287
Liabilities arising on securitisation of other assets	76 084	81 609	90 025
Current taxation liabilities	64 899	83 183	55 709
Deferred taxation liabilities	20 295	26 545	18 991
Other liabilities	1 563 748	1 873 714	2 349 474
	50 870 365	50 767 473	52 549 710
Liabilities to customers under investment contracts	119 328	108 370	84 202
Insurance liabilities, including unit-linked liabilities	13 905	2 521	2 841
	51 003 598	50 878 364	52 636 753
Subordinated liabilities	1 013 237	1 084 630	1 191 100
	52 016 835	51 962 994	53 827 853
Equity			
Ordinary share capital	247	247	247
Ordinary share premium	1 190 753	1 208 161	1 264 700
Treasury shares	(586 285)	(564 678)	(344 893)
Other reserves	(822 404)	(785 866)	(644 206)
Retained income	4 932 706	4 490 494	4 331 820
Ordinary shareholders' equity	4 715 017	4 348 358	4 607 668
Perpetual preference share capital and premium	131 437	136 259	153 539
Shareholders' equity excluding non-controlling interests	4 846 454	4 484 617	4 761 207
Other Additional Tier 1 securities in issue	391 779	398 568	405 093
Non-controlling interests	(1 173)	450 839	526 726
Total equity	5 237 060	5 334 024	5 693 026
Total liabilities and equity	57 253 895	57 297 018	59 520 879

[^] Restated as detailed below.

Condensed consolidated statement of changes in equity

£'000	Six months to 30 Sept 2023	Six months to 30 Sept 2022 [^]	Year to 31 March 2023 [^]
Balance at the beginning of the period as previously reported	5 334 024	5 739 756	5 739 756
Restatement	—	16 910	16 910
Balance at the beginning of the period restated	5 334 024	5 756 666	5 756 666
Total comprehensive income	540 129	437 872	484 584
Share-based payments adjustments	8 909	2 350	25 904
Dividends paid to ordinary shareholders	(161 086)	(134 797)	(260 673)
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 security holders	(21 654)	(19 602)	(40 419)
Dividends paid to non-controlling interests	(12 599)	(16 146)	(30 849)
Share buyback of ordinary share capital	(17 408)	(6 682)	(56 863)
Repurchase of perpetual preference shares	257	(14 771)	(19 379)
Issue of Other Additional Tier 1 security instruments	—	—	22 787
Repayment of Other Additional Tier 1 security instruments	—	—	(15 951)
Net equity impact of non-controlling interest movements	360	—	118
Employee benefit liability recognised	—	(9 377)	(9 224)
Movement of treasury shares	(20 898)	(19 818)	(240 008)
Derecognition of non-controlling interests on deconsolidation of subsidiary company	(412 974)	—	—
Distribution to ordinary shareholders	—	(282 669)	(282 669)
Balance at the end of the period	5 237 060	5 693 026	5 334 024

[^] Restated as detailed below.

Condensed consolidated cash flow statement

£'000	Six months to 30 Sept 2023	Six months to 30 Sept 2022 [^]	Year to 31 March 2023 [^]
Net cash (outflow)/ inflow from operating activities	(512 272)	(708 884)	422 407
Net cash (outflow)/inflow from investing activities	(199 932)	10 364	(13 993)
Net cash outflow from financing activities	(357 111)	(346 039)	(914 684)
Effects of exchange rates on cash and cash equivalents	(58 769)	28 694	(109 104)
Net decrease in cash and cash equivalents	(1 128 084)	(1 015 865)	(615 374)
Cash and cash equivalents at the beginning of the period	7 797 650	8 413 024	8 413 024
Cash and cash equivalents at the end of the period	6 669 566	7 397 159	7 797 650

[^] Restated as detailed below.

Headline earnings per share

£'000	Six months to 30 Sept 2023	Six months to 30 Sept 2022	Year to 31 March 2023
Headline earnings from total Group			
Earnings attributable to shareholders	614 884	478 123	804 865
Impairment of goodwill	—	805	890
Financial impact of strategic actions of discontinued operations excluding implementation costs	(280 737)	—	—
Gain on distribution of associate to shareholders	—	(155 146)	(155 146)
Taxation on strategic actions	2 359	(14 501)	(14 501)
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(21 654)	(19 602)	(40 419)
Property revaluation, net of taxation and non-controlling interests**	(311)	261	(1 355)
Headline adjustments of associates	—	(662)	561
(Loss)/gain on repurchase of perpetual preference shares	(14)	443	717
Headline earnings attributable to ordinary shareholders	314 527	289 721	595 612
Weighted average number of shares in issue during the year	851 765 254	906 282 877	891 940 412
Headline earnings per share – pence	36.9	32.0	66.8
Diluted headline earnings per share – pence***	35.5	30.8	64.2

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

** Taxation on property revaluation headline earnings adjustments amounted to £0.1 million (2022: £0.1 million) with an impact of £nil (2022: £0.3 million) on earnings attributable to non-controlling interests. The amount includes property revaluations included in equity accounted earnings.

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

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 six months to 30 September 2023 £'000	Private Client		Specialist Banking		Group Investments	Group Costs	Total Group	% change	% of total
	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other						
UK and Other	—	40 391	166 992	6 233	(14 052)	199 564	48.8%	44.0%	
Southern Africa	17 475	71 684	125 149	(4 389)	(6 990)	202 929	(9.3%)	44.8%	
Continuing operations adjusted operating profit	17 475	112 075	292 141	1 844	(21 042)	402 493	12.5%	88.8%	
Discontinued operations*	47 828	—	—	3 012	—	50 840	8.0%	11.2%	
Total Group adjusted operating profit	65 303	112 075	292 141	4 856	(21 042)	453 333	11.9%	100.0%	
Non-controlling interest						4			
Non-controlling interests of discontinued operations						11 766			
Operating profit before non-controlling interests						465 103			
Operating profit before non-controlling interests from continuing operations						402 497			
Operating profit before non-controlling interests of discontinued operations						62 606			
% change	17.8 %	(5.9)%	37.5 %	(84.9)%	47.9 %	11.9 %			
% of total	14.4%	24.7%	64.4%	1.1%	(4.6)%	100.0%			
Total assets £'mn	443	15 489	40 869	453	—	57 254			

For the six months to 30 September 2022 £'000	Private Client		Specialist Banking		Group Investments^	Group Costs	Total Group	% of total
	Wealth & Investment^	Private Banking	Corporate, Investment Banking and Other					
UK and Other	—	29 370	99 275	12 056	(6 568)	134 133	33.1%	
Southern Africa	15 184	89 679	113 260	13 310	(7 663)	223 770	55.3%	
Continuing operations adjusted operating profit	15 184	119 049	212 535	25 366	(14 231)	357 903	88.4%	
Discontinued operations*	40 254	—	—	6 838	—	47 092	11.6%	
Total Group adjusted operating profit	55 438	119 049	212 535	32 204	(14 231)	404 995	100.0%	
Non-controlling interest						—		
Non-controlling interests of discontinued operations						28 673		
Operating profit before non-controlling interests						433 668		
Operating profit before non-controlling interests from continuing operations						357 903		
Operating profit before non-controlling interests of discontinued operations						75 765		
% of total	13.7%	29.4%	52.5%	8.0%	(3.5)%	100.0%		
Total assets^ £'mn	1 238	16 470	40 153	1 660	—	59 521		

^ Restated as detailed below.

* Refer to discontinued operations disclosure.

Pro-forma income statement

Given the nature of the IW&I UK and IPF transactions, the Group essentially retains similar economic interest to these investments before and after the transactions. In order to provide information that will be more comparable to the future presentation of returns from these investments and given their new holding structures, proforma information has been prepared as if the transactions had been in effect from the beginning of the period, i.e. IW&I UK has been presented as an equity accounted investment and IPF as an investment at fair value through profit or loss. The measurement of the total contribution to profit remains based on the accounting prior to loss of control, and has not been adjusted for the change in holding structure.

£'000	Six months to 30 September 2023	Re-presentation of discontinued operation - IPF	Re-presentation of discontinued operation -	Six months to 30 Sept 2023 Pro-forma
Net interest income	682 638	—	—	682 638
Net fee and commission income	196 061	—	—	196 061
Investment income	22 436	3 012	—	25 448
Share of post taxation profit of associates and joint venture holdings	3 241	—	35 855	39 096
Trading income arising from				
– customer flow	79 296	—	—	79 296
– balance sheet management and other trading activities	21 454	—	—	21 454
Other operating income	(230)	—	—	(230)
Total operating income before expected credit loss impairment charges	1 004 896	3 012	35 855	1 043 763
Expected credit loss impairment charges	(46 291)	—	—	(46 291)
Operating income	958 605	3 012	35 855	997 472
Operating costs	(556 108)	—	—	(556 108)
Operating profit before goodwill and acquired intangibles	402 497	3 012	35 855	441 364
Operating profit before strategic actions and non-controlling interests of discontinued operations*	62 606	(14 778)	(47 828)	—
Taxation on operating profit before goodwill and acquired intangibles	(89 123)	—	—	(89 123)
Taxation on operating profit before goodwill and acquired intangibles of discontinued operations*	(11 973)	—	11 973	—
	364 007	(11 766)	—	352 241
Profit attributable to non-controlling interests	(4)	—	—	(4)
Profit attributable to non-controlling interests of discontinued operations*	(11 766)	11 766	—	—
	352 237	—	—	352 237
Earnings attributable perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(22 408)	—	—	(22 408)
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items	329 829	—	—	329 829

* Refer to discontinued operations disclosure.

£'000	Six months to 30 September 2022	Re-presentation of discontinued operation - IPF	Re-presentation of discontinued operation -	Six months to 30 Sept 2022 Pro-forma
Net interest income	607 833	—	—	607 833
Net fee and commission income	206 653	—	—	206 653
Investment income	29 792	6 838	—	36 630
Share of post taxation profit of associates and joint venture holdings	28 012	—	32 365	60 377
Trading income/(loss) arising from				
– customer flow	66 236	—	—	66 236
– balance sheet management and other trading activities	(10 339)	—	—	(10 339)
Other operating income	(6 651)	—	—	(6 651)
Total operating income before expected credit loss impairment charges	921 536	6 838	32 365	960 739
Expected credit loss impairment charges	(29 351)	—	—	(29 351)
Operating income	892 185	6 838	32 365	931 388
Operating costs	(534 282)	—	—	(534 282)
Operating profit before goodwill and acquired intangibles	357 903	6 838	32 365	397 106
Operating profit before strategic actions and non-controlling interests of discontinued operations*	75 765	(35 511)	(40 254)	—
Taxation on operating profit before goodwill and acquired intangibles	(79 721)	—	—	(79 721)
Taxation on operating profit before goodwill and acquired intangibles of discontinued operations*	(6 909)	—	7 889	980
	347 038	(28 673)	—	318 365
Profit attributable to non-controlling interests of discontinued operations*	(28 673)	28 673	—	—
	318 365	—	—	318 365
Earnings attributable perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(20 130)	—	—	(20 130)
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items	298 235	—	—	298 235

£'000	Year to 31 March 2023	Re-presentation of discontinued operation - IPF	Re-presentation of discontinued operation -	Year to 31 March 2023 Pro-forma
Net interest income	1 294 207	—	—	1 294 207
Net fee and commission income	397 355	—	—	397 355
Investment income	29 303	50	—	29 353
Share of post taxation profit of associates and joint venture holdings	30 034	—	74 555	104 589
Trading income arising from				
– customer flow	142 199	—	—	142 199
– balance sheet management and other trading activities	14 235	—	—	14 235
Other operating income	4 386	—	—	4 386
Total operating income before expected credit loss impairment charges	1 911 719	50	74 555	1 986 324
Expected credit loss impairment charges	(80 846)	—	—	(80 846)
Operating income	1 830 873	50	74 555	1 905 478
Operating costs	(1 085 999)	—	—	(1 085 999)
Operating profit before goodwill and acquired intangibles	744 874	50	74 555	819 479
Operating profit before strategic actions and non-controlling interests of discontinued operations*	103 620	(11 864)	(91 756)	—
Taxation on operating profit before goodwill and acquired intangibles	(163 522)	—	—	(163 522)
Taxation on operating profit before goodwill and acquired intangibles of discontinued operations*	(16 182)	—	17 201	1 019
	668 790	(11 814)	—	656 976
Profit attributable to non-controlling interests	(752)	—	—	(752)
Profit attributable to non-controlling interests of discontinued operations*	(11 814)	11 814	—	—
	656 224	—	—	656 224
Earnings attributable perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(41 872)	—	—	(41 872)
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items	614 352	—	—	614 352

* Refer to discontinued operations disclosure.

Discontinued operations

The effective date of the combination of Investec Wealth & Investment Limited and Rathbones Group Plc was 21 September 2023, at which point the Group deconsolidated its 100% holding in Investec Wealth & Investment Limited. The completion date of the sale of the Investec Property Fund (IPF) management companies was 6 July 2023 at which point the Group deconsolidated its existing c.24.3% investment in IPF. The Investec Wealth & Investment business and IPF have been disclosed as discontinued operations. The Wealth & Investment business was disclosed in the Wealth & Investment segment in the UK and other geography and the IPF business was disclosed in the Group Investments segment in the Southern Africa geography.

Reconciliation of profit after taxation and financial impact of strategic actions from discontinued operations as disclosed in the income statement to earnings from discontinued operations attributable to shareholders provided in the tables below

For the six months to 30 September £'000	Six months to 30 September 2023	Six months to 30 September 2022	Year to 31 March 2023
Operating profit before strategic actions and non-controlling interests	62 606	75 765	103 620
Amortisation of acquired intangibles	(6 424)	(6 662)	(12 625)
Taxation on operating profit	(11 973)	(6 909)	(16 182)
Taxation on amortisation of acquired intangibles	1 615	1 103	2 031
Operating profit before strategic actions and non-controlling interests from discontinued operations	45 824	63 297	76 844
Financial impact of strategic actions	267 902	—	(4 938)
Taxation on strategic actions	(2 359)	—	—
Profit after taxation and financial impact of strategic actions from discontinued operations	311 367	63 297	71 906
Profit attributable to non-controlling interests of discontinued operations	(11 766)	(28 673)	(11 814)
Earnings from discontinued operations attributable to shareholders	299 601	34 624	60 092

The table below presents the income statement from discontinued operations included in the total group income statement for the period to 30 September 2023.

For the six months to 30 September 2023

£'000	UK and Other	Southern Africa	Total
Net interest income	17 324	(6 194)	11 130
Net fee and commission income	161 610	13 088	174 698
Investment income	—	3 390	3 390
Trading income/(loss) arising from			
– customer flow	—	(9 749)	(9 749)
– balance sheet management and other trading activities	—	17 181	17 181
Total operating income before expected credit loss impairment charges	178 934	17 716	196 650
Expected credit loss impairment charges	—	(267)	(267)
Operating income	178 934	17 449	196 383
Operating costs	(131 106)	(2 671)	(133 777)
Operating profit before strategic actions and non-controlling interests	47 828	14 778	62 606
Profit attributable to non-controlling interests from discontinued operations	—	(11 766)	(11 766)
Operating profit before strategic actions	47 828	3 012	50 840
Amortisation of acquired intangibles	(6 424)	—	(6 424)
Financial impact of strategic actions	361 684	(93 782)	267 902
Profit before taxation	403 088	(90 770)	312 318
Taxation on operating profit before strategic actions	(11 973)	—	(11 973)
Taxation on financial impact of strategic actions and acquired intangibles	781	(1 525)	(744)
Earnings/(loss) from discontinued operations attributable to shareholders	391 896	(92 295)	299 601

The table below presents the income statement from discontinued operations included in the total group income statement for the year to 30 September 2022.

For the six months to 30 September 2022

£'000	UK and Other	Southern Africa	Total
Net interest income	8 029	(11 079)	(3 050)
Net fee and commission income	161 902	27 175	189 077
Investment income/(loss)	1	(1 175)	(1 174)
Share of post-taxation loss of associates and joint venture holdings	—	(558)	(558)
Trading income arising from			
– customer flow	—	3 137	3 137
– balance sheet management and other trading activities	1	19 746	19 747
Total operating income before expected credit loss impairment charges	169 933	37 246	207 179
Expected credit loss impairment (release)/charges	2	(852)	(850)
Operating income	169 935	36 394	206 329
Operating costs	(129 681)	(883)	(130 564)
Operating profit before non-controlling interests	40 254	35 511	75 765
Profit attributable to non-controlling interests from discontinued operations	—	(28 673)	(28 673)
Operating profit	40 254	6 838	47 092
Amortisation of acquired intangibles	(6 662)	—	(6 662)
Profit before taxation	33 592	6 838	40 430
Taxation on operating profit	(7 889)	980	(6 909)
Taxation on acquired intangibles	1 103	—	1 103
Earnings from discontinued operations attributable to shareholders	26 806	7 818	34 624

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

For the year to 31 March 2023

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

Financial impact of strategic actions of discontinued operations

For the six months to 30 September	
£'000	2023
Remeasurement on deconsolidation of IPF, net of gain on sale of IPF management business	(93 782)
Gain on the loss of control on the combination with Rathbones group	361 684
Financial impact of strategic actions before taxation	267 902
Taxation on financial impact of strategic actions	(2 359)
Net financial impact of strategic actions	265 543

Investec Wealth & Investment Limited

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

Gain on loss of control of Investec Wealth & Investment Limited

£'000	2023
The gain is calculated as follows:	
Fair value of % received in Rathbones Group	779 421
Net asset value of Investec Wealth & Investment previously consolidated (including goodwill)	(405 755)
Gain on the combination of Rathbones Group before taxation	373 666
Implementation costs	(11 982)
Gain on combination of Rathbones Group before taxation	361 684
Taxation on gain	(834)
Gain on combination of Rathbones Group	360 850

Major classes of assets and liabilities

£'000	2023
Loans and advances to banks	172 595
Goodwill	242 354
Other assets	360 379
Other liabilities	(369 573)
Net asset value of Investec Wealth & Investment previously consolidated (including goodwill)	405 755

Remeasurement on deconsolidation of IPF, net of gain on sale of IPF management business

The completion date of the sale of the IPF management companies was 6 July 2023 at which point the Group deconsolidated its current c.24.3% investment in IPF. Historically, IPF has been controlled by the Group because of the power over relevant activities held by the IPF management function which were, until the current period, wholly owned by the Group and that the majority of directors of IPF were associated with the Group. In the current period, the management companies were sold into the fund, and as a result the Group lost control of both these functions and the executive directors transferred employment from Investec to IPF reducing the number of directors associated with Investec to less than majority. The investment in IPF is now held as an associate company. In accordance with the Group's accounting policies, associates that are held with no strategic intention should be accounted for at fair value through profit or loss by applying the venture capital exemption as provided in IAS 28. The investment is disclosed in the investment portfolio line on the balance sheet. Investec Limited, through its ordinary course of business has been classified as a venture capital entity and this exemption provided in IAS 28 has been applied.

Loss on sale of IPF asset management function and deconsolidation

£'000	2023
The loss is calculated as follows:	
Fair value of the consideration	34 330
Fair value of investment at 6 July 2023	61 035
Net asset value of IPF previously consolidated (including non-controlling interests)	(545 891)
Non-controlling interest derecognised previously included in the consolidation of IPF at 6 July 2023	412 974
Foreign currency translation reserve recycled to the income statement on distribution	(55 377)
Loss before taxation and costs	(92 929)
Implementation costs	(853)
Loss before taxation	(93 782)
Taxation benefit (release of deferred taxation)	(1 525)
Loss on sale of IPF management function and deconsolidation net of taxation and implementation costs	(95 307)

Major classes of assets and liabilities

£'000	2023
Investment properties	568 568
Investment portfolio	425 863
Other assets	88 056
Deposits by banks	(258 403)
Debt securities in issue	(208 464)
Other liabilities	(69 729)
Net asset value of IPF previously consolidated (including non-controlling interests)	545 891

Balance sheet and cash flow statement restatements

Derivative financial instruments

Resulting from the restatement made at 31 March 2023, 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 £41.1 million, at 30 September 2022, 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 sheet has been restated for the reclassification. This change has no impact on the comparative income statement or cash flow statement.

Non-sovereign and non-bank cash placements and loans and advances to customers

Change in classification from non-sovereign and non-bank cash placements to loans and advances to customers

During the period to 30 September 2023, following a revision of management's internal policies defining the instruments to be included as non-sovereign and non-bank cash placements and loans and advances, management concluded that £197.4 million (September 2022: £232.9 million; March 2023: £201.8 million) previously classified in non-sovereign and non-bank cash placements should be disclosed within loans and advances to customers (based on the revised policies). The change in classification is considered more relevant on the basis that certain short term facilities to small and medium enterprises are better reflected as loans and advances to customers as it forms part of the funding strategy of these clients. The comparative balance sheets have been restated for the reclassification. This change has no impact on the comparative income statements.

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

£396.3 million (September 2022: £660.1 million; March 2023: £644.1 million) net of ECL of £0.7 million (September 2022: £3.3 million; March 2023: £2.3 million) of non-sovereign and non-bank cash placements were previously classified as cash and cash equivalents for the purposes of the cash flow statement. Management concluded that whilst these balances are available on demand, the nature of these products and the underlying credit risk more closely aligns with operating cash flow rather than cash and cash equivalents. The comparative cash flow statements have been restated to more appropriately reflect the nature of these balances. This change has no impact on the comparative income statements or balance sheets.

Cash flow hedge reserve

During the period to 30 September 2023, it was identified that the fair value of instruments designated as fair value hedges were incorrectly booked in equity to the cash flow hedge reserve. Accordingly, the cash flow hedging reserve was reclassified to the underlying hedged items that are disclosed in bank debt securities and other debt securities on the balance sheet. The adjustment was made to the hedged item line item as the hedged item was accounted for at amortised cost. The associated deferred taxation was reversed. The hedges were effective and accordingly did not have any impact on the income statement. This change has no impact on the cash flow statement. It was further identified that amounts previously recognised within the cash flow hedging reserve were not correctly released to the income statement within the respective periods in which the hedged risk impacted earnings. These amounts have been restated retrospectively against retained earnings.

The impact of these changes on the 30 September 2022 and 31 March 2023 balance sheet are:

£'000	At 30 Sept 2022 as previously reported	Restatement	At 30 Sept 2022 restated
Assets			
Non-sovereign and non-bank cash placements	660 133	(232 925)	427 208
Bank debt securities*	1 096 296	7 005	1 103 301
Other debt securities*	1 263 504	18 023	1 281 527
Derivative financial instruments	1 811 234	(41 101)	1 770 133
Loans and advances to customers	30 728 533	232 925	30 961 458
Deferred taxation*	255 300	(10 245)	245 055
Total assets	59 547 197	(26 318)	59 520 879
Liabilities			
Derivative financial instruments	2 988 558	(41 101)	2 947 457
Total liabilities	53 868 954	(41 101)	53 827 853
Equity			
Other reserves*	(673 607)	29 401	(644 206)
Retained income*	4 346 438	(14 618)	4 331 820
Total Equity	5 678 243	14 783	5 693 026

£'000	At 31 March 2023 as previously reported	Restatement	At 31 March 2023 restated
Assets			
Non-sovereign and non-bank cash placements	644 065	(201 811)	442 254
Bank debt securities*	939 509	10 475	949 984
Other debt securities*	1 229 392	14 839	1 244 231
Loans and advances to customers	29 911 158	201 811	30 112 969
Deferred taxation*	258 126	(22 955)	235 171
Total assets	57 294 659	2 359	57 297 018
Equity			
Other reserves*	(850 742)	64 876	(785 866)
Retained income*	4 553 011	(62 517)	4 490 494
Total Equity	5 331 665	2 359	5 334 024

* Relates to cash flow hedge reserve restatement

The impact of the above changes on the 30 September 2022 and 31 March 2023 cash flow statements are:

£'000	At 30 Sept 2022 as previously reported	Restatement	At 30 Sept 2022 restated
Net cash outflow from operating activities	(710 149)	1 265	(708 884)
Effects of exchange rate changes on cash and cash equivalents	6 655	22 039	28 694
Cash and cash equivalents at the beginning of the period	9 099 740	(686 716)	8 413 024
Cash and cash equivalents at the end of the period	8 060 571	(663 412)	7 397 159

£'000	At 31 March 2023 as previously reported	Restatement	At 31 March 2023 restated
Net cash inflow from operating activities	469 757	(47 350)	422 407
Effects of exchange rate changes on cash and cash equivalents	(196 806)	87 702	(109 104)
Cash and cash equivalents at the beginning of the period	9 099 740	(686 716)	8 413 024
Cash and cash equivalents at the end of the period	8 444 014	(646 364)	7 797 650

The impact of the above changes on the 30 September 2022 and 31 March 2023 statement of total comprehensive income is:

£'000	At 30 Sept 2022 as previously reported	Restatement	At 30 Sept 2022 restated
Fair value movements on cash flow hedges taken directly to other comprehensive income	38 843	(11 465)	27 378
Foreign currency adjustments on translating foreign operations	(35 211)	9 338	(25 873)
Total comprehensive income	439 999	(2 127)	437 872

£'000	At 31 March 2023 as previously reported	Restatement	At 31 March 2023 restated
Fair value movements on cash flow hedges taken directly to other comprehensive income	39 717	(9 687)	30 030
Foreign currency adjustments on translating foreign operations	(306 053)	(4 864)	(310 917)
Total comprehensive income	499 135	(14 551)	484 584

Income statement restatements

Discontinued operations

The effective date of the combination of Investec Wealth & Investment Limited and Rathbones Group Plc was 21 September 2023, at which point the Group deconsolidated its 100% holding in Investec Wealth & Investment Limited. The completion date of the sale of the Investec Property Fund (IPF) management companies was 6 July 2023 at which point the Group deconsolidated its existing c.24.3% investment in IPF. The Investec Wealth & Investment business and IPF have been disclosed as discontinued operations and the income statement for the prior periods have been appropriately re-presented. Refer to discontinued operations

Fee and commission expense and operating costs

During the period to 30 September 2023 management concluded that £3.8 million (September 2022: £2.6 million; March 2023: £7.1 million) of costs relating to fee and commission income would be more appropriately disclosed within fee and commission expense, due to the nature of these costs. As a result, fee and commission expense and operating costs for the prior periods have been voluntarily restated. The restatement has no impact on operating profit in the income statement, headline earnings, the cash flow statement and balance sheet.

These reclassifications in the income statements for the prior periods are shown in the tables below:

£'000	Six months to 30 September 2022 as previously reported	Re-presentation as a discontinued operation	Restatement	Six months to 30 Sept 2022 restated
Interest income	1 342 691	(10 153)	—	1 332 538
Interest expense	(737 908)	13 203	—	(724 705)
Net interest income	604 783	3 050	—	607 833
Fee and commission income	424 451	(191 009)	—	233 442
Fee and commission expense	(26 168)	1 932	(2 553)	(26 789)
Investment income	28 618	1 174	—	29 792
Share of post taxation profit of associates and joint venture holdings	27 454	558	—	28 012
Trading income/(loss) arising from				
– customer flow	69 373	(3 137)	—	66 236
– balance sheet management and other trading activities	9 408	(19 747)	—	(10 339)
Other operating income	(6 651)	—	—	(6 651)
Total operating income before expected credit loss impairment charges	1 131 268	(207 179)	(2 553)	921 536
Expected credit loss impairment charges	(30 201)	850	—	(29 351)
Operating income	1 101 067	(206 329)	(2 553)	892 185
Operating costs	(667 399)	130 564	2 553	(534 282)
Operating profit before goodwill and acquired intangibles	433 668	(75 765)	—	357 903
Impairment of goodwill	(805)	—	—	(805)
Amortisation of acquired intangibles	(7 978)	6 662	—	(1 316)
Amortisation of acquired intangibles of associates	(1 542)	—	—	(1 542)
Closure and rundown of the Hong Kong direct investments business	(280)	—	—	(280)
Operating profit	423 063	(69 103)	—	353 960
Net gain on distribution of associate to shareholders	154 407	—	—	154 407
Profit before taxation	577 470	(69 103)	—	508 367
Taxation on operating profit before goodwill and acquired intangibles	(86 630)	6 909	—	(79 721)
Taxation on acquired intangibles and net gain on distribution of associate to shareholders	15 956	(1 103)	—	14 853
Profit after taxation from continuing operations	506 796	(63 297)	—	443 499
Profit after taxation from discontinued operations	—	63 297	—	63 297
Profit after taxation	506 796	—	—	506 796
Profit attributable to non-controlling interests	(28 673)	28 673	—	—
Profit attributable to non-controlling interests of discontinued operations	—	(28 673)	—	(28 673)
Earnings attributable to shareholders	478 123	—	—	478 123
Earnings per share (pence)				
– Basic	50.6			50.6
– Diluted	48.9			48.9
– Basic for continuing operations	n/a			46.8
– Diluted for continuing operations	n/a			45.2
Adjusted earnings per share (pence)				
– Basic	32.9			32.9
– Diluted	31.8			31.8
– Basic for continuing operations	n/a			28.5
– Diluted for continuing operations	n/a			27.5
Headline earnings per share (pence)				
– Basic	32.0			32.0
– Diluted	30.8			30.8
– Basic for continuing operations	n/a			28.1
– Diluted for continuing operations	n/a			27.1

£'000	Year to 31 March 2023 as previously reported	Re-presentation as a discontinued operation	Restatement	Year to 31 March 2023 restated
Interest income	3 397 341	(27 919)	—	3 369 422
Interest expense	(2 101 584)	26 369	—	(2 075 215)
Net interest income	1 295 757	(1 550)	—	1 294 207
Fee and commission income	832 213	(378 543)	—	453 670
Fee and commission expense	(52 860)	3 635	(7 090)	(56 315)
Investment income	(17 145)	46 448	—	29 303
Share of post taxation profit of associates and joint venture holdings	29 149	885	—	30 034
Trading income/(loss) arising from				
– customer flow	131 204	10 995	—	142 199
– balance sheet management and other trading activities	57 714	(43 479)	—	14 235
Other operating income	4 386	—	—	4 386
Total operating income before expected credit loss impairment charges	2 280 418	(361 609)	(7 090)	1 911 719
Expected credit loss impairment charges	(81 089)	243	—	(80 846)
Operating income	2 199 329	(361 366)	(7 090)	1 830 873
Operating costs	(1 350 835)	257 746	7 090	(1 085 999)
Operating profit before goodwill and acquired intangibles	848 494	(103 620)	—	744 874
Impairment of goodwill	(890)	—	—	(890)
Amortisation of acquired intangibles	(15 160)	12 625	—	(2 535)
Amortisation of acquired intangibles of associates	(1 542)	—	—	(1 542)
Closure and rundown of the Hong Kong direct investments business	(450)	—	—	(450)
Operating profit	830 452	(90 995)	—	739 457
Net gain on distribution of associate to shareholders	154 438	—	—	154 438
Financial impact of group restructures	(4 968)	4 938	—	(30)
Profit before taxation	979 922	(86 057)	—	893 865
Taxation on operating profit before goodwill and acquired intangibles	(179 704)	16 182	—	(163 522)
Taxation on acquired intangibles and net gain on distribution of associate to shareholders	17 213	(2 031)	—	15 182
Profit after taxation from continuing operations	817 431	(71 906)	—	745 525
Profit after taxation from discontinued operations	—	71 906	—	71 906
Profit after taxation	817 431	—	—	817 431
Profit attributable to non-controlling interests	(12 566)	11 814	—	(752)
Profit attributable to non-controlling interests of discontinued operations	—	(11 814)	—	(11 814)
Earnings attributable to shareholders	804 865	—	—	804 865
Earnings per share (pence)				
– Basic	85.8			85.8
– Diluted	82.5			82.5
– Basic for continuing operations	n/a			79.1
– Diluted for continuing operations	n/a			76.0
Adjusted earnings per share (pence)				
– Basic	68.9			68.9
– Diluted	66.3			66.3
– Basic for continuing operations	n/a			60.4
– Diluted for continuing operations	n/a			58.1
Headline earnings per share (pence)				
– Basic	66.8			66.8
– Diluted	64.2			64.2
– Basic for continuing operations	n/a			59.9
– Diluted for continuing operations	n/a			57.6

Contingent liabilities and legal matters

Historical German dividend tax arbitrage transactions

Investec Bank plc has previously been notified by the Office of the Public Prosecutor in Cologne, Germany, that it and certain of its current and former employees may be involved in possible charges relating to historical involvement in German dividend tax arbitrage transactions (known as cum-ex transactions). Investigations are ongoing and no formal proceedings have been issued against Investec Bank plc by the Office of the Public Prosecutor. In addition, Investec Bank plc received certain enquiries in respect of client tax reclaims for the periods 2010–2011 relating to the historical German dividend arbitrage transactions from the German Federal Tax Office (FTO) in Bonn. The FTO has provided more information in relation to their claims and Investec Bank plc has sought further information and clarification.

Investec Bank plc is 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.

Acquisitions

During the reporting period we completed a stepped acquisition increasing our shareholding in our Capitalmind associates from 30% to 60% for a consideration of £43.6 million and therefore as at 30 September 2023 have consolidated these entities as subsidiaries. We have measured the non-controlling interest as the proportionate share of the identifiable net assets. Goodwill of £56 million has been recognised as a consequence of this increased shareholding. We are utilising the 12 month window post acquisition to finalise the purchase price allocation which may lead to adjustments to goodwill and intangible asset figures.

The goodwill recognised of £56 million is in relation to the purchase price for the additional 30% acquired, the fair value of the previously held 30% and the non-controlling interest measured at its proportionate share of 40% of net asset value compared to the fair value of the identifiable assets on transaction date.

Net fee and commission income

For the six months to 30 September 2023 £'000	UK and Other	Southern Africa	Total
Wealth & Investment net fee and commission income	—	52 250	52 250
Fund management fees/fees for funds under management	—	32 383	32 383
Private client transactional fees*	—	21 361	21 361
Fee and commission expense	—	(1 494)	(1 494)
Specialist Banking net fee and commission income	65 103	78 711	143 814
Specialist Banking fee and commission income**	72 245	99 686	171 931
Specialist Banking fee and commission expense	(7 142)	(20 975)	(28 117)
Group Investments net fee and commission income	—	(3)	(3)
Group Investments fee and commission income	—	(3)	(3)
Group Investments fee and commission expense	—	—	—
Net fee and commission income	65 103	130 958	196 061
Annuity fees (net of fees payable)	4 593	93 159	97 752
Deal fees	60 510	37 799	98 309

For the six months to 30 September 2022 [^] £'000	UK and Other	Southern Africa	Total
Wealth & Investment net fee and commission income	—	51 900	51 900
Fund management fees/fees for funds under management	—	33 379	33 379
Private client transactional fees*	—	19 747	19 747
Fee and commission expense	—	(1 226)	(1 226)
Specialist Banking net fee and commission income	61 671	93 082	154 753
Specialist Banking fee and commission income**	69 374	110 942	180 316
Specialist Banking fee and commission expense	(7 703)	(17 860)	(25 563)
Group Investments net fee and commission income	—	—	—
Group Investments fee and commission income	—	—	—
Group Investments fee and commission expense	—	—	—
Net fee and commission income	61 671	144 982	206 653
Annuity fees (net of fees payable)	8 131	98 299	106 430
Deal fees	53 540	46 683	100 223

[^] Restated as detailed below.

* Trust and fiduciary fees amounted to £0.2 million and are included in Private client transactional fees.

** Included in Specialist Banking is fee and commission income of £4.3 million for operating lease income which is out of the scope of IFRS 15 – Revenue from contracts with customers.

Analysis of assets and liabilities by measurement category

At 30 September 2023 £'000	Total instruments at fair value	Amortised cost	Non-financial instruments or scoped out of IFRS 9	Total
Assets				
Cash and balances at central banks	—	5 335 622	—	5 335 622
Loans and advances to banks	—	1 441 768	—	1 441 768
Non-sovereign and non-bank cash placements	20 206	376 105	—	396 311
Reverse repurchase agreements and cash collateral on securities borrowed	1 461 784	2 961 092	—	4 422 876
Sovereign debt securities	3 115 738	2 312 374	—	5 428 112
Bank debt securities	525 649	281 417	—	807 066
Other debt securities	318 738	954 494	—	1 273 232
Derivative financial instruments	1 329 833	—	—	1 329 833
Securities arising from trading activities	1 576 610	—	—	1 576 610
Investment portfolio	838 350	—	—	838 350
Loans and advances to customers	2 452 020	28 267 580	—	30 719 600
Own originated loans and advances to customers securitised	—	281 543	—	281 543
Other loans and advances	—	134 310	—	134 310
Other securitised assets	72 443	23 853	—	96 296
Interests in associated undertakings and joint venture holdings	—	—	828 093	828 093
Current taxation assets	—	—	70 415	70 415
Deferred taxation assets	—	—	202 392	202 392
Other assets	203 132	774 345	538 056	1 515 533
Property and equipment	—	—	222 133	222 133
Investment properties	—	—	111 157	111 157
Goodwill	—	—	76 085	76 085
Software	—	—	10 063	10 063
Non-current assets classified as held for sale	—	—	3 262	3 262
	11 914 503	43 144 503	2 061 656	57 120 662
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	133 233	—	—	133 233
	12 047 736	43 144 503	2 061 656	57 253 895
Liabilities				
Deposits by banks	—	3 886 578	—	3 886 578
Derivative financial instruments	2 471 973	—	—	2 471 973
Other trading liabilities	285 463	—	—	285 463
Repurchase agreements and cash collateral on securities lent	212 817	677 695	—	890 512
Customer accounts (deposits)	3 286 844	36 648 883	—	39 935 727
Debt securities in issue	17 525	1 487 466	—	1 504 991
Liabilities arising on securitisation of own originated loans and advances	—	170 095	—	170 095
Liabilities arising on securitisation of other assets	76 084	—	—	76 084
Current taxation liabilities	—	—	64 899	64 899
Deferred taxation liabilities	—	—	20 295	20 295
Other liabilities	34 621	884 523	644 604	1 563 748
	6 385 327	43 755 240	729 798	50 870 365
Liabilities to customers under investment contracts	119 328	—	—	119 328
Insurance liabilities, including unit-linked liabilities	13 905	—	—	13 905
	6 518 560	43 755 240	729 798	51 003 598
Subordinated liabilities	—	1 013 237	—	1 013 237
	6 518 560	44 768 477	729 798	52 016 835

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 30 September 2023 £'000	Total instruments at fair value	Fair value category		
		Level 1	Level 2	Level 3
Assets				
Non-sovereign and non-bank cash placements	20 206	—	20 206	—
Reverse repurchase agreements and cash collateral on securities borrowed	1 461 784	—	1 461 784	—
Sovereign debt securities	3 115 738	3 115 738	—	—
Bank debt securities	525 649	350 685	174 964	—
Other debt securities	318 738	80 472	157 728	80 538
Derivative financial instruments	1 329 833	—	1 276 911	52 922
Securities arising from trading activities	1 576 610	1 560 872	11 811	3 927
Investment portfolio	838 350	248 347	2 325	587 678
Loans and advances to customers	2 452 020	—	665 133	1 786 887
Other securitised assets	72 443	—	—	72 443
Other assets	203 132	194 920	8 212	—
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	133 233	133 233	—	—
	12 047 736	5 684 267	3 779 074	2 584 395
Liabilities				
Derivative financial instruments	2 471 973	—	2 408 479	63 494
Other trading liabilities	285 463	139 703	145 760	—
Repurchase agreements and cash collateral on securities lent	212 817	—	212 817	—
Customer accounts (deposits)	3 286 844	—	3 286 844	—
Debt securities in issue	17 525	—	17 525	—
Liabilities arising on securitisation of other assets	76 084	—	—	76 084
Other liabilities	34 621	—	34 621	—
Liabilities to customers under investment contracts	119 328	—	119 328	—
Insurance liabilities, including unit-linked liabilities	13 905	—	13 905	—
	6 518 560	139 703	6 239 279	139 578
Net financial assets/(liabilities) at fair value	5 529 176	5 544 564	(2 460 205)	2 444 817

Transfers between level 1 and level 2

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

Measurement of financial assets and liabilities at level 2

The table below sets out information about the valuation techniques used at the end of the reporting period in measuring financial instruments categorised as level 2 in the fair value hierarchy:

	Valuation basis/techniques	Main inputs
Assets		
Non-sovereign and non-bank cash placements	Discounted cash flow model	Yield 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	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 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	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	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

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.

£'000	Investment portfolio	Loans and advances to customers	Other securitised assets	Other balance sheet assets	Total
Assets					
Balance at 1 April 2023	1 127 964	1 336 871	78 231	151 118	2 694 184
Total (losses) or gains	(10 229)	83 499	(12)	3 076	76 334
In the income statement	(10 229)	80 189	(12)	3 076	73 024
In the statement of comprehensive income	—	3 310	—	—	3 310
Purchases	14 142	1 268 109	—	39 259	1 321 510
Sales	(66 110)	(466 173)	—	(14 131)	(546 414)
Issues	—	3 229	—	—	3 229
Settlements	(41 984)	(448 598)	(5 776)	(43 104)	(539 462)
Discontinued operations	(425 844)	—	—	—	(425 844)
Foreign exchange adjustments	(10 261)	9 950	—	1 169	858
Balance at 30 September 2023	587 678	1 786 887	72 443	137 387	2 584 395

£'000		Liabilities arising on securitisation of other assets	Other balance sheet liabilities	Total
Liabilities				
Balance at 1 April 2023		81 609	111 858	193 467
Total losses in the income statement		309	3 170	3 479
Disposal of subsidiaries		—	(3 933)	(3 933)
Settlements		(5 834)	(3 567)	(9 401)
Discontinued operations		—	(45 387)	(45 387)
Foreign exchange adjustments		—	1 353	1 353
Balance at 30 September 2023		76 084	63 494	139 578

The Group transfers between levels within the fair value hierarchy when the significance of the unobservable inputs change or if the valuation methods change. Transfers are deemed to occur at the end of each semi-annual reporting period.

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

For the year to 30 September 2023			
£'000	Total	Realised	Unrealised
Total gains included in the income statement for the period			
Net interest income	80 843	65 250	15 593
Investment (loss)/income	(8 270)	64 019	(72 289)
Trading income arising from customer flow	(3 028)	—	(3 028)
	69 545	129 269	(59 724)
Total gains included in other comprehensive income for the period			
Gain on realisation on debt instruments at FVOCI recycled through the income statement	89	89	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	3 310	—	3 310
	3 399	89	3 310

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 30 September 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	80 538	Potential impact on income statement		2 308	(4 727)
		Credit spreads	0.42%-0.88%	116	(235)
		Cash flow adjustments	CPR 15.95%	9	(9)
		Other [^]	^	2 183	(4 483)
Derivative financial instruments	52 922	Potential impact on income statement		5 015	(5 359)
		Volatilities	7.5%-22.3%	7	(14)
		Underlying asset value ^{^^}	^^	4 320	(4 322)
		Cash flow adjustment	CPR 15.95%	4	(3)
		Other [^]	^	684	(1 020)
Securities arising from trading activities	3 927	Potential impact on income statement			
		Cash flow adjustments	CPR 11.88%	104	(112)
Investment portfolio	587 678	Potential impact on income statement		64 626	(94 443)
		Price earnings multiple	3.7x-14.2x	7 713	(12 635)
		Underlying asset value ^{^^}	^^	8 794	(19 800)
		EBITDA	**	9 534	(9 796)
		EBITDA	(10%)-10%	19 569	(19 569)
		Cash flows	**	2 209	(2 610)
		Underlying asset value ^{^^}	^^	849	(1 696)
		Precious and industrial metal prices	(5%)-5%	1 192	(1 192)
		Other [^]	^	14 766	(27 145)
Loans and advances to customers	1 786 887	Potential impact on income statement		35 101	(62 053)
		Credit spreads	0.19%-37.8%	10 085	(39 456)
		Property value	#	15 277	(7 999)
		Price earnings multiple	3.7x-11.1x	3 709	(6 998)
		Underlying asset value ^{^^}	^^	1 543	(1 822)
		Other [^]	^	4 487	(5 778)
		Potential impact on other comprehensive income		13 787	(24 441)
		Credit spreads	0.19%-6.6%	13 787	(24 441)
Other securitised assets*	72 443	Potential impact on income statement			
		Cash flow adjustments	CPR 15.95%	708	(631)
Total level 3 assets	2 584 395			121 649	(191 766)
Liabilities					
Derivative financial instruments	63 494	Potential impact on income statement		(4 366)	4 274
		Volatilities	9%-23.6%	(1)	1
		Underlying asset value ^{^^}	^^	(4 365)	4 273
Liabilities arising on securitisation of other assets*	76 084	Potential impact on income statement			
		Cash flow adjustments	CPR 15.95%	(306)	369
Total level 3 liabilities	139 578			(4 672)	4 643
Net level 3 assets	2 444 817			116 977	(187 123)

* 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 underlying input for the valuations where the capitalisation rate when valuing these properties has been stressed by 0.25bps.

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

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 Company being valued 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 value 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.

Fair value of financial assets and liabilities at amortised cost

At 30 September 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
Assets				
Cash and balances at central banks	5 335 622	5 335 622	—	—
Loans and advances to banks	1 441 768	1 441 768	—	—
Non-sovereign and non-bank cash placements	376 105	376 105	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	2 961 092	1 111 004	1 850 088	1 830 554
Sovereign debt securities	2 312 374	10 872	2 301 502	2 291 405
Bank debt securities	281 417	18 299	263 118	238 700
Other debt securities	954 494	157 866	796 628	791 764
Loans and advances to customers	28 267 580	13 485 233	14 782 347	14 422 265
Own originated loans and advances to customers securitised	281 543	281 543	—	—
Other loans and advances	134 310	77 462	56 848	56 756
Other securitised assets	23 853	23 853	—	—
Other assets	774 345	774 345	—	—
	43 144 503	23 093 972	20 050 531	19 631 444
Liabilities				
Deposits by banks	3 886 578	637 231	3 249 347	3 257 379
Repurchase agreements and cash collateral on securities lent	677 695	114 723	562 972	587 360
Customer accounts (deposits)	36 648 883	20 170 535	16 478 348	16 579 546
Debt securities in issue	1 487 466	127 604	1 359 862	1 336 367
Liabilities arising on securitisation of own originated loans and advances	170 095	170 095	—	—
Other liabilities	884 523	882 339	2 184	957
Subordinated liabilities	1 013 237	282 645	730 592	748 375
	44 768 477	22 385 172	22 383 305	22 509 984

Investec plc

Incorporated in England and Wales
Registration number: 3633621
LSE ordinary share code: INVP
JSE ordinary share code: INP
ISIN: GB00B17BBQ50
LEI: 2138007Z3U5GWDN3MY22

Ordinary share dividend announcement

In terms of the DLC structure, Investec plc shareholders registered on the United Kingdom share register may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and/or through dividends declared and paid on the SA DAN share issued by Investec Limited.

Investec plc shareholders registered on the South African branch register may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and/or through dividends declared and paid on the SA DAS share issued by Investec Limited.

Declaration of dividend number 42

Notice is hereby given that interim dividend number 42, being a gross dividend of 15.50000 pence (2022: 13.50000 pence) per ordinary share has been declared by the Board from income reserves in respect of the six months ended 30 September 2023, payable to shareholders recorded in the shareholders' register of the Company at the close of business on Friday 8 December 2023.

- For Investec plc shareholders, registered on the United Kingdom share register, through a dividend payment by Investec plc from income reserves of 15.50000 pence per ordinary share
- For Investec plc shareholders, registered on the South African branch register, through a dividend payment by Investec Limited, on the SA DAS share, payable from income reserves, equivalent to 15.50000 pence per ordinary share.

The relevant dates relating to the payment of dividend number 42 are as follows:

Last day to trade cum-dividend

On the Johannesburg Stock Exchange (JSE)	Tuesday 5 December 2023
On the London Stock Exchange (LSE)	Wednesday 6 December 2023

Shares commence trading ex-dividend

On the Johannesburg Stock Exchange (JSE)	Wednesday 6 December 2023
On the London Stock Exchange (LSE)	Thursday 7 December 2023

Record date (on the JSE and LSE)	Friday 8 December 2023
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Payment date (on the JSE and LSE)	Friday 22 December 2023
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Share certificates on the South African branch register may not be dematerialised or rematerialised between Wednesday 6 December 2023 and Friday 8 December 2023, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday 6 December 2023 and Friday 8 December 2023, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Shareholders registered on the South African branch register are advised that the distribution of 15.50000 pence, equivalent to an gross dividend of 351.78180 cents per share (rounded to 352.00000 cents per share), has been arrived at using the Rand/ Pound Sterling average buy/sell forward rate of 22.6956, as determined at 11h00 (SA time) on Wednesday 15 November 2023
- Investec plc United Kingdom tax reference number: 2683967322360
- The issued ordinary share capital of Investec plc is 696 082 618 ordinary shares
- The dividend paid by Investec plc to South African resident shareholders registered on the South African branch register and the dividend paid by Investec Limited to Investec plc shareholders on the SA DAS share are subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- Shareholders registered on the South African branch register who are exempt from paying the Dividend Tax will receive a net dividend of 352.00000 cents per share paid by Investec Limited on the SA DAS share
- Shareholders registered on the South African branch register who are not exempt from paying the Dividend Tax will receive a net dividend of 281.60000 cents per share (gross dividend of 352.00000 cents per share less Dividend Tax of 70.40000 cents per share) per share paid by Investec Limited on the SA DAS share.

By order of the Board



David Miller

Company Secretary

15 November 2023

Investec Limited

Incorporated in the Republic of South Africa
Registration number: 1925/002833/06
JSE share code: INL
JSE hybrid code: INPR
JSE debt code: INLV
NSX ordinary share code: IVD
BSE ordinary share code: INVESTEC
ISIN: ZAE000081949
LEI: 213800CU7SM6O4UWOZ70

Ordinary share dividend announcement

Declaration of dividend number 135

Notice is hereby given that interim dividend number 135, being a gross dividend of 352.00000 cents (2022: 278.00000 cents) per ordinary share has been declared by the Board from income reserves in respect of the six months ended 30 September 2023 payable to shareholders recorded in the shareholders' register of the Company at the close of business on Friday 8 December 2023.

The relevant dates relating to the payment of dividend number 135 are as follows:

Last day to trade cum-dividend	Tuesday 5 December 2023
Shares commence trading ex-dividend	Wednesday 6 December 2023
Record date	Friday 8 December 2023
Payment date	Friday 22 December 2023

The interim gross dividend of 351.78180 cents per share (rounded to 352.00000 cents per ordinary share) has been determined by converting the Investec plc distribution of 15.50000 pence per ordinary share into Rands using the Rand/Pound Sterling average buy/sell forward rate of 22.6956 at 11h00 (SA time) on Wednesday 15 November 2023.

Share certificates may not be dematerialised or rematerialised between Wednesday 6 December 2023 and Friday 8 December 2023 both dates inclusive.

Additional information to take note of

- Investec Limited South African tax reference number: 9800/181/71/2
- The issued ordinary share capital of Investec Limited is 295 278 453 ordinary shares
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- Shareholders who are exempt from paying the Dividend Tax will receive a net dividend of 352.00000 cents per ordinary share
- Shareholders who are not exempt from paying the Dividend Tax will receive a net dividend of 281.60000 cents per ordinary share (gross dividend of 352.00000 cents per ordinary share less Dividend Tax of 70.40000 cents per ordinary share).

By order of the Board



Niki van Wyk

Company Secretary
15 November 2023

Director's Responsibility Statement

The directors listed below confirm that, to the best of their knowledge:

- a. the condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the United Kingdom (UK) which comply with IFRSs as issued by the International Accounting Standards Board. At 30 September 2021, UK adopted IFRS are identical in all material respects to current IFRS applicable to the group.; and
- b. the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

Neither the company nor the directors accept any liability to any person in relation to the half-yearly financial report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Markets Act 2000.

On behalf of the directors



Fani Titi

Chief Executive

15 November 2023

Financial Reporting and Going Concern

The directors have confirmed that they are satisfied that the group, as well as Investec plc and Investec Limited individually, have adequate resources to continue in business for the foreseeable future. The assumptions underlying the going concern statement are discussed at the time of the approval of the interim financial results by the board and these include:

- Budgeting and forecasts
- Profitability
- Capital
- Liquidity
- Solvency.

The board is of the opinion, based on its knowledge of the group, key processes in operation and enquiries, that there are adequate resources to support the group as a going concern for the foreseeable future. Further information on our liquidity and capital position is provided on pages 120 to 122 and pages 124 to 131 in the Group interim results analyst book published on the Group's website: <http://www.investec.com>.

Furthermore, the board is of the opinion that the group's risk management processes and the systems of internal control operate effectively.

The directors are responsible for monitoring and reviewing the preparation, integrity and reliability of the Investec plc and Investec Limited combined consolidated financial statements, accounting policies and the information contained in the interim report, and to ensure that the interim financial statements are fair, balanced and understandable.

In undertaking this responsibility, the directors are supported by an ongoing process for identifying, evaluating and managing the key risks Investec faces in preparing the financial and other information contained in this interim report. This process was in place for the period under review and up to the date of approval of this interim report and annual financial statements.

The process is implemented by management and independently monitored for effectiveness by the audit, risk and other sub-committees of the board.

Our interim report is prepared on a going concern basis, taking into consideration:

The group's strategy and prevailing market conditions and business environment

- Nature and complexity of our business
- Risks we assume, and their management and mitigation
- Key business and control processes in operation
- Credit rating and access to capital
- Needs of all our stakeholders
- Operational soundness
- Accounting policies adopted
- Corporate governance practices
- Desire to provide relevant and clear disclosures
- Operation of board committee support structures.

INDEPENDENT REVIEW REPORT TO INVESTEC PLC

Conclusion

We have been engaged by Investec plc (the 'Company' or the 'Group') to review the condensed set of financial statements of Investec plc (incorporating Investec Limited) in the half-yearly financial report for the six months ended 30 September 2023 which comprises the condensed combined consolidated income statement, the combined consolidated statement of total comprehensive income, the combined consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and the related notes on pages 19 and 22 to 39. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed combined consolidated set of interim financial statements in the half-yearly financial report for the six months ended 30 September 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting", and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in page 12, the annual financial statements of the Group will be prepared in accordance with UK adopted International Accounting Standards. The condensed combined consolidated interim financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed combined consolidated interim financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP

London

15 November 2023

Investec plc

Incorporated in England and Wales
Registration number 3633621
JSE ordinary share code: INP
LSE ordinary share code: INVP
ISIN: GB00B17BBQ50
LEI: 2138007Z3U5GWDN3MY22

Registered office

30 Gresham Street, London
EC2V 7QP, United Kingdom

Registrars in the United Kingdom

Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol
BS99 6ZZ, United Kingdom

Company Secretary

David Miller

Investec Limited

Incorporated in the Republic of South Africa
Registration number 1925/002833/06
JSE ordinary share code: INL
JSE hybrid code: INPR
JSE debt code: INLV
NSX ordinary share code: IVD
BSE ordinary share code: INVESTEC
ISIN: ZAE000081949
LEI: 213800CU7SM6O4UWOZ70

Registered office

100 Grayston Drive
Sandown, Sandton
2196 South Africa

Transfer secretaries in South Africa

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank
2196 South Africa

Company Secretary

Niki van Wyk

Directors

Philip Hourquebie¹ (Chair)
Fani Titi² (Chief Executive)
Nishlan Samujh² (Finance Director)
Henrietta Baldock¹
Zarina Bassa² (Senior Independent Director)
Stephen Koseff²
Nicky Newton-King²
Jasandra Nyker²
Vanessa Olver²
Philisiwe Sibiyi²
Brian Stevenson¹

1 British

2 South African

Richard Wainwright, Ciaran Whelan and Khumo Shuenyane
stepped down from the Board on 3 August 2023

Sponsor

Investec Bank Limited