

Investec plc

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

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

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.

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%	0.15%	397.1	32.9	32.0	12.9%	13.8%	13.5p	511.0	478.4
% 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%

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.

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%.

* Group cost-to-income ratio reduced by 2.0% in 1H2023 and 2.4% in 1H2024 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.

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	(4.5)	(0.9%)	(0.7%)

[^] 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	Neutral currency % change
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 %	

The assumptions can be obtained in the full announcement available on our website www.investec.com. 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.

On behalf of the Boards of Investec plc and Investec Limited

Philip Hourquebie

Chair

16 November 2023

Fani Titi

Group Chief Executive

This short-form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decision should be based on the full viewed announcement which can be accessed from Thursday 16 November 2023 using the following JSE link:

<https://senspdf.jse.co.za/documents/2023/jse/isse/INL/Interims.pdf>

Alternatively, the full announcement is available on our website www.investec.com

The full announcement is also available at our registered offices for inspection at no charge, during office hours.

Copies of the full announcement may be requested by contacting Investor Relations on:

Telephone: (+27 11) 286 7000/ e-mail: investorrelations@investec.com

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Registration number 3633621
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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

Transfer secretaries:

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

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

Transfer secretaries:

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

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 Olver^{2*}
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

Investec plc

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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	Wednesday 6 December 2023
On the London Stock Exchange	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 a 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

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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