

— OUT OF THE ORDINARY

Creating enduring worth

Investec interim
results booklet 2023



**Alternative performance measures**

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

**Page references**

Refers readers to information elsewhere in this report.

**Website**

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

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INTRODUCTION

Investec 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.

A key strategic milestone was the completion of the all-share combination of Investec's UK Wealth and Investment business with the Rathbones Group to create the UK's leading discretionary wealth manager. Completion marked the beginning of an exciting long-term strategic partnership, with the enlarged Rathbones Group representing a scalable platform that will power future growth for Investec in a highly attractive market segment. Significant progress was also made in capital optimisation strategies, including the share repurchase programme and the conclusion of the restructure and disposal of certain assets in South Africa.

We have maintained strong capital and liquidity allowing us to navigate the current volatile and uncertain environment, and support our identified growth initiatives.

Following a concerted drive to simplify and focus the business, Investec is now on a clear path towards disciplined growth. We are guided in this journey by our commitment to our purpose: to create enduring worth – for our people, our clients, our shareholders, the communities in which we operate, and the planet we all share. It is at the core of everything that we do and suggests that our efforts have lasting importance and relevance. In an era of accelerating technological change, geopolitical uncertainty and volatile operating conditions, our clarity of purpose enables us to innovate and adapt in service of our clients while remaining true to the values that have shaped the business since inception.

Investec. Out of the Ordinary.

OUR BUSINESS AT A GLANCE

One Investec

Our purpose

Our purpose is to create enduring worth.

Our mission

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

Our distinction

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

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

Our strategic direction

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

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

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

Our values*

Deep client relationships, built on trust and Out of the Ordinary service, are the bedrock of our business

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

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

We thrive on change and challenge the status quo with courage, constantly innovating and adapting to an evolving world

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

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

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

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

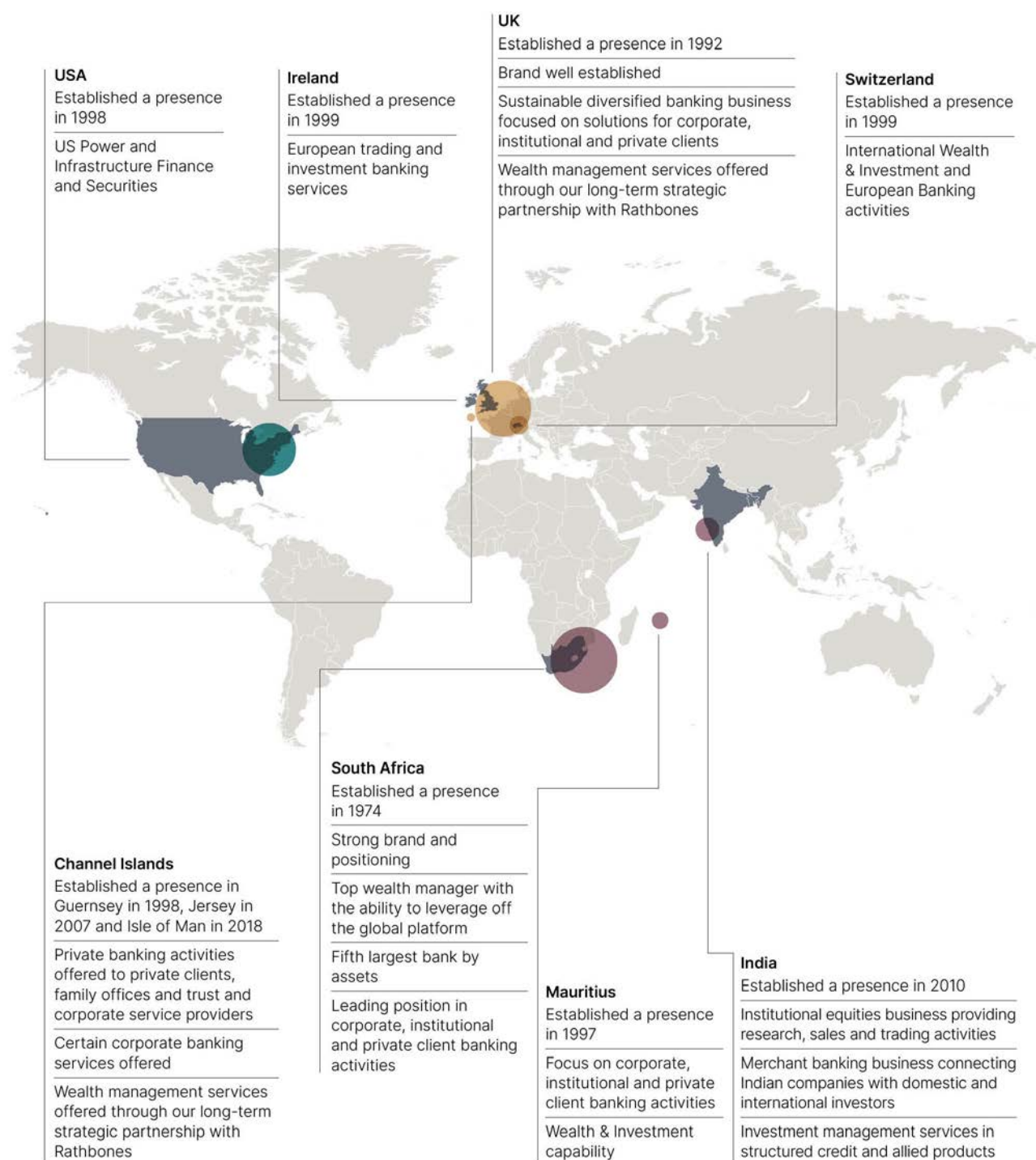
We embrace our responsibility to the environment and the well-being of our planet

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

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

OUR BUSINESS AT A GLANCE CONTINUED

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



OUR BUSINESS AT A GLANCE CONTINUED

Our journey so far

1974	Founded as a leasing company in Johannesburg
1980	We acquired a banking licence
1986	We were listed on the JSE Limited South Africa
2002	In July 2002, we implemented a dual-listed companies (DLC) structure with linked companies listed in London and Johannesburg
2003	We concluded a significant empowerment transaction in which our empowerment partners collectively acquired a 25.1% stake in the issued share capital of Investec Limited
2020	We successfully completed the demerger of Investec Asset Management which separately listed as Ninety One in March 2020
2022	The Board approved a proposed share purchase and a share buyback programme of up to R7 billion (c.£350 million) to be executed over a period of 18 months from November 2022. We also distributed 15% of our shareholding in Ninety One
2023	<p>We successfully completed the all-share combination of Investec Wealth & Investec Limited UK and Rathbones Group to create the UK's leading discretionary wealth manager with Investec Group holding a 41.25% economic interest in Rathbones.</p> <p>In June 2023, we increased our shareholding in Capitalmind to c.60%, following the 30% position which we acquired in 2021.</p> <p>Today, we are a simplified and focused business well positioned to pursue identified growth opportunities, supported by our One Investec strategy.</p>



Refer to the Divisional review section (page 85) for more information on where we operate.

Investment proposition

Well positioned to pursue long-term growth

Well capitalised and highly liquid balance sheet

Improved capital allocation – returning excess capital to shareholders

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

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

Resilient clients through difficult macro environments

Rightsized the cost structure of the business

OUR BUSINESS AT A GLANCE CONTINUED

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

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

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

Our philosophies

Single organisation

Meritocracy

Focused businesses

Different, yet integrated

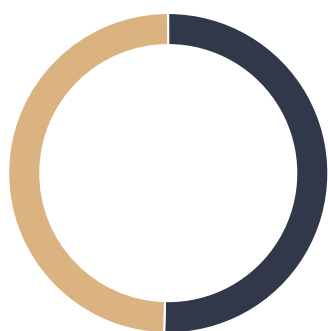
Material employee ownership

Creating an environment that stimulates extraordinary performance.



Adjusted operating profit[^]
£'million

£441.4mn



Southern Africa	£205.9mn
UK and Other	£235.4mn

Total assets
£'billion


£57.3bn



Southern Africa	£27.8bn
UK and Other	£29.5bn

Note: Figures on these pages relate to the six months ended 30 September 2023.
Totals determined in £'000 which may result in rounding differences

[^] This key metric is based on the pro-forma income statements on page 87.

OUR BUSINESS AT A GLANCE
CONTINUEDSouthern
Africa Net core loans

£14.7bn

Customer deposits

£20.0bn

Funds under management

£20.2bn

Total employees

5 134

 ROE

16.0%

 ROTE


16.1%

 Cost to income ratio^

52.5%

Allocated capital

£1.8bn

UK and
Other Net core loans

£16.3bn

Customer deposits


£19.9bn

Rathbones Group FUMA*

£100.7bn

Total employees


2 269

 ROE

13.6%

 ROTE

16.7%

 Cost to income ratio^

53.9%

Allocated capital

£2.9bn

Total
Group Net core loans

£31.0bn

Customer deposits

£39.9bn

Funds under management

£20.2bn

Rathbones Group FUMA*

£100.7bn

Total employees


7 403

 ROE

14.6%

 ROTE

16.4%

 Cost to income ratio^

53.3%

Allocated capital

£4.7bn

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

Disposal of the management companies to Burstone Group (formerly known as Investec Property Fund)

The restructure of The Bud Group Holdings (formerly known as IEP) to facilitate Investec's orderly exit in the prior year

We completed the all-share combination with Rathbones Group Plc to create the UK's leading discretionary wealth manager

£100.7bn FUMA

^ This key metric is based on the pro-forma income statements on page 87

* As at 30 September 2023, Rathbones Group Plc, of which Investec owns a 41.25% economic interest, had funds under management and administration (FUMA) of £100.7bn

Totals determined in £'000 which may result in rounding differences

OUR BUSINESS AT A GLANCE

CONTINUED

Our operational structure

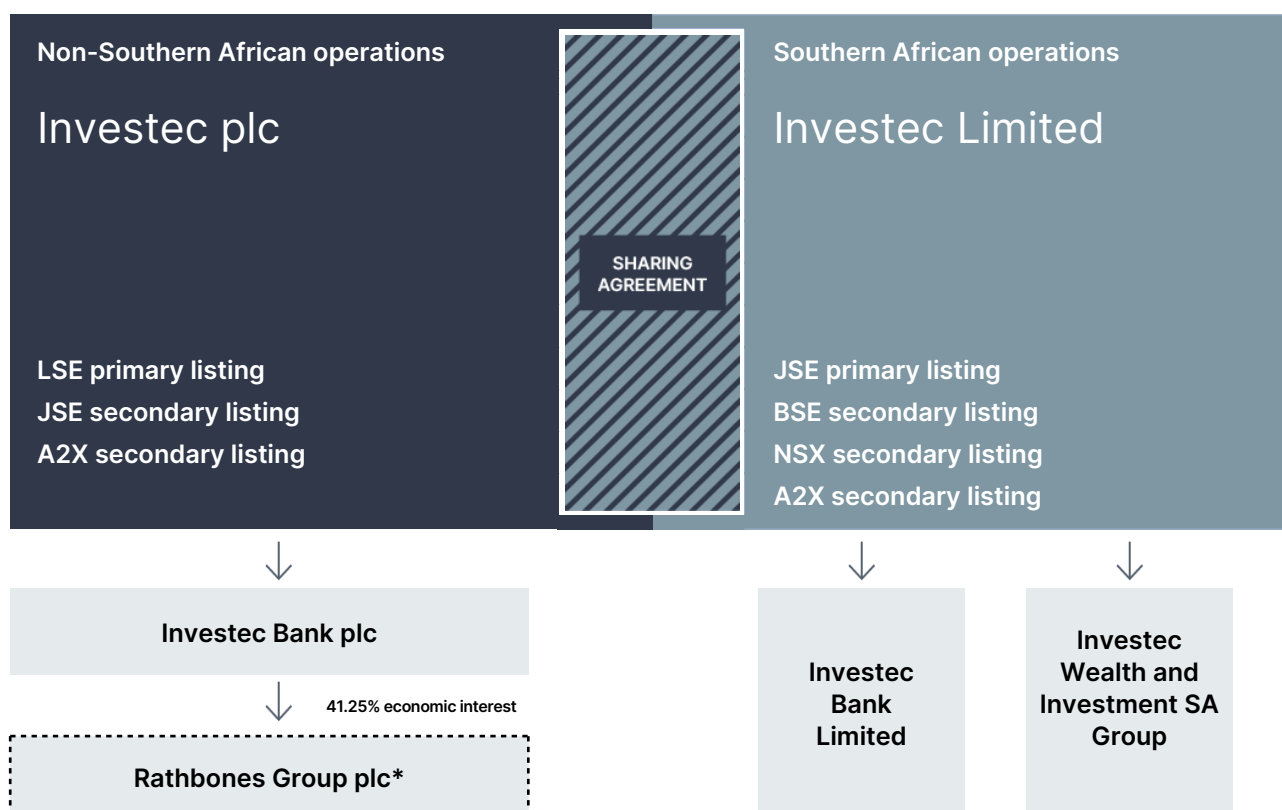
During July 2002, Investec Group Limited (since renamed Investec Limited) implemented a dual listed companies (DLC) structure and listed its offshore business on the London Stock Exchange (LSE).

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



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

Our DLC structure and main operating subsidiaries and associates



All shareholdings in the ordinary share capital of the subsidiaries and associates shown are 100% unless otherwise stated.

*See page 9 for further information on the Combination.

Salient features of the DLC structure

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

SUMMARY OF IW&I UK AND RATHBONES ALL-SHARE COMBINATION

In the prior period, the Boards and Management of Investec Group and Rathbones Group plc ("Rathbones") entered into a definitive agreement regarding an all-share combination of Investec Wealth & Investment Limited ("IW&I UK") and Rathbones (the "Combination"). The Combination brings together two trusted and prestigious UK wealth management businesses with closely aligned cultures and operating models.

The IW&I UK and Rathbones combination creates the **UK's leading discretionary wealth manager** with c.£100bn in funds under management and administration ("FUMA"), delivering the scale that will underpin future growth.

The announcement on 21 September 2023 marked the completion of the combination and the beginning of an exciting **long-term strategic partnership** between Investec and Rathbones, with a **coordinated banking and wealth management offering** for clients.

Overview of the transaction

Under the terms of the Combination, Rathbones has now issued to Investec Bank plc as consideration:

- i. 27,056,463 ordinary voting shares representing 29.9% of the Rathbones enlarged ordinary voting share capital; and
 - ii. 17,481,868 convertible non-voting ordinary shares,
- such that Investec Group now has an economic interest of 41.25% in Rathbones' enlarged share capital.

Strategic review and rationale

1

- Creating UK's leading discretionary wealth manager
 - Scale and operating efficiencies to power future growth
 - Enhanced client and employee proposition
 - Increased investment in capability and technology

2

- Reaffirms Investec Group's commitment to the strategically attractive UK wealth management sector

3

- Creates sustainable value for Investec Group's shareholders

4

- Increases earnings contribution from capital light activities in the medium term

Further considerations

Accounting implications

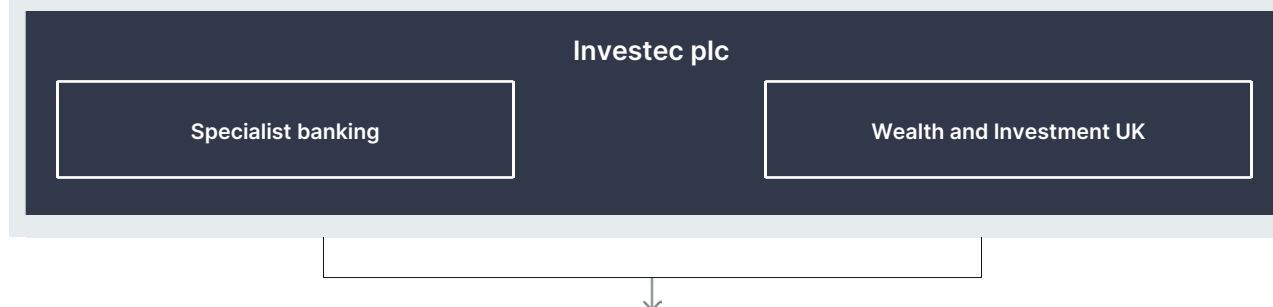
The IW&I UK transaction included Investec Group's wealth and investment businesses in the UK and Channel Islands but excludes Investec Bank (Switzerland) AG ("IBSAG") and Investec Wealth & Investment International (Pty) Ltd ("Investec W&I SA"). Both IBSAG and Investec W&I SA remain wholly-owned subsidiaries of the Investec Group.

IW&I UK was previously 100% consolidated. Going forward the Group's investment in Rathbones will be equity accounted for and recognised as an associate.

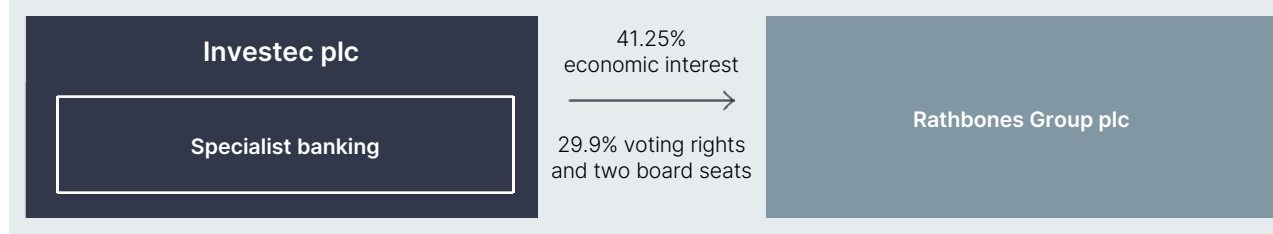
In accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), the Group's interest in IW&I UK has been presented as a discontinued operation and the income statement for the prior periods have been appropriately re-presented. Refer to page 70 for discontinued operations.

SUMMARY OF IW&I UK AND RATHBONES ALL-SHARE COMBINATION CONTINUED

Investec plc structure pre-combination



Investec plc structure post-combination



Governance and management

Following completion, and as described in the combined prospectus and circular published on 1 June 2023, Investec Group is entitled to appoint two Non-Executive Directors of Rathbones. Investec Group has nominated Ruth Leas in her role as CEO of Investec Bank plc and Henrietta Baldock in her role as Non-Executive Director of the Investec Group, and consequently their respective appointments have now taken effect subject to regulatory approval.

“

The combination of Investec W&I UK and Rathbones brings together two businesses which have a long-standing heritage in UK wealth management and closely aligned cultures. The strategic fit of the two businesses is compelling with complementary strengths and capabilities to enhance the overall proposition for clients. This will be supported by the strategic partnership which offers attractive growth and collaboration opportunities for both groups. The transaction represents a real step-change and long-term opportunity for our UK wealth strategy, underscores our commitment to the UK wealth management market and enhances our UK business as a whole.

”

Fani Titi

Investec Group Chief Executive

OUR STRATEGIC OBJECTIVES

Driving sustainable long-term growth

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

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

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

The One Investec mindset

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

- Is a commitment to drawing on the full breadth and depth of relevant capabilities to meet the needs of each client, regardless of specialisation or geography
- Is about improving internal operating efficiencies; ensuring that investments in infrastructure and technology support our differentiated service offering across the entire Group
- Demands a disciplined approach to optimising returns, not merely for one region or client franchise but for the Group as a whole

Fuelling a robust growth agenda



OUR BUSINESS MODEL

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

Key highlights

Principal geographies

2

Net core loans

£31.0bn

Core areas of activity

2

Customer deposits

£39.9bn

Total employees

7 400+

Funds under management

£20.2bn

Rathbones Group - FUMA

£100.7bn

Our clients and offering

One Investec

- Corporate
- Intermediary
- Institutional
- Government

- Private client (HNW / high income)

- Charities
- Intermediaries
- Trusts

Specialist Banking

Lending
Transactional banking
Treasury solutions
Advisory
Investment activities
Deposit raising activities

Wealth & Investment

Discretionary wealth management
Investment advisory services
Financial planning
Stockbroking

Our approach

We have market-leading, distinctive client franchises

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

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

Our stakeholders

Our clients

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

Our people

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

Our communities

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

Our planet

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

Our shareholders

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

Overview of results



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2023 FINANCIAL INTERIM RESULTS COMMENTARY

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 in note 72 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%

2023 FINANCIAL INTERIM RESULTS COMMENTARY

CONTINUED

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.R6.8 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.

2023 FINANCIAL INTERIM RESULTS COMMENTARY

CONTINUED

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	(4.5)	(0.9%)	(0.7%)

2023 FINANCIAL INTERIM RESULTS COMMENTARY

CONTINUED

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 %	

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.

2023 FINANCIAL INTERIM RESULTS COMMENTARY

CONTINUED

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.

Refer to page 142 for further capital adequacy disclosures.

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.

2023 FINANCIAL INTERIM RESULTS COMMENTARY

CONTINUED

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.

2023 FINANCIAL INTERIM RESULTS COMMENTARY

CONTINUED

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

2023 FINANCIAL INTERIM RESULTS COMMENTARY

CONTINUED

- 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

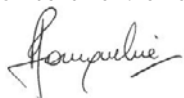
Group Investments includes the holding in Ninety One, The Bud Group Holdings, Burstone Group (formerly known as IPF) and other equity investments

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.

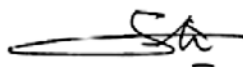
On behalf of the Boards of Investec plc and Investec Limited



Philip Hourquebie

Chair

16 November 2023



Fani Titi

Chief Executive

2023 FINANCIAL INTERIM RESULTS COMMENTARY

CONTINUED

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%.

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.

2023 FINANCIAL INTERIM RESULTS COMMENTARY

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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.

2023 FINANCIAL INTERIM RESULTS COMMENTARY

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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.

A full version of the Group's announcement is available on the Group's website:



www.investec.com

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.

PRESENTATION OF FINANCIAL INFORMATION

Basis of presentation

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.

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

Currency per £1.00	30 Sept 2023		30 Sept 2022		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

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 year ended 30 September 2022, and the closing rate has depreciated by 4.8% since 31 March 2023.

SALIENT FEATURES

	30 Sept 2023	30 Sept 2022	31 March 2023*	% change
Income statement and selected returns for Total Group on a pro-forma basis				
Adjusted earnings attributable to ordinary shareholders (£'000)	329 829	298 235	614 352	10.6%
Headline earnings (£'000)	314 527	289 721	595 051	8.6%
Adjusted operating profit (£'000)	441 360	397 106	818 727	11.1%
Cost to income ratio	53.3%	55.6%	54.7%	
Return on average shareholders' equity (post-tax)	14.6%	12.9%	13.6%	
Return on average tangible shareholders' equity (post-tax)	16.4%	13.8%	14.7%	
Return on average risk weighted assets	2.13%	1.91%	1.77%	
Net interest income as a % of operating income	65.4%	63.3%	65.2%	
Non-interest income as a % of operating income	34.6%	36.7%	34.8%	
Total Group on a pro-forma basis				
Adjusted earnings per share (pence)	38.7	32.9	68.9	17.6%
Headline earnings per share (pence)	36.9	32.0	66.7	15.3%
Basic earnings per share (pence)	69.6	50.6	85.8	37.5%
Diluted basic earnings per share (pence)	67.0	48.9	82.5	37.0%
Dividend per share (pence)	15.5	13.5	31.0	14.8%
Dividend payout ratio	40.1%	41.0%	45.0%	
	30 Sept 2023	31 March 2023*	30 Sept 2022*	% change
Balance sheet				
Total assets (£'million)	57 254	57 297	59 521	(0.1%)
Net core loans (£'million)	30 991	30 381	31 229	2.0%
Cash and near cash balances (£'million)	16 436	16 361	15 904	0.5%
Customer accounts (deposits) (£'million)	39 936	39 556	40 545	1.0%
Gearing ratio (assets excluding assurance assets to total equity)	10.9x	10.7x	10.2x	
Core loans to equity ratio	5.9x	5.7x	5.2x	
Loans and advances to customers as a % of customer deposits	76.9%	76.1%	76.4%	
Credit loss ratio	0.32%	0.23%	0.16%	
Stage 3 net of ECL as a % of net core loans subject to ECL	2.6%	2.0%	1.7%	
Share statistics				
Net asset value per share (pence)	556.7	510.3	509.5	9.1%
Tangible net asset value per share (pence)	470.4	474.6	476.9	(0.9%)
Weighted number of ordinary shares in issue (million)	851.8	891.9	906.3	(4.5%)
Total number of shares in issue (million)	991.2	995.1	1 005.0	(0.4%)
Capital ratios[^]				
Investec plc				
Total capital ratio	16.8%	17.5%	16.0%	
Common Equity Tier 1 ratio	11.7%	12.0%	11.1%	
Leverage ratio	8.7%	9.4%	8.1%	
Investec Limited				
Total capital adequacy ratio	17.0%	18.0%	18.3%	
Common Equity Tier 1 ratio	13.2%	14.1%	14.7%	
Leverage ratio	5.9%	7.1%	6.5%	

Refer to alternative performance measures and definitions sections found on pages 162 to 163.

[^] The Group's expected Basel III 'fully loaded' numbers are provided on page 142.

* Restated as detailed on page 74.

EXCHANGE RATE IMPACT ON STATUTORY RESULTS

As noted on page 26, 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 on page 74.

Neutral currency information is 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. The external auditors issued a limited assurance report in respect of the neutral currency information. The report is available for inspection at the registered office of Investec upon request.

CONDENSED COMBINED CONSOLIDATED INCOME STATEMENT

£'000	Note*	Six months to 30 Sept 2023	Six months to 30 Sept 2022 [^]	Year to 31 March 2023 [^]
Interest income	2	2 157 746	1 332 538	3 369 422
Interest expense	2	(1 475 108)	(724 705)	(2 075 215)
Net interest income	2	682 638	607 833	1 294 207
Fee and commission income	3	225 672	233 442	453 670
Fee and commission expense	3	(29 611)	(26 789)	(56 315)
Investment income	4	22 436	29 792	29 303
Share of post-taxation profit of associates and joint venture holdings	5	3 241	28 012	30 034
Trading income/(loss) arising from				
– customer flow	6	79 296	66 236	142 199
– balance sheet management and other trading activities	6	21 454	(10 339)	14 235
Other operating (loss)/income	7	(230)	(6 651)	4 386
Total operating income before expected credit loss impairment charges	1	1 004 896	921 536	1 911 719
Expected credit loss impairment charges	8	(46 291)	(29 351)	(80 846)
Operating income		958 605	892 185	1 830 873
Operating costs	9	(556 108)	(534 282)	(1 085 999)
Operating profit before goodwill and acquired intangibles		402 497	357 903	744 874
Impairment of goodwill	10	—	(805)	(890)
Amortisation of acquired intangibles	10	(543)	(1 316)	(2 535)
Amortisation of acquired intangibles of associates	10	—	(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	13	—	154 407	154 438
Financial impact of strategic actions		—	—	(30)
Profit before taxation of continuing operations		404 258	508 367	893 865
Taxation on operating profit before goodwill and acquired intangibles	11	(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	12/13	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	12/13	(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

* Refer to Financial review section for notes.

[^] Restated as detailed on page 74.

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)
Movement in post-retirement benefit liabilities	—	—	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:			
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)
Remeasurement 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 on page 74.

* Net of taxation of £14.2 million (30 September 2022: £13.7 million tax credit; 31 March 2023: £7.6 million) except for the impact of rate changes on deferred tax as shown separately above.

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
	4 715 017	4 348 358	4 607 668
Ordinary shareholders' equity			
Perpetual preference share capital and premium	131 437	136 259	153 539
	4 846 454	4 484 617	4 761 207
Shareholders' equity excluding non-controlling interests			
Other Additional Tier 1 securities in issue	391 779	398 568	405 093
Non-controlling interests	(1 173)	450 839	526 726
	5 237 060	5 334 024	5 693 026
Total equity			
Total liabilities and equity	57 253 895	57 297 018	59 520 879

[^] Restated as detailed on page 74.

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary share capital	Ordinary share premium	Treasury shares
At 31 March 2022	247	1 516 024	(318 987)
Restatement	—	—	—
At 1 April 2022	247	1 516 024	(318 987)
Movement in reserves 1 April 2022 – 30 September 2022			
Profit after taxation	—	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Net gain attributable to own credit risk	—	—	—
Total comprehensive income for the period	—	—	—
Movement of treasury shares	—	—	(25 906)
Share-based payments adjustments	—	—	—
Transfer from regulatory risk reserve	—	—	—
Transfer between cash flow hedge reserve and retained income	—	—	—
Employee benefit liability recognised	—	—	—
Share buy-back of ordinary share capital	—	(324)	—
Repurchase of perpetual preference share capital	—	—	—
Reduction in share premium	—	(251 000)	—
Dividends declared to other equity holders including other Additional Tier 1 security holders	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 security holders	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
Distribution to shareholders	—	—	—
At 30 September 2022	247	1 264 700	(344 893)
Movement in reserves 1 October 2022 – 31 March 2023			
Profit after taxation	—	—	—
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	—	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Net gain attributable to own credit risk	—	—	—
Remeasurement of net defined benefit pension liability	—	—	—
Total comprehensive income for the period	—	—	—
Issue of Other Additional Tier 1 security instruments	—	—	—
Redemption of Other Additional Tier 1 security instruments	—	—	—
Movement of treasury shares	—	—	(219 785)
Share-based payments adjustments	—	—	—
Transfer between cash flow hedge reserve and retained income	—	—	—
Transfer to regulatory general risk reserves	—	—	—
Employee benefit liability recognised	—	—	—
Share buy-back of ordinary share capital	—	(56 539)	—
Repurchase of perpetual preference share capital	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
Dividends declared to other equity holders including other Additional Tier 1 security holders	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 security holders	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
At 31 March 2023	247	1 208 161	(564 678)

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONTINUED

Other reserves							Ordinary shareholders' equity	Perpetual preference share capital and premium	Shareholders' equity excluding non- controlling interests	Other Additional Tier 1 securities in issue	Non- controlling interests	Total equity
Capital reserve account	Fair value reserve	Regulatory general risk reserve	Cash flow hedge reserve^	Foreign currency reserves	Own credit risk reserve	Retained income						
(16 998)	1 577	39 728	(103 213)	(572 035)	713	4 069 776	4 616 832	174 869	4 791 701	411 683	536 372	5 739 756
—	—	—	58 622	—	—	(41 712)	16 910	—	16 910	—	—	16 910
(16 998)	1 577	39 728	(44 591)	(572 035)	713	4 028 064	4 633 742	174 869	4 808 611	411 683	536 372	5 756 666
—	—	—	—	—	—	478 123	478 123	—	478 123	—	28 673	506 796
—	—	—	27 378	—	—	—	27 378	—	27 378	—	—	27 378
—	(70 679)	—	—	—	—	—	(70 679)	—	(70 679)	—	—	(70 679)
—	(1 208)	—	—	—	—	—	(1 208)	—	(1 208)	—	—	(1 208)
—	1 373	—	—	—	—	—	1 373	—	1 373	—	—	1 373
—	—	—	—	9 006	—	—	9 006	(6 116)	2 890	(6 590)	(22 173)	(25 873)
—	—	—	—	—	85	—	85	—	85	—	—	85
—	(70 514)	—	27 378	9 006	85	478 123	444 078	(6 116)	437 962	(6 590)	6 500	437 872
6 088	—	—	—	—	—	—	(19 818)	—	(19 818)	—	—	(19 818)
—	—	—	—	—	—	2 350	2 350	—	2 350	—	—	2 350
—	—	2 451	—	—	—	(2 451)	—	—	—	—	—	—
—	—	—	(27 094)	—	—	27 094	—	—	—	—	—	—
—	—	—	—	—	—	(9 377)	(9 377)	—	(9 377)	—	—	(9 377)
—	—	—	—	—	—	(6 358)	(6 682)	—	(6 682)	—	—	(6 682)
—	—	—	—	—	—	443	443	(15 214)	(14 771)	—	—	(14 771)
—	—	—	—	—	—	251 000	—	—	—	—	—	—
—	—	—	—	—	—	(19 602)	(19 602)	4 139	(15 463)	15 463	—	—
—	—	—	—	—	—	—	—	(4 139)	(4 139)	(15 463)	—	(19 602)
—	—	—	—	—	—	(134 797)	(134 797)	—	(134 797)	—	—	(134 797)
—	—	—	—	—	—	—	—	—	—	—	(16 146)	(16 146)
—	—	—	—	—	—	(282 669)	(282 669)	—	(282 669)	—	—	(282 669)
(10 910)	(68 937)	42 179	(44 307)	(563 029)	798	4 331 820	4 607 668	153 539	4 761 207	405 093	526 726	5 693 026
—	—	—	—	—	—	326 742	326 742	—	326 742	—	(16 107)	310 635
—	(7)	—	—	—	—	—	(7)	—	(7)	—	—	(7)
—	—	—	2 652	—	—	—	2 652	—	2 652	—	—	2 652
—	22 164	—	—	—	—	—	22 164	—	22 164	—	—	22 164
—	(1 752)	—	—	—	—	—	(1 752)	—	(1 752)	—	—	(1 752)
—	(2 030)	—	—	—	—	—	(2 030)	—	(2 030)	—	—	(2 030)
—	—	—	—	(214 089)	—	—	(214 089)	(12 398)	(226 487)	(13 361)	(45 195)	(285 043)
—	—	—	—	(1)	19	—	18	—	18	—	—	18
—	—	—	—	—	—	75	75	—	75	—	—	75
—	18 375	—	2 652	(214 090)	19	326 817	133 773	(12 398)	121 375	(13 361)	(61 302)	46 712
—	—	—	—	—	—	—	—	—	—	22 787	—	22 787
—	—	—	—	—	—	—	—	—	—	(15 951)	—	(15 951)
(405)	—	—	—	—	—	—	(220 190)	—	(220 190)	—	—	(220 190)
—	—	—	—	—	—	23 554	23 554	—	23 554	—	—	23 554
—	—	—	47 899	—	—	(47 899)	—	—	—	—	—	—
—	—	3 890	—	—	—	(3 890)	—	—	—	—	—	—
—	—	—	—	—	—	153	153	—	153	—	—	153
—	—	—	—	—	—	6 358	(50 181)	—	(50 181)	—	—	(50 181)
—	—	—	—	—	—	274	274	(4 882)	(4 608)	—	—	(4 608)
—	—	—	—	—	—	—	—	—	—	—	118	118
—	—	—	—	—	—	(20 817)	(20 817)	4 429	(16 388)	16 388	—	—
—	—	—	—	—	—	—	—	(4 429)	(4 429)	(16 388)	—	(20 817)
—	—	—	—	—	—	(125 876)	(125 876)	—	(125 876)	—	—	(125 876)
—	—	—	—	—	—	—	—	—	—	—	(14 703)	(14 703)
(11 315)	(50 562)	46 069	6 244	(777 119)	817	4 490 494	4 348 358	136 259	4 484 617	398 568	450 839	5 334 024

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONTINUED

£'000	Ordinary share capital	Ordinary share premium	Treasury shares
At 1 April 2023	247	1 208 161	(564 678)
Movement in reserves 1 April 2023 – 30 September 2023			
Profit after taxation	—	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Net gain attributable to own credit risk	—	—	—
Total comprehensive income for the period	—	—	—
Movement of treasury shares	—	—	(21 607)
Share-based payments adjustments	—	—	—
Transfer from fair value reserve to retained income	—	—	—
Transfer to regulatory general risk reserves	—	—	—
Share buy-back of ordinary share capital	—	(17 408)	—
Repurchase of perpetual preference share capital	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
Deconsolidation of subsidiary company	—	—	—
Dividends declared to other equity holders including other Additional Tier 1 security holders	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 security holders	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
At 30 September 2023	247	1 190 753	(586 285)

[^] Restated as detailed on page 74.

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONTINUED

Other reserves												
Capital reserve account	Fair value reserve	Regulatory general risk reserve	Cash flow hedge reserve^	Foreign currency reserves	Own credit risk reserve	Retained income	Ordinary shareholders' equity	Perpetual preference share capital and premium	Shareholders' equity excluding non- controlling interests	Other Additional Tier 1 securities in issue	Non- controlling interests	Total equity
(11 315)	(50 562)	46 069	6 244	(772 255)	817	4 490 494	4 348 358	136 259	4 484 617	398 568	450 839	5 334 024
—	—	—	—	—	—	614 884	614 884	—	614 884	—	11 770	626 654
—	—	—	(17 759)	—	—	—	(17 759)	—	(17 759)	—	—	(17 759)
—	(13 313)	—	—	—	—	—	(13 313)	—	(13 313)	—	—	(13 313)
—	(2 873)	—	—	—	—	—	(2 873)	—	(2 873)	—	—	(2 873)
—	(338)	—	—	—	—	—	(338)	—	(338)	—	—	(338)
—	—	—	—	(2 657)	—	—	(2 657)	(5 093)	(7 750)	(6 789)	(38 569)	(53 108)
—	—	—	—	—	866	—	866	—	866	—	—	866
—	(16 524)	—	(17 759)	(2 657)	866	614 884	578 810	(5 093)	573 717	(6 789)	(26 799)	540 129
709	—	—	—	—	—	—	(20 898)	—	(20 898)	—	—	(20 898)
—	—	—	—	—	—	8 909	8 909	—	8 909	—	—	8 909
—	(112)	—	—	—	—	112	—	—	—	—	—	—
—	—	(1 061)	—	—	—	1 061	—	—	—	—	—	—
—	—	—	—	—	—	—	(17 408)	—	(17 408)	—	—	(17 408)
—	—	—	—	—	—	(14)	(14)	271	257	—	—	257
—	—	—	—	—	—	—	—	—	—	—	360	360
—	—	—	—	—	—	—	—	—	—	—	(412 974)	(412 974)
—	—	—	—	—	—	(21 654)	(21 654)	4 838	(16 816)	16 816	—	—
—	—	—	—	—	—	—	—	(4 838)	(4 838)	(16 816)	—	(21 654)
—	—	—	—	—	—	(161 086)	(161 086)	—	(161 086)	—	—	(161 086)
—	—	—	—	—	—	—	—	—	—	—	(12 599)	(12 599)
(10 606)	(67 198)	45 008	(11 515)	(774 912)	1 683	4 932 706	4 715 017	131 437	4 846 454	391 779	(1 173)	5 237 060

CONDENSED COMBINED 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 on page 74.

EARNINGS PER SHARE

For the six months to 30 September	2023	2022
Total Group		
Earnings from total Group	£'000	£'000
Earnings attributable to shareholders	614 884	478 123
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(21 654)	(19 602)
(Loss)/gain on repurchase of perpetual preference shares	(14)	443
Earnings and diluted earnings attributable to ordinary shareholders	593 216	458 964
Adjusted earnings from total Group		
Earnings attributable to shareholders	614 884	478 123
Impairment of goodwill	—	805
Amortisation of acquired intangibles	6 967	7 978
Amortisation of acquired intangibles of associates	—	1 542
Closure and rundown of the Hong Kong direct investments business	(2 304)	280
Net gain on distribution of associate to shareholders	—	(154 407)
Financial impact of strategic actions of discontinued operations	(267 902)	—
Taxation on acquired intangibles and strategic actions	(152)	(15 956)
Taxation on acquired intangibles and strategic actions of discontinued operations	744	—
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(21 654)	(19 602)
Accrual adjustment on earnings attributable to other equity holders*	(754)	(528)
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items	329 829	298 235
Headline earnings from total Group		
Earnings attributable to shareholders	614 884	478 123
Impairment of goodwill	—	805
Financial impact of strategic actions of discontinued operations excluding implementation costs	(280 737)	—
Gain on distribution of associate to shareholders	—	(155 146)
Taxation on strategic actions	2 359	(14 501)
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(21 654)	(19 602)
Property revaluation, net of taxation and non-controlling interests**	(311)	261
Headline adjustments of associates	—	(662)
(Loss)/gain on repurchase of perpetual preference shares	(14)	443
Headline earnings attributable to ordinary shareholders***	314 527	289 721
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	993 108 054	1 005 716 970
Weighted average number of treasury shares held by Investec Limited	(47 035 974)	—
Weighted average number of treasury shares held by share schemes	(94 306 826)	(99 434 093)
Weighted average number of shares in issue during the year	851 765 254	906 282 877
Weighted average number of shares resulting from future dilutive potential shares	33 182 302	32 981 967
Adjusted weighted number of shares potentially in issue	884 947 556	939 264 844
Basic earnings per share – pence	69.6	50.6
Diluted basic earnings per share – pence	67.0	48.9
Adjusted earnings per share – pence	38.7	32.9
Diluted adjusted earnings per share – pence	37.3	31.8
Headline earnings per share – pence***	36.9	32.0
Diluted headline earnings per share – pence***	35.5	30.8

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.

* In accordance with IFRS, dividends attributable to equity holders are accounted for when a constructive liability arises i.e. on declaration by the board of directors and approval by the shareholders where required. Investec is of the view that EPS is best reflected by adjusting for earnings that are attributed to equity instruments (other than ordinary shares) on an accrual basis and therefore adjusts the paid dividend on such instruments to accrued in arriving at adjusted EPS.

** Taxation on 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.

EARNINGS PER SHARE

CONTINUED

For the six months to 30 September	2023	2022
Continuing operations		
Earnings from continuing operations	£'000	£'000
Earnings attributable to shareholders from continuing operations	315 283	443 499
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(21 654)	(19 602)
(Loss)/gain on repurchase of perpetual preference shares	(14)	443
Earnings and diluted earnings attributable to ordinary shareholders from continuing operations	293 615	424 340
Adjusted earnings from continuing operations		
Earnings attributable to shareholders from continuing operations	315 283	443 499
Impairment of goodwill	—	805
Amortisation of acquired intangibles	543	1 316
Amortisation of acquired intangibles of associates	—	1 542
Closure and rundown of the Hong Kong direct investments business	(2 304)	280
Net gain on distribution of associate to shareholders	—	(154 407)
Taxation on acquired intangibles and strategic actions	(152)	(14 853)
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(21 654)	(19 602)
Accrual adjustment on earnings attributable to other equity holders*	(754)	(528)
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items from continuing operations	290 962	258 052
Headline earnings from continuing operations		
Earnings attributable to shareholders from continuing operations	315 283	443 499
Impairment of goodwill	—	805
Gain on distribution of associate to shareholders	—	(155 146)
Taxation on gain on distribution of associate to shareholders	—	(14 501)
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(21 654)	(19 602)
Headline adjustments of associates	—	(662)
Property revaluation, net of taxation and non-controlling interests**	(311)	172
(Loss)/gain on repurchase of perpetual preference shares	(14)	443
Headline earnings attributable to ordinary shareholders from continuing operations***	293 304	255 008
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	993 108 054	1 005 716 970
Weighted average number of treasury shares held by Investec Limited	(47 035 974)	—
Weighted average number of treasury shares held by share schemes	(94 306 826)	(99 434 093)
Weighted average number of shares in issue during the year	851 765 254	906 282 877
Weighted average number of shares resulting from future dilutive potential shares	33 182 302	32 981 967
Adjusted weighted number of shares potentially in issue	884 947 556	939 264 844
Basic earnings per share from continuing operations – pence	34.5	46.8
Diluted basic earnings per share from continuing operations – pence	33.2	45.2
Adjusted earnings per share from continuing operations – pence	34.2	28.5
Diluted adjusted earnings per share from continuing operations – pence	32.9	27.5
Headline earnings per share from continuing operations – pence***	34.4	28.1
Diluted headline earnings per share from continuing operations – pence***	33.1	27.1

* In accordance with IFRS, dividends attributable to equity holders are accounted for when a constructive obligation arises i.e. on declaration by the Board of directors and approval by the shareholders where required. Investec is of the view that EPS is best reflected by adjusting for earnings that are attributed to equity instruments (other than ordinary shares) on an accrual basis and therefore adjusts the paid dividend on such instruments to accrued in arriving at adjusted EPS.

** Taxation on property revaluation headline earnings adjustments amounted to £0.1 million (2022: £0.1 million) with an impact of £nil (2022: £nil) 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.

EARNINGS PER SHARE

CONTINUED

For the six months to 30 September	2023	2022
Discontinued operations		
Earnings from discontinued operations	£'000	£'000
Earnings and diluted earnings attributable to ordinary shareholders from discontinued operations	299 601	34 624
Adjusted earnings from continuing operations		
Earnings attributable to shareholders from discontinued operations	299 601	34 624
Financial impact of strategic actions of discontinued operations	(267 902)	—
Taxation on acquired intangibles and strategic actions of discontinued operations	744	(1 103)
Amortisation of acquired intangibles	6 424	6 662
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items from discontinued operations	38 867	40 183
Headline earnings from discontinued operations		
Earnings attributable to shareholders	299 601	34 624
Financial impact of strategic actions of discontinued operations excluding implementation costs	(280 737)	—
Taxation on strategic actions	2 359	—
Property revaluation, net of taxation and non-controlling interests**	—	89
Headline earnings attributable to ordinary shareholders from discontinued operations***	21 223	34 713
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	993 108 054	1 005 716 970
Weighted average number of treasury shares held by Investec Limited	(47 035 974)	—
Weighted average number of treasury shares held by share schemes	(94 306 826)	(99 434 093)
Weighted average number of shares in issue during the year	851 765 254	906 282 877
Weighted average number of shares resulting from future dilutive potential shares	33 182 302	32 981 967
Adjusted weighted number of shares potentially in issue	884 947 556	939 264 844
Basic earnings per share from discontinued operations – pence	35.2	3.8
Diluted basic earnings per share from discontinued operations – pence	33.9	3.7
Adjusted earnings per share from discontinued operations – pence	4.6	4.4
Diluted adjusted earnings per share from discontinued operations – pence	4.4	4.3
Headline earnings per share from discontinued operations – pence***	2.5	3.8
Diluted headline earnings per share from discontinued operations – pence***	2.4	3.7

** Taxation on property revaluation headline earnings adjustments amounted to £nil (2022: £nil) 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.

STATUTORY SEGMENTAL INCOME STATEMENT – GEOGRAPHIC ANALYSIS

For the six months to 30 September 2023			
£'000	UK and Other	Southern Africa	Total
Net interest income	402 553	280 085	682 638
Net fee and commission income	65 103	130 958	196 061
Investment income	10 054	12 382	22 436
Share of post-taxation profit of associates and joint venture holdings	3 064	177	3 241
Trading income arising from			
– customer flow	59 934	19 362	79 296
– balance sheet management and other trading activities	19 201	2 253	21 454
Other operating (loss)/income	(315)	85	(230)
Total operating income before expected credit loss impairment charges	559 594	445 302	1 004 896
Expected credit loss impairment charges	(39 303)	(6 988)	(46 291)
Operating income	520 291	438 314	958 605
Operating costs	(320 921)	(235 187)	(556 108)
Operating profit before goodwill, acquired intangibles and strategic actions	199 370	203 127	402 497
Profit attributable to non-controlling interests	194	(198)	(4)
Adjusted operating profit	199 564	202 929	402 493
Amortisation of acquired intangibles	—	(543)	(543)
Closure and rundown of the Hong Kong direct investments business	2 304	—	2 304
Earnings attributable to shareholders before taxation	201 868	202 386	404 254
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(43 783)	(45 340)	(89 123)
Taxation on acquired intangibles and strategic actions	—	152	152
Earnings attributable to shareholders from continuing operations	158 085	157 198	315 283
Discontinued operations			
Profit after taxation and financial impact of strategic actions from discontinued operations	391 896	(80 529)	311 367
Operating profit before strategic actions and non-controlling interests from discontinued operations	31 046	14 778	45 824
Financial impact of strategic actions net of taxation from discontinued operations	360 850	(95 307)	265 543
Profit attributable non-controlling interests of discontinuing operations	—	(11 766)	(11 766)
Earnings attributable to shareholders	549 981	64 903	614 884
Selected returns and key statistics			
ROE (post-tax)	13.6%	16.0%	14.6%
Return on tangible equity (post-tax)	16.7%	16.1%	16.4%
Cost to income ratio	57.3%	52.8%	55.3%
Staff compensation to operating income	42.7%	39.1%	41.1%
Adjusted operating profit per employee (£'000)	69.8	42.9	54.3
Effective operational tax rate	22.3%	22.3%	22.3%
Total assets (£'million)	29 491	27 763	57 254

STATUTORY SEGMENTAL INCOME STATEMENT – GEOGRAPHIC ANALYSIS CONTINUED

For the six months to 30 September 2022 [^]	UK and Other	Southern Africa	Total
£'000			
Net interest income	322 023	285 810	607 833
Net fee and commission income	61 671	144 982	206 653
Investment income	19 221	10 571	29 792
Share of post-taxation profit of associates and joint venture holdings	9 481	18 531	28 012
Trading income/(loss) arising from			
– customer flow	37 013	29 223	66 236
– balance sheet management and other trading activities	199	(10 538)	(10 339)
Other operating loss	(1 840)	(4 811)	(6 651)
Total operating income before expected credit loss impairment charges	447 768	473 768	921 536
Expected credit loss impairment charges	(27 901)	(1 450)	(29 351)
Operating income	419 867	472 318	892 185
Operating costs	(285 734)	(248 548)	(534 282)
Operating profit before goodwill, acquired intangibles and strategic actions	134 133	223 770	357 903
Profit attributable to non-controlling interests	—	—	—
Adjusted operating profit	134 133	223 770	357 903
Impairment of goodwill	(805)	—	(805)
Amortisation of acquired intangibles	—	(1 316)	(1 316)
Amortisation of acquired intangibles of associates	(1 003)	(539)	(1 542)
Closure and rundown of the Hong Kong direct investments business	(280)	—	(280)
Net gain on distribution of associate to shareholders	86 945	67 462	154 407
Earnings attributable to shareholders before taxation	218 990	289 377	508 367
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(29 692)	(50 029)	(79 721)
Taxation on acquired intangibles and strategic actions	—	14 853	14 853
Earnings attributable to shareholders from continuing operations	189 298	254 201	443 499
Discontinued operations			
Profit after taxation and financial impact of strategic actions from discontinued operations	26 806	36 491	63 297
Operating profit before strategic actions and non-controlling interests from discontinued operations	26 806	36 491	63 297
Financial impact of strategic actions net of taxation from discontinued operations	—	—	—
Profit attributable to non-controlling interests of discontinued operations	—	(28 673)	(28 673)
Earnings attributable to shareholders	216 104	262 019	478 123
Selected returns and key statistics			
ROE (post-tax)	11.1%	14.6%	12.9%
Return on tangible equity (post-tax)	12.6%	14.8%	13.8%
Cost to income ratio	63.8%	52.5%	58.0%
Staff compensation to operating income	48.2%	36.1%	42.7%
Adjusted operating profit per employee (£'000)	49.6	50.9	50.3
Effective operational tax rate	23.8%	24.4%	24.2%
Total assets (£'million)	29 146	30 375	59 521

[^] Restated as detailed on page 74.

STATUTORY SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS

For the six months to 30 September 2023 £'000	UK and Other						
	Private Client						
	Wealth & Investment	Specialist Banking			Group Investments	Group Costs	Total
		Private Banking	Corporate, Investment Banking and Other	Total Specialist Banking			
Net interest income/(expense)	—	71 182	331 371	402 553	—	—	402 553
Net fee and commission income	—	343	64 760	65 103	—	—	65 103
Investment income/(loss)	—	179	3 642	3 821	6 233	—	10 054
Share of post-taxation profit/(loss) of associates and joint venture holdings	—	—	3 064	3 064	—	—	3 064
Trading income arising from							
– customer flow	—	2 238	57 696	59 934	—	—	59 934
– balance sheet management and other trading activities	—	—	19 201	19 201	—	—	19 201
Other operating (loss) income	—	—	(315)	(315)	—	—	(315)
Total operating income before expected credit loss impairment charges	—	73 942	479 419	553 361	6 233	—	559 594
Expected credit loss impairment charges	—	(4 733)	(34 570)	(39 303)	—	—	(39 303)
Operating income	—	69 209	444 849	514 058	6 233	—	520 291
Operating costs	—	(28 818)	(278 051)	(306 869)	—	(14 052)	(320 921)
Operating profit/(loss) before goodwill, acquired intangibles and strategic actions	—	40 391	166 798	207 189	6 233	(14 052)	199 370
Profit attributable to non-controlling interests	—	—	194	194	—	—	194
Adjusted operating profit/(loss) from continuing operations	—	40 391	166 992	207 383	6 233	(14 052)	199 564
Profit before taxation from discontinued operations	47 828	—	—	—	—	—	47 828
Profit attributable non-controlling interests of discontinuing operations	—	—	—	—	—	—	—
Operating profit/(loss) before goodwill, acquired intangibles and after non-controlling interests	47 828	40 391	166 992	207 383	6 233	(14 052)	247 392
Selected returns and key statistics							
ROE (post-tax)	20.7%	20.4%	14.8%	15.6%	24.3%	n/a	13.6%
Return on tangible equity (post-tax)	33.0%	20.4%	15.2%	15.9%	24.3%	n/a	16.7%
Cost to income ratio	n/a	39.0%	58.0%	55.4%	n/a	n/a	57.3%
Total assets (£'million)	188	5 246	23 898	29 144	159	n/a	29 491

STATUTORY SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS CONTINUED

Southern Africa							
Private Client							
Wealth & Investment	Specialist Banking			Group Investments	Group Costs	Total	Total Group
	Private Banking	Corporate, Investment Banking and Other	Total Specialist Banking				
6 411	125 498	152 479	277 977	(4 303)	—	280 085	682 638
52 250	21 455	57 256	78 711	(3)	—	130 958	196 061
72	2 377	9 767	12 144	166	—	12 382	22 436
—	138	39	177	—	—	177	3 241
444	—	18 918	18 918	—	—	19 362	79 296
33	(26)	2 246	2 220	—	—	2 253	21 454
—	2	83	85	—	—	85	(230)
59 210	149 444	240 788	390 232	(4 140)	—	445 302	1 004 896
(1)	2 301	(9 288)	(6 987)	—	—	(6 988)	(46 291)
59 209	151 745	231 500	383 245	(4 140)	—	438 314	958 605
(41 734)	(80 061)	(106 153)	(186 214)	(249)	(6 990)	(235 187)	(556 108)
17 475	71 684	125 347	197 031	(4 389)	(6 990)	203 127	402 497
—	—	(198)	(198)	—	—	(198)	(4)
17 475	71 684	125 149	196 833	(4 389)	(6 990)	202 929	402 493
—	—	—	—	14 778	—	14 778	62 606
—	—	—	—	(11 766)	—	(11 766)	(11 766)
17 475	71 684	125 149	196 833	(1 377)	(6 990)	205 941	453 333
75.8%	18.9%	17.0%	17.7%	(0.9%)	n/a	16.0%	14.6%
75.8%	18.9%	17.1%	17.8%	(0.9%)	n/a	16.1%	16.4%
70.5%	53.6%	44.1%	47.7%	n/a	n/a	52.8%	55.3%
255	10 243	16 971	27 214	294	n/a	27 763	57 254

STATUTORY SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS CONTINUED

For the six months to 30 September 2022^ £'000	UK and Other						
	Private Client						
	Wealth & Investment	Specialist Banking			Group Investments	Group Costs	Total
Private Banking		Corporate, Investment Banking and Other	Total Specialist Banking				
Net interest income/(expense)	—	54 618	267 405	322 023	—	—	322 023
Net fee and commission income	—	1 169	60 502	61 671	—	—	61 671
Investment income/(loss)	—	110	11 948	12 058	7 163	—	19 221
Share of post-taxation profit of associates and joint venture holdings	—	—	4 588	4 588	4 893	—	9 481
Trading income/(loss) arising from							
– customer flow	—	2 292	34 721	37 013	—	—	37 013
– balance sheet management and other trading activities	—	13	186	199	—	—	199
Other operating income	—	—	(1 840)	(1 840)	—	—	(1 840)
Total operating income before expected credit loss impairment charges	—	58 202	377 510	435 712	12 056	—	447 768
Expected credit loss impairment (charges)/ release	—	(2 353)	(25 548)	(27 901)	—	—	(27 901)
Operating income	—	55 849	351 962	407 811	12 056	—	419 867
Operating costs	—	(26 479)	(252 687)	(279 166)	—	(6 568)	(285 734)
Operating profit/(loss) before goodwill, acquired intangibles and strategic actions	—	29 370	99 275	128 645	12 056	(6 568)	134 133
Profit attributable to non-controlling interests	—	—	—	—	—	—	—
Adjusted operating profit/(loss) from continuing operations	—	29 370	99 275	128 645	12 056	(6 568)	134 133
Profit before taxation from discontinued operations	40 254			—		—	40 254
Profit attributable non-controlling interests of discontinuing operations	—			—		—	—
Operating profit/(loss) before goodwill, acquired intangibles and after non- controlling interests	40 254	29 370	99 275	128 645	12 056	(6 568)	174 387
Selected returns and key statistics							
ROE (post-tax)	24.7%	20.1%	8.6%	10.2%	17.9%	n/a	11.1%
Return on tangible equity (post-tax)	45.0%	20.1%	8.6%	10.3%	17.9%	n/a	12.6%
Cost to income ratio	n/a	45.5%	66.9%	64.1%	n/a	n/a	63.8%
Total assets (£'million)	1 017	5 146	22 814	27 960	169	n/a	29 146

^ Restated as detailed on page 74.

STATUTORY SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS

CONTINUED

Southern Africa							
Private Client							
Wealth & Investment	Specialist Banking			Group Investments	Group Costs	Total	Total Group
	Private Banking	Corporate, Investment Banking and Other	Total Specialist Banking				
3 550	140 885	146 657	287 542	(5 282)	—	285 810	607 833
51 900	25 883	67 199	93 082	—	—	144 982	206 653
(219)	8 726	2 064	10 790	—	—	10 571	29 792
—	(189)	128	(61)	18 592	—	18 531	28 012
464	—	28 759	28 759	—	—	29 223	66 236
310	(198)	(10 650)	(10 848)	—	—	(10 538)	(10 339)
2	5	(4 818)	(4 813)	—	—	(4 811)	(6 651)
56 007	175 112	229 339	404 451	13 310	—	473 768	921 536
(4)	4 200	(5 646)	(1 446)	—	—	(1 450)	(29 351)
56 003	179 312	223 693	403 005	13 310	—	472 318	892 185
(40 819)	(89 633)	(110 433)	(200 066)	—	(7 663)	(248 548)	(534 282)
15 184	89 679	113 260	202 939	13 310	(7 663)	223 770	357 903
—	—	—	—	—	—	—	—
15 184	89 679	113 260	202 939	13 310	(7 663)	223 770	357 903
			—	35 511	—	35 511	75 765
			—	(28 673)	—	(28 673)	(28 673)
15 184	89 679	113 260	202 939	20 148	(7 663)	230 608	404 995
65.5%	15.7%	14.0%	14.8%	11.8%	n/a	14.6%	12.9%
65.5%	15.7%	14.9%	15.3%	11.8%	n/a	14.8%	13.8%
72.9%	51.2%	48.2%	49.5%	—%	n/a	52.5%	58.0%
221	11 324	17 339	28 663	1 491	n/a	30 375	59 521

SEGMENTAL ANALYSIS OF ASSETS AND LIABILITIES – GEOGRAPHIC ANALYSIS

At 30 September 2023 £'000	UK and Other	Southern Africa	Total
Assets			
Cash and balances at central banks	4 750 689	584 933	5 335 622
Loans and advances to banks	1 002 751	439 017	1 441 768
Non-sovereign and non-bank cash placements	—	396 311	396 311
Reverse repurchase agreements and cash collateral on securities borrowed	1 122 420	3 300 456	4 422 876
Sovereign debt securities	1 958 303	3 469 809	5 428 112
Bank debt securities	227 229	579 837	807 066
Other debt securities	831 608	441 624	1 273 232
Derivative financial instruments	632 711	697 122	1 329 833
Securities arising from trading activities	130 726	1 445 884	1 576 610
Investment portfolio	407 901	430 449	838 350
Loans and advances to customers	16 282 144	14 437 456	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	826 933	1 160	828 093
Current taxation assets	70 358	57	70 415
Deferred taxation assets	113 009	89 383	202 392
Other assets	777 192	738 341	1 515 533
Property and equipment	76 547	145 586	222 133
Investment properties	—	111 157	111 157
Goodwill	69 081	7 004	76 085
Software	4 688	5 375	10 063
Non-current assets classified as held for sale	—	3 262	3 262
	29 491 043	27 629 619	57 120 662
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	133 233	133 233
	29 491 043	27 762 852	57 253 895
Liabilities			
Deposits by banks	2 365 578	1 521 000	3 886 578
Derivative financial instruments	740 480	1 731 493	2 471 973
Other trading liabilities	21 038	264 425	285 463
Repurchase agreements and cash collateral on securities lent	99 736	790 776	890 512
Customer accounts (deposits)	19 914 578	20 021 149	39 935 727
Debt securities in issue	1 325 451	179 540	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	34 755	30 144	64 899
Deferred taxation liabilities	11 045	9 250	20 295
Other liabilities	993 681	570 067	1 563 748
	25 582 426	25 287 939	50 870 365
Liabilities to customers under investment contracts	—	119 328	119 328
Insurance liabilities, including unit-linked liabilities	—	13 905	13 905
	25 582 426	25 421 172	51 003 598
Subordinated liabilities	667 316	345 921	1 013 237
	26 249 742	25 767 093	52 016 835

SEGMENTAL ANALYSIS OF ASSETS AND LIABILITIES – GEOGRAPHIC ANALYSIS

CONTINUED

At 31 March 2023 ^a £'000	UK and Other	Southern Africa	Total Group
Assets			
Cash and balances at central banks	5 400 401	1 037 308	6 437 709
Loans and advances to banks	889 034	561 593	1 450 627
Non-sovereign and non-bank cash placements	—	442 254	442 254
Reverse repurchase agreements and cash collateral on securities borrowed	1 338 699	2 293 959	3 632 658
Sovereign debt securities	1 221 744	3 529 902	4 751 646
Bank debt securities	204 691	745 293	949 984
Other debt securities	697 275	546 956	1 244 231
Derivative financial instruments	633 649	752 485	1 386 134
Securities arising from trading activities	127 537	1 504 854	1 632 391
Investment portfolio	489 204	841 703	1 330 907
Loans and advances to customers	15 567 809	14 545 160	30 112 969
Own originated loans and advances to customers securitised	—	272 879	272 879
Other loans and advances	142 665	61	142 726
Other securitised assets	78 231	24 920	103 151
Interests in associated undertakings	52 320	1 383	53 703
Current taxation assets	69 257	65	69 322
Deferred taxation assets	134 564	100 607	235 171
Other assets	959 421	622 272	1 581 693
Property and equipment	121 014	157 547	278 561
Investment properties	—	722 481	722 481
Goodwill	255 267	7 365	262 632
Software	9 415	5 986	15 401
Other acquired intangible assets	40 550	586	41 136
Non-current assets classified as held for sale	—	35 761	35 761
	28 432 747	28 753 380	57 186 127
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	110 891	110 891
	28 432 747	28 864 271	57 297 018
Liabilities			
Deposits by banks	2 168 795	1 448 729	3 617 524
Derivative financial instruments	701 282	1 722 754	2 424 036
Other trading liabilities	28 184	174 072	202 256
Repurchase agreements and cash collateral on securities lent	119 321	817 243	936 564
Customer accounts (deposits)	19 115 554	20 440 115	39 555 669
Debt securities in issue	1 449 545	353 041	1 802 586
Liabilities arising on securitisation of own originated loans and advances	—	163 787	163 787
Liabilities arising on securitisation of other assets	81 609	—	81 609
Current taxation liabilities	40 303	42 880	83 183
Deferred taxation liabilities	22 216	4 329	26 545
Other liabilities	1 229 580	644 134	1 873 714
	24 956 389	25 811 084	50 767 473
Liabilities to customers under investment contracts	—	108 370	108 370
Insurance liabilities, including unit-linked liabilities	—	2 521	2 521
	24 956 389	25 921 975	50 878 364
Subordinated liabilities	731 483	353 147	1 084 630
	25 687 872	26 275 122	51 962 994

^a Restated as detailed on page 74

SEGMENTAL ANALYSIS OF ASSETS AND LIABILITIES – GEOGRAPHIC ANALYSIS

CONTINUED

At 30 September 2022^ £'000	UK and Other	Southern Africa	Total
Assets			
Cash and balances at central banks	4 490 840	676 437	5 167 277
Loans and advances to banks	1 488 626	923 672	2 412 298
Non-sovereign and non-bank cash placements	—	427 208	427 208
Reverse repurchase agreements and cash collateral on securities borrowed	2 041 317	2 383 496	4 424 813
Sovereign debt securities	1 376 257	3 360 581	4 736 838
Bank debt securities	109 789	993 512	1 103 301
Other debt securities	590 175	691 352	1 281 527
Derivative financial instruments	1 125 731	644 402	1 770 133
Securities arising from trading activities	135 849	1 265 471	1 401 320
Investment portfolio	536 360	582 992	1 119 352
Loans and advances to customers	15 352 394	15 609 064	30 961 458
Own originated loans and advances to customers securitised	—	270 700	270 700
Other loans and advances	187 122	4 298	191 420
Other securitised assets	86 320	71 800	158 120
Interests in associated undertakings and joint venture holdings	63 571	284 152	347 723
Current taxation assets	59 209	12	59 221
Deferred taxation assets	120 540	124 515	245 055
Other assets	960 449	945 829	1 906 278
Property and equipment	127 004	169 892	296 896
Investment properties	—	807 313	807 313
Goodwill	249 031	8 197	257 228
Software	9 934	2 486	12 420
Other acquired intangible assets	35 603	1 924	37 527
Non-current assets classified as held for sale	—	38 430	38 430
	29 146 121	30 287 735	59 433 856
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	87 023	87 023
	29 146 121	30 374 758	59 520 879
Liabilities			
Deposits by banks	2 421 466	981 450	3 402 916
Derivative financial instruments	1 383 977	1 563 480	2 947 457
Other trading liabilities	42 260	208 514	250 774
Repurchase agreements and cash collateral on securities lent	126 875	895 195	1 022 070
Customer accounts (deposits)	18 871 358	21 673 352	40 544 710
Debt securities in issue	1 349 430	341 867	1 691 297
Liabilities arising on securitisation of own originated loans and advances	—	176 287	176 287
Liabilities arising on securitisation of other assets	90 025	—	90 025
Current taxation liabilities	25 752	29 957	55 709
Deferred taxation liabilities	14 832	4 159	18 991
Other liabilities	1 469 292	880 182	2 349 474
	25 795 267	26 754 443	52 549 710
Liabilities to customers under investment contracts	—	84 202	84 202
Insurance liabilities, including unit-linked liabilities	—	2 841	2 841
	25 795 267	26 841 486	52 636 753
Subordinated liabilities	708 581	482 519	1 191 100
	26 503 848	27 324 005	53 827 853

^ Restated as detailed on page 74

Financial review



PRO-FORMA

Pro-forma income statements

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.

All the financial analysis that follows will be based on the pro-forma income statements provided below.

£'000	Six months to 30 September 2023	Re-presentation of discontinued operation - IPF	Re-presentation of discontinued operation - Investec Wealth & Investment UK	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 loss	(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 other 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.

PRO-FORMA CONTINUED

£'000	Six months to 30 September 2022	Re-presentation of discontinued operation - IPF	Re-presentation of discontinued operation - Investec Wealth & Investment UK	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 loss	(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	—	—	—	—
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

* Refer to discontinued operations disclosure.

PRO-FORMA CONTINUED

£'000	Year to 31 March 2023	Re-presentation of discontinued operation - IPF	Re-presentation of discontinued operation - Investec Wealth & Investment UK	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.

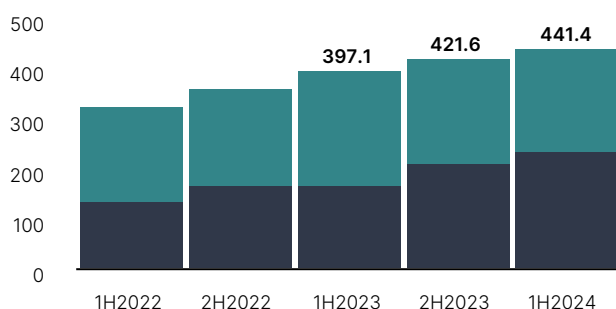
PERFORMANCE IN REVIEW

We have a diversified business model

We have achieved consistent growth across both geographies that we operate in

Adjusted operating profit (including Group Costs)[^]

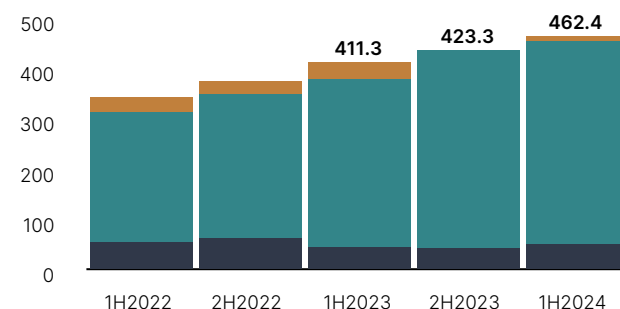
£'million



UK and Other
Southern Africa

Adjusted operating profit (excluding Group Costs)[^]

£'million



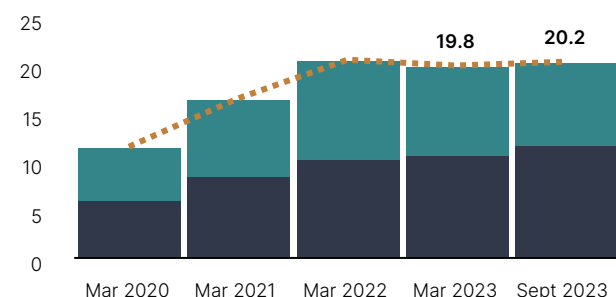
Wealth & Investment
Specialist Banking
Group Investments

Solid underlying fundamentals driven by our strong client franchises

Funds under management growth achieved amid uncertainty

Funds under management by type[#]

£'billion

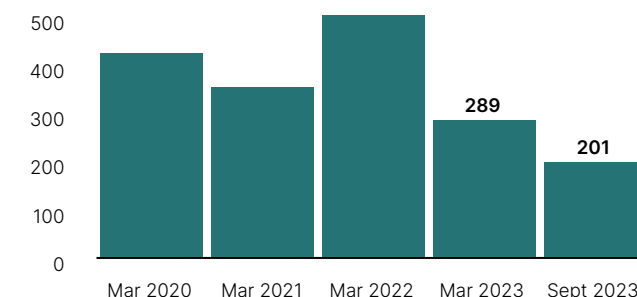


Discretionary and annuity
Non-discretionary

FUM*

Net inflows from discretionary and annuity assets[#]

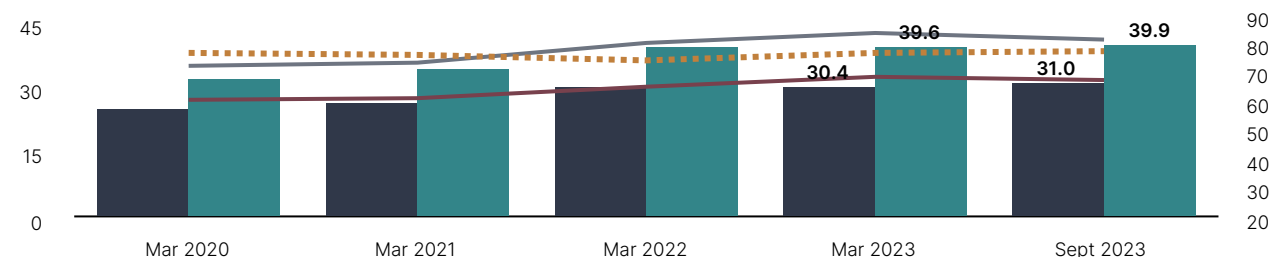
£'million



Core loans and customer deposits

£'billion

Percentage



Net core loans (LHS)

Customer deposits (LHS)

Loan to deposit ratio (LHS)

Currency neutral core loans[^] (LHS)Currency neutral customer deposits[^] (LHS)

* This trend line is shown on a currency neutral basis using the closing Rand: Pound Sterling exchange rate applicable at 30 September 2023.

[^] The most recent three periods (1H2023, 2H2023 and 1H2024) have been prepared on a proforma basis, the proforma income statements by geography can be found on page 87

[#] Funds under management from Southern African and Swiss operations. See page 103

PERFORMANCE IN REVIEW

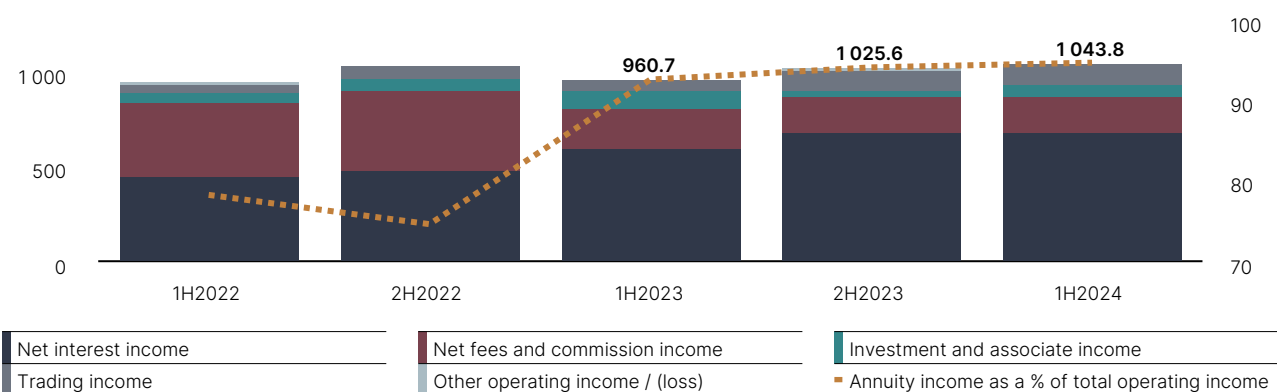
CONTINUED

Revenue supported by strong performance from client franchises

Total operating income[^]

£'million

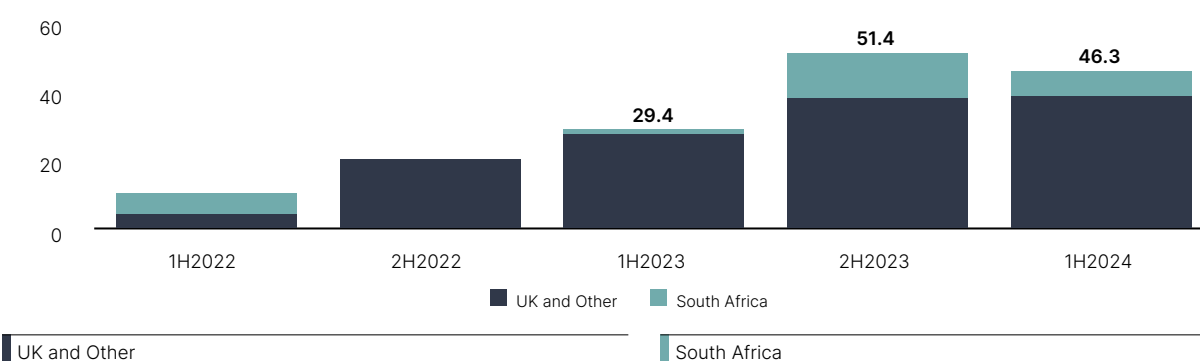
Percentage



Asset quality remains strong, with exposures to a carefully defined target market well covered by collateral

Expected credit loss impairment charges[^]

£'million



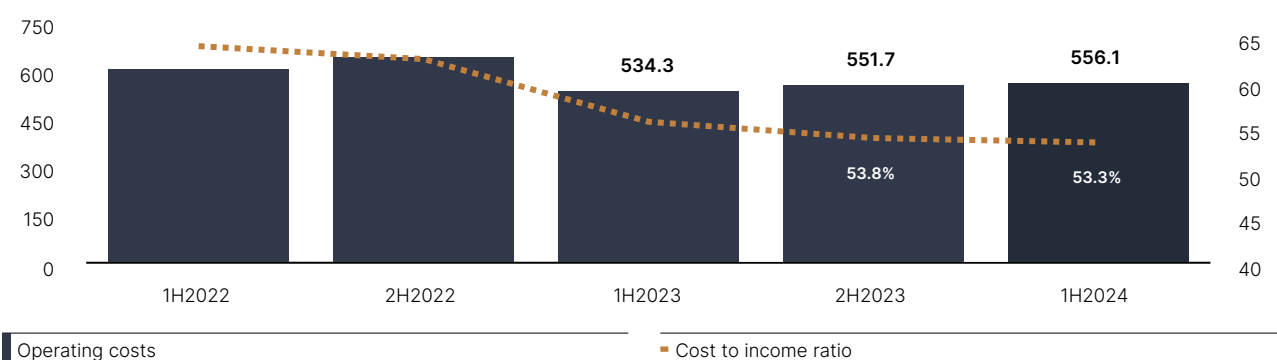
Cost to income ratio continued to improve as revenue grew ahead of costs



Operating costs and cost to income ratio[^]

£'million

Percentage



[^] The most recent three periods (1H2023, 2H2023 and 1H2024) have been prepared on a proforma basis, the proforma income statements by geography can be found on page 87

PERFORMANCE IN REVIEW

CONTINUED

Income statement analysis

The overview that follows highlights the main reasons for the variance in the major category line items on the face of the income statement during the year under review.

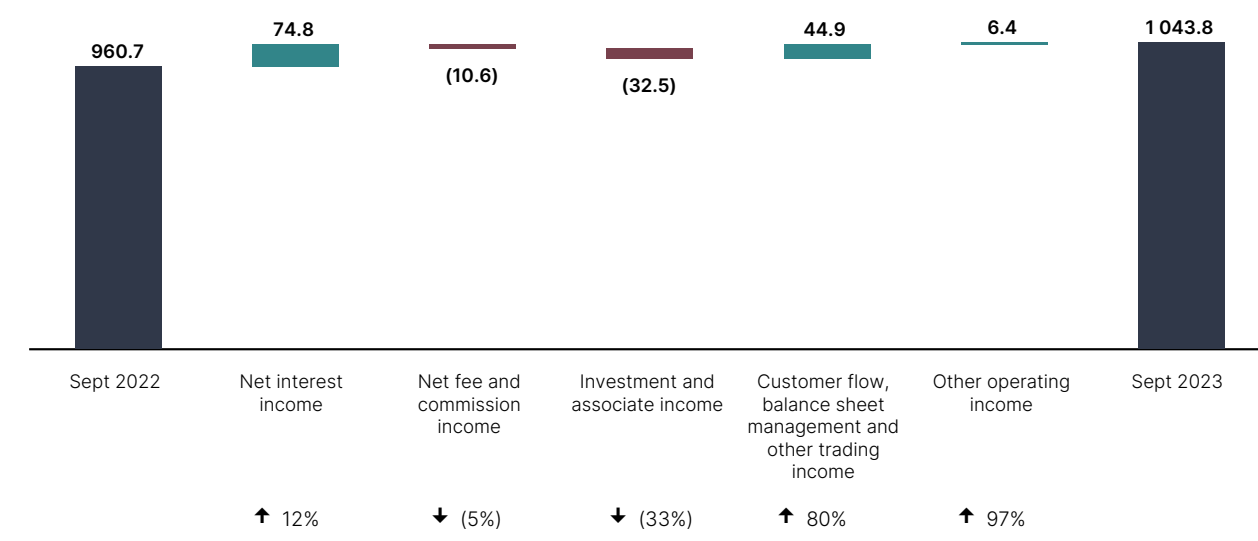
Further details on the key income drivers and significant variances in the various components of our operating income, expenses and profit can be found in the divisional review section on pages 85 to 116.

1. Total operating income before expected credit loss impairment charges[^]

Total operating income before expected credit loss impairment charges increased 8.6% to £1 043.8 million (1H2023: £960.7 million).

A breakdown of total operating income before expected credit loss impairment charges by geography and division for the period under review can be found in our segmental disclosures on pages 40 to 48.

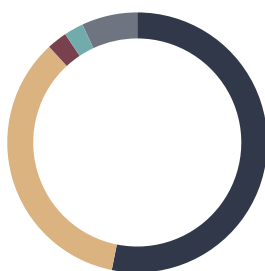
£'million



Percentage contribution to total operating income before expected credit loss (ECL) impairment charges[^]

30 September 2022
£960.7 million total operating income before ECL impairment charges

30 September 2023
£1 043.8 million total operating income before ECL impairment charges



£'000	30 Sept 2022	% of total
Net interest income	607 833	63%
Net fee and commission income	206 653	22%
Investment income	36 630	4%
Share of post-taxation profit of associates and joint venture holdings	60 377	6%
Trading income arising from customer flow, balance sheet management and other trading activities	55 897	6%
Other operating income / (loss)	(6 651)	(1%)
Total operating income before ECL impairment charges	960 739	100%

£'000	30 Sept 2023	% of total
Net interest income	682 638	65%
Net fee and commission income	196 061	19%
Investment income	25 448	2%
Share of post-taxation profit of associates and joint venture holdings	39 096	4%
Trading income arising from customer flow, balance sheet management and other trading activities	100 750	10%
Other operating income / (loss)	(230)	—%
Total operating income before ECL impairment charges	1 043 763	100 %

[^] This key metric is based on the pro-forma income statements on page 51

PERFORMANCE IN REVIEW

CONTINUED

2. Net interest income

Net interest income increased by 12.3% to £682.6 million (1H2023: £607.8 million).

Factors driving the variance over the period:

Favourable:

- Growth in the loan book, as well as other interest earning assets, in both SA and the UK
- Positive endowment impact from higher average interest rates
- Growth in our deposit gathering franchises

Unfavourable:

- Foregone interest income on funds utilised to execute the R6.8 billion share buy-back

For the six months to 30 September 2023 £'000	Notes	UK and Other			Southern Africa			Total	
		Average balance sheet value	Interest income	Average yield	Average balance sheet value	Interest income	Average yield	Average balance sheet value	Interest income
Cash, near cash and bank debt and sovereign debt securities	1	9 042 941	202 370	4.63%	8 624 521	285 535	3.23%	17 667 462	487 905
Core loans	2	15 967 599	626 118	7.84%	14 098 495	738 359	5.23%	30 066 094	1 364 477
Private Client		5 289 094	145 175	5.49%	9 857 853	525 056	5.32%	15 146 947	670 231
Corporate, Investment Banking and Other		10 678 505	480 943	9.01%	4 240 642	213 303	5.03%	14 919 147	694 246
Other debt securities and other loans and advances		887 981	31 355	7.06%	457 592	14 319	3.13%	1 345 573	45 674
Other	3	197 472	234 807	n/a	27 406	24 883	n/a	224 878	259 690
Total interest-earning assets		26 095 993	1 094 650		23 208 014	1 063 096		49 304 007	2 157 746

For the six months to 30 September 2023 £'000	Notes	UK and Other			Southern Africa			Total	
		Average balance sheet value	Interest expense	Average yield	Average balance sheet value	Interest expense	Average yield	Average balance sheet value	Interest expense
Deposits by banks and other debt-related securities	4	3 775 008	(37 238)	1.97%	2 275 831	(68 165)	2.99%	6 050 839	(105 403)
Customer accounts (deposits)		19 498 779	(399 030)	4.12%	19 495 425	(667 260)	3.41%	38 994 204	(1 066 290)
Subordinated liabilities		696 581	(26 677)	7.66%	109 838	(16 774)	5.10%	806 419	(43 451)
Other	5	304 054	(229 152)	n/a	328 743	(30 812)	n/a	632 797	(259 964)
Total interest-bearing liabilities		24 274 422	(692 097)		22 209 837	(783 011)		46 484 259	(1 475 108)
Net interest income			402 553			280 085			682 638
Net interest margin			3.12%			2.38%			

The average balance sheet value and average yield for Southern Africa have been determined in Rands. The average balance sheet value shown above has been translated using the average Rand: Pound sterling exchange rate for the period of R19.80 (1H2023: R19.80).

1. Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; non-sovereign and non-bank cash placements; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities and bank debt securities.
2. Comprises (as per the balance sheet) loans and advances to customers; own originated loans and advances to customers securitised.
3. Comprises (as per the balance sheet) other securitised assets, finance lease receivables as well as interest income from derivative financial instruments and off-balance sheet assets where there is no associated balance sheet value.
4. Comprises (as per the balance sheet) deposits by banks; debt securities in issue; repurchase agreements and cash collateral on securities lent.
5. Comprises (as per the balance sheet) liabilities arising on securitisation of own originated loans and advances, finance lease liabilities as well as interest expense from derivative financial instruments where there is no associated balance sheet value.

PERFORMANCE IN REVIEW

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For the six months to 30 September 2022 [^] £'000	Notes	UK and Other			Southern Africa			Total	
		Average balance sheet value	Interest income	Average yield	Average balance sheet value	Interest income	Average yield	Average balance sheet value	Interest income
Cash, near cash and bank debt and sovereign debt securities	1	9 436 120	59 271	1.29%	9 338 338	201 309	2.14%	18 774 458	260 580
Core loans	2	14 891 045	391 123	5.26%	15 374 002	583 434	3.77%	30 265 047	974 557
Private client		4 917 603	90 110	3.70%	11 107 727	426 878	3.72%	16 025 330	516 988
Corporate, Investment Banking and Other		9 973 442	301 013	6.04%	4 266 275	156 556	3.91%	14 239 717	457 569
Other debt securities and other loans and advances		669 077	6 546	4.32%	694 576	21 411	3.07%	1 363 653	27 957
Other	3	232 632	59 740	n/a	50 327	9 704	n/a	282 959	69 444
Total interest- earning assets		25 228 874	516 680		25 457 243	815 858		50 686 117	1 332 538

For the six months to 30 September 2022 [^] £'000	Notes	UK and Other			Southern Africa			Total	
		Average balance sheet value	Interest income [#]	Average yield	Average balance sheet value	Interest income	Average yield	Average balance sheet value	Interest expense
Deposits by banks and other debt- related securities	4	3 756 183	(18 382)	0.98%	2 130 100	(24 623)	1.14%	5 886 283	(43 005)
Customer accounts (deposits)		18 755 840	(111 124)	1.19%	21 612 233	(473 261)	2.17%	40 368 073	(584 385)
Subordinated liabilities		355 866	(51 853)	3.77%	468 417	(16 798)	3.18%	824 283	(68 651)
Other	5	744 636	(13 298)	n/a	314 742	(15 366)	n/a	1 059 378	(28 664)
Total interest- bearing liabilities		23 612 525	(194 657)		24 525 492	(530 048)		48 138 017	(724 705)
Net interest income			322 023			285 810			607 833
Net interest margin			2.58%			2.23%			

The average balance sheet value and average yield for Southern Africa have been determined in Rands. The average balance sheet value shown above has been translated using the average Rand: Pound sterling exchange rate for the period of R19.80.

1. Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; non-sovereign and non-bank cash placements; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities and bank debt securities.
2. Comprises (as per the balance sheet) loans and advances to customers; own originated loans and advances to customers securitised.
3. Comprises (as per the balance sheet) other securitised assets, finance lease receivables as well as interest income from derivative financial instruments and off-balance sheet assets where there is no associated balance sheet value.
4. Comprises (as per the balance sheet) deposits by banks; debt securities in issue; repurchase agreements and cash collateral on securities lent.
5. Comprises (as per the balance sheet) liabilities arising on securitisation of own originated loans and advances, finance lease liabilities as well as interest expense from derivative financial instruments where there is no associated balance sheet value.

[^] Restated as detailed on page 74.

PERFORMANCE IN REVIEW

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3. Net fee and commission income

Net fee and commission income decreased 5.1% to £196.1 million (1H2023: £206.7 million).

Factors driving the variance over the period:

Favourable:

- Growth in deal and arrangement fees from transactions in Power and Infrastructure Finance, Aviation and Real Estate in the UK
- Higher fees from increased trade finance activity in South Africa
- Increase in UK Listed companies' advisory fees

Unfavourable:

- Lost fee income recognized due to the disposal of the management companies by IPF in the prior period
- Muted equity trading volumes on the JSE, which resulted in lower brokerage fees in SA
- Lower Investment Banking fees in SA due to the non-repeat of fees from a single client in the prior period

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 on page 74.

* Trust and fiduciary fees amounted to £0.2 million (2022: £0.2 million) and are included in Private client transactional fees.

** Included in Specialist Banking is fee and commission income of £4.3 million (2022: £4.3 million) for operating lease income which is out of the scope of IFRS 15 – Revenue from contracts with customers.

PERFORMANCE IN REVIEW

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Total funds under management

£'million	30 Sept 2023	31 March 2023	% change	30 Sept 2022
Wealth & Investment - Southern Africa *	20 229	19 830	2.0%	19 720
Discretionary	11 603	10 704	8.4%	10 515
Non-discretionary	8 626	9 126	(5.5%)	9 205
Rathbones Group plc**	100 681	40 747		
Discretionary	**	35 291		
Non-discretionary	**	5 456		

* Southern African funds under management in the current and prior period balances include funds under management related to our Switzerland operations (30 September 2023: £2.0 billion; 31 March 2023: £1.7 billion; 30 September 2022: £1.6 billion)

** The balance as at 31 March 2023 reflects the funds managed by Investec Wealth and Investment Limited (IW&I UK). The balance as at 30 September 2023 reflects the total funds under management as reported by Rathbones Group plc post the combination with IW&I UK, of which Investec holds a 41.25% economic interest. A further breakdown of funds under management is not provided due to the availability of public information. See page 9 for further details.

PERFORMANCE IN REVIEW

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4. Investment income

Investment income of £25.4 million (1H2023: £36.6 million) reflects dividends received and realised gains on disposal of investments. Excluded from the table below is investment income related to IPF amounting to £3.0 million in the current period and £6.8 million in 1H2023.

Factors driving the variance over the period:

Favourable:

- Higher dividend income and profit participation from investments in SA
- Realised gains recognised on the sale of investments in the UK

Unfavourable:

- Negative fair value adjustments on unlisted investments in the UK and SA

The following tables analyse investment income generated by the asset portfolio shown on the balance sheet:

For the six months to 30 September 2023 £'000	Listed equities	Unlisted equities*	Fair value loan investments	Warrants and profit shares	Investment portfolio	Debt securities (sovereign, bank and other)	Investment and trading properties	Other asset and liability categories	Total
UK and Other									
Realised	—	60 849	—	187	61 036	607	—	(4 247)	57 396
Unrealised**	(286)	(62 799)	—	—	(63 085)	1 185	(2 100)	9 774	(54 226)
Dividend income	6 233	551	—	—	6 784	—	—	100	6 884
Funding and other net related income	—	—	—	—	—	—	—	—	—
	5 947	(1 399)	—	187	4 735	1 792	(2 100)	5 627	10 054
Southern Africa									
Realised	(237)	6 217	—	711	6 691	3 910	—	3	10 604
Unrealised**	(9)	(12 288)	6	1 350	(10 941)	592	169	176	(10 004)
Dividend income	793	8 864	—	—	9 657	—	—	12	9 669
Funding and other net related (costs)/income	—	(1 167)	—	—	(1 167)	—	3 280	—	2 113
	547	1 626	6	2 061	4 240	4 502	3 449	191	12 382
Investment income	6 494	227	6	2 248	8 975	6 294	1 349	5 818	22 436

For the six months to 30 September 2022^ £'000	Listed equities	Unlisted equities*	Fair value loan investments	Warrants and profit shares	Investment portfolio	Debt securities (sovereign, bank and other)	Investment and trading properties	Other asset and liability categories	Total
UK and Other									
Realised	(1 043)	6 861	—	925	6 743	(113)	36	3 827	10 493
Unrealised**	859	(2 789)	—	(717)	(2 647)	(2 944)	—	2 578	(3 013)
Dividend income	7 163	3 677	—	—	10 840	—	—	234	11 074
Funding and other net related income	—	—	—	—	—	—	667	—	667
	6 979	7 749	—	208	14 936	(3 057)	703	6 639	19 221
Southern Africa									
Realised	14	(266)	—	2 241	1 989	6 163	1 731	410	10 293
Unrealised**	(933)	(878)	—	487	(1 324)	434	(537)	(5 780)	(7 207)
Dividend income	723	3 313	—	—	4 036	—	—	—	4 036
Funding and other net related income/(costs)	—	(784)	—	—	(784)	—	4 233	—	3 449
	(196)	1 385	—	2 728	3 917	6 597	5 427	(5 370)	10 571
Investment income	6 783	9 134	—	2 936	18 853	3 540	6 130	1 269	29 792

^ Restated as detailed on page 74.

* Includes income/(losses) from unlisted equities classified as non-current assets held for sale in Southern Africa.

** In a year of realisation, any prior period mark-to-market gains/(losses) recognised are reversed in the unrealised line item.

PERFORMANCE IN REVIEW

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5. Share of post-taxation profit of associates and joint venture holdings

Share of post-taxation profit of associates and joint venture holdings of £39.1 million (1H2023: £60.4 million), largely driven by:

Favourable:

- Growth in post-tax earnings from IW&I UK
- Non-repeat of loss from IPF associates in the prior period

Unfavourable:

- Lower share of associate earnings following the distribution of Ninety One in May 2022 when it ceased to be classified as an associate
- The Bud Group Holdings ceased to be an associate following the restructure announced in 2022

6. Trading income

Trading income arising from customer flow increased to £79.3 million (1H2023: £66.2 million).

Factors driving the variance over the period:

Favourable:

- Increased facilitation of hedging for clients by our Treasury Risk Solutions area and higher client flow trading income in our ECM activities
- Positive risk management gains from the hedging of the remaining financial products run down book in the UK

Unfavourable:

- Lower liquidity levels in the bond market given some foreign disinvestment out of South Africa

Net trading income arising from balance sheet management and other trading activities was £21.5 million (1H2023: net loss of £10.3 million).

Factors driving the variance over the period:

Favourable:

- Non-repeat of MTM losses on interest rate and currency swaps in South Africa
- Gains realised 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

7. Other operating income / (loss)

Other operating loss reduced to £0.2 million (1H2023: loss of £6.7 million) mainly due to the non-repeat of prior period fair value losses associated with the MTM movements 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.

PERFORMANCE IN REVIEW

CONTINUED

8. Expected credit loss (ECL) impairment charges

Total ECL impairment charges increased to £46.3 million (1H2023: £29.4 million) resulting in a credit loss ratio of 0.32% (1H2023: 0.15%) which is at the upper end of the Group's through-the-cycle (TTC) range of 25bps to 35bps. The increases in the ECL charges were predominantly driven by idiosyncratic stresses on specific exposures. The asset quality remains resilient, with exposures being well-covered by collateral. In South Africa, recoveries of exposures previously provided against remained high. Refer to page 119 for further information on the macro-economic scenarios underpinning the Group's ECL impairment charges and page 121 for information on the Group's asset quality.

£'000	30 Sept 2023	30 Sept 2022^	Variance	% change
UK and Other	(39 303)	(27 901)	(11 402)	40.9%
Southern Africa	(6 988)	(1 450)	(5 538)	>100.0%
ECL impairment charges	(46 291)	(29 351)	(16 940)	57.7%
ECL impairment charges in home currency				
Southern Africa (R'million)	(167)	(289)	122	>100.0%

£'000	30 Sept 2023	30 Sept 2022
ECL impairment (charges)/releases are recognised on the following assets:		
Loans and advances to customers	(48 881)	(21 356)*
Own originated loans and advances to customers securitised	167	569
Core loans	(48 714)	(20 787)
Other loans and advances	15	45
Other balance sheet assets	(7 209)	(4 588)*
Off-balance sheet commitments and guarantees	9 617	(4 021)
ECL impairment charges	(46 291)	(29 351)

* Reclassified following balance sheet restatement.

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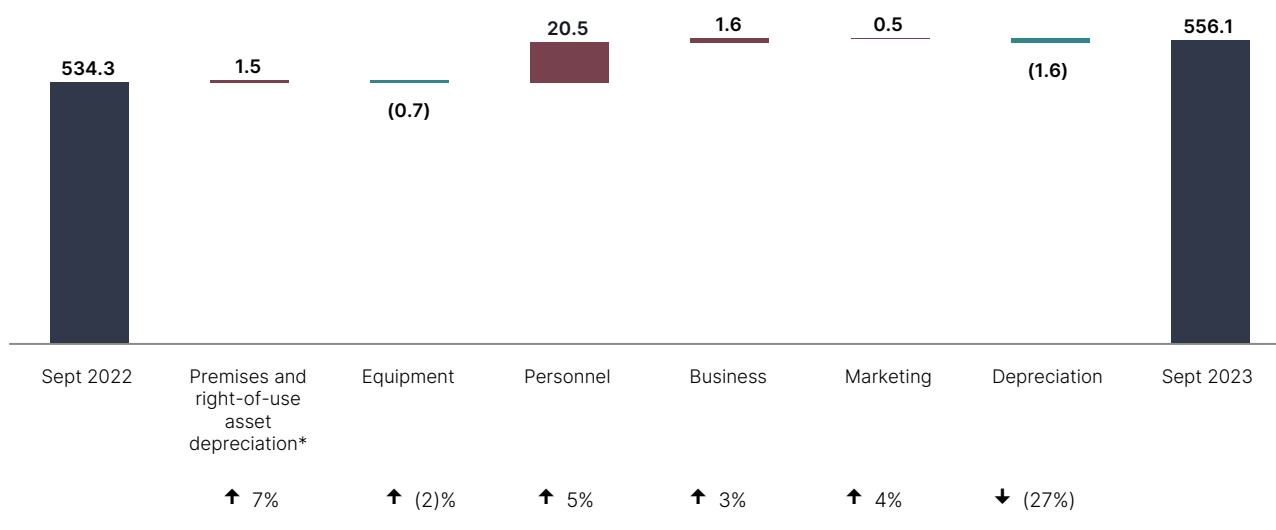
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9. Operating costs

Operating costs increased by 4.1% to £556.1 million (1H2023: £534.3 million). Fixed operating expenditure was well contained, decreasing by 1.0%, while variable remuneration increased in line with performance. Growth in personnel expenses was driven by annual salary increases, while business expenses increased in line with higher business activity. The cost to income ratio improved to 53.3% from 55.6% in the prior year.

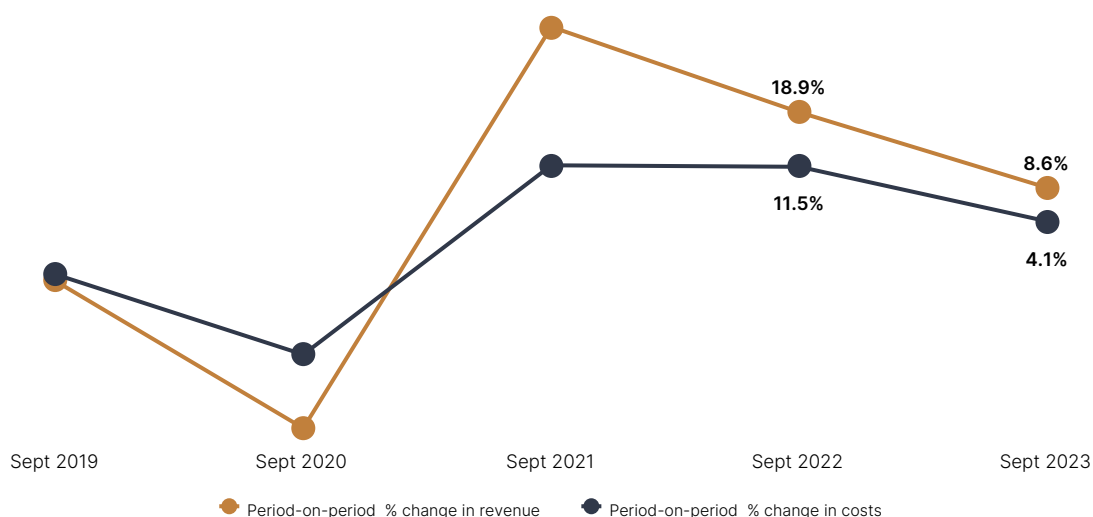
Operating costs^

£'million



* Right-of-use depreciation predominantly relates to buildings.

Revenue growth is ahead of cost growth, resulting in positive jaws^



^ This key metric is based on the pro-forma income statements on page 51

PERFORMANCE IN REVIEW

CONTINUED

The following tables set out information on total operating costs by business and geography for the period under review.

£'000	30 Sept 2023	30 Sept 2022 [^]	Variance	% change
Wealth & Investment	(41 734)	(40 819)	(915)	2.2%
Private Banking	(108 879)	(116 112)	7 233	(6.2%)
Corporate, Investment Banking and Other	(384 204)	(363 120)	(21 084)	5.8%
Group Investments	(249)	—	(249)	(100.0%)
Group costs	(21 042)	(14 231)	(6 811)	47.9%
Total operating costs	(556 108)	(534 282)	(21 826)	4.1%

£'000	30 Sept 2023	30 Sept 2022 [^]	Variance	% change
UK and Other	(320 921)	(285 734)	(35 187)	12.3%
Southern Africa	(235 187)	(248 548)	13 361	(5.4%)
Total operating costs	(556 108)	(534 282)	(21 826)	4.1%

£'000	30 Sept 2023	% of total operating costs	30 Sept 2022 [^]	% of total operating costs	% change
Staff costs	(413 017)	74.3%	(392 472)	73.5%	5.2%
Salaries and wages	(195 123)	35.1%	(203 520)	38.1%	(4.1%)
Variable remuneration	(141 453)	25.4%	(116 807)	21.9%	21.1%
Share-based payments expense	(27 487)	4.9%	(21 890)	4.1%	25.6%
Other	(48 954)	8.8%	(50 255)	9.4%	(2.6%)
Business expenses	(63 684)	11.5%	(62 080)	11.6%	2.6%
Equipment expenses (excluding depreciation)	(38 726)	7.0%	(39 410)	7.4%	(1.7%)
Premises expenses	(23 189)	4.2%	(21 710)	4.1%	6.8%
Premises expenses (excluding depreciation)	(12 825)	2.3%	(11 001)	2.1%	16.6%
Premises depreciation	(10 364)	1.9%	(10 709)	2.0%	(3.2%)
Marketing expenses	(13 046)	2.3%	(12 541)	2.3%	4.0%
Depreciation, amortisation and impairment on property, equipment and intangibles	(4 446)	0.8%	(6 069)	1.1%	(26.7%)
Total operating costs	(556 108)	100.0%	(534 282)	100.0%	4.1%

[^] Restated as detailed on page 74.

Of which IT costs and headcount:

£'000	30 Sept 2023	30 Sept 2022	Variance	% change
Staff costs	(52 538)	(55 099)	2 561	(4.6%)
Equipment expenses (excluding depreciation)	(43 643)	(42 019)	(1 624)	3.9%
Depreciation on equipment	(4 010)	(5 358)	1 348	(25.2%)
Other	(4 467)	(458)	(4 009)	>100.0%
Total IT costs	(104 658)	(102 934)	(1 724)	1.7%
Headcount	1 593	1 657	(64)	(3.9%)

PERFORMANCE IN REVIEW

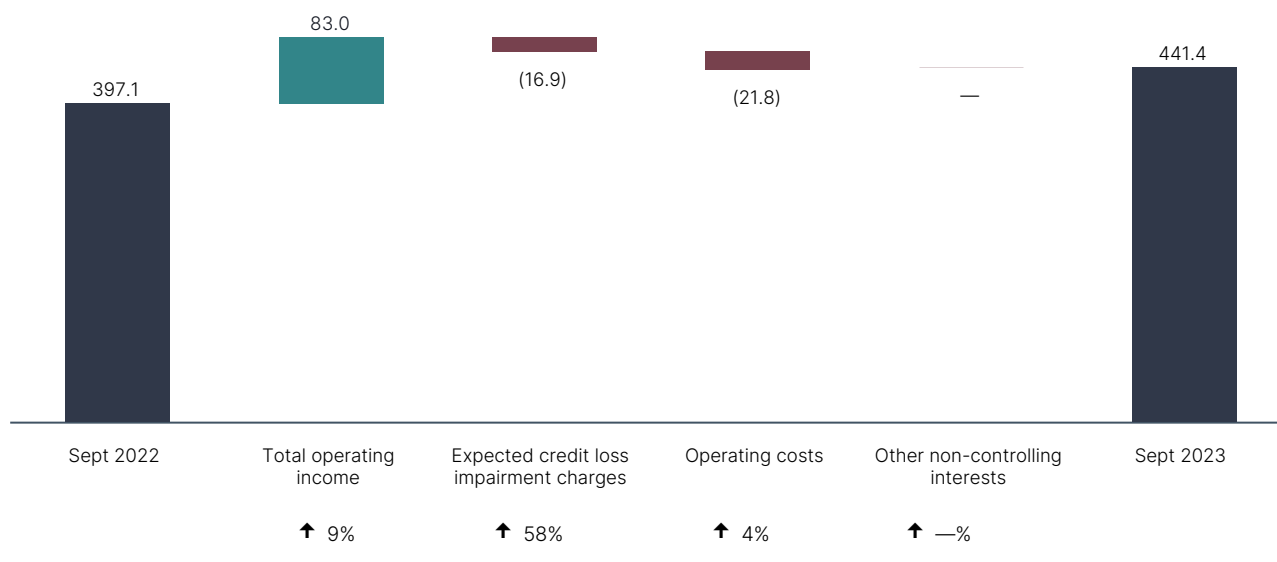
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Adjusted operating profit^

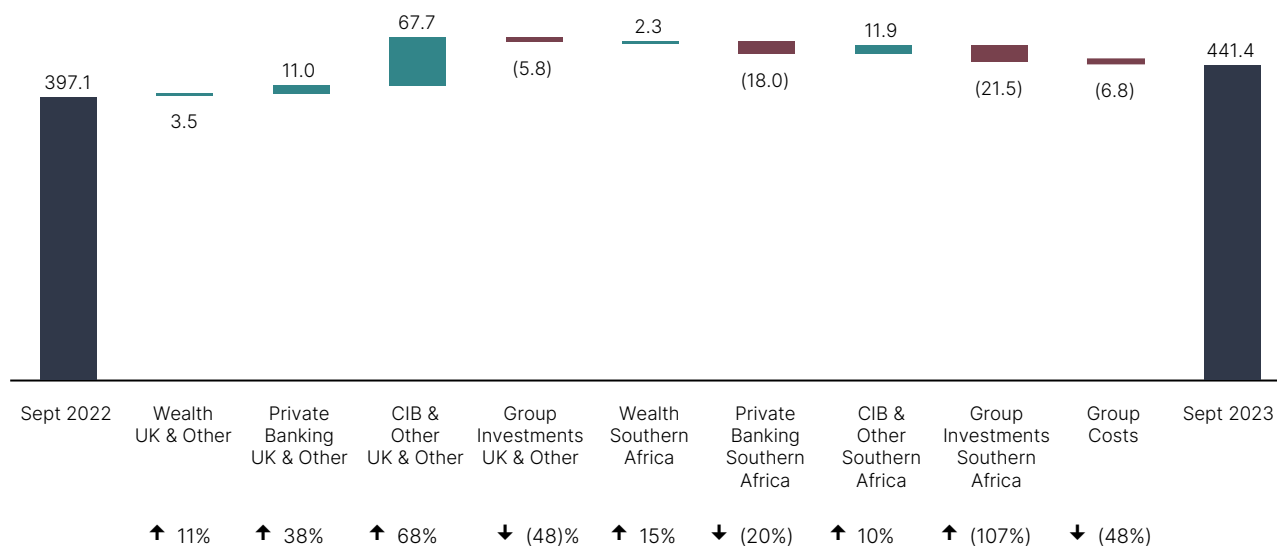
As a result of the foregoing factors, total adjusted operating profit increased by 11.1% from £397.1 million to £441.4 million. On a neutral currency basis, growth was 20.8%.

£'million



Adjusted operating profit by business and geography^

£'million



^ This key metric is based on the pro-forma income statements on page 51

PERFORMANCE IN REVIEW

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Adjusted operating profit

The following tables set out information on adjusted operating profit by geography and by division on a pro-forma basis for the period under review.

For the six months to 30 September 2023	Private Client		Specialist Banking		Group Investments	Group Costs	Total Group	% change	% of total
	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other						
£'000									
UK and Other	35 855	40 391	166 992	6 233	(14 052)		235 419	41.4%	53.3%
Southern Africa	17 475	71 684	125 149	(1 377)	(6 990)		205 941	(10.7%)	46.7%
Total Group adjusted operating profit	53 330	112 075	292 141	4 856	(21 042)		441 360	11.1%	100.0%
Non-controlling interest							4		
Adjusted operating profit before non-controlling interests							441 364		
% change	12.2%	(5.9%)	37.5%	(84.9%)	47.9%		11.1%		
% of total	12.1%	25.4%	66.2%	1.1%	(4.8%)		100.0%		

For the six months to 30 September 2022	Private Client		Specialist Banking		Group Investments	Group Costs	Total Group	% of total
	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other					
£'000								
UK and Other	32 365	29 370	99 275	12 056	(6 568)		166 498	41.9%
Southern Africa	15 184	89 679	113 260	20 148	(7 663)		230 608	58.1%
Total Group adjusted operating profit	47 549	119 049	212 535	32 204	(14 231)		397 106	100.0%
Non-controlling interest							—	
Adjusted operating profit before non-controlling interests							397 106	
% of total	12.0%	30.0%	53.5%	8.1%	(3.6%)		100.0%	

PERFORMANCE IN REVIEW

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Number of employees

By division	30 Sept 2023	31 March 2023
Wealth & Investment		
UK and Other^	117	148
Southern Africa	466	423
Total	583	571
Specialist Banking		
UK and Other	2 151	2 103
Southern Africa	4 352	4 298
Total	6 503	6 401
Total number of permanent employees	7 086	6 972
Temporary employees and contractors	317	413
Total number of employees	7 403	7 385

^ Restated as a result of the Rathbones combination.



Adjusted operating profit per employee

By division	Wealth & Investment	Specialist Banking
Number of permanent employees – 30 September 2023	583	6 503
Number of permanent employees – 31 March 2023	571	6 401
Number of permanent employees – 30 September 2022	555	6 288
Number of permanent employees – 31 March 2022	527	6 116
Average permanent employees – six months to 30 September 2023	1 888	6 454
Average permanent employees – six months to 30 September 2022	1 843	6 207
Adjusted operating profit – six months to 30 September 2023	65 303	404 216
Adjusted operating profit – six months to 30 September 2022	55 438	331 584
Adjusted operating profit per employee^ – six months to 30 September 2023 (£'000)	34.6	62.6
Adjusted operating profit per employee^ – six months to 30 September 2022 (£'000)	30.1	53.4

^ Based on average number of permanent employees over the period.

By geography	UK and Other	Southern Africa	Total
Number of permanent employees – 30 September 2023	2 268	4 818	7 086
Number of permanent employees – 31 March 2023	2 251	4 721	6 972
Number of permanent employees – 30 September 2022	2 250	4 593	6 843
Number of permanent employees – 31 March 2022	2 176	4 467	6 643
Average permanent employees – six months to 30 September 2023	3 542	4 800	8 342
Average permanent employees – six months to 30 September 2022	3 516	4 534	8 050
Adjusted operating profit – six months to 30 September 2023	247 392	205 941	453 333
Adjusted operating profit – six months to 30 September 2022	174 387	230 608	404 995
Adjusted operating profit per employee^ – six months to 30 September 2023 (£'000)	69.8	42.9	54.3
Adjusted operating profit per employee^ – six months to 30 September 2022 (£'000)	49.6	50.9	50.3

^ Based on average number of permanent employees over the period.

PERFORMANCE IN REVIEW

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10. Goodwill and intangible assets

Amortisation of acquired intangibles of £0.5 million (1H2023: £2.5 million) relates mainly to the amortisation of amounts attributable to client relationships in the Wealth & Investment business, while amortisation of acquired intangibles of associates of £0.0 million (2022: £1.5 million) relates to the amortisation of amounts attributable to client relationships included in the carrying value of the Ninety One investment, previously an associate on the balance sheet. The combination of Wealth and Investment Management UK with Rathbones resulted in derecognition of goodwill and intangible assets, while the acquisition of Capitalmind led to additional goodwill being recognised in the UK Specialist Bank.

Goodwill and other acquired intangible assets analysis by geography and line of business

£'000	30 Sept 2023	31 March 2023	30 Sept 2022
UK and Other	69 081	255 267	249 031
Wealth & Investment	—	242 554	236 318
Specialist Banking	69 081	12 713	12 713
Southern Africa	7 004	7 365	8 197
Specialist Banking	7 004	7 365	8 197
Other acquired intangible assets	—	41 136	37 527
Wealth & Investment	—	40 550	35 603
Specialist Banking	—	586	1 924
Goodwill and other acquired intangible assets	76 085	303 768	294 755

11. Taxation

The taxation charge on operating profit before goodwill, acquired intangibles and strategic actions was £89.1 million (2022: £79.7 million), resulting in an effective tax rate of 22.3% (1H2023: 24.2%). In the UK, the effective tax rate was 22.3% (1H2023: 23.8%). The lower tax rate in the prior year was due to higher deferred tax assets on the back of higher enacted tax rates. In South Africa, the tax rate normalised to 22.3% (1H2023: 24.4%), the higher tax rate in the prior year was largely driven by the impairment of certain deferred tax assets.

	Effective tax rates		30 Sept 2023 £'000	30 Sept 2022 £'000	% change
	30 Sept 2023	30 Sept 2022			
UK and Other	22.3%	23.8%	(43 783)	(29 692)	47.5%
Southern Africa	22.3%	24.4%	(45 340)	(50 029)	(9.4%)
Taxation	22.3%	24.2%	(89 123)	(79 721)	11.8%

DISCONTINUED OPERATIONS

12. Combined condensed consolidated income statement of 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.

£'000	UK and Other	Southern Africa	Total
Net interest income/(expense)	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 Group restructures	361 684	(93 782)	267 902
Profit/(loss) 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	781	(1 525)	(744)
Earnings/(loss) from discontinued operations attributable to shareholders	391 896	(92 295)	299 601

DISCONTINUED OPERATIONS

CONTINUED

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

£'000	UK and Other	Southern Africa	Total
Net interest income/(expense)	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.

£'000	UK and Other	Southern Africa	Total
Net interest income/(expense)	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

13. Financial impact of strategic actions

Financial impact of strategic actions of discontinued operations

For the six months to 30 September	2023
£'000	
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

FINANCIAL IMPACT OF STRATEGIC ACTIONS

CONTINUED

13. Financial impact of strategic actions (continued)

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

Financial impact of strategic actions of continuing operations

Net gain on distribution of associate to shareholders

On 30 May 2022 the, c.15% shareholding in Ninety One DLC was distributed to ordinary shareholders. The distribution resulted in the shareholding in Ninety One DLC being reduced from 25% to c.10%. The reduction in shareholding resulted in the loss of significant influence and the remaining stake in Ninety One DLC will be accounted for at fair value through other comprehensive income.

Gain on loss of significant influence of Ninety One	£'000
The gain on the distribution is calculated as follows:	
Fair value of the distribution	282 669
Remaining shares held in Ninety One	244 590
Derecognition of the previously equity accounted investment in Ninety One	(386 019)
Foreign currency translation reserve recycled to the income statement on distribution	13 906
Gain on the distribution of Ninety One shares before tax	155 146
Implementation costs	(739)
Gain on distribution of Ninety One shares before tax	154 407
Taxation benefit (release of deferred taxation)	14 405
Gain on distribution of Ninety One shares net of taxation and implementation costs	168 812

RESTATEMENTS

Balance sheet, cash flow statement and statement of total comprehensive income 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:

RESTATEMENTS

CONTINUED

£'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

* Relates to cash flow hedge reserve restatement

£'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:

RESTATEMENTS

CONTINUED

£'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 on page 70

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.

RESTATEMENTS

CONTINUED

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

£'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

RESTATEMENTS

CONTINUED

£'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 (loss)/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

PERFORMANCE IN REVIEW



Net asset value per share

NAV per share increased to 556.7p pence (31 March 2023: 510.3 pence), reflecting strong earnings generation in the period under review and the net gain recognised on completion of the IW&I UK combination with Rathbones. TNAV per share (which excludes goodwill and other acquired intangible assets) declined to 470.4 pence (31 March 2023: 474.6 pence), given our strategic investment in the Rathbones Group and to adjust our TNAV by the proportion of the Group's investment in Rathbones Group that is attributable to the underlying intangible assets recorded on the Rathbones Group balance sheet as at 30 September 2023. The Group's net asset value per share and net tangible asset value per share are reflected in the table below.

£'000	30 Sept 2023	31 March 2023	30 Sept 2022
Ordinary shareholders' equity/net asset value	4 715 017	4 348 358	4 607 668
<i>Less: goodwill and other intangible assets (excluding software)</i>	(730 712)	(303 768)	(294 755)
<i>Goodwill and intangibles associated with Rathbones investment</i>	—	—	—
Tangible ordinary shareholders' equity/net tangible asset value	3 984 305	4 044 590	4 312 913
Number of shares in issue (million)	991.2	995.1	1 005.0
Treasury shares held by holding company (million)	(50.9)	(42.5)	—
Treasury shares held by share schemes (million)	(93.3)	(100.4)	(100.7)
Number of shares in issue for this calculation (million)	847.0	852.2	904.3
Net asset value per share (pence)	556.7	510.3	509.5
Tangible net asset value per share (pence)	470.4	474.6	476.9



Return on risk weighted assets

The Group's return on risk weighted assets is reflected in the table below.

	30 Sept 2023	31 March 2023	Average risk weighted assets	30 Sept 2022	31 March 2022	Average risk weighted assets
Adjusted earnings attributable to ordinary shareholders (£'000)	329 829	614 352		298 235	505 167	
Investec plc risk weighted assets (£'million)	18 504	17 767	18 136	18 025	16 980	17 502
Investec Limited risk weighted assets (£'million)	12 613	12 926	12 770	15 929	16 587	16 258
Total risk weighted assets (£'million)	31 117	30 693	30 905	33 954	33 567	33 760
Annualised return on risk weighted assets	2.13%	1.91%		1.77%	1.50%	
Investec Limited risk weighted assets (R'million)	290 018	283 600	286 809	319 416	319 048	319 232

PERFORMANCE IN REVIEW

CONTINUED



Return on equity

£'000	30 Sept 2023	31 March 2023	Average	30 Sept 2022	31 March 2022	Average
Ordinary shareholders' equity	4 715 017	4 348 358	4 531 688	4 607 668	4 675 454	4 641 561
Goodwill and other acquired intangible assets	(730 712)	(303 768)	(517 240)	(294 755)	(302 556)	(298 656)
Goodwill and intangibles associated with Rathbones investment	—	—	—	—	—	—
Tangible ordinary shareholders' equity	3 984 305	4 044 590	4 014 448	4 312 913	4 331 186	4 322 050

£'000	30 Sept 2023	31 March 2023	30 Sept 2022
Operating profit before goodwill, acquired intangibles and strategic actions	465 103	848 494	433 668
Non-controlling interests	(11 770)	(12 566)	(28 673)
Earnings attributable to perpetual preference and Other Additional Tier 1 security holders (other equity holders)	(22 408)	(41 872)	(20 130)
Adjusted earnings (pre-tax)	430 925	794 056	384 865
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(101 096)	(179 704)	(86 630)
Adjusted earnings attributable to ordinary shareholders	329 829	614 352	298 235
Pre-tax return on average shareholders' equity (pre-tax ROE)	19.0%	17.6%	16.6%
Post-tax return on average shareholders' equity (post-tax ROE)	14.6%	13.6%	12.9%
Pre-tax return on average tangible shareholders' equity (pre-tax ROTE)	21.5%	19.0%	17.8%
Post-tax return on average tangible shareholders' equity (post-tax ROTE)	16.4%	14.7%	13.8%

PERFORMANCE IN REVIEW

CONTINUED

Return on equity by geography

£'000	UK and Other	Southern Africa	Total
Operating profit before goodwill, acquired intangibles and strategic actions	247 198	217 905	465 103
Non-controlling interests	194	(11 964)	(11 770)
Earnings attributable to other equity holders	(9 272)	(13 136)	(22 408)
Adjusted earnings (pre-tax)	238 120	192 805	430 925
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(55 756)	(45 340)	(101 096)
Adjusted earnings attributable to ordinary shareholders – 30 September 2023	182 364	147 465	329 829
Adjusted earnings attributable to ordinary shareholders – 30 September 2022	128 024	170 211	298 235
Ordinary shareholders' equity – 30 September 2023	2 932 412	1 782 605	4 715 017
Goodwill and other acquired intangible assets	(723 708)	(7 004)	(730 712)
Tangible ordinary shareholders' equity – 30 September 2023	2 208 704	1 775 601	3 984 305
Ordinary shareholders' equity – 31 March 2023	2 446 061	1 902 297	4 348 358
Goodwill and other acquired intangible assets	(295 817)	(7 951)	(303 768)
Tangible ordinary shareholders' equity – 31 March 2023	2 150 244	1 894 346	4 044 590
Ordinary shareholders' equity – 30 September 2022	2 345 276	2 262 392	4 607 668
Goodwill and intangible assets (excluding software)	(284 634)	(10 121)	(294 755)
Tangible ordinary shareholders' equity – 30 September 2022	2 060 642	2 252 271	4 312 913
Average ordinary shareholders' equity – 30 September 2023	2 689 237	1 842 451	4 531 688
Average ordinary shareholders' equity – 30 September 2022	2 312 024	2 329 537	4 641 561
Average tangible ordinary shareholders' equity – 30 September 2023	2 179 474	1 834 974	4 014 448
Average tangible ordinary shareholders' equity – 30 September 2022	2 024 385	2 297 665	4 322 050
Post-tax ROE – 30 September 2023	13.6%	16.0%	14.6%
Post-tax ROE – 30 September 2022	11.1%	14.6%	12.9%
Post-tax ROTE – 30 September 2023	16.7%	16.1%	16.4%
Post-tax ROTE – 30 September 2022	12.6%	14.8%	13.8%
Pre-tax ROE – 30 September 2023	17.7%	20.9%	19.0%
Pre-tax ROE – 30 September 2022	14.3%	19.1%	16.6%
Pre-tax ROTE – 30 September 2023	21.9%	21.0%	21.5%
Pre-tax ROTE – 30 September 2022	16.4%	19.1%	17.8%

PERFORMANCE IN REVIEW

CONTINUED

Return on equity by business and geography[#]

£'000	Specialist Banking UK and Other			Specialist Banking Southern Africa			Group Investments		
	Private Banking	Corporate, Investment Banking & Other	Total	Private Banking	Corporate, Investment Banking & Other	Total	UK and Other	Southern Africa	Total
Adjusted operating profit	40 391	166 992	207 383	71 684	125 149	196 833	6 233	(1 377)	4 856
Notional return on regulatory capital	7 327	(16 640)	(9 313)	16 640	(17 714)	(1 074)	—	—	—
Notional cost of statutory capital	(8 700)	19 661	10 961	(7 472)	7 472	—	—	—	—
Cost of subordinated debt	(1 292)	1 610	318	(2 522)	2 707	185	—	—	—
Earnings attributable to other equity holders	(992)	(8 036)	(9 028)	(1 936)	(11 021)	(12 957)	—	—	—
Adjusted earnings (pre-tax) – 2023	36 734	163 587	200 321	76 394	106 593	182 987	6 233	(1 377)	4 856
Tax on operating profit before goodwill, acquired intangibles and strategic actions	(8 192)	(38 725)	(46 917)	(17 036)	(25 333)	(42 369)	—	380	380
Adjusted earnings attributable to ordinary shareholders – 2023	28 542	124 862	153 404	59 358	81 260	140 618	6 233	(997)	5 236
Adjusted earnings (pre-tax) – 2022	30 766	89 897	120 663	88 809	102 195	191 004	12 056	20 148	32 204
Adjusted earnings attributable to ordinary shareholders – 2022	24 920	64 803	89 723	71 047	75 055	146 102	12 056	18 726	30 782
Ordinary shareholders' equity – 30 September 2023	279 113	1 709 985	1 989 098	620 825	935 281	1 556 106	51 300	189 027	240 327
Goodwill and other acquired intangible assets	—	(69 080)	(69 080)	—	(7 004)	(7 004)	—	—	—
Tangible ordinary shareholders' equity – 30 September 2023	279 113	1 640 905	1 920 018	620 825	928 277	1 549 102	51 300	189 027	240 327
Ordinary shareholders' equity – 31 March 2023	281 026	1 659 939	1 940 965	638 089	979 509	1 617 598	51 300	252 123	303 423
Goodwill and other acquired intangible assets	—	(12 712)	(12 712)	—	(7 951)	(7 951)	—	—	—
Tangible ordinary shareholders' equity – 31 March 2023	281 026	1 647 227	1 928 253	638 089	971 558	1 609 647	51 300	252 123	303 423
Ordinary shareholders' equity – 30 September 2022	272 866	1 592 416	1 865 282	887 621	1 040 378	1 927 999	46 900	298 269	345 169
Goodwill and other acquired intangible assets	—	(12 711)	(12 711)	—	(10 121)	(10 121)	—	—	—
Tangible ordinary shareholders' equity – 30 September 2022	272 866	1 579 705	1 852 571	887 621	1 030 257	1 917 878	46 900	298 269	345 169
Average ordinary shareholders' equity – 30 September 2023	280 069	1 684 963	1 965 032	629 457	957 395	1 586 852	51 300	220 575	271 875
Average ordinary shareholders' equity – 30 September 2022	248 384	1 514 190	1 762 574	904 531	1 071 354	1 975 885	134 589	318 480	453 069
Average tangible ordinary shareholders' equity – 30 September 2023	280 070	1 644 065	1 924 135	629 457	949 918	1 579 375	51 300	220 575	271 875
Average tangible ordinary shareholders' equity – 30 September 2022	248 384	1 501 075	1 749 459	904 531	1 007 788	1 912 319	134 589	318 480	453 069
Pre-tax ROE – 30 September 2023	26.2%	19.4%	20.4%	24.3%	22.3%	23.1%	24.3%	(1.2%)	3.6%
Pre-tax ROE – 30 September 2022	24.8%	11.9%	13.7%	19.6%	19.1%	19.3%	17.9%	12.7%	14.2%
Post-tax ROE – 30 September 2023	20.4%	14.8%	15.6%	18.9%	17.0%	17.7%	24.3%	(0.9%)	3.9%
Post-tax ROE – 30 September 2022	20.1%	8.6%	10.2%	15.7%	14.0%	14.8%	17.9%	11.8%	13.6%
Pre-tax ROTE – 30 September 2023	26.2%	19.9%	20.8%	24.3%	22.5%	23.2%	24.3%	(1.2%)	3.6%
Pre-tax ROTE – 30 September 2022	24.8%	12.0%	13.8%	19.6%	20.3%	20.0%	17.9%	12.7%	14.2%
Post-tax ROTE – 30 September 2023	20.4%	15.2%	15.9%	18.9%	17.1%	17.8%	24.3%	(0.9%)	3.9%
Post-tax ROTE – 30 September 2022	20.1%	8.6%	10.3%	15.7%	14.9%	15.3%	17.9%	11.8%	13.6%

[#] The return on equity by business is based on the level of internal capital required by each business, inclusive of an allocation of any surplus capital held by Group. The operating profit is adjusted to reflect a capital structure that includes common equity, Additional Tier 1 capital instruments and subordinated debt.

[^] Wealth & Investment is consistent with the Group computation, except for an adjustment of £159.1 million between ordinary shareholders' funds and goodwill, which represents historical accounting gains with a corresponding effective increase in goodwill and intangible assets. These gains were excluded from Group adjusted earnings.

PERFORMANCE IN REVIEW

CONTINUED

Wealth & Investment			Group costs			Wealth & Investment goodwill adjustment^			Total Group		
UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total
47 828	17 475	65 303	(14 052)	(6 990)	(21 042)	—	—	—	247 392	205 941	453 333
9 313	1 074	10 387	—	—	—	—	—	—	—	—	—
(10 961)	—	(10 961)	—	—	—	—	—	—	—	—	—
(318)	(185)	(503)	—	—	—	—	—	—	—	—	—
(244)	(179)	(423)	—	—	—	—	—	—	(9 272)	(13 136)	(22 408)
45 618	18 185	63 803	(14 052)	(6 990)	(21 042)	—	—	—	238 120	192 805	430 925
(11 973)	(4 910)	(16 883)	3 134	1 559	4 693	—	—	—	(55 756)	(45 340)	(101 096)
33 645	13 275	46 920	(10 918)	(5 431)	(16 349)	—	—	—	182 364	147 465	329 829
39 454	15 771	55 225	(6 568)	(7 663)	(14 231)	—	—	—	165 605	219 260	384 865
31 565	11 513	43 078	(5 320)	(6 130)	(11 450)	—	—	—	128 024	170 211	298 235
354 780	37 472	392 252	—	—	—	537 234	—	537 234	2 932 412	1 782 605	4 715 017
(117 394)	—	(117 394)	—	—	—	(537 234)	—	(537 234)	(723 708)	(7 004)	(730 712)
237 386	37 472	274 858	—	—	—	—	—	—	2 208 704	1 775 601	3 984 305
294 746	32 576	327 322	—	—	—	159 050	—	159 050	2 446 061	1 902 297	4 348 358
(124 055)	—	(124 055)	—	—	—	(159 050)	—	(159 050)	(295 817)	(7 951)	(303 768)
170 691	32 576	203 267	—	—	—	—	—	—	2 150 244	1 894 346	4 044 590
274 044	36 124	310 168	—	—	—	159 050	—	159 050	2 345 276	2 262 392	4 607 668
(112 873)	—	(112 873)	—	—	—	(159 050)	—	(159 050)	(284 634)	(10 121)	(294 755)
161 171	36 124	197 295	—	—	—	—	—	—	2 060 642	2 252 271	4 312 913
324 763	35 024	359 787	—	—	—	348 142	—	348 142	2 689 237	1 842 451	4 531 688
255 811	35 172	290 983	—	—	—	159 050	—	159 050	2 312 024	2 329 537	4 641 561
204 039	35 024	239 063	—	—	—	—	—	—	2 179 474	1 834 974	4 014 448
140 337	35 172	175 509							2 024 385	2 265 971	4 290 356
28.1%	103.8%	35.5%							17.7%	20.9%	19.0%
30.8%	89.7%	38.0%							14.3%	18.8%	16.6%
20.7%	75.8%	26.1%							13.6%	16.0%	14.6%
24.7%	65.5%	29.6%							11.1%	14.6%	12.9%
44.7%	103.8%	53.4%							21.9%	21.0%	21.5%
56.2%	89.7%	62.9%							16.4%	19.4%	17.9%
33.0%	75.8%	39.3%							16.7%	16.1%	16.4%
45.0%	65.5%	49.1%							12.6%	15.0%	13.9%

CONTINGENT LIABILITIES, LEGAL MATTERS AND ACQUISITIONS

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.

Divisional review



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PRO-FORMA

Pro-forma income statements

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.

All the financial analysis that follows is based on the pro-forma income statements provided below.

30 September 2023	UK and Other £'000	South Africa £'000	Group £'000
Net interest income	402 553	280 085	682 638
Net fee and commission income	65 103	130 958	196 061
Investment income	10 054	15 394	25 448
Share of post taxation profit of associates and joint venture holdings		177	177
Trading income arising from			
– customer flow	59 934	19 362	79 296
– balance sheet management and other trading activities	19 201	2 253	21 454
Other operating loss	(315)	85	(230)
Total operating income before expected credit loss impairment charges	595 449	448 314	1 043 763
Expected credit loss impairment charges	(39 303)	(6 988)	(46 291)
Operating income	556 146	441 326	997 472
Operating costs	(320 921)	(235 187)	(556 108)
Operating profit before goodwill and acquired intangibles	235 225	206 139	441 364
Profit attributable to non-controlling interests	194	(198)	(4)
Adjusted operating profit	235 419	205 941	441 360
Cost to income ratio	53.9%	52.5%	53.3%

30 September 2022	UK and Other £'000	South Africa £'000	Group £'000
Net interest income	322 023	285 810	607 833
Net fee and commission income	61 671	144 982	206 653
Investment income	19 221	17 409	36 630
Share of post taxation profit of associates and joint venture holdings		18 531	18 531
Trading income arising from			
– customer flow	37 013	29 223	66 236
– balance sheet management and other trading activities	199	(10 538)	(10 339)
Other operating loss	(1 840)	(4 811)	(6 651)
Total operating income before expected credit loss impairment charges	480 133	480 606	960 739
Expected credit loss impairment charges	(27 901)	(1 450)	(29 351)
Operating income	452 232	479 156	931 388
Operating costs	(285 734)	(248 548)	(534 282)
Operating profit before goodwill and acquired intangibles	166 498	230 608	397 106
Profit attributable to non-controlling interests	—	—	—
Adjusted operating profit	166 498	230 608	397 106
Cost to income ratio	59.5%	51.7%	55.6%

UK AND OTHER

We provide our clients with specialist banking services and access to a diversified wealth management offering to deliver an extensive depth and breadth of product and services.

Highlights

We've built our business by working in partnership with our clients, taking the time to understand their unique needs and aspirations.

This approach allows us to deliver Out of the Ordinary service to private, institutional and corporate clients alike.

Rathbones Group - Funds under management and administration

£100.7bn

 **Net core loans**


£16.3bn

(31 March 2023: £15.6bn)

Customer deposits

£19.9bn

(31 March 2023: £19.1bn)

 **Adjusted operating profit^**


£235.4mn

(1H2023: £166.5mn)

 **Cost to income^**

53.9%

(1H2023: 59.5%)

 **ROE post tax**

13.6%

(1H2023: 11.1%)

What we do

Private client offering

Private Banking

- Lending
- Private Capital
- Transactional banking
- Savings
- Foreign exchange

Corporate client offering

Corporate and Investment Banking

- Lending
- Advice
- Hedging
- Cash – deposits and savings
- Equity placement

Target market

Private client offering

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

Corporate client offering

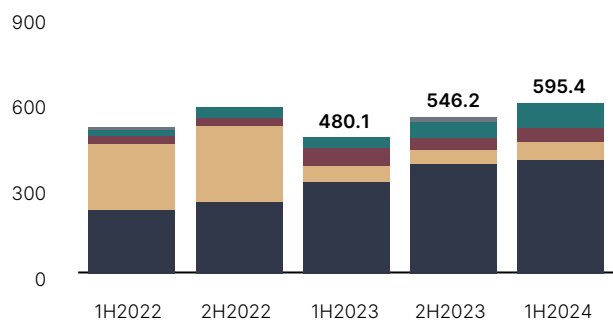
- Corporates
- Private equity
- Institutions
- Intermediaries
- Government

^ This key metric is based on the pro-forma income statements on page 87

UK AND OTHER CONTINUED

Total operating income before expected credit loss impairment charges^

£'million

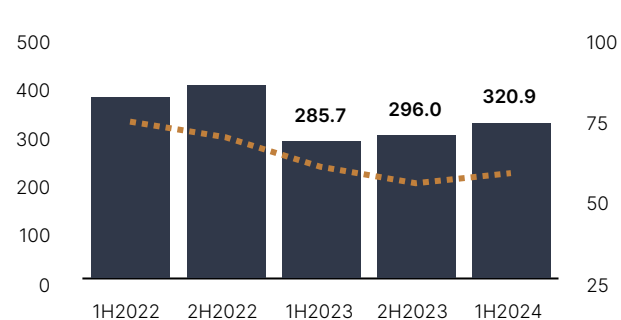


Net interest income	Net fees
Investment and associate income	Trading income
Other operating income	

Operating costs^

£'million

Percentage

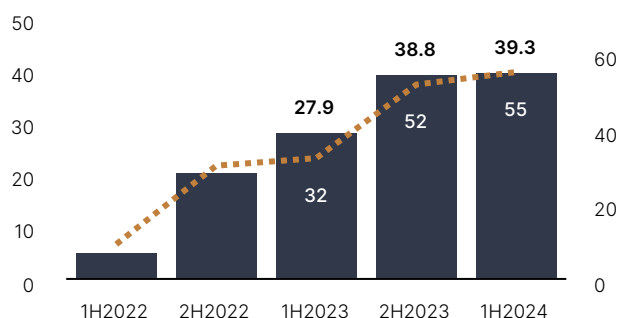


Operating costs (LHS)	Cost to income ratio (RHS)
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Expected credit loss impairment charges^

£'million

Basis points



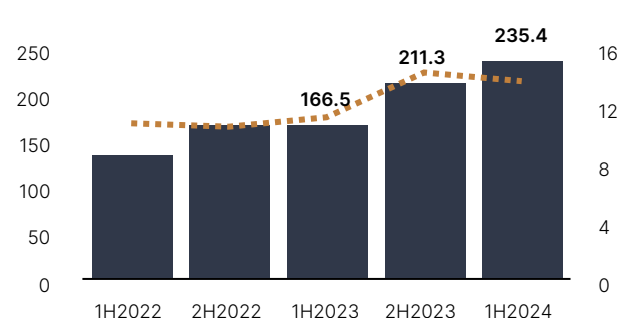
Impairments (LHS)	Annualised credit loss ratio (RHS)
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Adjusted operating profit and ROE^

£'million

Percentage

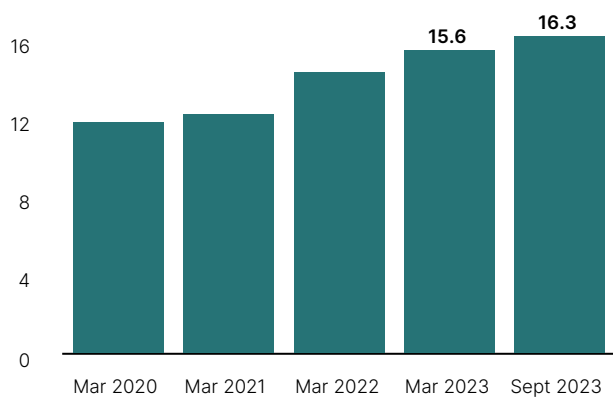


Adjusted operating profit (LHS)	ROE post tax (RHS)
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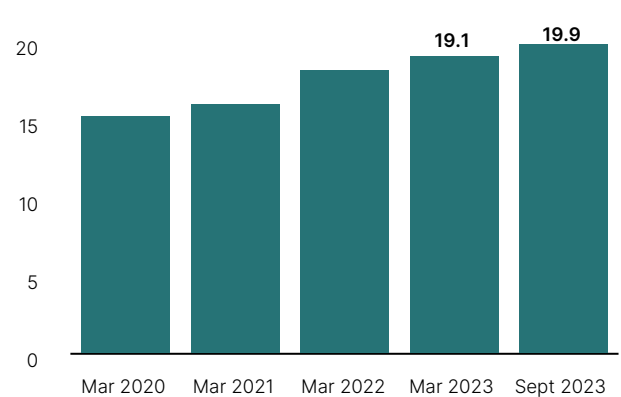
Net core loans

£'billion



Total customer deposits

£'billion



^ The most recent three periods (1H2023, 2H2023 and 1H2024) have been prepared on a proforma basis, the proforma income statements by geography can be found on page 87

WEALTH & INVESTMENT

**Business Head**

Iain Hooley

Awards**Winner of the PWM Wealth Tech Awards****Won 'Best Discretionary Fund Manager' at the Moneyfacts Investment Life & Pension Awards**

On 21 September 2023 we completed the all-share combination of IW&I UK and Rathbones. This divisional review covers the activities in the period prior to completion.

This is the final period we will present the divisional review in this manner.

Please refer to page 9 for more information on the combination.

Performance highlights

- 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 operating profit of £47.8 million (18.8% above the prior year) and an operating margin of 25.2% (2022: 23.6%) in an uncertain economic and operating environment
- Operating income increased by 5.3% due to 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 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 have decreased by 0.7%, reflecting lower FSCS costs in the current period which was partly offset by inflationary cost increases.

Funds under management and net flows

- As at 30 September 2023, Rathbones Group Plc, of which Investec owns a 41.25% economic interest, had FUMA of £100.7bn. At 31 March 2023, Investec Wealth & Investment reported funds under management of £40.7bn.

Net (outflows)/inflows over the period

£'million	30 Sept 2023	30 Sept 2022
Discretionary	(52)	357
Non-discretionary	10	86
Total	(42)	443

- Net outflows for the period were £41.7 million which were exacerbated by the increase in the cost of living and the elevated interest rate environment.

WEALTH & INVESTMENT

CONTINUED

Income statement analysis and key income drivers

£'000	30 Sept 2023	30 Sept 2022	Variance	% change
Net interest income	17 324	8 029	9 295	>100.0%
Net fee and commission income	161 610	161 902	(292)	(0.2)%
Investment income	—	1	(1)	(100.0)%
Other operating income	—	1	(1)	(100.0)%
Total operating income before expected credit loss impairment charges	178 934	169 933	9 001	5.3%
Expected credit loss impairment charges	—	2	(2)	>100.0%
Operating income	178 934	169 935	8 999	5.3%
Operating costs	(131 106)	(129 681)	(1 425)	1.1%
Adjusted operating profit	47 828	40 254	7 574	18.8%
Taxation on operating profit	(11 973)	(7 889)	(4 084)	51.8%
Adjusted operating profit after tax	35 855	32 365	3 490	10.8%
Key income drivers				
Operating margin [#]	25.2%	23.6%		
Net (outflows)/inflows in FUM as a % of opening FUM annualised	(0.2)%	2.1%		

The calculation of the operating margin for the UK domestic business excludes net interest income of £3 590 000 (2022: £108 000) relating to net interest income earned on the firm's cash deposits and the IFRS 16 Leases interest expense on right-of-use assets. This presentation is consistent with wealth managers that are not part of a banking group and are therefore not required to report in accordance with the presentation and disclosure standards for banks. Excluding this adjustment, the operating margin for the UK domestic business would be 26.7% (2022: 23.7%).

Highlights: Sustainability

- The Financial Reporting Council (FRC) has confirmed our renewal as a signatory to the UK Stewardship Code for another consecutive year. The Code sets high standards of stewardship for those investing money on behalf of UK savers and pensioners
- We continued our contribution to the University of Cambridge Investment Leaders Group research, including the latest publication 'Let's discuss nature with climate', an engagement guide for banks and asset managers
- Our UN Principles for Responsible Investment (PRI) report was submitted in September 2023. Feedback from the PRI is expected before the end of the calendar year
- Our focus on developing sustainability expertise across the business continued via the delivery of in-person learning sessions in London and across several of our regional offices including Edinburgh, Glasgow, Liverpool, Leeds, Bournemouth, Guildford and Bristol. These sessions were delivered to approximately 180 colleagues. The programme is designed to support our Investment Managers by integrating various emerging systemic risks and opportunities such as climate and nature into the investment process.

Highlights: Belonging, Inclusion and Diversity (BID)

- For the fifth consecutive year we are participating in the 30% Club mentoring scheme, a cross company, cross industry programme for women
- We continue to actively engage with colleagues and clients on a range of topics including a Pride panel discussion, a thought-provoking Equal Parent event, and regular individual engagements about career progression
- We publish both our gender and ethnicity pay gap data annually
- Our partnership with the Peppy Health App, supporting colleagues with fertility, pregnancy and menopause was extended to include support for Men's and Women's Health
- Our benefits offering and policies support an inclusive and diverse workforce, and this year have added cover and diagnoses for neurodiverse conditions to our private medical scheme.

WEALTH & INVESTMENT CONTINUED

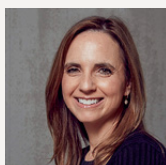
Strategic execution

- A key focus for the business during the period related to preparations for the combination with Rathbones, which completed on 21 September 2023
- The integration of Murray Asset Management into the main IW&I UK business was completed at the end of July 2023
- In line with our strategic focus to target improved Managed Portfolio Service (MPS) flows during the second half of the previous financial year, we have continued to see encouraging results with inflows of £102 million for the first half. We are receiving positive feedback from IFAs making use of the service
- We committed significant resources to comply with the FCA's Consumer Duty regulations and obtained Board approval for our compliance with the new regulations by the 31 July 2023 deadline set by the FCA
- Referrals between Specialist Banking and IW&I resulted in £100 million of FUM and £17 million new lending referred to UK Bank by IW&I. These figures are down when compared with prior periods, reflecting the lower demand for lending in the private client space.

Looking ahead

- As a part of Rathbones, we are encouraged by the new opportunities that this will bring for our clients, colleagues and community as the UK's leading discretionary wealth manager
- Our Strategic Partnership with Investec Bank as part of the Rathbones combination will continue to underpin our strategy to provide integrated solutions to clients through a holistic offering of products and services
- Despite the persistent inflationary pressures, macro-economic headwinds and wider geopolitical risks, we remain confident in the long-term outlook for the wealth management industry and our position to capitalise on growth opportunities in the client segments that we serve.

SPECIALIST BANKING OVERVIEW

**Business Head**

Ruth Leas

Awards

Named #1 broker in the annual Institutional Investor UK Small & Mid Cap Survey

Investec UK CEO Ruth Leas was named as one of the FN100 Women in Finance 2023

Ranked second in the UK by The Banker in its annual list of best performing UK banks

Highlights**Adjusted operating profit****£207.4mn**

(1H2023: £128.6mn)

**ROE post tax****15.6%**

(1H2023: 10.2%)

**Cost to income****55.4%**

(1H2023: 64.1%)

**Credit loss ratio****0.55%**

(31 March 2023: 0.37%)

Performance highlights

- Strong performance, with adjusted operating profit up 61.2% on prior period, driven by strong revenue growth across our key client franchises as we continue to successfully execute our client acquisition strategies to build scale and relevance in the UK market
- Net core loans grew by 9.1% annualised to £16.3bn since 31 March 2023, driven by continued client acquisition and strong demand for Corporate lending across multiple portfolios, which is up 13.0% annualised since March 2023. Residential mortgage lending book reported muted growth (1.6% annualised) given the high interest rate environment
- The Bank maintained strong capital and liquidity positions which allowed us to navigate the current volatile and uncertain environment, and support identified growth initiatives
- Operating income was supported by book growth, increased client activity and higher interest rates
- 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 improved business performance. Fixed operating costs were well contained, up 2.3%, well below the UK inflation rate and in line with the Group's focus on cost efficiency
- Pre-provision adjusted operating profit was up 57.6% to £246.7 million (2022: £156.5 million)
- Expected credit loss (ECL) impairment charges increased by £11.4 million to £39.3 million, resulting in a credit loss ratio (CLR) of 0.55% (1H2023: 0.32%), above TTC range of 30bps 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
- These results are underpinned by positive momentum in our client franchises and strategic cross-collaboration within the One Investec client ecosystem. See more on this enhanced collaboration in the pages that follow.

Income statement

£'000	30 Sept 2023	30 Sept 2022	Variance	% change
Net interest income	402 553	322 023	80 530	25.0%
Net fee and commission income	65 103	61 671	3 432	5.6%
Investment income	3 821	12 058	(8 237)	(68.3%)
Share of post-taxation profit of associates and joint venture holdings	3 064	4 588	(1 524)	(33.2%)
Trading income arising from				
– customer flow	59 934	37 013	22 921	61.9%
– balance sheet management and other trading activities	19 201	199	19 002	>100.0%
Other operating (loss)/income	(315)	(1 840)	1 525	(82.9%)
Total operating income before expected credit loss impairment charges	553 361	435 712	117 649	27.0%
Expected credit loss impairment charges	(39 303)	(27 901)	(11 402)	40.9%
Operating income	514 058	407 811	106 247	26.1%
Operating costs	(306 869)	(279 166)	(27 703)	9.9%
Operating profit before goodwill, acquired intangibles and strategic actions	207 189	128 645	78 544	61.1%
Loss attributable to non-controlling interests	194	—	194	—
Adjusted operating profit	207 383	128 645	78 738	61.2%

SPECIALIST BANKING OVERVIEW

CONTINUED

Enhanced collaboration through integration

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

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

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

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

In 1H2024

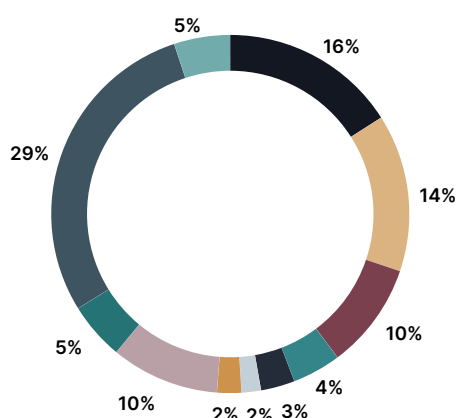
Our focus on connectivity continues to deliver strong results.

For example, there has been continued momentum of intra-bank referrals. Bank referred and created £100 million of incremental FUM for the UK Wealth businesses excluding Switzerland (1H2023: £180 million).

Going forward

- As part of the long-term strategic partnership between Investec and Rathbones, the Co-Operation Agreement between the UK Bank and Rathbones is testament to our shared commitment to meet our clients' banking and wealth management needs
- Providing our clients with a holistic solution remains a priority.

Diversified loan book by risk category: Core loans £16.3 billion



Highlights: Sustainability

- We have executed a number of transactions which align to driving sustainability. For example, we implemented an ESG linked loan for a portfolio client linked to 3 ESG KPIs which leads to a 5bps reduction in funding costs for each KPI met. This encourages the client to proceed with its ESG journey by striving to meet ambitious targets
- We funded the installation of solar panels for a manufacturer and supplier of paper tableware, not only reducing their energy costs but also opening up new segments of the market due to their improved green credentials
- We partnered with an entrepreneur buying up redundant office buildings and converting them to residential premises. 750 homes have been created with this funding package.

	Sept 23	Mar 23
Corporate and other lending	51%	49%
Asset finance	16%	15%
Corporate and acquisition finance	14%	14%
Fund finance	10%	9%
Power and infrastructure finance	4%	4%
Other corporate and financial institutions and governments	3%	3%
Asset-based lending	2%	2%
Aviation finance	2%	2%
Lending collateralised by property	15%	15%
Commercial real estate	10%	10%
Residential real estate	5%	5%
High net worth and other private client lending	34%	36%
Mortgages	29%	30%
Other high net worth lending	5%	6%

Highlights: Belonging, Inclusion and Diversity (BID)

- We have a female CEO, CFO and COO, and currently have 50% females and 30% minority ethnic representation on the Investec Bank plc Board
- Following extensive consultation we further incorporated Belonging, Inclusion and Diversity into our recently realigned values and work is underway to embed our revised purpose and values throughout the organisation
- We publish both our gender and ethnicity pay gap data annually. As at 5 April 2022, the mean gender pay gap in our UK banking business stood at 25.6%. This is an improvement on the prior year 26.2% and reflects a continuous year on year improvement since 2017 when the gap stood at 35.2%.
- We pro-actively engage with colleagues and clients and recently held several events on topics including a Pride panel discussion, a thought-provoking Equal Parent event, and discussions about career progression
- Our programmes to develop our organisational capabilities in relation to BID continued to expand including our Allies programme, which takes employees on a personal learning journey to become a proactive ally for minoritised groups across the business. We now have over 100 colleagues who have completed the programme.

PRIVATE BANKING

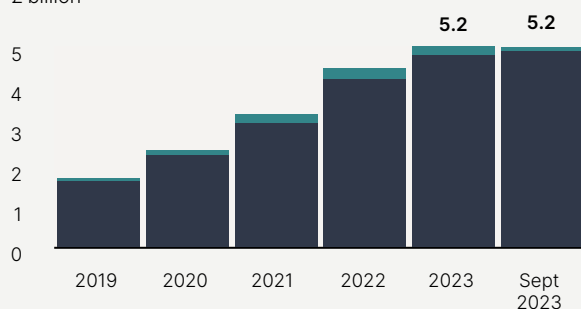
Our Private Banking activities focus on providing bespoke solutions underpinned by in-depth knowledge and understanding of our clients' personal and business aspirations and goals, supported by a broad private banking offering. We understand that every client is an individual, and that they are typically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

Performance highlights

- Adjusted operating profit of £40.4 million (1H2023: £29.4 million) reflects ongoing strategic execution in growing the business to scale by leveraging existing infrastructure
- Net interest income increased 30.3% compared to the prior period, driven by a growth in the average loan book and higher interest rates.

Loans and advances to customers

£'billion



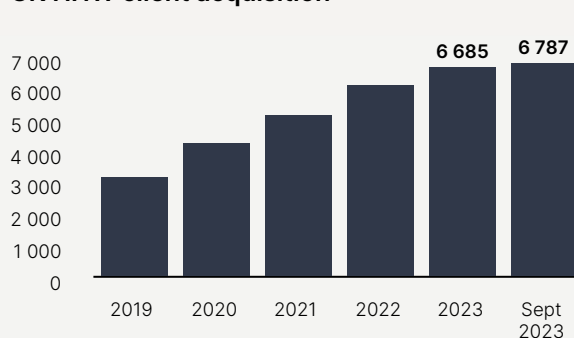
Banking (primarily mortgages) Private Capital

Loan book growth:

- Muted book growth for HNW banking and a reduction in book for Private Capital, up 3.0% and down 16.6% annualised respectively since March 2023, driven by the high interest rate and the uncertain macroeconomic environment
- Market demand for residential mortgages has not recovered from the sharp drop post mini budget in September 2022. Clients with excess liquidity are paying down their debt leading to elevated redemptions
- The Private Capital book reduction was driven by higher redemptions and prepayments due to the higher interest rate environment
- The marginal mortgage book growth was achieved with no changes to credit underwriting standards notwithstanding the increasingly competitive market.

Note: In addition to the loan book shown above, our Channel Islands business had c.£495mn (2022: £520mn) of mortgages as at 30 September 2023.

UK HNW client acquisition



Continued success in client acquisition:

- We acquired 362 new clients over the period. Although the rate is slower than prior periods, we continue to acquire new clients in spite of a significant slow down in mortgage demand
- Our HNW proposition resonates well with our target clients, with our existing clients introducing 43% of clients who approach us
- Aligned to our One Investec approach, this offering serves as a valuable client acquisition tool for the wider UK Bank and new strategic partnership with Rathbones Group. Our clients have an average income of £700 000+ and average NAV of £11 million (well above our quantitative criteria)
- HNW mortgage lending is focused on target clients in established areas (London and the South East) with recourse to the individual and high level of cash equity contributions into transactions.

Note: In addition to these client figures, our Channel Islands business has 1 083 HNW clients (31 March 2023: 1 062). This brings our total number of HNW clients to 7870 (31 March 2023: 7 747).

PRIVATE BANKING

CONTINUED

Income statement analysis and key income drivers

£'000	30 Sept 2023	30 Sept 2022	Variance	% change
Net interest income	71 182	54 618	16 564	30.3%
Net fee and commission income	343	1 169	(826)	(70.7%)
Investment income/(loss)	179	110	69	62.7%
Trading income arising from				
– customer flow	2 238	2 292	(54)	(2.4%)
– balance sheet management and other trading activities	—	13	(13)	(100.0%)
Total operating income before expected credit loss impairment charges	73 942	58 202	15 740	27.0%
Expected credit loss impairment charges	(4 733)	(2 353)	(2 380)	>100.0%
Operating income	69 209	55 849	13 360	23.9%
Operating costs	(28 818)	(26 479)	(2 339)	8.8%
Adjusted operating profit/(loss)	40 391	29 370	11 021	37.5 %
Key income drivers				
ROE post-tax	20.4%	20.1%		
Cost to income ratio	39.0%	45.5%		
Growth in loans and advances to customers	2.0%	28.9%		
Growth in risk weighted assets (period on period)	3.6%	26.4%		

Other factors driving the performance in the period under review included

- Adjusted operating profit of £40.4 million (1H2023: £29.4 million) reflects ongoing strategic execution in growing the business to scale by leveraging existing infrastructure and continued client acquisition
- Growth in net interest income was driven by a higher average loan book and the positive effect of interest rates
- ECL impairment charges for the period increased to £4.7 million (1H2023: £2.4 million), primarily due to Stage 3 ECL charges on certain exposures within our Private Capital business. The credit loss ratio on the private client mortgage book has decreased to 2bps (31 March 23: 4bps) which is indicative of the strong credit performance of the book. Asset quality remains solid with exposures well covered by collateral. Refer to page 121 for further information on the Group's asset quality
- Operating costs increased by £2.3 million or 8.8%, reflecting increased variable remuneration in line with business performance. Fixed costs have been well contained, up 0.8% since the prior period notwithstanding the continued investment in people and inflationary pressures
- Growth in risk weighted assets of 3.6% has slowed from the prior period reflecting the reduced book growth over the year due to high interest rates and the uncertain macroeconomic environment.

Strategy execution

- The results reflect our continued success in executing our HNW client acquisition strategy. Whilst activity levels did slow with current market conditions we were still able to maintain our current position in the market
- This HNW client activity connects to the rest of the client ecosystem, where our client-centric, One Investec approach enables us to win mandates in other areas. We are starting to see an increased number of referrals from the Group into Private Client
- We will continue to collaborate with the Rathbones to enhance the proposition across banking and wealth management services. In addition, the ability to provide our UK Private Banking offering to South African clients seeking an international proposition continues to be a key differentiator for the Group
- Our Private Capital offering addresses a gap in the UK market, providing capital directly to owner-managed businesses and their owners. These HNW clients value our innovative, flexible approach to understanding both their business and personal assets.

Looking ahead

- We successfully completed the all-share combination between Rathbones and Investec Wealth & Investment UK in September 2023. This also marks the beginning of a strategic partnership that will enhance the client proposition across banking and wealth management services for both Investec Group and Enlarged Rathbones Group. During the period, we have successfully generated FUM for IW&I UK from our client base against a challenging market backdrop
- Having established a strong presence in the market over the last five years, our Private Capital business is in growth mode, focused on increasing lending at pace through deepening existing relationships and further client acquisition
- We are focused on maintaining business momentum and generating a stable annuity income stream for the Group, while investing with discipline in the required technology to support our growth to scale.

CORPORATE, INVESTMENT BANKING AND OTHER

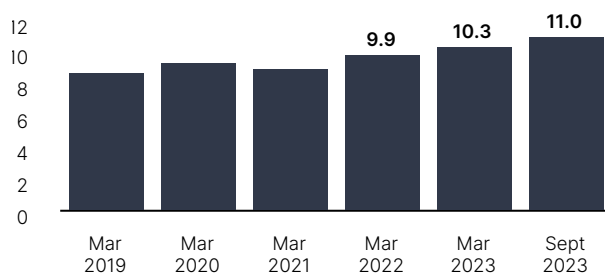
This segment comprises business activities that provide lending, advisory and risk management services to growth-orientated corporate clients in the private companies, private equity and listed companies arenas, including specialist sector-focused expertise. This segment also includes our central treasury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

Performance highlights

- The results reflect a strong performance, with an adjusted operating profit of £167.0 million or 68.2% ahead of £99.3 million reported in 1H2023. We are now firmly in our growth phase and are reaping the benefits of the strategy to simplify and focus the business executed in recent years
- Net interest income increased by £64.0 million (23.9%) to £331.4 million, driven by a higher average loan book and higher interest rates
- Impairment charges increased to £34.6 million (1H2023: £25.5 million). We have seen idiosyncratic client stresses with no evidence of trend deterioration in the overall credit quality of the book.

Loans and advances to customers

£'billion



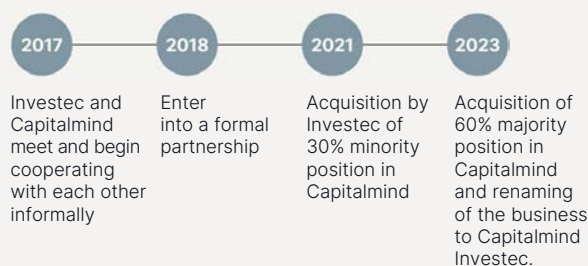
Loan book growth

- The loan book grew by 13.0% annualised since 31 March 2023 to £11.0 billion
- Lending activity increased across portfolios, supported by new client acquisition as we continue to build scale and relevance in our client franchises, as well as repeat business with existing clients
- We continue to utilise our origination and distribution capability to manage diversity and concentration of our lending portfolios and generate additional ROE-accretive revenue for the Group.

Spotlight on Capitalmind Investec

- Capitalmind Investec is an M&A advisory business operating in the major Western European economies, with office locations in Benelux, Germany, France and Switzerland. The business is primarily focused on the mid-market and on advising privately owned businesses and the private equity community
- In June 2023 we increased our shareholding to approximately 60%, following the 30% position which we acquired in 2021. The remaining 40% of the equity is retained by the most senior professionals in the business, demonstrating their continued commitment to its long-term success
- The acquisition is consistent with our stated strategy of growing in Europe whilst also expanding our capital light activities and provides us with a wide array of new relationships across some of the largest economies on our European doorstep
- Since completing the acquisition, we have continued to be deeply involved with our colleagues across Europe, together identifying new client opportunities and integrating our operations by adopting best practices.

Development of our relationship with Capitalmind Investec



Awards won in the past year

Winner

Company Award for Sustainability at the Credit Strategy FICO Credit Awards

Research rank across nine sector teams

#1

The 2023 Institutional Investor's UK Small & Mid-Cap survey

Winner

Lender of the year - Bank

Real Deals Private Equity Awards- 2023

Fund Financing Lender of the Year

#1

The 2023 Drawdown Awards

CORPORATE, INVESTMENT BANKING AND OTHER CONTINUED

Income statement analysis and key income drivers

£'000	30 Sept 2023	30 Sept 2022	Variance	% change
Net interest income	331 371	267 405	63 966	23.9%
Net fee and commission income	64 760	60 502	4 258	7.0%
Investment income	3 642	11 948	(8 306)	(69.5%)
Share of post-taxation profit of associates and joint venture holdings	3 064	4 588	(1 524)	(33.2%)
Trading income arising from				
– customer flow	57 696	34 721	22 975	66.2%
– balance sheet management and other trading activities	19 201	186	19 015	>100.0%
Other operating loss	(315)	(1 840)	1 525	82.9%
Total operating income before expected credit loss impairment charges	479 419	377 510	101 909	27.0%
Expected credit loss impairment charges	(34 570)	(25 548)	(9 022)	35.3%
Operating income	444 849	351 962	92 887	26.4%
Operating costs	(278 051)	(252 687)	(25 364)	10.0%
Operating profit before goodwill, acquired intangibles and strategic actions from continuing operations	166 798	99 275	67 523	68.0%
Profit attributable to non-controlling interests	194	—	194	—
Adjusted operating profit	166 992	99 275	67 717	68.2%
Key income drivers				
ROE post-tax	14.8%	8.6%		
Cost to income ratio	58.0%	66.9%		
Growth in loans and advances to customers	8.3%	5.0%		
Growth in risk weighted assets (period on period)	1.2%	5.7%		

Other factors driving the performance in the period under review included:

- The £64.0 million increase in net interest income was primarily driven by higher average loan books across a number of portfolios, and the impact of higher interest rates
- Net fee and commission income increased by £4.3 million to £64.8 million due to 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
- Investment income of £3.6 million was driven by realised gains on disposal of investments and dividend income and unrealised losses on investments
- 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 to £19.2 million (1H2023: £0.2 million) from the prior period as a result of unwinding certain existing interest rate swap hedges as part of the implementation of the structural interest rate hedging programme.
- Other operating loss decreased by £1.5 million to £(0.3) million (1H2023: £(1.8) million) primarily due to the fair value movements in the prior period of the Ninety One shares held in the Group's staff share schemes as a result of the demerger
- Expected credit loss impairment charges increased to £34.6 million. We have seen idiosyncratic client stresses with no evidence of trend deterioration in the overall credit quality of the book. This is partly offset by macro-economic scenario updates. Refer to page 119 for further information on the macro-economic scenarios applied and page 121 for information on the Group's asset quality
- Operating costs increased by 10.0% to £278.1 million, predominantly driven by an increase in variable remuneration in line with business performance. Fixed costs were well contained, up 2%, despite inflationary pressures and continued investment in people and technology.

CORPORATE, INVESTMENT BANKING AND OTHER CONTINUED

Strategy execution

- Our One Investec approach – underpinned by connected client ecosystems – has continued to facilitate collaboration, supporting our ability to provide clients with a holistic solution and generate additional opportunities. Through the successful completion of the combination of our UK Wealth business and Rathbones, we expect to drive further collaboration with Rathbones, ensuring there is a seamless experience for mutual clients
- The strength of our client franchises has been independently recognised through the numerous awards we have won
- We continue to deepen our mid-market sponsor relevance and increase points of relevance. Our broad proposition and focused target market is reaping strategic benefits, as our cross-product relevance increases and further strengthens our competitive advantage. For example, we recently started a Private Equity Secondary business unit in M&A Advisory and extended our Fund Finance business to North America
- We continue to generate diversified, capital light earnings by utilising external capital to facilitate our highly successful origination and distribution capability. Investec Alternative Investment Management (“IAIM”) is now incorporated and functioning as a subsidiary of IBP to house our fund activities including Private Debt Fund I which commenced in early 2021. We are focused on raising further fund vehicles to complement our balance sheet lending capabilities
- We remain committed to digitalisation and innovation to drive scale, efficiency and sustained growth. Rebuilding our core platforms and delivering new business capabilities has resulted in key improvements to our client offerings in lending, payments, FX and risk management. New products and services are available through our digital savings, private client, and corporate online platforms. We are also capitalising on rapid innovation in Generative AI with the launch of the Microsoft Copilot suite across the business
- Investec India strategy is consistent with Group strategy to increase contribution from capital light revenues. Equity Research has c.220 listed Indian companies under coverage and our M&A business has significant market presence in our target sectors. In addition, the private credit business has arranged more than \$5bn of debt for Indian counterparts and has launched a second private credit fund in Gujarat International Finance Tec-City (GIFT)
- We have continued to enhance our offering to Private Companies. Improvements to our proposition and continued digitisation across key areas including FX, asset finance and motor finance has fed through to increased client numbers and use of multiple products by clients
- We have focussed on championing our BID vision ‘it’s easy to be me’, encouraging a sense of belonging and a culture of speaking up and listening. This has included hosting several events to raise awareness on key topics and building competence and learning through bespoke programmes such as reverse mentoring.

Looking ahead

- We are cautiously optimistic looking ahead as the UK economic position and growth evolves following increased inflation, high interest rates, higher cost of living and energy prices. We are well-capitalised, lowly leveraged, and continue to maintain strong liquidity buffers and ratios. We are well placed to manage further volatility should it arise and to take advantage of growth opportunities as they present themselves
- Our One Investec client ecosystem approach remains one of our key strategic differentiators. The Co-Operation Agreement between the UK Bank and Rathbones governs the long-term, strategic partnership and is expected to unlock significant value in the medium to long term
- With respect to sustainability, we are focused on embedding an ESG mindset that is fully integrated in our support for clients. We will continue to grow our sustainability offering to support our clients with renewable energy financing and innovative debt structuring
- We see significant opportunity to grow market share and drive income as we further develop our offering to Private Companies. Investment in technology and digitalisation will continue to be a priority combined with the passion and expertise of our people
- In our Private Equity Client Group, we continue to see positive growth prospects as we grow market share and increasingly support our existing client base as they look to capitalise on lower corporate valuations for new platform or bolt-on targets respectively. As a result, lending activity has remained healthy
- We expect our M&A Advisory business to benefit from (1) our recent purchase of a majority shareholding in Capitalmind; (2) the new sector teams we have invested in; and (3) the growing contribution from our Coverage and Origination function. Providing an integrated and joined up offering across Investec’s geographies, and via our international partnerships, continues to facilitate an expansion of our cross-border M&A advisory services
- Our India business has significant runway for growth and is well positioned to increase market share across all business segments. In addition, we are launching new products such as futures, options broking and equity funds
- Investec plc continues its efforts to build Internal Ratings Based (IRB) approach models. During the last 12 months, good progress has been made in defining and developing the first generation models, whilst continuing to focus on data remediation and enhancing internal governance processes
- As we look forward, we intend to further embed BID into the strategy and culture of the organisation, through ongoing dialogue with leadership and our networks, a focus on intersectionality, and building our inclusive Allies network.

GROUP INVESTMENTS

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

In the UK, Group Investments comprises Investec plc's c.10% (30 September 2022: c.10%) investment in Ninety One (formerly Investec Asset Management).

In the prior period at a DLC group level, Investec held a 25% shareholding in Ninety One (c.10% was held in Investec Limited in addition to the Investec plc holding). Effective 30 May 2022, the Group distributed a 15% shareholding in Ninety One, retaining a c.10% shareholding held entirely by Investec plc. Investec accounted for its combined 25% investment in Ninety One by applying equity accounting until 31 May 2022. As of 1 June 2022, the 10% holding is now accounted for as an investment held at fair value through other comprehensive income.

Portfolio breakdown and ROE

	Asset analysis £'000	Income analysis £'000
30 September 2023		
Ninety One plc	159 168	6 233
Total exposures on balance sheet	159 168	
Ordinary shareholders' equity held on investment portfolio – 30 September 2023	51 300	
Ordinary shareholders' equity held on investment portfolio – 31 March 2023	48 600	
Average ordinary shareholders' equity held on investment portfolio – 30 September 2023	49 950	
Post-tax return on adjusted average ordinary shareholders' equity – 30 September 2023		25.0%
	Asset analysis £'000	Income analysis £'000
30 September 2022		
Ninety One plc	169 309	12 056
Total exposures on balance sheet	169 309	
Ordinary shareholders' equity held on investment portfolio – 30 September 2022	46 900	
Ordinary shareholders' equity held on investment portfolio – 31 March 2022	222 278	
Average ordinary shareholders' equity held on investment portfolio – 30 September 2022	134 589	
Post-tax return on adjusted average ordinary shareholders' equity – 30 September 2022		17.9%

Income statement analysis

£'000	30 September 2023	30 September 2022	Variance	% change
Investment income	6 233	7 163	(930)	(13.0%)
Share of post-taxation profit of associates and joint venture holdings	—	4 893	(4 893)	(100.0%)
Total operating income before expected credit loss impairment charges	6 233	12 056	(5 823)	(48.3%)
Expected credit loss impairment charges	—	—	—	—
Operating costs	—	—	—	—
Adjusted operating profit	6 233	12 056	(5 823)	(48.3%)

Factors driving the performance in the period under review included

- Investment income reflects earnings from the Group's investment in Ninety One. The investment is held at fair value through other comprehensive income
- In the prior period, share of post-taxation profit of associates reflects earnings from the Group's investment in Ninety One for the two months from 1 April 2022 to 30 May 2022.

SOUTHERN AFRICA

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

Highlights

Best Private Bank and Wealth Manager in South Africa for 11 consecutive years
Recognised by Euromoney and, for the last 11 years, by the Financial Times of London.

Funds under management

£20.2bn

(31 March 2023: £19.8bn)



Net core loans

£14.7bn

(31 March 2023: £14.8bn)

Customer deposits

£20.0bn

(31 March 2023: £20.4bn)



Adjusted operating profit^

£205.9mn

(2022: £230.6mn)



Cost to income^

52.5%

(2022: 52.5%)



ROE post tax

16.0%

(2022: 14.6%)

What we do

Private client offering

Wealth & Investment

- Wealth management
- Portfolio management
- Fund management
- Stockbroking
- Local and Swiss custody

Private Banking

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

Corporate client offering

Corporate and Investment Banking

- Specialised lending
- Import and trade finance
- Treasury and trading solutions
- Institutional equity research, sales and trading
- Advisory
- Debt and Equity Capital Markets
- Fixed income, currency and commodities (FICC)

Target market

Private client offering

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

Corporate client offering

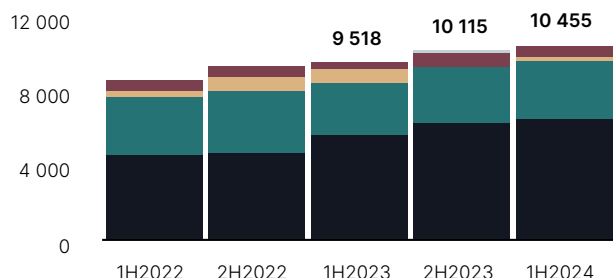
- Mid to large size corporates (listed and unlisted)
- Financial advisers and intermediaries
- Government and public sector institutions
- Institutions, including banks and financial services entities

^ This key metric is based on the pro-forma income statements on page 87

SOUTHERN AFRICA CONTINUED

Total operating income before expected credit loss impairment charges^

R'million

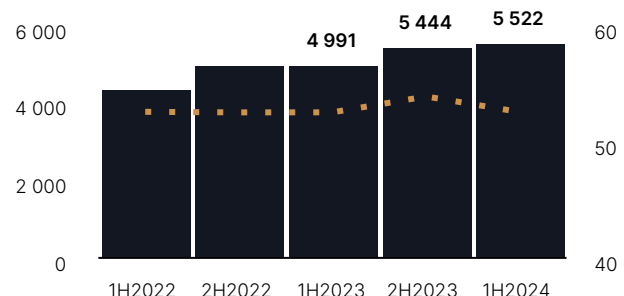


Net interest income	Net fees
Investment and associate income	Trading income
Other operating income	

Operating costs^

R'million

Percentage

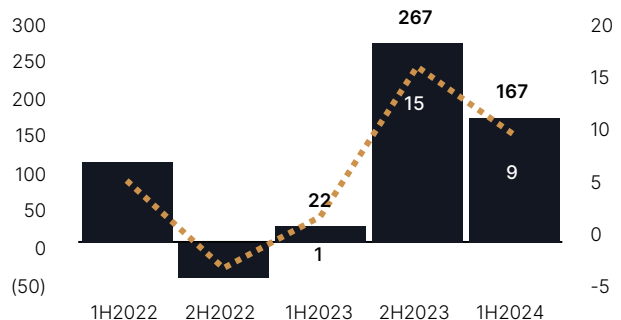


Operating costs (LHS)	Cost to income ratio (RHS)
-----------------------	----------------------------

Expected credit losses/impairment losses^

R'million

Basis points

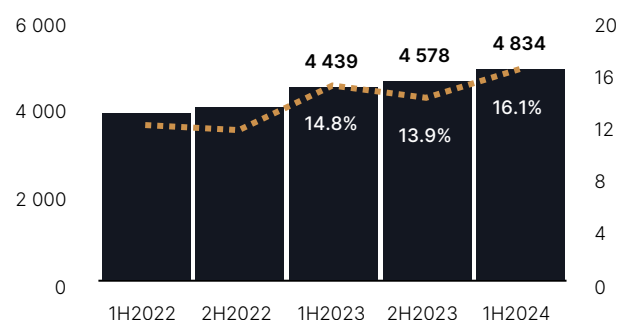


Impairments (LHS)	Annualised credit loss ratio (RHS)
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Adjusted operating profit^ and ROE

R'million

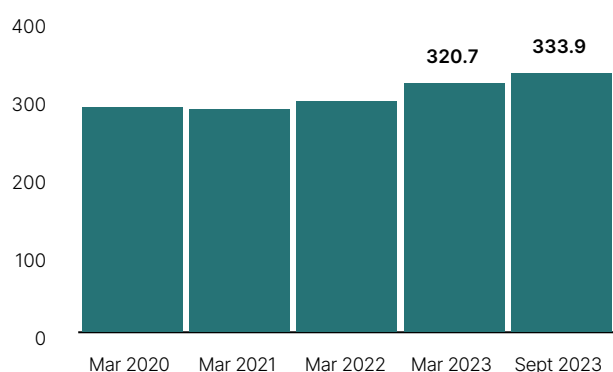
Percentage



Adjusted operating profit (LHS)	ROE post-tax (RHS)
---------------------------------	--------------------

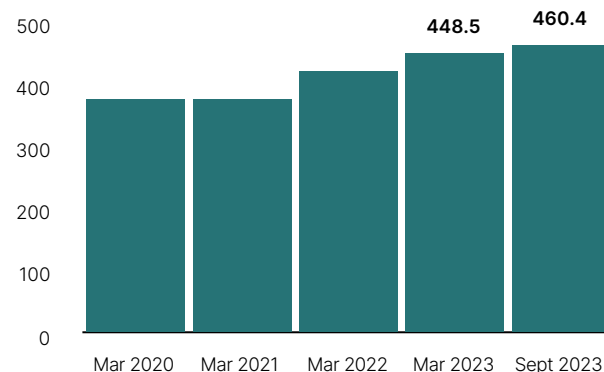
Net core loans

R'billion



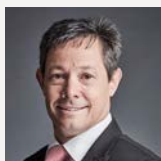
Total customer deposits

R'billion



^ The most recent three periods (1H2023, 2H2023 and 1H2024) have been prepared on a proforma basis, the proforma income statements by geography can be found on page 87

WEALTH & INVESTMENT

**Business Head**

Joubert Hay

Awards

Ranked #1 by the Financial Times of London – 'Best Private Bank and Wealth Manager in South Africa' for 11 consecutive years (2013 to 2023)

Ranked #1 by the Financial Times of London – 'Best Private Bank and Wealth Manager in Africa for Philanthropy Services' (2022, 2023)

Ranked #1 by the Financial Times of London – 'Best Branding in Private Banking and Wealth Management in Africa' (2023)

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

Performance highlights

- Adjusted operating profit grew by 15.1% to £17.5 million (2022: £15.2 million) amid a challenging operating environment
- The business reported a 2.0% increase in FUM to £20.2 billion (2022: £19.8 billion) driven by discretionary and annuity net inflows (R7.3 billion, £312.7 million) and the net impact from positive foreign currency translation gains. Non-discretionary FUM reported net outflows of R2.6 billion (£112.1 million) in the current period
- Client retention and acquisition remained strong in a competitive market environment.

Funds under management

Total - £'million	30 Sept 2023	31 March 2023	% change	30 Sept 2022	31 March 2022
South Africa	18 267	18 155	0.6%	18 088	18 957
Discretionary	10 965	10 151	8.0 %	9 996	9 756
Non-discretionary	7 302	8 004	(8.8%)	8 092	9 201
Switzerland	1 962	1 675	17.1 %	1 632	1 525
Discretionary	638	553	15.4 %	519	487
Non-discretionary	1 324	1 122	18.0%	1 113	1 038
Total	20 229	19 830	2.0%	19 720	20 482

South Africa - R'million	30 Sept 2023	31 March 2023	% change	30 Sept 2022	31 March 2022
Discretionary and annuity assets*	252 123	222 741	13.2 %	200 445	187 658
Non-discretionary	167 898	175 630	(4.4%)	162 265	176 982
Total	420 021	398 371	5.4 %	362 710	364 640

* Following the all-share combination between IW&I UK and Rathbones, discretionary FUM of R12.8 billion which was previously reported in IW&I UK has been included in SA operations.

Net flows over the period

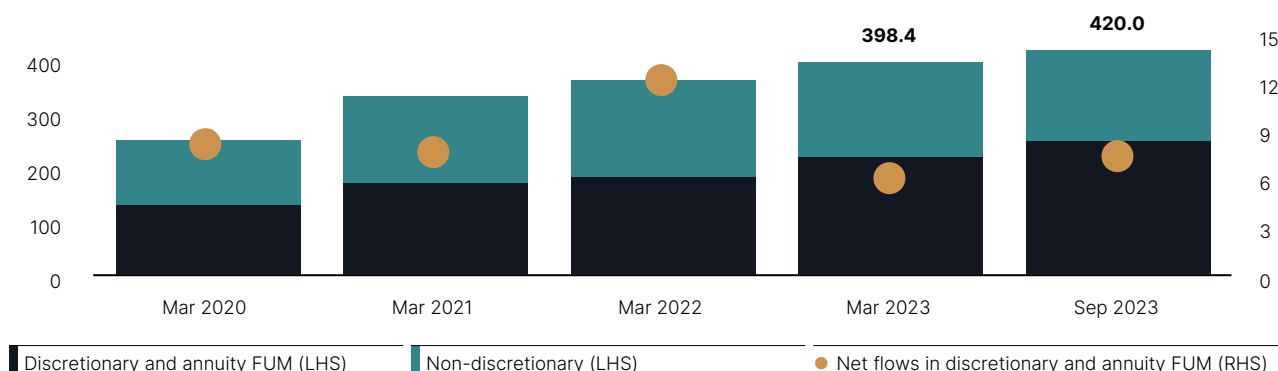
South Africa - R'million	30 Sept 2023	31 March 2023	30 Sept 2022	31 March 2022
Discretionary and annuity assets	7 342	5 910	2 109	12 060
Non-discretionary	(2 633)	(10 643)	(6 873)	1 238
Total	4 709	(4 733)	(4 764)	13 298

FUM variance drivers since 31 March 2023

- Growth in discretionary and annuity assets of 13% is largely driven by the inclusion of R12.8 billion FUM which was previously reported in IW&I UK and flows into our local and offshore offerings
- Impact from positive foreign currency translation gains
- Net outflows in non-discretionary FUM.

WEALTH & INVESTMENT CONTINUED

Funds under management and net flows - South Africa (R'billion)



Income statement analysis

£'000	30 Sept 2023	30 Sept 2022	Variance	% change	% change in Rands
Net interest income	6 411	3 550	2 861	80.6%	
Net fee and commission income	52 250	51 900	350	0.7%	
Investment income	72	(219)	291	>100.0%	
Trading income arising from					
– customer flow	444	464	(20)	(4.3%)	
– balance sheet management and other trading activities	33	310	(277)	(89.4%)	
Other operating (loss)/income	—	2	(2)	(100.0%)	
Total operating income before expected credit losses	59 210	56 007	3 203	5.7%	
Of which: South Africa	50 416	50 554	(138)	(0.3%)	18.1%
Of which: Switzerland	8 794	5 453	3 341	61.3%	
Expected credit loss impairment charges	(1)	(4)	3	(75.0)%	
Total operating income after expected credit loss impairment charges	59 209	56 003	3 206	5.7%	
Operating costs	(41 734)	(40 819)	(915)	2.2%	
Of which: South Africa	(34 723)	(34 693)	(30)	0.1%	18.8%
Of which: Switzerland	(7 011)	(6 126)	(885)	14.4%	
Adjusted operating profit	17 475	15 184	2 291	15.1%	
Of which: South Africa	15 693	15 889	(196)	(1.2%)	16.8%
Of which: Switzerland	1 782	(705)	2 487	>100.0%	
Key income drivers					
Operating margin	29.5%	27.1%			
Of which: South Africa	31.1%	31.4%			
Net organic growth in discretionary and annuity FUM as a % of opening FUM - South Africa	6.6%	2.2%			
Average income yield earned on discretionary and annuity FUM ^o - South Africa	0.87%	0.88%			

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

WEALTH & INVESTMENT CONTINUED

Other factors driving the performance under review included:

- Revenue in South Africa grew by 18.1% in Rands (decrease of 0.3% in Pounds) underpinned by inflows into our discretionary and annuity portfolios as well as net inflows in local and offshore investment products in the current and prior period. Non-discretionary brokerage revenue decreased in the current period due to lower trading volumes
- Revenue in Switzerland grew by 61.3% in Pounds largely due to elevated interest rates
- Operating costs in South Africa increased 18.8% in Rands (0.1% in Pounds), 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
- The business achieved an operating margin of 29.5% (2022: 27.1%).

Highlights: Sustainability

- We continue to advance our ESG integration work with added emphasis on reinforcing our global stewardship capabilities
- The Investec Investment Management team completed at least one UN PRI academy course, showcasing our dedication to responsible investing and the integration of ESG considerations into our investment processes
- Investec Investment Management also chose three key staff to attend the UN PRI conference in Japan in October
- We submitted our annual PRI report. This is the last time we submit as a co-signatory with the UK Wealth & Investment franchise post the completion of the Rathbones Combination
- A number of our colleagues have enrolled in the CFA UK Certificate in Impact Investing pilot course.

Strategy execution

- Alignment to the Investec Group strategic objectives that will be the centre of our growth agenda moving forward. This includes a focus on our three centres of excellence: 1) Private Clients acquisition and servicing, 2) Investment Management capability, and 3) our Investment Platform
- Our greatest distinction is our ability to offer seamless local and international banking and wealth management through One Place™. We continue to evolve the One Place™ offering to enhance the client value proposition with particular focus on refining our capabilities in Switzerland
- Private client centric strategies are showing success with a focus on collaboration and leadership cohesion across W&I and Private Banking
- Our award-winning local and international investment offering and globally integrated investment process continue to produce robust performance for our clients
- Alignment with Rathbones regarding the continuation of services for W&I SA clients serviced by the UK is in progress. This includes retention of key staff within IBP and Switzerland
- Continued focus on people across learning and development, recruitment alignment, integration of new starters and fostering a stronger sense of belonging and inclusion.

Looking ahead

- Integrating the Investec Group's purpose within our business, to clients within core business activities, and through our Philanthropy offering
- Refining our integration of ESG considerations into our investment process including expanding our stewardship and engagement policies and activities. This includes exploring opportunities to expand our suite of sustainable investment opportunities and driving the upskilling of teams
- Conclusion and implementation of an investment distribution agreement within Latin America
- Pursuing strategic growth initiatives and the completion of key integration objectives in Switzerland
- Exploration of other jurisdictions aligned to our international growth strategy and diversifying revenue streams
- Expansion of the alternative investments offering with a new private markets strategy and continue providing our clients with access to special investment opportunities
- Enhancing our multi-currency, multi-asset class investment platform and focusing on the modernisation of operational and technological capabilities to drive business efficiencies
- Enhancing the use of data and AI to deliver on strategic objectives.

SPECIALIST BANKING OVERVIEW

**Business Head**

Richard Wainwright

Highlights

Adjusted operating profit
 ROE post tax

£196.8mn

(2022: £202.9mn)

17.7%

(2022: 14.8%)

Cost to income

47.7%

(2022: 49.5%)

Credit loss ratio

0.08%

(31 March 2023: 0.09%)

Performance highlights (in Rands)

- Adjusted operating profit for the SA specialist bank increased 14.7% (decreased 3.0% in Pounds). Our ongoing execution of various growth initiatives resulted in market share gains in core client franchises. Pre-provision adjusted operating profit increased by 18.3%
- Revenue grew by 14.4%, as net interest income continued to benefit from higher average interest earning assets and interest rates. The increased client activity and client acquisition led to growth in fee and commission income, however this was partially offset by higher fee and commission expenses. The non-repeat of prior year balance sheet management trading losses and higher investment income contributed to growth in non interest revenue
- 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 increased in line with increased business activity. Fixed costs increased by 9.4%
- ECL impairment charges increased to R168 million from R22 million in the prior period. The credit loss ratio was largely unchanged from year end at 8bps. The ECL charge was positively impacted by the recoveries on previously impaired loans and in-model ECL releases following model recalibration
- Core loans grew by 8.2% on annualised basis to R338.4 billion (31 March 2023: R325.1 billion). Corporate lending portfolios grew by 15.8% on an annualised basis, as credit demand increased across our various lending specialisations. Advances to private clients grew 5.3% on an annualised basis with strong growth in mortgages and auto finance books partly offset by the effect of muted growth in the income producing real estate book.

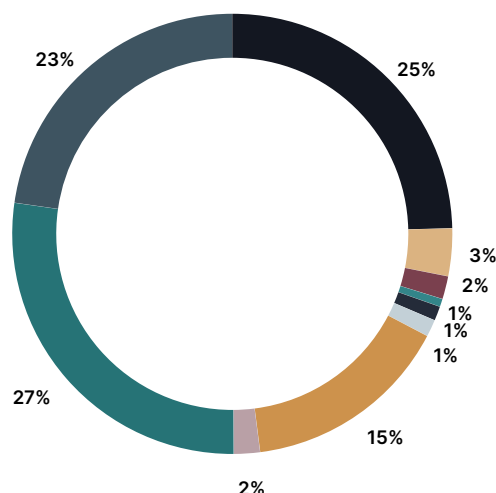
Income statement

£'000	30 Sept 2023	30 Sept 2022	Variance	% change	% change in Rands
Net interest income	277 977	287 542	(9 565)	(3.3%)	14.6%
Net fee and commission income	78 711	93 082	(14 371)	(15.4%)	0.4%
Investment income/(loss)	12 144	10 790	1 354	12.5%	33.1%
Share of post-taxation loss of associates and joint venture holdings	177	(61)	238	>100.0%	>100.0%
Trading income/(loss) arising from					
– customer flow	18 918	28 759	(9 841)	(34.2%)	(21.8%)
– balance sheet management and other trading activities	2 220	(10 848)	13 068	>100.0%	>100.0%
Other operating (loss)/income	85	(4 813)	4 898	>100.0%	>100.0%
Total operating income before expected credit loss impairment charges	390 232	404 451	(14 219)	(3.5%)	14.4%
Expected credit loss impairment charges	(6 987)	(1 446)	(5 541)	>100.0%	>100.0%
Operating income	383 245	403 005	(19 760)	(4.9%)	12.6%
Operating costs	(186 214)	(200 066)	13 852	(6.9%)	10.4%
Operating profit before goodwill, acquired intangibles and strategic actions	197 031	202 939	(5 908)	(2.9%)	14.8%
Profit attributable to non-controlling interests	(198)	—	(198)	>100.0%	>100.0%
Adjusted operating profit	196 833	202 939	(6 106)	(3.0%)	14.7%

SPECIALIST BANKING OVERVIEW

CONTINUED

Diversified loan book by risk category: Core loans Sept 23: £14.7 billion



* Of the 23% in HNW and specialised lending, 13.3% (being 58% of 23%) (31 March 2023: 57%) relates to lending collateralised by property which is supported by high net worth clients.

	Sept 23	Mar 23
Corporate and other lending	33%	32%
Corporate and acquisition finance	25%	23%
Fund finance	3%	4%
Power and infrastructure finance	2%	2%
Asset finance	1%	1%
Aviation finance	1%	1%
Other corporate and financial institutions and governments	1%	1%
Lending collateralised by property	17%	17%
Commercial real estate	15%	15%
Residential real estate	2%	2%
High net worth and other private client lending	50%	51%
Mortgages	27%	28%
HNW and specialised lending*	23%	23%

Highlights: Sustainability

- We have partnered with Proparco to implement the Transforming Financial Systems for Climate (TFSC) programme in South Africa. The programme comprises a senior credit facility of \$80mn and a technical assistance programme. This transaction will contribute to South Africa's transition to a low-carbon economy by enabling us to finance ambitious projects aligned with the highest climate standards both in terms of mitigation and adaptation
- We partnered with Pick n Pay in its first sustainability-linked loan syndication that will help one of South Africa's leading retail brands to fund the execution of its new strategic plan. The facility includes a commitment to tackle food waste and reduce greenhouse gas emissions through the use of natural refrigerants
- Investec and Commerzbank, in collaboration with Swiss Export Risk Insurance and Atradius Dutch State Business, concluded a loan agreement worth a combined €178mn with Côte d'Ivoire's Ministry of Economy and Finance to develop and rehabilitate essential water supply infrastructure across approximately 111 locations, enhancing access to potable water
- As a long-term banking partner to Curro, we assisted them in incorporating a sustainability overlay into its term debt funding. This unique sustainability overlay will take the form of key performance indicators, including bachelor degree pass rate, employee diversity among educators, and water usage on campuses
- Our newly formed Sustainable Solutions business within the Private Bank has rolled out a bespoke offering to support private banking and structured property finance clients in their transition to more reliable, cost-effective and sustainable energy and water solutions.

Highlights: Belonging, Inclusion and Diversity (BID)

- We remain committed to making Investec a place where it is 'easy to be me'. In support of this we continue to build and support our BID networks, the Pride (LGBTQIA+) network, Young Minds and the Employment Equity forum
- We are running a learnership for 40 differently abled people, in partnership with the National Institute for Development and Training
- We run a programme specifically designed to enable women to take up positions as non-executive directors on South African boards and contribute to the development of board-ready female executives within South Africa. Since the launch of the programme in 2020, 28 women have successfully completed this programme
- Our Young Leaders Council and reverse mentorship initiatives in South Africa recognise the need to create spaces that enable young, aspirational talent to connect and learn with leaders. These initiatives aim to combine innovation with experience, create networking opportunities and harness the generational range within Investec.

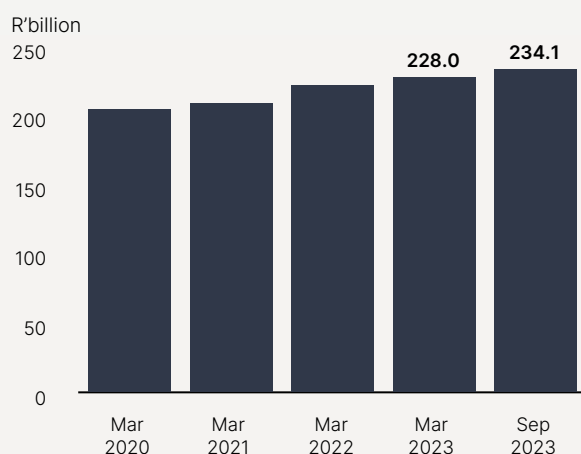
PRIVATE BANKING

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

Performance highlights

- Private Banking adjusted operating profit decreased by 5.3% to R1 680 million (1H2023: R1 776 million). Net interest income growth this was partially offset by lower non interest income, as investment income decreased significantly compared to the prior period.
- Point of sale (POS) client activity increased 12.1% from the prior period, driven by client acquisition and growth in client transactional activity. Lending activity increased on prior period, driven by higher credit demand
- Our evolving client acquisition strategy continues to underpin the growth in the number of active clients, which surpassed 100k in the period under review.

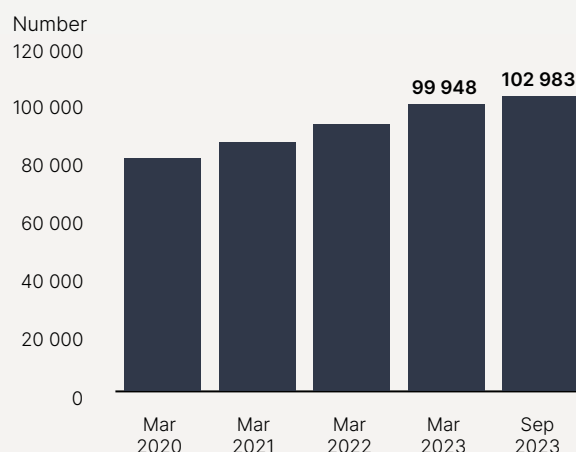
Loans and advances to customers*



Increased lending balances:

- Loan book grew 5.3% annualised since 31 March 2023
- Lending turnover grew 4% relative to prior year. This was primarily driven by strong turnover growth in private capital and instalment credit, as well as low single-digit turnover growth in residential mortgages and commercial property portfolios
- Repayment rates remained high relative to history given the high interest rate environment.

Core client acquisition



Continued focus on client acquisition:

- Our core client base increased 3% since 31 March 2023 and 7.6% since 30 Sept 2022
- New accounts opened were 16.4% above those opened in the prior period underscoring our increased focus on client acquisition.

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

Awards:

Financial Times of London Global Private Banking Awards 2023

Best Private Bank and Wealth Manager in SA – for the 11th consecutive year

Best Private Bank and Wealth manager in Africa for Philanthropy Services - for the second consecutive year

Best Branding in Private Banking (Africa)

Financial Times of London Global Private Banking Awards 2022

Best Private Bank and Wealth Manager for technology use in Africa

Intellidex Top Private Banks & Wealth Managers South Africa 2023

People's Choice Private Banking

Euromoney Global Private Banking Awards 2023

South Africa's Best Private Bank for Digital

PWM Wealth Tech Awards

Best Private Bank for Use of Technology in Africa

PRIVATE BANKING CONTINUED

Strategy execution

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

- Continued focus in growing our HNW private client franchise. Through various initiatives, our teams collaborate and partner across their specialisations to target clients. We continue to improve coordination and relevant integration of our strategies across our Bank and Wealth businesses, focusing on serving our clients seamlessly to access a comprehensive suite of banking and investment services both locally and internationally
- Ongoing focus on increasing penetration for Investec Life and My Investments products into our banking client base
- Client acquisition remains a key priority for the business, underpinned by an approach through multiple channels, initiatives and proactive client engagement. We continue to actively pursue new and emerging professionals
- Traditional client segments remain a source for growth, with a renewed focus and engagement to build and evolve segment strategies with specific focus on the commerce and entrepreneur segments
- New sustainable finance campaign for individuals launched in April 2023.

Income statement analysis and key income drivers

£'000	30 Sept 2023	30 Sept 2022	Variance	% change	% change in Rands
Net interest income	125 498	140 885	(15 387)	(10.9%)	5.6%
Net fee and commission income	21 455	25 883	(4 428)	(17.1%)	(1.4%)
Investment income	2 377	8 726	(6 349)	(72.8%)	(68.4%)
Share of post-taxation loss of associates and joint venture holdings	138	(189)	327	>100.0%	>100.0%
Trading income/(loss) arising from					
– customer flow	—	—	—	—%	—%
– balance sheet management and other trading activities	(26)	(198)	172	(86.9%)	(75.0%)
Other operating income	2	5	(3)	(60.0%)	—%
Total operating income before expected credit losses	149 444	175 112	(25 668)	(14.7%)	1.2%
Expected credit loss impairment releases	2 301	4 200	(1 899)	(45.2%)	(34.6%)
Operating income	151 745	179 312	(27 567)	(15.4%)	0.3%
Operating costs	(80 061)	(89 633)	9 572	(10.7%)	6.0%
Adjusted operating profit	71 684	89 679	(17 995)	(20.1%)	(5.3%)
Key income drivers					
ROE post-tax	18.9%	15.7%			
Cost to income ratio	53.6%	51.2%			
Growth in loans and advances to customers in Rands (period on period)	3.8%	1.9%			
Growth in risk weighted assets in Rands (period on period)	(21.5%)	2.1%			

* Including own originated securitised assets.

PRIVATE BANKING

CONTINUED

Overview of financial performance (in Rands)

- Net interest income was 5.6% higher than the prior period due to higher average lending books and the positive endowment effect from higher interest rates. Mid-teens net interest income growth from Banking franchise which is underpinned by continued success in our client acquisition strategy was partly offset by lower net interest income from the Specialised Property Finance business
- Net fee and commission income decreased by 1.4% period on period primarily due to lower lending fees and non-repeat of higher upfront fees in the prior period. Higher fees from increased transactional activity was offset by increased associated costs
- Investment income decreased 68.4% due to lower profit share and dividends as well as lower fair value adjustments in the current period
- ECL impairment releases decreased 34.6%. Significant recoveries on previously impaired loans and the in-model releases on portfolio impairments in the current period were partly offset by additional specific ECL impairment charges taken during the period. Refer to page 121 for further information on the Group's asset quality
- Operating costs increased 6.0% due to annual salary increases, higher headcount to support growth and inflationary increase in expenses. The cost to income ratio was 53.6% (2022: 51.2%).

Looking ahead

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

CORPORATE, INVESTMENT BANKING AND OTHER

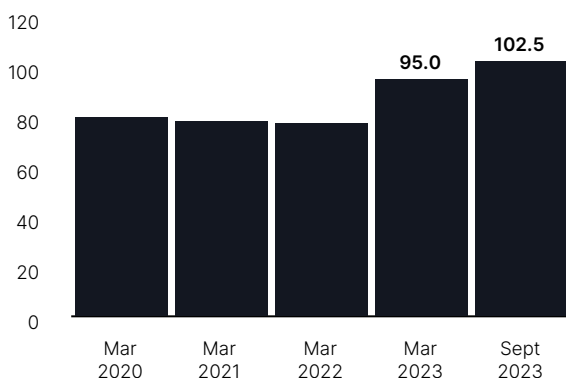
Our Corporate and Investment Banking businesses have built powerful franchises across South Africa's leading corporates, SOEs, public sector bodies, institutions and intermediaries. Our broad and international offering of financing, advice and structuring and treasury services is built on enduring relationships,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

Performance highlights:

- Adjusted operating profit increased 32.8% to R2 938 million (2022: R2 249 million) driven by high client activity levels across our franchises and continued market share gains in selected niches
- Revenue increased by 25.7%, benefitting from increased activity levels across the business, higher average lending books and the endowment effect from the higher interest rate environment. The strong revenue performance was broad based across lending related and client-driven global market activities
- Pre-provision adjusted operating profit increased by 34.4% as revenue grew well ahead of operating costs, reflecting ongoing strategic execution

Loans and advances to customers*

R'billion



* Net of impairments and deferred fees.

Lending activity:

- The corporate loan book increased by 15.8% annualised since March 2023 to R102.5 billion
- Growth in the lending book was broad based across corporate lending including our specialist lending areas
- The strong lending turnover was against elevated repayment rates relative to historical experience
- Our lending in the rest of Africa increased by 10.4% year to date to USD584 million from USD529 million in March 2023.

Growth initiatives:

11 567

31 Mar 2023: 10 291

Total policies issued to date
– Investec Life

2 205

31 Mar 2023: 1 961

Number of clients on
Investec Business Online

1 961

31 Mar 2023: 1 690

Business Transactional
Banking clients

Airfinance Journal Awards 2022:

Revolving credit facility deal of the year

Investec Aviation Finance and ACIA Aero Leasing

CORPORATE, INVESTMENT BANKING AND OTHER CONTINUED

Income statement analysis and key income drivers

£'000	30 Sept 2023	30 Sept 2022	Variance	% change	% change in Rands
Net interest income	152 479	146 657	5 822	4.0%	23.2%
Net fee and commission income	57 256	67 199	(9 943)	(14.8%)	1.1%
Investment income/(loss)	9 767	2 064	7 703	>100.0%	>100.0%
Share of post-taxation profit/(loss) of associates and joint venture holdings	39	128	(89)	(69.5%)	(66.7%)
Trading income/(loss) arising from					
– customer flow	18 918	28 759	(9 841)	(34.2%)	(21.8%)
– balance sheet management and other trading activities	2 246	(10 650)	12 896	>100.0%	>100.0%
Other operating (loss)/income	83	(4 818)	4 901	>100.0%	>100.0%
Total operating income before expected credit losses	240 788	229 339	11 449	5.0%	25.7%
Expected credit loss impairment charges	(9 288)	(5 646)	(3 642)	64.5%	>100.0%
Operating income	231 500	223 693	7 807	3.5%	23.7%
Operating costs	(106 153)	(110 433)	4 280	(3.9%)	14.0%
Operating profit before goodwill, acquired intangibles and strategic actions	125 347	113 260	12 087	10.7%	30.7%
Profit attributable to non-controlling interests	(198)	—	(198)	>100.0%	>100.0%
Adjusted operating profit	125 149	113 260	11 889	10.5%	30.4%
Key income drivers					
ROE post-tax	17.0%	14.0%			
Cost to income ratio	44.1%	48.2%			
Growth in loans and advances to customers in Rands (period on period)	14.3%	23.6%			
Growth in risk weighted assets in Rands (period on period)	3.0%	3.5%			

Other financial factors driving the performance under review (in Rands) included:

- Net interest income increased 23.2%, driven by higher average interest earning assets, particularly lending books as demand for corporate credit remained strong, and endowment effects from higher interest rates. This was partly offset by effect of the foregone interest income on funds used to execute the Group's R6.8 billion share buy-back
- Net fees and commission income was 1.1% ahead of the prior period. Corporate and Institutional Banking fees increased across our global markets business on the back of increased client activities given the persistent market volatility. Increased demand for trade finance, with turnover up 34% on prior period also contributed positively to fee income. These were partly offset by the non-repeat of prior period fees from a single transaction and the lost fees due to disposal of the property management companies to Burstone
- Investment income growth benefitted from higher profit share participation and dividends received
- Trading income from customer flow declined due to lower trading activity in the interest rate desk. Income from balance sheet management and other trading activities increased, as prior period mark-to-market losses on interest rate swaps did not repeat
- Expected credit loss impairment charges increased to R221 million from R104 million in the prior period due to idiosyncratic stresses on specific exposures. Refer to page 121 for further information on the Group's asset quality
- Operating costs increased 14.0% due to continued investment in people, premises and technology to support growth. Fixed personnel expenses grew as a result of annual salary increases. Variable remuneration grew in line with improved performance. The cost to income ratio improved to 44.1% (2022: 48.2%).

Strategy execution

Corporate and Institutional Banking

- Our core client franchises continue to perform well in a challenging business environment
- Trading areas have had a challenging first half of the year as interest rates remain elevated, high levels of volatility continue in the foreign exchange markets and trade volumes in equity markets are lower. We remain risk conscious and act with discipline
- Corporate Treasury and Balance Sheet Management activities continue to benefit from strong growth in retail funding, the elevated interest rate environment and improved client activity
- Strong asset growth in the Specialised lending areas with a keen focus on client segments and areas of specialisation have delivered commendable results in the current period. The Structured products franchise is a market leader and continues to grow assets under management through its various product offerings to the market

CORPORATE, INVESTMENT BANKING AND OTHER CONTINUED

- The Business transactional banking platform, which also complements our mid-market corporate proposition, continues to gain momentum with growth in operational deposits and increased client activity
- Investec Life, through its risk and investment offerings, continues to build on the Investec private client franchise
- The strategic use of data and streamlining of client processes continue to be a key focus area to improve on the speed of deal execution and an enhanced client experience
- We remain disciplined on cost management and capital allocation.

Investment Banking

- Continued strategic execution of focusing on targeted sectors and clients in our Investment Banking business has led to new client gains and increased share of wallet within our existing client base
- Through the leveraging of our operations in the UK, Continental Europe (through Capitalmind), India, as well as our network alliances in Australia and the United States, we have increased our global reach and sector insights for the benefit of our clients
- Our advisory business saw increased market share gains in a number of transactions and strong performance in the industry
- Despite reduced levels of activity in the primary and secondary equity capital markets in the current period, we remain involved, and well-positioned for any future changes in client flows. Our dedicated international equity sales distribution in the US and UK for South African corporates continues to differentiate our equity capital markets capability from our peers
- Our lending activities to large corporates and sponsors continued to increase market share with pleasing book growth in a competitive market.

Investec for Business

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

Looking ahead

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

Corporate and Institutional Banking

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

Investment Banking

- Notwithstanding the cautious approach adopted by many corporates in the current uncertain macroeconomic climate, we continue to see promising levels of activity across our Investment Banking client base. We see growth opportunities in sectors where clients with strong strategic and financial positions seek to capitalise on the market volatility
- In line with our risk-based approach, we anticipate growth in both our financing book and restructuring advisory services amid increased levels of market volatility
- We continue to seek new revenue opportunities. These include a focused family office offering in the Investment Bank in collaboration with Private Capital to bring the best of investment banking and our One Investec proposition to this client segment.

Investec for Business

- Despite a tough economic outlook, we see continued opportunities in the relatively resilient South African mid-market. The dynamic nature of our lending offerings enables us to readily respond to market and economic shifts, either capitalising on opportunities or proactively managing risks
- We strive to ensure that our quality of service and simplicity of product offering is a market differentiator. Our flexibility allows us to easily adapt to the changing needs of our clients, ensure our continued relevance and the ability to grow alongside themes
- Product and platforms are leveraged to give clients a 'One Investec' experience and to position Investec as the primary banking partner for this client base.

GROUP INVESTMENTS

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

↓	↓	↓
The Bud Group Holdings Proprietary Limited	Burstone Group Limited	Other unlisted investments
36.4% shareholding	24.3% shareholding	

Ninety One DLC (Ninety One)

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

In the prior year, at a DLC Group level, Investec held a 25% shareholding in Ninety One (of which c.15% was held in Investec plc – refer to page 100). Effective 30 May 2022, the Group successfully distributed a 15% holding in Ninety One, retaining a c.10% shareholding entirely held by Investec plc. Investec accounted for its combined 25% investment in Ninety One by applying equity accounting until 30 May 2022. As of 1 June 2022 the c.10% holding held by Investec plc is now accounted for as an investment held at fair value through other comprehensive income as reflected on page 100.

The Bud Group Holdings Proprietary Limited

The Bud Group Holdings (previously Investec Equity Partners (IEP)) is an investment holding company that was born out of the Investec Private Equity portfolio, which was sold to IEP in January 2016. Investec retained an interest in IEP as a shareholder. IEP has a wholly-owned subsidiary, being the Bud Group Proprietary Limited (Bud Group).

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

As a result of the restructure, c. R183m cash proceeds were received by Investec Limited during the reporting period, with an additional R198m received post the reporting period. A material portion of Newco's assets are subject to sales processes, some of which are well advanced. It is anticipated that the remaining asset disposal processes will conclude over the next 12 to 18 months, subject to market conditions.

Investec ceased equity accounting for its 47.4% stake in The Bud Group Holdings on 30 November 2022 and the investment is accounted for at fair value through profit and loss with a value of £195.7 million (R4.5 billion) at 30 September 2023.

Burstone Group Limited (Burstone)

Burstone (previously Investec Property Fund (IPF)) is an internationally focused Real Estate Investment Trust (REIT) domiciled in South Africa. Listed on the Johannesburg Stock Exchange (JSE) since 2011, it has a strong management track record of more than 30 years operating in both local and international markets. Its investment portfolio comprises c.R36 billion (GAV) assets under management and c.R5 billion third-party capital under management in South Africa, Europe and Australia.

In South Africa, Burstone directly owns a sizeable portfolio of 77 properties in the retail, industrial and office sectors valued at c.R14 billion. About 55% of Burstone's asset base is comprised of offshore investments, namely a 83% interest in a Pan-European logistics portfolio, valued at c.€1.1 billion (R22 billion), located across seven European countries. Burstone recently re-entered the Australian market through its c.18.7% investment in the Templewater Australia Property Fund and its 50/50 JV with Irongate Australia Fund Management.

In March 2023, IPF concluded an agreement for the internalisation of its asset management business across South Africa and Europe, which were previously undertaken by Investec Limited. The transaction was approved by shareholders on 17 May 2023 and finalised in July 2023. IPF was consequently rebranded as Burstone Group Limited.

Investec has a 24.3% shareholding in Burstone and had previously consolidated the Fund with a net asset value of £698 million (R14 billion) at 30 September 2022 and £593 million (R13 billion) at 31 March 2023. Subsequent to the disposal of the management companies, Investec's shareholding is now held as an investment at fair value through profit and loss with a fair value of £63.8 million (c.R1.5 billion).

Other unlisted investments

Investec holds certain other historical unlisted equity investments to the value of £29.2 million (R672 million).

GROUP INVESTMENTS

CONTINUED

Portfolio breakdown and ROE

	Asset analysis £'000	Income analysis £'000	Asset analysis R'million	Income analysis R'million
30 September 2023				
The Bud Group Holdings	195 687	—	4 500	—
Other unlisted investments [^]	29 212	—	672	—
Burstone Group Limited*	63 812	3 134	1 467	76
Total exposures on balance sheet	288 711	3 134	6 639	76
Debt funded	99 684	(4 511)	2 292	(107)
Equity	189 027		4 347	
Total capital resources and funding	288 711		6 639	
Adjusted operating profit		(1 377)		(31)
Taxation		380		9
Operating profit after taxation		(997)		(22)
Risk weighted assets	879 886		20 228	
Ordinary shareholders' equity held on investment portfolio – 30 September 2023	189 027		4 347	
Ordinary shareholders' equity held on investment portfolio – 31 March 2023	252 123		5 532	
Average ordinary shareholders' equity held on investment portfolio – 30 September 2023	220 575		4 940	
Post-tax return on adjusted average ordinary shareholders' equity 30 September 2023		(0.5%)		
30 September 2022				
Ninety One Limited	—	3 185	—	63
The Bud Group Holdings	282 304	15 406	5 661	306
Other unlisted investments [^]	36 414	—	730	—
Burstone Group Limited**	167 854	6 838	3 361	135
Total exposures on balance sheet	486 572	25 429	9 752	504
Debt funded	188 303	(5 281)	3 771	(105)
Equity	298 269		5 981	
Total capital resources and funding	486 572		9 752	
Adjusted operating profit		20 148		399
Taxation		(1 422)		(28)
Operating profit after taxation		18 726		371
Risk weighted assets	1 457 568		29 288	
Ordinary shareholders' equity held on investment portfolio – 30 September 2022	298 269		5 981	
Ordinary shareholders' equity held on investment portfolio – 31 March 2022	338 691		6 514	
Average ordinary shareholders' equity held on investment portfolio – 30 September 2022	318 480		6 498	
Post-tax return on adjusted average ordinary shareholders' equity 30 September 2022		11.8%		

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

* The Group's investment holding of 24.3% in the Burstone Group Limited at market value at 30 September 2023.

** The Group's investment holding of 24.3% in the Burstone Group Limited at net asset value at 30 September 2022.

GROUP INVESTMENTS

CONTINUED

Income statement analysis

£'000	30 Sept 2023	30 Sept 2022	Variance	% change	% change in Rands
Net interest expense	(4 303)	(5 282)	979	18.5%	3.8%
Net fee and commission expense	(3)	—	(3)	(>100.0%)	(>100.0%)
Investment income	3 178	6 838	(3 660)	(53.5%)	(43.7%)
Share of post-taxation profit of associates and joint venture holdings	—	18 592	(18 592)	(100.0%)	(100.0%)
Total operating income/(loss) before expected credit loss impairment charges	(1 128)	20 148	(21 276)	(>100.0%)	(>100.0%)
Operating costs	(249)	—	(249)	—%	—%
Adjusted operating (loss)/ profit	(1 377)	20 148	(21 525)	(>100.0%)	(>100.0%)
ROE post-tax	(0.9%)	11.8%			

Factors driving the performance in the period under review

- Investment income mainly reflects earnings from the Group's investment in Burstone which has been accounted for as an investment held through profit or loss
- Share of post-taxation profit of associates and joint venture holdings has been reduced to zero due to distribution of Ninety One in the prior period and derecognition of The Bud Group Holdings as an associate investment.

Risk disclosures



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135 Investment risk

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MACRO-ECONOMIC SCENARIOS AND KEY JUDGEMENTS

Macro-economic scenarios

UK and Other

For Investec plc, four macro-economic scenarios are used in the measurement of ECL. These scenarios incorporate a base case, an upside case and two downside cases. The table below shows the key factors that form part of the UK and Other macro-economic scenarios and their relative applied weightings as well as annual averages of economic factors for the base case over a five-year period based on the economic forecasts in place as at 30 September 2023.

These scenarios have been updated in order to reflect the latest macro-economic developments and risks. The composition of economic scenarios used in ECL measurement remains unchanged.

The scenario weightings were reassessed taking into account changes to the balance of risks as well as the updated scenario forecasts. The downside scenarios continue to be consistent with those used at 31 March 2023, represented by the downside 1 – inflation scenario, to capture the risk of persistent inflation and higher interest rates, and the downside 2 – global shock scenario, to capture tail risks. Alongside an update to the scenarios themselves, the scenario probability weightings have been reassessed. Given recent economic developments the weights were designated as 10% upside, 55% base case, 25% downside 1 – inflation and 10% downside 2 – global shock. The risks therefore remain skewed to the downside and are calibrated to take into account the ongoing risk of a period of elevated and entrenched inflation and of consequently higher interest rates.

Macro-economic scenarios %	Base case					At 30 September 2023 average 2023 – 2028			
	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	Upside	Base case	Downside 1 inflation	Downside 2 global shock
UK									
GDP growth	0.2	0.5	1.8	1.6	1.6	1.7	1.1	(0.1)	0.2
Unemployment rate	4.5	4.9	4.3	4.3	4.3	3.6	4.5	5.4	6.7
CPI inflation	5.7	2.3	2.0	2.0	2.0	2.6	2.8	6.1	2.4
House price growth	(3.6)	1.0	2.3	2.4	2.4	1.5	0.9	(1.6)	(5.0)
BoE – bank rate (end year)	5.3	4.3	3.3	2.5	2.5	3.3	3.6	5.7	1.5
Euro area									
GDP growth	0.2	1.3	1.8	1.6	1.6	1.8	1.3	0.2	0.2
US									
GDP growth	1.7	0.8	1.8	1.8	2.1	2.3	1.7	0.7	0.6
Scenario weightings	55					10	55	25	10

South Africa

For Investec Limited, five macro-economic scenarios are used in the measurement of ECL. These scenarios incorporate a base case, two upside cases and two downside cases. The table below shows the key factors that form part of the South African macro-economic scenarios and their relative applied weightings as well as annual averages of economic factors for the base case over a five-year period based on the economic forecasts in place as at 30 September 2023.

As at 30 September 2023 all five scenarios were updated to incorporate the latest available data. Scenario weightings have been adjusted since 31 March 2023 with an increased weighting to the lite down case (39% to 43%) and slightly decreased weighting to the base case (48% to 47%) and severe down case (10% to 8%). The base case includes the view that economic growth is modest but lifts towards 2.0% year-on-year in a five year period on sufficient domestic policy support measures, while global financial market risk sentiment is neutral to positive.

Macro-economic scenarios %	Base case					At 30 September 2023 average 2023 – 2028				
	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	Extreme up case	Up case	Base case	Lite down case	Severe down case
South Africa										
GDP growth	0.3	1.3	1.5	1.7	2.1	3.9	2.5	1.4	0.3	(0.8)
Repo rate	8.2	7.3	7.0	7.0	7.0	5.6	6.2	7.3	8.7	10.3
Bond yield	11.6	11.0	10.6	10.4	10.1	9.3	10.0	10.7	11.6	12.5
CPI inflation	5.3	4.6	4.3	4.7	4.6	3.4	4.0	4.7	5.5	6.3
Residential property price growth	2.3	2.6	3.4	4.6	5.1	5.6	4.7	3.6	2.5	1.4
Commercial property price growth	(1.0)	0.6	1.2	1.8	2.2	3.8	2.1	1.0	(0.9)	(2.6)
Exchange rate (South African Rand:US Dollar)	18.1	17.6	17.2	17.0	17.0	14.8	16.4	17.4	18.9	20.8
Scenario weightings	47					1	1	47	43	8

MACRO-ECONOMIC SCENARIOS AND KEY JUDGEMENTS

CONTINUED

Key judgements at 30 September 2023

UK and Other

Key judgemental areas under IFRS 9 are subject to robust governance processes. At 30 September 2023, the composition and weightings of the forward looking macro-economic scenarios were revised to reflect the current pressures in the macro-economic environment, however there remains reliance on expert credit judgements to ensure that the overall level of ECL is reasonable.

We continue to hold a management overlay of £4.9 million at 30 September 2023 (31 March 2023: £4.9 million) which is considered appropriate in addition to the bank's calculated model-driven ECL to capture specific areas of model uncertainty. The overlay is apportioned to Stage 2 assets.

South Africa

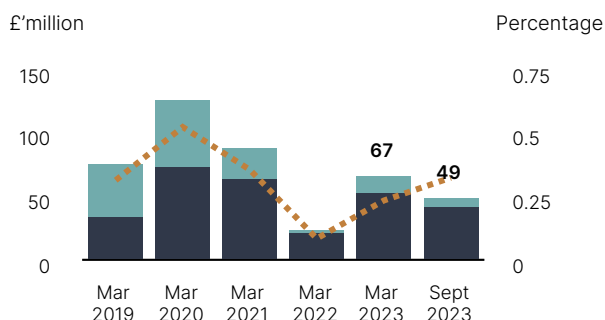
The post-model management overlays previously held for anticipated migration risk in Private Bank have decreased as they are now catered for in-model. The remaining management overlay of R47 million as at 30 September 2023 accounts for emerging risks assessed as inadequately reflected in the forward-looking model for commercial real estate lending clients. An improvement in the underlying performance of previously held stage 2 exposures, as well as realisation of risks in select counterparties, have additionally resulted in the partial release of the management ECL overlay. Stage 3 ECLs continue to be assessed using a combination of scenario analysis, informed by expert judgement and modelled ECL. Management will continue to review the need and basis of calculation for the overlay given the evolving situation and significant uncertainty faced with respect to the economic outlook.

ASSET QUALITY



An analysis of gross core loans, asset quality and ECL

Credit loss ratio and ECL impairment charge on core loans

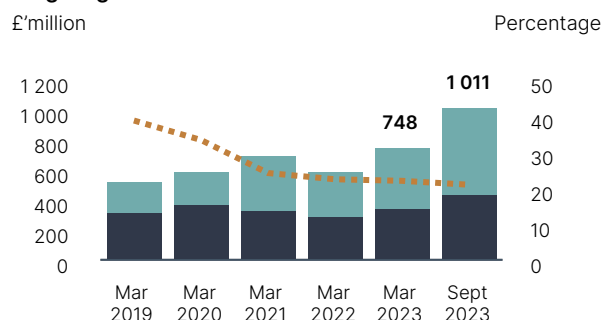


UK ECL impairment charge on core loans

SA ECL impairment charge on core loans

Group credit loss ratio (RHS)

Stage 3 gross core loans



UK Stage 3

SA Stage 3

Group Stage 3 coverage ratio (RHS)

Asset quality ratios remain robust as we continue to be pro-active and ensure that portfolios remain resilient while growing our loan book in a challenging macro-economic environment. The Group reported a credit loss ratio of 0.32% at 30 September 2023 (31 March 2023: 0.23%) which remains within the Group's through-the-cycle range. Stage 3 loans total 2.6% of net core loans subject to ECL at 30 September 2023 (31 March 2023: 2.0%), driven by idiosyncratic defaults across both the UK and South Africa which are well provided for. Stage 2 exposures have decreased reflecting the continued performance of the overall portfolio in the current conditions. Stage 1 and 2 coverage remains elevated reflecting ongoing uncertainty in the macro-economic environment.

£'million	UK and Other		Southern Africa		Total Group	
	30 Sept 2023	31 March 2023	30 Sept 2023	31 March 2023*	30 Sept 2023	31 March 2023*
Gross core loans	16 451	15 709	14 875	14 968	31 326	30 677
Gross core loans at FVPL (excluding fixed rate loans)	622	551	67	75	689	626
Gross core loans subject to ECL[^]	15 829	15 158	14 808	14 893	30 637	30 051
Stage 1	14 067	13 494	13 816	13 744	27 883	27 238
Stage 2	1 317	1 321	426	744	1 743	2 065
<i>of which past due greater than 30 days</i>	74	35	22	34	96	69
Stage 3	445	343	566	405	1 011	748
ECL	(180)	(146)	(155)	(150)	(335)	(296)
Stage 1	(42)	(39)	(34)	(35)	(76)	(74)
Stage 2	(34)	(32)	(17)	(28)	(51)	(60)
Stage 3	(104)	(75)	(104)	(87)	(208)	(162)
Coverage ratio						
Stage 1 and 2	0.5%	0.5%	0.4%	0.4%	0.4%	0.5%
Stage 3	23.4%	21.9%	18.4%	21.5%	20.6%	21.7%
Total coverage ratio	1.1%	1.0%	1.0%	1.0%	1.1%	1.0%
Annualised credit loss ratio	0.55%	0.37%	0.08%	0.09%	0.32%	0.23%
ECL impairment charges on core loans	(43)	(54)	(6)	(13)	(49)	(67)
Average gross core loans subject to ECL	15 494	14 553	14 741	15 314	30 235	29 867

* Restated as a result of a change in classification between non-sovereign and non-bank cash placements and loans and advances to customers as detailed on page 74

[^] Includes portfolios for which ECL is not required for IFRS purposes, but which management evaluates on this basis. These are fixed rate loans which have passed the solely payments of principal and interest (SPPI) test and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. £0.5 billion of the drawn exposure falls into Stage 1 (31 March 2023: £0.6 billion), £16 million in Stage 2 (31 March 2023: £1 million) and the remaining £43 million in Stage 3 (31 March 2023: £44 million). The ECL on the Stage 1 portfolio is £1 million (31 March 2023: £2 million), ECL on the Stage 2 portfolio is £nil (31 March 2023: £nil) and ECL on the Stage 3 portfolio is £11 million (31 March 2023: £11 million).

Note: Our exposure (net of ECL) to the UK Legacy portfolio has reduced from £37 million at 31 March 2023 to £34 million at 30 September 2023. These Legacy assets are predominantly reported in Stage 3 and make up 9.9% of Stage 3 gross core loans. These assets have been significantly provided for and coverage remains high at 56.6%. Refer to definitions on page 164.

ASSET QUALITY

CONTINUED

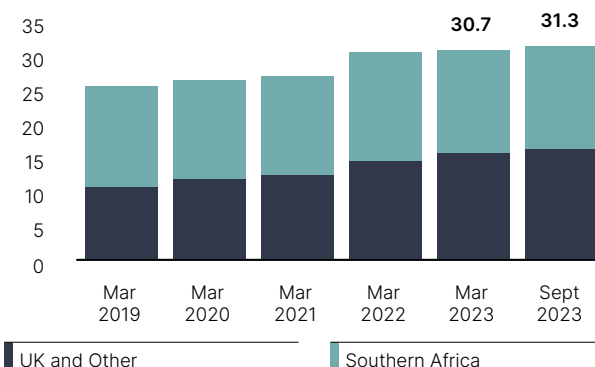
The Group's net core loan book increased to £31.0 billion (3.6% neutral currency growth).

In the UK and South Africa, net core loan growth was mainly due to increased and diversified activity in Corporate client lending across multiple asset classes in the UK and South Africa as well as residential mortgage lending in South Africa.

As a matter of course, concentration risk is well managed and exposures are well spread across geographies and industries. Credit exposures are focused on secured lending to a select target market. Over the past few years we have realigned and rebalanced our portfolios in line with our risk appetite framework and this is reflected in the movements in asset classes on our balance sheet; showing an increase in private client, mortgages and corporate and other lending, and maintaining lending collateralised by property as a proportion of net core loans.

Gross core loans by geography

£'billion



An analysis of core loans by risk category – Total Group

£'million	Stage 1			Stage 2		
	Gross exposure subject to ECL	ECL	Coverage	Gross exposure subject to ECL	ECL	Coverage
At 30 September 2023						
Commercial real estate	3 191	(13)	0.41%	336	(8)	2.4%
Residential real estate	979	(3)	0.31%	96	(2)	2.1%
Total lending collateralised by property	4 170	(16)	0.38%	432	(10)	2.3%
Mortgages	8 309	(7)	0.08%	276	(7)	2.5%
Other high net worth lending	4 017	(12)	0.30%	120	(2)	1.7%
Total high net worth and other private client lending	12 326	(19)	0.15%	396	(9)	2.3%
Corporate and acquisition finance	5 346	(19)	0.36%	317	(14)	4.4%
Asset-based lending	191	(1)	0.52%	99	(1)	1.0%
Fund finance	1 969	(1)	0.05%	25	—	—%
Other corporate and financial institutions and governments	556	(3)	0.54%	27	(3)	11.1%
Asset finance*	2 366	(12)	0.51%	336	(11)	3.3%
Aviation finance	298	(2)	0.67%	47	(1)	2.1%
Power and infrastructure finance	661	(3)	0.45%	64	(2)	3.1%
Total corporate and other lending	11 387	(41)	0.36%	915	(32)	3.5%
Total core loans	27 883	(76)	0.27%	1 743	(51)	2.9%
At 31 March 2023[^]						
Commercial real estate	3 247	(12)	0.37%	516	(14)	2.7%
Residential real estate	828	(3)	0.36%	125	(4)	3.2%
Total lending collateralised by property	4 075	(15)	0.37%	641	(18)	2.8%
Mortgages	8 331	(7)	0.08%	344	(12)	3.5%
Other high net worth lending	4 188	(12)	0.29%	63	(2)	3.2%
Total high net worth and other private client lending	12 519	(19)	0.15%	407	(14)	3.4%
Corporate and acquisition finance	4 933	(19)	0.39%	355	(14)	3.9%
Asset-based lending	271	(1)	0.37%	44	—	—%
Fund finance	1 955	(2)	0.10%	33	—	—%
Other corporate and financial institutions and governments	523	(2)	0.38%	105	(1)	1.0%
Asset finance*	2 169	(12)	0.55%	329	(9)	2.7%
Aviation finance	231	(2)	0.87%	39	(1)	2.6%
Power and infrastructure finance	562	(2)	0.36%	112	(3)	2.7%
Total corporate and other lending	10 644	(40)	0.38%	1 017	(28)	2.8%
Total core loans	27 238	(74)	0.27%	2 065	(60)	2.9%

* Comprises small ticket asset finance and motor finance.

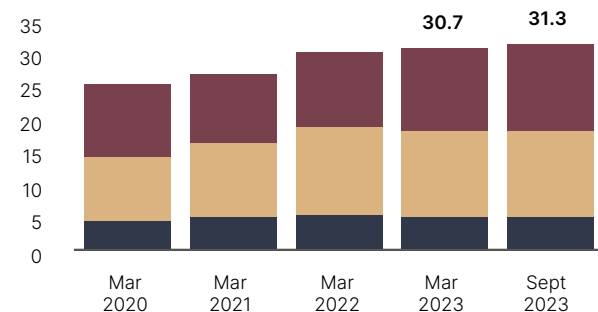
[^] Restated as a result of a change in classification between non-sovereign and non-bank cash placements and loans and advances to customers as detailed on page 74

ASSET QUALITY

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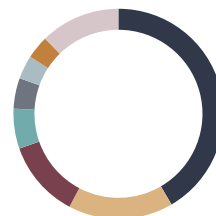
Gross core loans by risk category

£'billion



Lending collateralised by property
HNW and other private client lending
Corporate and other lending

Gross core loans by industry



	Sept 2023	Mar 2023
High net worth and other professional individuals	41.6%	42.9%
Lending collateralised by property – largely to private clients	16.2%	16.5%
Finance and insurance	11.9%	11.7%
Business services	6.1%	6.1%
Manufacturing and commerce	4.7%	4.5%
Electricity, gas and water (utility services)	3.6%	3.2%
Motor finance	3.6%	3.1%
Other	12.3%	12.0%

Stage 3			Total				
Gross exposure subject to ECL	ECL	Coverage	Gross exposure subject to ECL	ECL	Coverage	Gross core loans at FVPL (not subject to ECL)	Net core loans
368	(64)	17.4%	3 895	(85)	2.2%	50	3 860
54	(20)	37.0%	1 129	(25)	2.2%	34	1 138
422	(84)	19.9%	5 024	(110)	2.2%	84	4 998
175	(19)	10.9%	8 760	(33)	0.4%	25	8 752
76	(23)	30.3%	4 213	(37)	0.9%	3	4 179
251	(42)	16.7%	12 973	(70)	0.5%	28	12 931
162	(55)	34.0%	5 825	(88)	1.5%	220	5 957
—	—	—%	290	(2)	0.7%	—	288
—	—	—%	1 994	(1)	0.1%	101	2 094
58	(3)	5.2%	641	(9)	1.4%	29	661
47	(16)	34.0%	2 749	(39)	1.4%	—	2 710
—	—	—%	345	(3)	0.9%	202	544
71	(8)	11.3%	796	(13)	1.6%	25	808
338	(82)	24.3%	12 640	(155)	1.2%	577	13 062
1 011	(208)	20.6%	30 637	(335)	1.1%	689	30 991
219	(40)	18.3%	3 982	(66)	1.7%	43	3 959
55	(18)	32.7%	1 008	(25)	2.5%	37	1 020
274	(58)	21.2%	4 990	(91)	1.8%	80	4 979
132	(18)	13.6%	8 807	(37)	0.4%	25	8 795
76	(19)	25.0%	4 327	(33)	0.8%	3	4 297
208	(37)	17.8%	13 134	(70)	0.5%	28	13 092
161	(40)	24.8%	5 449	(73)	1.3%	200	5 576
—	—	—%	315	(1)	0.3%	—	314
—	—	—%	1 988	(2)	0.1%	75	2 061
4	(1)	25.0%	632	(4)	0.6%	32	660
42	(17)	40.5%	2 540	(38)	1.5%	—	2 502
—	—	—%	270	(3)	1.1%	176	443
59	(9)	15.3%	733	(14)	1.9%	35	754
266	(67)	25.2%	11 927	(135)	1.1%	518	12 310
748	(162)	21.7%	30 051	(296)	1.0%	626	30 381

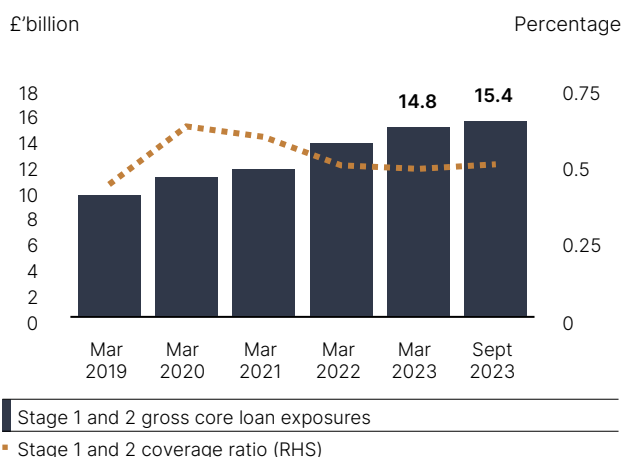
ASSET QUALITY

CONTINUED

In the UK, net core loans grew at an annualised 9.1% to £16.3 billion. Diversified growth across corporate client lending accounts for the majority of this increase at 16.6% annualised to £8.3 billion. Residential real estate has increased by 18.7% annualised to £0.9 billion as clients take advantage of opportunities in the current market and undersupply of UK residential housing. Commercial real estate growth has been more moderate at 6.0% annualised to £1.6 billion as we continue to remain selective. The weighted average LTV* on lending collateralised by property is 58%. HNW and other private client lending has reduced overall due to higher repayments and slowed activity in mortgages due to the rapidly increasing interest rate environment over the last 12 months.

Stage 3 exposures total £445 million or 2.8% of gross core loans subject to ECL (£343 million or 2.3% at 31 March 2023) driven by idiosyncratic new defaults across multiple asset classes with no specific trends evident. The underlying loan portfolios continue to perform and Stage 2 exposures decreased over the period to £1 317 million or 8.3% of gross core loans subject to ECL (8.7% at 31 March 2023).

UK Stage 1 and 2 gross core loan exposures and coverage



An analysis of core loans by risk category – UK and Other

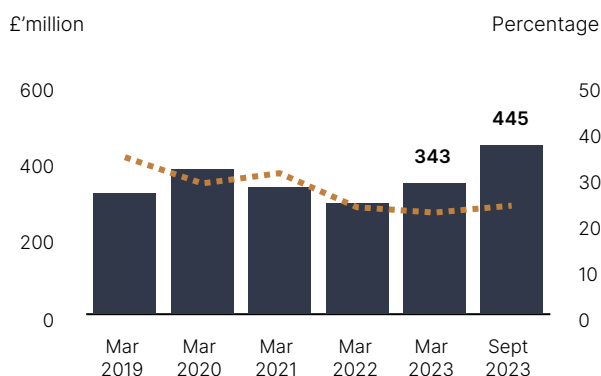
£'million	Stage 1			Stage 2		
	Gross exposure subject to ECL	ECL	Coverage	Gross exposure subject to ECL	ECL	Coverage
At 30 September 2023						
Commercial real estate	1 310	(7)	0.53%	194	(7)	3.6%
Residential real estate	714	(3)	0.42%	92	(2)	2.2%
Total lending collateralised by property	2 024	(10)	0.49%	286	(9)	3.1%
Mortgages	4 474	(2)	0.04%	134	—	—%
Other high net worth lending	721	(2)	0.28%	95	(1)	1.1%
Total high net worth and other private client lending	5 195	(4)	0.08%	229	(1)	0.4%
Corporate and acquisition finance	1 935	(9)	0.47%	207	(6)	2.9%
Asset-based lending	191	(1)	0.52%	99	(1)	1.0%
Fund finance	1 455	(1)	0.07%	25	—	—%
Other corporate and financial institutions and governments	436	(2)	0.46%	27	(3)	11.1%
Asset finance	2 279	(12)	0.53%	336	(11)	3.3%
Aviation finance	114	(1)	0.88%	47	(1)	2.1%
Power and infrastructure finance	438	(2)	0.46%	61	(2)	3.3%
Total corporate and other lending	6 848	(28)	0.41%	802	(24)	3.0%
Total core loans	14 067	(42)	0.30%	1 317	(34)	2.6%
At 31 March 2023						
Commercial real estate	1 241	(6)	0.48%	231	(8)	3.5%
Residential real estate	611	(2)	0.33%	112	(4)	3.6%
Total lending collateralised by property	1 852	(8)	0.43%	343	(12)	3.5%
Mortgages	4 480	(2)	0.04%	128	—	—%
Other high net worth lending	863	(2)	0.23%	36	(1)	2.8%
Total high net worth and other private client lending	5 343	(4)	0.07%	164	(1)	0.6%
Corporate and acquisition finance	1 794	(9)	0.50%	212	(5)	2.4%
Asset-based lending	271	(1)	0.37%	44	—	—%
Fund finance	1 359	(1)	0.07%	33	—	—%
Other corporate and financial institutions and governments	391	(2)	0.51%	70	(1)	1.4%
Asset finance	2 047	(12)	0.59%	325	(9)	2.8%
Aviation finance	115	(1)	0.87%	32	(1)	3.1%
Power and infrastructure finance	322	(1)	0.31%	98	(3)	3.1%
Total corporate and other lending	6 299	(27)	0.43%	814	(19)	2.3%
Total core loans	13 494	(39)	0.29%	1 321	(32)	2.4%

* Excludes a small portion of Legacy exposures that are predominately reported in Stage 3

ASSET QUALITY

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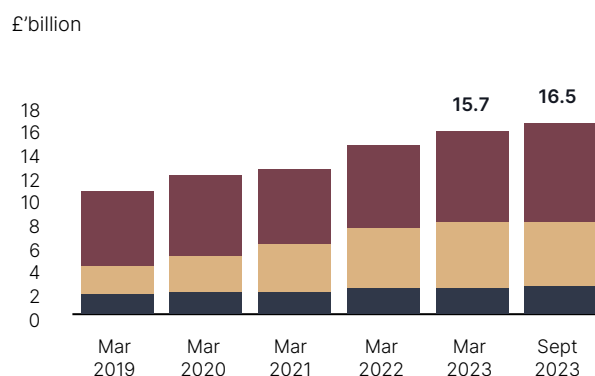
UK Stage 3 gross core loan exposure and coverage



■ Stage 3 gross core loan exposures

■ Stage 3 coverage ratio (RHS)

UK gross core loans by risk category



■ Lending collateralised by property

■ HNW and other private client lending

■ Corporate and other lending

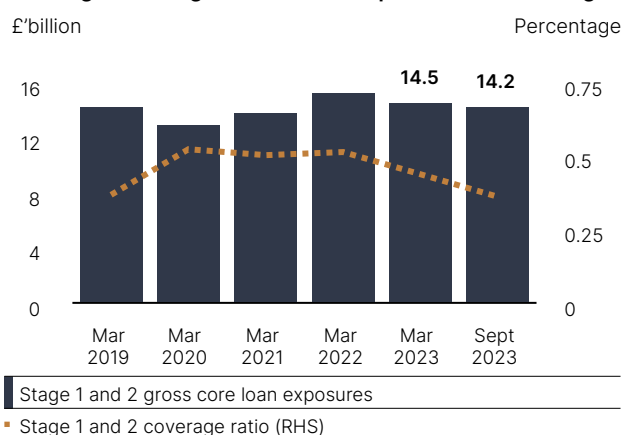
Stage 3			Total				
Gross exposure subject to ECL	ECL	Coverage	Gross exposure subject to ECL	ECL	Coverage	Gross core loans at FVPL (not subject to ECL)	Net core loans
101	(33)	32.7%	1 605	(47)	2.9%	50	1 608
37	(18)	48.6%	843	(23)	2.7%	34	854
138	(51)	37.0%	2 448	(70)	2.9%	84	2 462
103	(8)	7.8%	4 711	(10)	0.2%	25	4 726
24	(8)	33.3%	840	(11)	1.3%	3	832
127	(16)	12.6%	5 551	(21)	0.4%	28	5 558
67	(13)	19.4%	2 209	(28)	1.3%	154	2 335
—	—	—%	290	(2)	0.7%	—	288
—	—	—%	1 480	(1)	0.1%	101	1 580
22	(3)	13.6%	485	(8)	1.6%	29	506
47	(16)	34.0%	2 662	(39)	1.5%	—	2 623
—	—	—%	161	(2)	1.2%	201	360
44	(5)	11.4%	543	(9)	1.7%	25	559
180	(37)	20.6%	7 830	(89)	1.1%	510	8 251
445	(104)	23.4%	15 829	(180)	1.1%	622	16 271
76	(16)	21.1%	1 548	(30)	1.9%	43	1 561
45	(18)	40.0%	768	(24)	3.1%	37	781
121	(34)	28.1%	2 316	(54)	2.3%	80	2 342
64	(7)	10.9%	4 672	(9)	0.2%	25	4 688
20	(6)	30.0%	919	(9)	1.0%	3	913
84	(13)	15.5%	5 591	(18)	0.3%	28	5 601
53	(7)	13.2%	2 059	(21)	1.0%	125	2 163
—	—	—%	315	(1)	0.3%	—	314
—	—	—%	1 392	(1)	0.1%	75	1 466
4	(1)	25.0%	465	(4)	0.9%	32	493
38	(14)	36.8%	2 410	(35)	1.5%	—	2 375
—	—	—%	147	(2)	1.4%	176	321
43	(6)	14.0%	463	(10)	2.2%	35	488
138	(28)	20.3%	7 251	(74)	1.0%	443	7 620
343	(75)	21.9%	15 158	(146)	1.0%	551	15 563

ASSET QUALITY

CONTINUED

In South Africa, there was annualised growth in net core loans of 8.2% in Rands mainly due to increased activity and exchange rate movements in corporate client lending. Stage 3 exposures increased to 3.8% of gross core loans subject to ECL at 30 September 2023 (31 March 2023: 2.7%) mainly due to a few single name exposures migrating from Stage 2. There has been a decrease in Stage 2 to 2.9% of gross core loans subject to ECL at 30 September 2023 (31 March 2023: 5.0%), mainly due to a number of deals normalising and migrating back to Stage 1 as well as a few large single name exposures migrating to Stage 3 and a reduction arising from the residential mortgage model.

SA Stage 1 and 2 gross core loan exposures and coverage



An analysis of core loans by risk category – Southern Africa

£'million	Stage 1			Stage 2		
	Gross exposure subject to ECL	ECL	Coverage	Gross exposure subject to ECL	ECL	Coverage
At 30 September 2023						
Commercial real estate	1 881	(6)	0.32%	142	(1)	0.7%
Residential real estate	265	—	—%	4	—	—%
Total lending collateralised by property	2 146	(6)	0.28%	146	(1)	0.7%
Mortgages	3 835	(5)	0.13%	142	(7)	4.9%
Other high net worth lending*	3 296	(10)	0.30%	25	(1)	4.0%
Total high net worth and other private client lending	7 131	(15)	0.21%	167	(8)	4.8%
Corporate and acquisition finance	3 411	(10)	0.29%	110	(8)	7.3%
Fund finance	514	—	—%	—	—	—%
Financial institutions and governments	120	(1)	0.83%	—	—	—%
Asset finance	87	—	—%	—	—	—%
Aviation finance [#]	184	(1)	0.54%	—	—	—%
Power and infrastructure finance	223	(1)	0.45%	3	—	—%
Total corporate and other lending	4 539	(13)	0.29%	113	(8)	7.1%
Total core loans	13 816	(34)	0.25%	426	(17)	4.0%
At 31 March 2023[^]						
Commercial real estate	2 006	(6)	0.30%	285	(6)	2.1%
Residential real estate	217	(1)	0.46%	13	—	—%
Total lending collateralised by property	2 223	(7)	0.31%	298	(6)	2.0%
Mortgages	3 851	(5)	0.13%	216	(12)	5.6%
Other high net worth lending*	3 325	(10)	0.30%	27	(1)	3.7%
Total high net worth and other private client lending	7 176	(15)	0.21%	243	(13)	5.3%
Corporate and acquisition finance	3 139	(10)	0.32%	143	(9)	6.3%
Fund finance	596	(1)	0.17%	—	—	—%
Financial institutions and governments	132	—	—%	35	—	—%
Asset finance	122	—	—%	4	—	—%
Aviation finance [#]	116	(1)	0.86%	7	—	—%
Power and infrastructure finance	240	(1)	0.42%	14	—	—%
Total corporate and other lending	4 345	(13)	0.30%	203	(9)	4.4%
Total core loans	13 744	(35)	0.25%	744	(28)	3.8%

* 58% of other high net worth lending (31 March 2023: 57%) relates to lending collateralised by property which is supported by high net worth clients.

[^] Restated as a result of a change in classification between non-sovereign and non-bank cash placements and loans and advances to customers as detailed on page 74

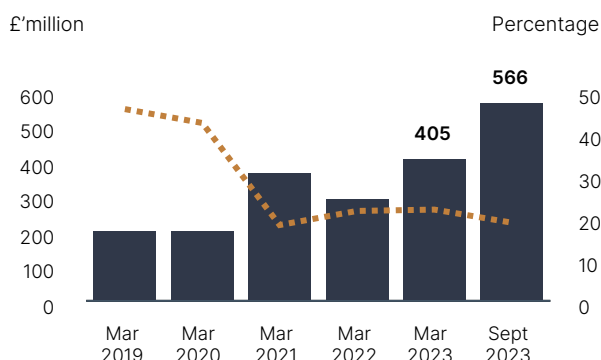
[#] There are additional aviation exposures of £72 million (31 March 2023: £64 million) in Corporate and acquisition finance

^{^^} Unrounded coverage ratio is 2.3%.

ASSET QUALITY

CONTINUED

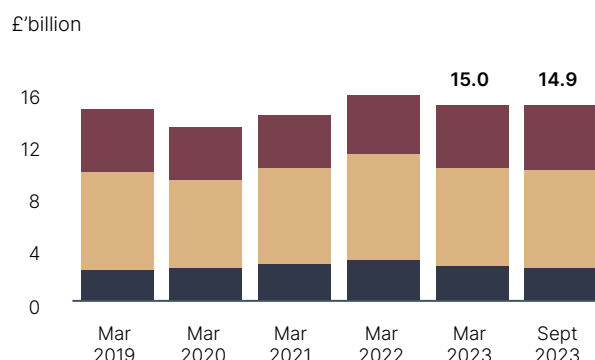
SA Stage 3 gross core loan exposure and coverage



■ Stage 3 gross core loan exposure

■ Stage 3 coverage ratio (RHS)

SA gross core loans by risk category



■ Lending collateralised by property

■ HNW and other private client lending

■ Corporate and other lending

Stage 3			Total				
Gross exposure subject to ECL	ECL	Coverage	Gross exposure subject to ECL	ECL	Coverage	Gross core loans at FVPL (not subject to ECL)	Net core loans
267	(31)	11.6%	2 290	(38)	1.7%	—	2 252
17	(2)	11.8%	286	(2)	0.7%	—	284
284	(33)	11.6%	2 576	(40)	1.6%	—	2 536
72	(11)	15.3%	4 049	(23)	0.6%	—	4 026
52	(15)	28.8%	3 373	(26)	0.8%	—	3 347
124	(26)	21.0%	7 422	(49)	0.7%	—	7 373
95	(42)	44.2%	3 616	(60)	1.7%	66	3 622
—	—	—%	514	—	—%	—	514
36	—	—%	156	(1)	0.6%	—	155
—	—	—%	87	—	—%	—	87
—	—	—%	184	(1)	0.5%	1	184
27	(3)	11.1%	253	(4)	1.6%	—	249
158	(45)	28.5%	4 810	(66)	1.4%	67	4 811
566	(104)	18.4%	14 808	(155)	1.0%	67	14 720
143	(24)	16.8%	2 434	(36)	1.5%	—	2 398
10	—	—%^^	240	(1)	0.4%	—	239
153	(24)	15.7%	2 674	(37)	1.4%	—	2 637
68	(11)	16.2%	4 135	(28)	0.7%	—	4 107
56	(13)	23.2%	3 408	(24)	0.7%	—	3 384
124	(24)	19.4%	7 543	(52)	0.7%	—	7 491
108	(33)	30.6%	3 390	(52)	1.5%	75	3 413
—	—	—%	596	(1)	0.2%	—	595
—	—	—%	167	—	—%	—	167
4	(3)	75.0%	130	(3)	2.3%	—	127
—	—	—%	123	(1)	0.8%	—	122
16	(3)	18.8%	270	(4)	1.5%	—	266
128	(39)	30.5%	4 676	(61)	1.3%	75	4 690
405	(87)	21.5%	14 893	(150)	1.0%	75	14 818

ASSET QUALITY

CONTINUED

An analysis of staging and ECL movements on core loans subject to ECL

The tables below indicate underlying movements in gross core loans subject to ECL from 31 March 2023 to 30 September 2023. The transfers between stages of gross core loans indicate the impact of stage transfers upon the gross exposure and associated opening ECL.

The transfers into Stage 3 over the period should be considered together with the increase in Stage 3 ECL remeasurement, which indicates the prudent provisioning of new and existing defaults.

The net remeasurement of ECL arising from stage transfers represents the (increase)/decrease in ECL due to these transfers. New lending net of repayments comprises new originations, further drawdowns, repayments and sell-downs, ECL adjustments of exposures that have not transferred stage, as well as ECLs in Stage 3 that have been written off, typically when an asset has been sold.

The ECL impact of changes to risk parameters and models during the year largely relates to the release of management ECL overlay in South Africa. The foreign exchange and other category largely comprises the impact on the closing balance as a result of movements and translations in foreign exchange rates since 31 March 2023.

UK and Other

	Stage 1		Stage 2		Stage 3		Total	
£'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
At 31 March 2023	13 494	(39)	1 321	(32)	343	(75)	15 158	(146)
Transfer from Stage 1	(522)	3	452	(3)	70	—	—	—
Transfer from Stage 2	234	(5)	(330)	6	96	(1)	—	—
Transfer from Stage 3	—	—	1	—	(1)	—	—	—
ECL remeasurement arising from transfer of stage	—	3	—	(5)	—	(15)	—	(17)
New lending net of repayments (includes assets written off)	867	(4)	(128)	—	(63)	(13)	676	(17)
Changes to risk parameters and models	—	—	—	—	—	—	—	—
Foreign exchange and other	(6)	—	1	—	—	—	(5)	—
At 30 September 2023	14 067	(42)	1 317	(34)	445	(104)	15 829	(180)

Southern Africa

	Stage 1		Stage 2		Stage 3		Total	
£'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
At 31 March 2023[^]	13 744	(35)	744	(28)	405	(87)	14 893	(150)
Transfer from Stage 1	(167)	2	137	(2)	30	—	—	—
Transfer from Stage 2	197	(7)	(366)	10	169	(3)	—	—
Transfer from Stage 3	5	(1)	3	—	(8)	1	—	—
ECL remeasurement arising from transfer of stage	—	6	—	(4)	—	(15)	—	(13)
New lending net of repayments (includes assets written off)	556	(2)	(42)	3	(12)	(3)	502	(2)
Changes to risk parameters and models	—	1	—	3	—	(1)	—	3
Foreign exchange and other	(519)	2	(50)	1	(18)	4	(587)	7
At 30 September 2023	13 816	(34)	426	(17)	566	(104)	14 808	(155)

[^] Restated as a result of a change in classification between non-sovereign and non-bank cash placements and loans and advances to customers as detailed on page 74

ASSET QUALITY

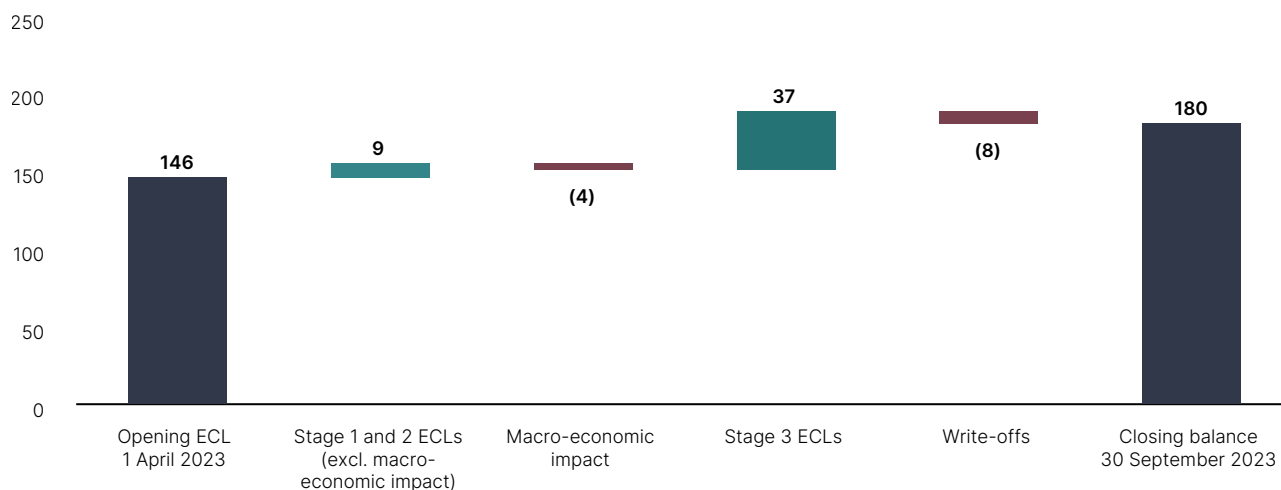
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ECL movements on core loans and advances subject to ECL

UK and Other

In the UK, core loan ECLs total £180 million which increased from £146 million at 31 March 2023. This was predominantly driven by specific impairments relating to a small number of new and existing Stage 3 deals with idiosyncratic issues as we seek to prudently provision and allow for exits in the non-performing portfolio. A small ECL release of £3.6 million due to macro-economic scenario updates was largely offset by ECLs on the new book growth over the period.

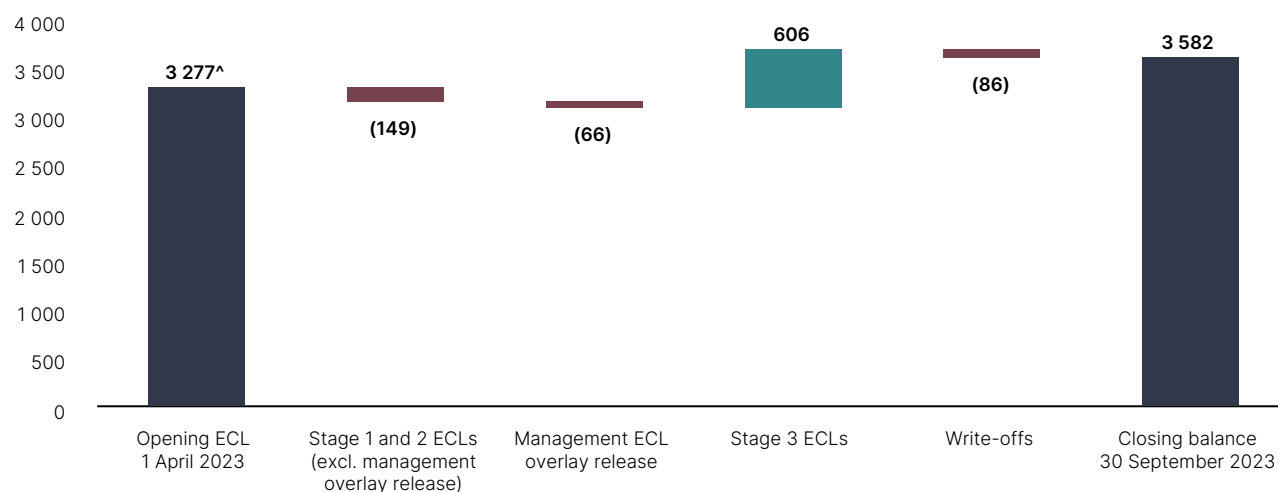
£'million



Southern Africa

The increase in the balance sheet ECL is mainly attributable to impairments on a few individual counterparties offset by the post write-off recoveries and the release in management ECL overlay.

R'million



[^] Restated as a result of a change in classification between non-sovereign and non-bank cash placements and loans and advances to customers as detailed on page 74



For more information on key judgements refer to page 119.

CREDIT AND COUNTERPARTY RISK

The tables that follow provide further analysis of the Group's gross credit and counterparty exposures.

An analysis of gross credit and counterparty exposures

Gross credit and counterparty exposure totalled £60.0 billion at 30 September 2023. Cash and near cash balances amounted to £16.4 billion and are largely reflected in the following line items in the table below: cash and balances at central banks, loans and advances to banks, non-sovereign and non-bank cash placements and sovereign debt securities. These exposures are all Stage 1. There are immaterial Stage 2 and Stage 3 exposures outside of loans and advances to customers which are small relative to the balance sheet. Loans and advances to customers (including committed facilities) account for greater than 97% of overall ECLs.

The table below indicates in which class of asset (on the face of the consolidated balance sheet) credit and counterparty exposures are reflected. Not all assets included in the balance sheet bear credit and counterparty risk.

At 30 September 2023 £'million	Total gross credit and counterparty exposure	of which FVPL	of which amortised cost and FVOCI	ECL [#]	Assets that we deem to have no legal credit exposure	Total assets
Cash and balances at central banks	5 311	—	5 311	—	25	5 336
Loans and advances to banks	1 443	—	1 443	(1)	—	1 442
Non-sovereign and non-bank cash placements	397	20	377	(1)	—	396
Reverse repurchase agreements and cash collateral on securities borrowed	4 423	1 462	2 961	—	—	4 423
Sovereign debt securities	5 430	372	5 058	(3)	—	5 427
Bank debt securities	807	119	688	(1)	—	806
Other debt securities	1 274	101	1 173	(2)	—	1 272
Derivative financial instruments	1 141	1 141	—	—	189	1 330
Securities arising from trading activities	297	297	—	—	1 280	1 577
Investment portfolio	—	—	—	—	838*	838
Loans and advances to customers	31 043	1 245	29 798	(334)	—	30 709
Own originated loans and advances to customers securitised	283	—	283	(1)	—	282
Other loans and advances	134	—	134	—	—	134
Other securitised assets	4	4	—	—	92^	96
Interest in associated undertakings and joint venture holdings	—	—	—	—	828*	828
Deferred taxation assets	—	—	—	—	202	202
Current taxation assets	—	—	—	—	70	70
Other assets	36	—	36	—	1 479**	1 515
Property and equipment	—	—	—	—	222	222
Investment properties	—	—	—	—	111	111
Goodwill	—	—	—	—	76	76
Software	—	—	—	—	10	10
Other acquired intangible assets	—	—	—	—	—	—
Non-current assets held for sale	—	—	—	—	3	3
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	—	—	—	133	133
Total on-balance sheet exposures	52 023	4 761	47 262	(343)	5 558	57 238
Guarantees	1 103	—	1 103	—	125	1 228
Committed facilities related to loans and advances to customers	5 935	131	5 804	(13)	—	5 922
Contingent liabilities, letters of credit and other	924	296	628	(1)	1 111	2 034
Total off-balance sheet exposures	7 962	427	7 535	(14)	1 236	9 184
Total exposures	59 985	5 188	54 797	(357)	6 794	66 422

[#] Includes £15.2 million of ECL held against financial assets held at FVOCI, which is reported on the balance sheet within the fair value reserves. This will result in minor differences between certain balance sheet lines reported above (largely loans and advances to customers and sovereign debt securities) and the statutory balance sheet.

* Largely relates to exposures that are classified as investment risk in the banking book.

^ While the Group manages all risks (including credit risk) from a day-to-day operational perspective, certain assets are within special purpose vehicles that ring-fence the assets to specific credit providers and limit security to the assets in the vehicle. This balance reflects the credit exposure to credit providers external to the Group. The credit exposure that the Group has in the vehicles is reflected in the 'total gross credit and counterparty exposure' for other securitised assets.

** Other assets include settlement debtors which we deem to have no credit risk exposure as they are settled on a delivery against payment basis.

CREDIT AND COUNTERPARTY RISK

CONTINUED

An analysis of gross credit and counterparty exposures (continued)

At 31 March 2023** £'million	Total gross credit and counterparty exposure	of which FVPL	of which amortised cost and FVOCI	ECL#	Assets that we deem to have no legal credit exposure	Total assets
Cash and balances at central banks	6 406	—	6 406	—	32	6 438
Loans and advances to banks	1 451	—	1 451	—	—	1 451
Non-sovereign and non-bank cash placements	442	6	436	—	—	442
Reverse repurchase agreements and cash collateral on securities borrowed	3 633	962	2 671	—	—	3 633
Sovereign debt securities	4 753	400	4 353	(3)	—	4 750
Bank debt securities	950	75	875	(1)	—	949
Other debt securities	1 245	115	1 130	(2)	—	1 243
Derivative financial instruments	1 113	1 113	—	—	273	1 386
Securities arising from trading activities	334	334	—	—	1 298	1 632
Investment portfolio	—	—	—	—	1 331*	1 331
Loans and advances to customers	30 403	1 278	29 125	(295)	—	30 108
Own originated loans and advances to customers securitised	274	—	274	(1)	—	273
Other loans and advances	143	—	143	—	—	143
Other securitised assets	5	5	—	—	98^	103
Interest in associated undertakings and joint venture holdings	—	—	—	—	54*	54
Deferred taxation assets	—	—	—	—	258	258
Current taxation assets	—	—	—	—	69	69
Other assets	42	—	42	—	1 540**	1 582
Property and equipment	—	—	—	—	279	279
Investment properties	—	—	—	—	722	722
Goodwill	—	—	—	—	263	263
Software	—	—	—	—	15	15
Other acquired intangible assets	—	—	—	—	41	41
Non-current assets held for sale	—	—	—	—	36	36
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	—	—	—	111	111
Total on-balance sheet exposures	51 194	4 288	46 906	(302)	6 420	57 312
Guarantees	1 135	—	1 135	—	58	1 193
Committed facilities related to loans and advances to customers	5 805	147	5 658	(16)	—	5 789
Contingent liabilities, letters of credit and other	908	285	623	(2)	1 225	2 131
Total off-balance sheet exposures	7 848	432	7 416	(18)	1 283	9 113
Total exposures	59 042	4 720	54 322	(320)	7 703	66 425

Includes £9.1 million of ECL held against financial assets held at FVOCI, which is reported on the balance sheet within the fair value reserves. This will result in minor differences between certain balance sheet lines reported above (largely loans and advances to customers and sovereign debt securities) and the statutory balance sheet.

* Largely relates to exposures that are classified as investment risk in the banking book.

^ While the Group manages all risks (including credit risk) from a day-to-day operational perspective, certain assets are within special purpose vehicles that ring-fence the assets to specific credit providers and limit security to the assets in the vehicle. This balance reflects the credit exposure to credit providers external to the Group. The credit exposure that the Group has in the vehicles is reflected in the 'total gross credit and counterparty exposure' for other securitised assets.

** Other assets include settlement debtors which we deem to have no credit risk exposure as they are settled on a delivery against payment basis.

^^ Restated as detailed on page 74

CREDIT AND COUNTERPARTY RISK

CONTINUED

Gross credit and counterparty exposures by industry

£'million	High net worth and other professional individuals	Lending collateralised by property – largely to private clients	Agriculture	Electricity, gas and water (utility services)	Public and non-business services	Business services	Finance and insurance
At 30 September 2023							
Cash and balances at central banks	—	—	—	—	5 311	—	—
Loans and advances to banks	—	—	—	—	—	—	1 443
Non-sovereign and non-bank cash placements	—	—	20	1	—	14	28
Reverse repurchase agreements and cash collateral on securities borrowed	—	—	—	—	221	9	4 146
Sovereign debt securities	—	—	—	—	5 428	—	2
Bank debt securities	—	—	—	—	—	—	807
Other debt securities	—	4	—	4	6	95	803
Derivative financial instruments	—	13	2	16	—	16	1 048
Securities arising from trading activities	—	—	—	—	246	1	26
Loans and advances to customers	12 778	5 048	126	1 136	407	1 918	3 726
Own originated loans and advances to customers securitised	223	60	—	—	—	—	—
Other loans and advances	—	—	—	—	—	—	134
Other securitised assets	—	—	—	—	—	—	—
Other assets	—	—	—	14	—	—	19
Total on-balance sheet exposures	13 001	5 125	148	1 171	11 619	2 053	12 182
Guarantees	186	72	1	54	—	118	467
Committed facilities related to loans and advances to customers	2 316	590	54	578	97	329	1 125
Contingent liabilities, letters of credit and other	172	91	—	244	75	4	255
Total off-balance sheet exposures	2 674	753	55	876	172	451	1 847
Total gross credit and counterparty exposures	15 675	5 878	203	2 047	11 791	2 504	14 029
At 31 March 2023**							
Cash and balances at central banks	—	—	—	—	6 406	—	—
Loans and advances to banks	—	—	—	—	—	—	1 451
Non-sovereign and non-bank cash placements	—	—	28	1	—	18	57
Reverse repurchase agreements and cash collateral on securities borrowed	—	—	—	—	253	6	3 323
Sovereign debt securities	—	—	—	—	4 744	—	9
Bank debt securities	—	—	—	—	—	—	950
Other debt securities	—	51	—	—	6	113	682
Derivative financial instruments	—	7	2	33	—	15	971
Securities arising from trading activities	—	—	—	—	246	16	42
Loans and advances to customers	12 953	5 005	116	974	337	1 871	3 580
Own originated loans and advances to customers securitised	209	65	—	—	—	—	—
Other loans and advances	—	—	—	—	—	—	130
Other securitised assets	—	—	—	—	—	—	—
Other assets	—	—	—	—	3	—	30
Total on-balance sheet exposures	13 162	5 128	146	1 008	11 995	2 039	11 225
Guarantees	215	68	1	61	—	149	476
Committed facilities related to loans and advances to customers	2 286	660	57	536	100	381	904
Contingent liabilities, letters of credit and other	172	64	—	246	72	17	246
Total off-balance sheet exposures	2 673	792	58	843	172	547	1 626
Total gross credit and counterparty exposures	15 835	5 920	204	1 851	12 167	2 586	12 851

** Restated as detailed on page 74

CREDIT AND COUNTERPARTY RISK

CONTINUED

Retailers and wholesalers	Manufacturing and commerce	Construction	Corporate commercial real estate	Other residential mortgages	Mining and resources	Leisure, entertainment and tourism	Transport	Motor finance	Communication	Total
—	—	—	—	—	—	—	—	—	—	5 311
—	—	—	—	—	—	—	—	—	—	1 443
124	123	3	—	—	38	—	9	—	37	397
1	—	—	7	—	14	—	25	—	—	4 423
—	—	—	—	—	—	—	—	—	—	5 430
—	—	—	—	—	—	—	—	—	—	807
—	86	—	54	62	20	—	73	—	67	1 274
7	22	—	3	—	6	—	4	—	4	1 141
—	15	—	—	4	—	—	3	—	2	297
683	1 481	211	224	—	143	141	988	1 112	921	31 043
—	—	—	—	—	—	—	—	—	—	283
—	—	—	—	—	—	—	—	—	—	134
—	—	—	—	4	—	—	—	—	—	4
—	3	—	—	—	—	—	—	—	—	36
815	1 730	214	288	70	221	141	1 102	1 112	1 031	52 023
7	64	—	6	—	71	1	20	—	36	1 103
111	303	13	12	—	93	16	108	—	190	5 935
—	34	—	8	—	23	—	2	—	16	924
118	401	13	26	—	187	17	130	—	242	7 962
933	2 131	227	314	70	408	158	1 232	1 112	1 273	59 985
—	—	—	—	—	—	—	—	—	—	6 406
—	—	—	—	—	—	—	—	—	—	1 451
155	108	3	—	—	24	—	9	—	39	442
1	—	—	7	—	17	—	26	—	—	3 633
—	—	—	—	—	—	—	—	—	—	4 753
—	—	—	—	—	—	—	—	—	—	950
—	85	—	61	70	20	—	81	—	76	1 245
18	18	2	4	—	11	—	27	—	5	1 113
6	6	—	—	4	—	—	3	—	11	334
663	1 374	200	276	—	196	142	928	959	829	30 403
—	—	—	—	—	—	—	—	—	—	274
—	2	—	—	11	—	—	—	—	—	143
—	—	—	—	5	—	—	—	—	—	5
—	—	—	—	—	—	—	—	—	9	42
843	1 593	205	348	90	268	142	1 074	959	969	51 194
8	30	2	9	—	57	1	19	—	39	1 135
97	275	14	13	—	110	17	56	—	299	5 805
3	42	—	8	—	20	1	1	—	16	908
108	347	16	30	—	187	19	76	—	354	7 848
951	1 940	221	378	90	455	161	1 150	959	1 323	59 042

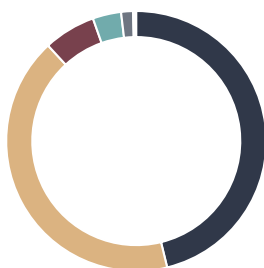
CREDIT AND COUNTERPARTY RISK

CONTINUED

An analysis of total gross core loans by country of exposure

30 September 2023

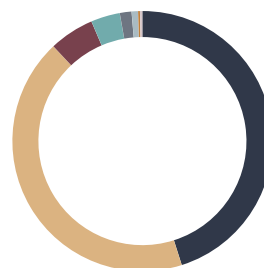
£31 326 million



United Kingdom	45.7%
South Africa	41.5%
Europe (excluding UK)	6.4%
North America	3.5%
Africa (excluding RSA)	1.4%
Asia	1.1%
Australia	0.2%
Other	0.2%

31 March 2023*

£30 677 million



United Kingdom	45.1%
South Africa	42.9%
Europe (excluding UK)	5.6%
North America	3.6%
Africa (excluding RSA)	1.5%
Asia	0.8%
Australia	0.2%
Other	0.3%

[^] Restated as detailed on page 74

INVESTMENT RISK

Investment risk in the banking book

Investment risk in the banking book comprises 1.9% of total assets.

Summary of investments

An analysis of income and revaluations of these investments can be found in the investment income note on page 61. The balance sheet value of investments is indicated in the table below.

£'million Country/category	On-balance sheet value of investments 30 Sept 2023	On-balance sheet value of investments 31 March 2023
Group investments[^]	448	416
Unlisted investments	289	244
South Africa	289	244
Burstone Group Limited (previous Investec Property Fund (IPF))	64	—
Bud Group Holdings (previously Investec Equity Partners (IEP))	196	213
Other unlisted investments	29	31
Listed equities	159	172
UK and Other	159	172
Ninety One	159	172
Other investments in the banking book	624	972
Unlisted investments	366	557
UK and Other	248	315
Southern Africa*	118	242
Listed equities	25	27
UK and Other	1	2
Southern Africa	24	25
Investment and trading properties	228	383
UK and Other	73	75
Southern Africa	155	308
Warrants and profit shares	5	5
UK and Other	5	5
Total	1 072	1 388

[^] Additional detail of specific investments within the Group Investments can be found on pages 100 and 114.

* Includes fair value loan investments of £22 million (31 March 2023: £116 million including those of IPF which were previously consolidated at the level of our economic ownership, being 24.3%).

Note: IW&I UK was previously 100% consolidated in the Investec Group. Going forward the Group's investment in Rathbones will be equity accounted for and recognised as an associate. We do not include the investment in Rathbones Group plc as a part of the above analysis due to the nature of this strategic transaction. Please refer to further detail on page 9

MARKET RISK

Market risk in the trading book

Traded market risk

The focus of our trading activities is primarily on supporting our clients. Our strategic intent is that proprietary trading should be limited and that trading should be conducted largely to facilitate client flow. Within our trading activities, we act as principal with clients or the market. Market risk exists where we have taken on principal positions resulting from market making, underwriting and facilitation of client business in the foreign exchange, interest rate, equity, credit and commodity markets.

The primary focus of all trading activity continues to be managing and hedging the market risk arising from client-related activity, and directional exposures remain at a minimum.

Value at Risk (VaR)

VaR numbers using a one-day holding period are monitored daily at the 95% and 99% confidence intervals, with limits set at the 95% confidence interval. Expected shortfalls are also monitored daily at the 95% and 99% levels, being the average of the losses in the tail of the VaR distribution.

The table below contains the 95% one-day VaR figures for the trading businesses.

95% one-day VaR	30 September 2023				31 March 2023			
	Period end	Average	High	Low	Year end	Average	High	Low
UK and Other								
Equities (£'000)	203	247	641	133	295	324	762	124
Foreign exchange (£'000)	5	9	62	—	8	13	76	3
Interest rates (£'000)	51	43	56	31	43	33	73	15
Credit (£'000)	—	37	85	—	64	14	67	1
Consolidated (£'000)*	217	266	612	144	352	331	770	103
South Africa								
Commodities (R'million)	0.6	0.6	0.8	0.3	0.4	0.3	1.9	0.1
Equities (R'million)	4.3	4.4	9.6	3.1	5.1	4.9	9.7	2.6
Foreign exchange (R'million)	0.8	0.7	2.8	0.2	0.4	0.7	3.1	0.1
Interest rates (R'million)	13.4	9.0	14.6	5.0	8.9	7.5	14.4	3.4
Consolidated (R'million)*	15.7	10.0	15.8	6.2	10.1	8.6	14.1	4.1

* The consolidated VaR for each entity is lower than the sum of the individual VaRs. This arises from the correlation offset between various asset classes (diversification).

BALANCE SHEET RISK MANAGEMENT

Balance sheet risk management

Balance sheet risk encompasses the financial risks relating to our asset and liability portfolios, comprising liquidity, funding, concentration, encumbrance and IRRBB.

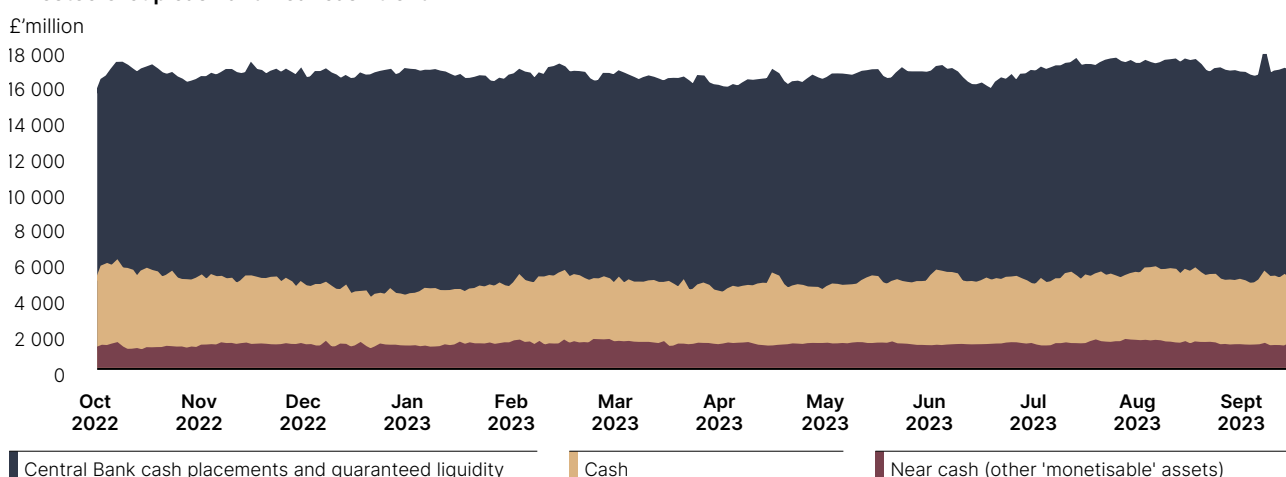
Liquidity risk

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

Liquidity risk is further broken down into:

- **Funding liquidity risk:** this relates to the risk that the Group will be unable to meet current and/or future cash flows or collateral requirements in the normal course of business, without adversely affecting its solvency, financial position or its reputation
- **Market liquidity risk:** this relates to the risk that the Group may be unable to trade in specific markets or that it may only be able to do so with difficulty due to market disruptions or a lack of market liquidity.

Investec Group cash and near cash trend



UK and Other

An analysis of cash and near cash at 30 September 2023

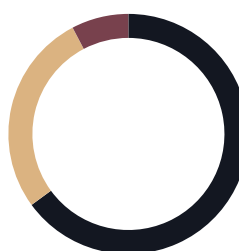
£8 708 million



Central Bank cash placements and guaranteed liquidity	78.7%
Cash	13.4%
Near cash (other 'monetisable' assets)	7.9%

Customers accounts (deposits) by type at 30 September 2023

£19 922 million



Individuals	65.0%
Other financial institutions and corporates	27.3%
Small business	7.7%

Funding continues to be dynamically raised through a mix of customer liabilities diversified by customer type, currency and tenor, avoiding reliance on any particular channel and ensuring continued access to a wide range of depositors. Those diversified funding channels have proven to be capable of raising funding throughout the year supporting a strong funding and liquidity position despite the ongoing geopolitical uncertainties, inflationary pressures and overall market volatility.

Funding consists primarily of customer deposits, with loans and advances to customers as a % of customer deposits at 81.7% at 30 September 2023. We remain well positioned from a funding and liquidity perspective should there be further disruption to financial markets given both the highly diversified nature of Investec plc's deposit base and the reliance on term and notice

BALANCE SHEET RISK MANAGEMENT

CONTINUED

deposits rather than demand deposits. Deposits grew by 4.2% over the six months since 31 March 2023 to £19.9 billion. The granularity of deposits is a key area of focus and Investec plc has a substantial portion of eligible deposits that are covered by Financial Services Compensation Scheme (FSCS) protection. The FSCS is a UK government-backed scheme designed to provide protection to eligible customers, to the maximum value of £85 000, in the event that a financial institution is unable to meet its financial obligations.

This overall approach has enabled Investec plc to maintain a strong liquidity position at the year end across a range of metrics in line with our conservative approach to balance sheet risk management. Cash and near cash balances at 30 September 2023 amounted to £8.7 billion. We maintain a high level of readily available, high-quality liquid assets (HQLA) – targeting a minimum cash to customer deposit ratio of 25%. Current cash and near cash is equivalent to 43.7% of customer deposits. HQLA is primarily cash at central bank (BoE), and short-dated government bonds, alongside a much smaller amount of longer dated, floating rate covered bonds and supranationals. Given the short-dated nature, the majority of the HQLA securities portfolio is held at FVOCI. Any FVOCI unrealised losses in the securities portfolio are deducted from CET 1 in line with UK regulatory rules.

At 30 September 2023, the Liquidity Coverage Ratio for Investec plc was 393% and the Net Stable Funding Ratio was 146%, both metrics well ahead of current minimum regulatory requirements.

We have limited reliance on wholesale funding but we maintain access and presence, using such wholesale issuance to strategically diversify our funding base and complement the other liability channels by focusing, where appropriate, on tenor and currency. Wholesale issuance continues to take advantage of market windows to focus on both additional opportunities and on refinancing existing maturities to lengthen term, with the added benefit of continuing to diversify the debt capital markets investor base. We have no requirement to issue in the wholesale markets in the financial year to end March 2024.

On 28 June 2023, the BoE formally notified Investec plc that the preferred resolution strategy will be changed from bank insolvency procedure to bail-in and as such a revised, increased minimum requirement for own funds and eligible liabilities (MREL) requirement will be imposed on Investec plc and IBP as a material subsidiary. The MREL transition will commence from 1 January 2026 with end-state MREL applying from 1 January 2032. Any additional requirements will be met as part of increasing wholesale market issuance from the existing established base.

Looking forward, the focus remains on maintaining a strong liquidity position in light of overall market volatility. Funding continues to be actively raised, across a diverse funding base, in line with a medium- to long-term strategy to reduce the overall tenor-adjusted cost of the liability base supported by stable credit ratings.

South Africa

An analysis of cash and near cash at 30 September 2023

R177.7 billion



Central Bank cash placements and guaranteed liquidity	62.6%
Cash	29.1%
Near cash (other 'monetisable' assets)	8.3%

Bank and non-bank depositor concentration by type at 30 September 2023

R495.3 billion



Non-bank financials	42.9%
Individuals	23.8%
Non-financial corporates	17.7%
Banks	7.1%
Public sector	5.2%
Small business	3.3%

We entered the year with a comfortable liquidity position given our philosophy of funding through the cycle. Increases in rates drove an increase in profitability due to the endowment effect as well as a positive overnight repricing gap between our assets and liabilities.

Funding continues to be raised through a diverse mix of customer liabilities by customer type, currency, channel and tenor. Our medium to long term focus remains strengthening the Group's structural funding profile through growing the retail deposit base and growing our transactional deposit offering.

Activity in the wholesale markets over the financial year has increased but we continue to look for opportunities to raise low-cost funding where appropriate and carefully manage maturity profiles. We continue to closely monitor our current and projected cost of funding as this has a direct impact on our ability to write assets at competitive levels.

BALANCE SHEET RISK MANAGEMENT

CONTINUED

We maintained a pool of strategic long-term non-ZAR funding from diversified sources and new channels. IBL (consolidated Group) total customer deposits grew by 2.6% from R448.7 billion at 31 March 2023 to R460.4 billion at 30 September 2023. Our private client funding initiatives have continued deposit raising despite increased competition for retail deposits as well as economic and geopolitical uncertainty. We continue to see deposit growth from our Private Banking franchise led by client acquisition.

Cash and near cash balances on 30 September 2023 amounted to R177.7 billion (31 March 2023: R171.4 billion).

Consistent with our liquidity management philosophy, we delivered liquidity ratios well above the regulatory requirements. For IBL (consolidated Group), the 90-day simple average LCR was 182.9% at 30 September 2023. The structural funding ratio represented by the NSFR was 113.4% at 30 September 2023.

Liquidity mismatch

The tables that follow show the contractual and behavioural liquidity mismatch across our core geographies.

With respect to the contractual liquidity tables that follow, we record all assets and liabilities with the underlying contractual maturity as determined by the cash flow profile for each deal.

In South Africa, the balances will not agree directly to those disclosed in the balance sheet due to the inclusion of loans to Group companies in the other asset line.

With respect to the behavioural liquidity gap, we adjust the contractual profile of certain assets and liabilities:

- **Liquidity buffer:** the actual contractual profile of the assets in the liquidity buffer is of little consequence, as practically the Group would meet any unexpected net cash outflows by repoing or selling these highly liquid securities. Consequently, for the liquidity buffer:
 - The time horizon to monetise our regulatory liquid assets which are guaranteed by the central bank has been adjusted to 'on demand'
 - The time horizon for the cash and near cash portfolio of discretionary treasury assets has been set to one month where there are deep secondary markets for this elective asset class.
- **Customer deposits:** the contractual repayments of many deposits are on demand, or at notice, but in reality withdrawals vary significantly from this. Historical observations of the products are used to model the behavioural lives, and this analysis has identified significant additional sources of structural liquidity in the form of core deposits that exhibit stable behaviour.

UK and Other

Contractual liquidity at 30 September 2023

£'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	Total
Cash and short-term funds – banks	5 640	104	7	—	—	5	—	5 756
Investment/trading assets	69	895	784	1 005	290	928	2 167	6 138
Securitised assets	—	1	1	1	—	21	48	72
Advances	108	685	1 022	933	1 812	8 586	3 270	16 416
Other assets	46	436	19	56	70	420	27	1 074
Assets	5 863	2 121	1 833	1 995	2 172	9 960	5 512	29 456
Deposits – banks	(421)	(21)	(10)	—	—	(1 937)	—	(2 389)
Deposits – non-banks	(6 146)	(1 284)	(5 132)	(2 922)	(2 665)	(1 747)	(26)	(19 922)
Negotiable paper	(2)	(7)	(40)	(21)	(53)	(895)	(307)	(1 325)
Securitised liabilities	—	—	(4)	(4)	(7)	(60)	(1)	(76)
Investment/trading liabilities	—	(367)	(152)	(51)	(80)	(211)	—	(861)
Subordinated liabilities	—	—	—	—	—	—	(667)	(667)
Other liabilities	(8)	(441)	(107)	(38)	(91)	(272)	(49)	(1 006)
Liabilities	(6 577)	(2 120)	(5 445)	(3 036)	(2 896)	(5 122)	(1 050)	(26 246)
Total equity	—	—	—	—	—	—	(3 210)	(3 210)
Contractual liquidity gap	(714)	1	(3 612)	(1 041)	(724)	4 838	1 252	—
Cumulative liquidity gap	(714)	(713)	(4 325)	(5 366)	(6 090)	(1 252)	—	—

Behavioural liquidity at 30 September 2023

As discussed above.

£'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	Total
Behavioural liquidity gap	5 222	(275)	(4 055)	(1 873)	(1 100)	883	1 198	—
Cumulative	5 222	4 947	892	(981)	(2 081)	(1 198)	—	—

BALANCE SHEET RISK MANAGEMENT

CONTINUED

Southern Africa

Contractual liquidity at 30 September 2023

R'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	Total
Cash and short-term funds – banks	18 347	3 411	765	—	—	—	—	22 523
Cash and short-term funds – non-banks	5 567	193	268	—	—	—	—	6 028
Investment/trading assets and statutory liquids	92 621	72 976	16 411	4 976	7 479	20 157	31 955	246 575
Securitised assets	548	35	234	171	658	2 819	2 557	7 022
Advances	3 193	10 961	17 336	10 189	25 906	129 883	138 595	336 063
Other assets	3 397	6 087	2 157	287	3 818	1 293	6 337	23 376
Assets	123 673	93 663	37 171	15 623	37 861	154 152	179 444	641 587
Deposits – banks	(1 648)	(1 245)	(580)	(192)	—	(31 308)	—	(34 973)
Deposits – non-banks	(220 928)	(23 223)	(58 097)	(41 189)	(56 732)	(57 395)	(2 794)	(460 358)
Negotiable paper	(1)	(12)	(481)	(217)	(1 126)	(2 291)	—	(4 128)
Securitised liabilities	—	—	—	—	—	—	(3 912)	(3 912)
Investment/trading liabilities	(3 095)	(10 790)	(6 792)	(3 205)	(7 458)	(30 703)	(2 032)	(64 075)
Subordinated liabilities	—	—	(1 458)	—	—	(5 995)	(500)	(7 953)
Other liabilities	(6 032)	(2 096)	(13)	(470)	(251)	(535)	(4 617)	(14 014)
Liabilities	(231 704)	(37 366)	(67 421)	(45 273)	(65 567)	(128 227)	(13 855)	(589 413)
Total equity	—	—	—	—	—	—	(52 174)	(52 174)
Contractual liquidity gap	(108 031)	56 297	(30 250)	(29 650)	(27 706)	25 925	113 415	—
Cumulative liquidity gap	(108 031)	(51 734)	(81 984)	(111 634)	(139 340)	(113 415)	—	

Behavioural liquidity at 30 September 2023

As discussed on page 139.

R'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	Total
Behavioural liquidity gap	78 281	22 859	9 077	(4 815)	5 651	(245 495)	134 442	—
Cumulative	78 281	101 140	110 217	105 402	111 053	(134 442)	—	

BALANCE SHEET RISK MANAGEMENT

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Interest rate risk in the banking book (IRRBB)

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

Sources of IRRBB include:

- **Repricing risk:** arises from the timing differences in the fixed rate maturity and floating rate repricing of Group assets, liabilities and off-balance sheet derivative positions. This affects the interest rate margin realised between lending income and borrowing costs when applied to our rate sensitive portfolios
- **Yield curve risk:** repricing mismatches also expose the Group to changes in the slope and shape of the yield curve
- **Basis risk:** arises from imperfect correlation in the adjustments of the rates earned and paid on different instruments with otherwise similar repricing characteristics
- **Embedded option risk:** arises from optional elements embedded in items where the Group or its customers can alter the level and timing of their cash flows
- **Endowment risk:** refers to the interest rate risk exposure arising from the net differential between interest rate insensitive assets, interest rate insensitive liabilities and capital.

The above sources of interest rate risk affect the interest rate margin realised between lending income and borrowing costs when applied to our rate sensitive asset and liability portfolios, which has a direct effect on future net interest earnings and the economic value of equity.

Net interest income sensitivity at 30 September 2023

IRRBB is measured and monitored using an income sensitivity approach. The tables below reflect an illustrative annualised net interest income value sensitivity to a 0.25% parallel shift in interest rates, based on modelled assumptions in the UK and South Africa, assuming no management intervention.

UK and Other

million	All (GBP)
25bps down	(10.0)
25bps up	8.9

Southern Africa (IBL consolidated)

million	All (ZAR)
25bps down	(56.9)
25bps up	56.9

Economic value (EV) sensitivity at 30 September 2023

IRRBB is measured and monitored using the EV sensitivity approach. The tables below reflect an illustrative economic value sensitivity to a 2% parallel shift in interest rates, based on modelled assumptions in the UK and South Africa, assuming no management intervention. This sensitivity effect would only have a negligible direct impact on our equity.

UK and Other

million	All (GBP)
200bps down	(1.7)
200bps up	(11.7)

Southern Africa (IBL consolidated)

million	All (ZAR)
200bps down	503.2
200bps up	(364.5)

In December 2022 IBP and DLC Board approved the initiation of a structural hedging programme in the UK to reduce the sensitivity of earnings to short-term interest rate movements. The Group assigned an evenly amortising profile to an eligible amount of tangible equity with average duration of 2.5 years evenly distributed over the period. The termed equity is then hedged on a matched basis.

CAPITAL MANAGEMENT AND ALLOCATION

Capital management and allocation

A summary of capital adequacy and leverage ratios

	Standardised		IRB scope ^{^^}		Standardised		IRB scope ^{^^}	
	Investec plc ^v	IBP ^{*v}	Investec Limited ^{*^}	IBL ^{*^}	Investec plc ^v	IBP ^{*v}	Investec Limited ^{*^}	IBL ^{*^}
	30 September 2023				31 March 2023			
Common Equity Tier 1 ratio ^{**}	11.7%	12.8%	13.2%	16.3%	12.0%	12.9%	14.7%	17.1%
Common Equity Tier 1 ratio (fully loaded) ^{***}	11.6%	12.7%	13.2%	16.3%	11.7%	12.6%	14.7%	17.1%
Tier 1 ratio ^{**}	13.0%	14.2%	14.3%	17.3%	13.4%	14.3%	15.9%	18.2%
Total capital ratio ^{**}	16.8%	18.2%	17.0%	20.3%	17.5%	18.7%	18.3%	21.2%
Risk weighted assets (million) ^{**}	18 504	18 028	289 148	271 727	17 767	17 308	283 600	261 263
Leverage exposure measure (million)	27 495	27 225	701 096	690 221	25 216	24 945	696 319	662 702
Leverage ratio	8.7%	9.4%	5.9%	6.8%	9.4%	9.9%	6.5%	7.2%
Leverage ratio (fully loaded) ^{***}	8.7%	9.4%	5.9%	6.8%	9.2%	9.8%	6.5%	7.2%

* Where: IBP is Investec Bank plc consolidated and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

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

*** The CET1 ratio (fully loaded) and the leverage ratio (fully loaded) assumes full adoption of IFRS 9 (including the 'quick fix' regulation in the UK).

^v The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the Group operates. For Investec plc and IBP this does not include the deduction of foreseeable charges and dividends when calculating the CET1 ratio as required under the Capital Requirements Regulation. The impact of this deduction totalling £45 million (31 March 2023: £55 million) for Investec plc and £56 million (31 March 2023: £36 million) for IBP would lower the CET1 ratio by 24bps (31 March 2023: 31bps) and 31bps (31 March 2023: 21bps) respectively.

[^] Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 49bps (31 March 2023: 117bps) and 70bps (31 March 2023: 164bps) lower respectively. The leverage would be 21bps (31 March 2023: 49bps) and 27bps (31 March 2023: 65bps) lower respectively.

^{^^} Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 30 September 2023, 52% (31 March 2023: 53%) of the portfolio applies the AIRB approach, 30% (31 March 2023: 28%) applies the FIRB approach and the remaining 18% (31 March 2023: 19%) of the portfolio is subject to the standardised approach.

Investec plc

Year under review

During the year under review, Investec plc complied with the capital adequacy requirements imposed on it by the PRA. Investec plc continues to hold capital in excess of all the capital and buffer requirements. At 30 September 2023, the CET1 ratio decreased to 11.7% from 12.0% at 31 March 2023. CET1 capital increased by £46 million to £2.2 billion, mainly as a result of:

- CET1 capital generation of £555 million through profit after taxation
- A decrease in the treasury share deduction of £13 million.

The increases were partially offset by:

- An increase in the goodwill and intangible assets net of deferred taxation deduction of £431 million, with £364 million arising on the Rathbones combination (net of IW&I UK) and a further £56 million attributable to goodwill arising on the Group's acquisition of a majority interest in Capitalmind
- Dividends paid to ordinary shareholders and Additional Tier 1 security holders of £59 million
- A decrease of £29 million in the IFRS 9 transitional add-back adjustment.

Risk-weighted assets (RWAs) increased by 4% or £737 million to £18.5 billion over the period, predominantly within credit risk RWAs.

Credit risk RWAs, which includes equity risk, increased by £916 million. £210 million of the increase is attributable to RWAs arising on the proportional consolidation of the Group's 41.25% interest in the Rathbones Group plc (net of IW&I UK). The remaining increase reflects asset growth in Growth and Leveraged Finance, Fund Solutions, Project Finance and Asset Finance.

Counterparty credit risk RWAs (including credit valuation adjustment risk) decreased by £68 million compared to 31 March 2023, primarily driven by a decrease in repurchase agreements and derivative financial instruments.

Market risk RWAs decreased by £111 million, mainly due to a decrease in the collective investment undertaking position and foreign currency exchange risk.

Operational risk RWAs remained flat at £2.0 billion.

The Group's leverage ratio decreased to 8.7% from 9.4% at 31 March 2023. The decrease is primarily driven by an increase of £2.3 billion in the leverage exposure measure, of which £608 million has arisen on the proportional consolidation of the Group's 41.25% interest in Rathbones Group plc (net of

IW&I UK). The remaining increase is attributable to asset growth across multiple balance sheet line items, most notably in sovereign debt securities of £737 million, loans to customers of £715 million and loans to banks of £326 million.

Minimum capital requirement

Investec plc's minimum CET1 requirement at 30 September 2023 is 8.6% comprising a 4.5% Pillar 1 minimum requirement, a 2.5% Capital Conservation Buffer (CCB), a 0.31% Pillar 2A requirement and a 1.3% Countercyclical Capital Buffer (CCyB). The Group's institution-specific CCyB requirement is calculated based on the relevant exposures held in jurisdictions in which a buffer rate has been set. As at 30 September 2023 the UK CCyB rate is 2%.

Regulatory developments

From 5 July 2023, the UK CCyB rate increased from 1% to 2%. The Financial Policy Committee agreed when they met in July 2023, to maintain the UK CCyB rate at 2%, ensuring banks have sufficient capacity to absorb future shocks without unduly restricting lending.

On 30 November 2022, the PRA published a consultation paper on the Implementation of the Basel 3.1 standards, which set out the proposed rules and expectations that cover parts of the Basel 3 standards that remain to

CAPITAL MANAGEMENT AND ALLOCATION

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be implemented in the UK and relate to the calculation of RWAs.

The Basel 3.1 standards aim to restore credibility in risk-weighted ratios, by introducing more robust and risk-sensitive Standardised Approaches, whilst curtailing the RWA benefits Internal Models can provide. The proposals aim to advance the PRA's primary objective to promote the safety and soundness of the firms that it regulates. By improving the measurement of risk, the PRA are of the view that it will help ensure firms are adequately capitalised given the risks they are exposed to. Whilst the PRA are proposing limited adjustments to the international standards in order to adhere to the global reforms, they have proposed the removal of several onshored EU discretions, such as the small and medium-sized enterprise (SME) supporting factor.

The consultation closed for comment on 31 March 2023 with the rule changes initially planned to take effect from 1 January 2025. However, on 27 September 2023, the PRA released a statement confirming that the final rules will be published in two parts. The first set of rules will be published in Q4 2023 and will cover market risk, credit valuation adjustment risk, counterparty credit risk and operational risk. The second set of rules will be published in Q2 2024 and will cover the remaining elements: credit risk, the output floor and the reporting and disclosure requirements. Additionally, the PRA have confirmed that implementation will be delayed by six months to 1 July 2025, with full compliance required by 1 January 2030.

Investec Limited

Year under review

Investec Limited applies the Basel Framework at every tier within the banking group and also on a fully consolidated basis. Investec Limited is regulated by the South African Prudential Authority (PA) in terms of the Banks Act 1990 (Act No. 94 of 1990) and the Regulations relating to Banks (the Regulations).

Investec Limited is designated by the South African PA, as a Systemically Important Financial Institution as well as a Domestically Significant Important Bank (D-SIB) in South Africa.

Investec Limited and its subsidiaries have not been designated as a Financial Conglomerate.

Investec Limited remains well capitalised with capital ratios exceeding both regulatory minimums and targets. At 30 September 2023, the CET1 ratio decreased to 13.2% from 14.7% at 31 March 2023. CET1 capital decreased by R3.5 billion to R38.3 billion, largely affected by:

- A reduction of R1.8 billion, with R413 million relating to the purchase of additional Investec Limited treasury shares and R1.4 billion due to the deduction of Investec Limited's investment in Investec plc shares at market value
- Positive attributable earnings post-taxation and minorities of R2.8 billion
- Total ordinary dividends paid to Investec Limited shareholders of R2.6 billion
- During the period to 30 September 2023, it was identified that some fair value hedges were incorrectly booked in equity to cash flow hedge reserve. As a result, the cash flow hedging reserve was reclassified as debits to retained earnings (R1.3 billion) and the underlying hedged items (R668 million)
- Foreign currency translation reserve increase by R574 million
- The PA approved the regulatory capital treatment of the Burstone Group Limited (previously Investec Property Fund Limited) investment from proportionate consolidation to the deduction method with limited recognition. This resulted in a CET1 deduction of R935 million at 30 September 2023
- The regulatory expected loss deduction increased by R310 million to R327 million at 30 September 2023
- FVOCI reserve increased by R186 million to R198 million at 30 September 2023
- Decrease in deduction for investment in financial entities (investment in The Bud Group) of R70 million.

Risk-weighted assets (RWAs) increased by 2.0% from R283.6 billion (March 2023) to R289.1 billion (September 2023), predominantly within credit risk RWAs.

Credit risk RWA increased by R3.7 billion (1.6%) from 31 March 2023 to 30 September 2023. The increase was mainly driven by book growth, certain exposures migrating to Stage 3, set off by repayments and deconsolidation of Investec Property Fund Limited.

Equity risk decreased by R1.3 billion (8.9%) largely due to the sale and write-down of unlisted equity investments.

Market risk RWAs increased by R1.1 billion (15.5%). The increase is primarily driven by relatively higher VaR and stressed-VaR figures entering the 60-day averaging period, with the Interest Rate Derivatives desk being the largest contributor of these increases primarily due to increase activity as a result of increases in interest rates by the SARB as well as other central banks around the world to contain global inflation concerns.

Operational risk increased by R2.0 billion (6.4%). This follows the bi-annual update of the three-year rolling gross income before impairments average balance, which forms the basis of the calculation.

The Group's leverage ratio decreased to 5.9% (September 2023) from 6.5% (March 2023). The decrease is primarily driven by a decrease in total Tier 1 capital of R3.5 billion, offset by an increase of R4.8 billion in the leverage exposure measure.

Minimum capital requirement

Investec Limited's minimum CET1 requirement at 30 September 2023 is 8.0%, comprising a 4.5% Pillar 1 minimum requirement, a 0.5% Pillar 2A add-on, a 2.5% CCB, a 0.5% Domestic Systemically Important (D-SIB) Buffer and a 0% CCyB. South Africa has not announced any CCyB requirements for 2023. As at 30 September 2023, Investec Limited's institution-specific CCyB, held for purposes of the reciprocity requirement, was 0.04% of risk weighted exposures.

Regulatory developments

The Financial Sector Laws Amendment Act (FSLAA) was promulgated on 28 January 2022. The FSLAA aims to, amongst other things, introduce South Africa's first comprehensive deposit insurance scheme and create a new subordinated class of loss-absorbing instruments (referred to as "FLAC" instruments) to facilitate the application of the statutory bail-in power in order to assist with the implementation of the resolution framework for 'designated institutions'. The South African Reserve Bank is established as the resolution authority; and the Corporation for Deposit Insurance and a Deposit Insurance Fund is established to assist with the stability of the financial system in the event of the resolution of a designated institution.

CAPITAL MANAGEMENT AND ALLOCATION

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The South African Prudential Authority (PA) revised the implementation of the outstanding Basel III regulatory reforms in South Africa on the dates set out in Guidance Note 3 of 2023. The regulatory reforms, such as the revised standardised approach and internal ratings-based approach for credit risk, revised leverage ratio, revised market risk and credit valuation adjustment

frameworks are proposed for implementation at 1 July 2025. The proposed implementation phase-in of the output floor begins on 1 July 2025 (60%) till 1 January 2028 where it is expected to be fully phased-in at 72.5%.

Investec Limited continues to assess and monitor the impact of new regulations and regulatory reforms through participation in industry quantitative

impact study submissions to the PA, contributing to industry consultations, discussions at the Banking Association of South Africa and quantifying the impact of the reforms and presenting the impact on Investec Limited at capital committees and its Board. Investec has provided input through relevant industry participation.

Capital structure and capital adequacy

	Standardised		IRB scope ^{***}	
	Investec plc ^{*va} £'million	IBP ^{*va} £'million	Investec Limited ^{***} R'million	IBL ^{***} R'million
At 30 September 2023				
Shareholders' equity	2 927	3 063	46 524	45 159
Shareholders' equity excluding non-controlling interests	2 959	3 072	48 975	45 159
Perpetual preference share capital and share premium	(25)	—	(2 451)	—
Deconsolidation of special purpose entities	(7)	(9)	—	—
Non-controlling interests	—	—	—	—
Non-controlling interests per balance sheet	1	1	(60)	—
Non-controlling interests excluded for regulatory purposes	(1)	(1)	60	—
Regulatory adjustments to the accounting basis	(3)	(3)	(300)	(248)
Additional value adjustments	(5)	(5)	(299)	(250)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	—	—	(35)	(32)
Cash flow hedging reserve	(18)	(18)	34	34
Adjustment under IFRS 9 transitional arrangements	20	20	—	—
Deductions	(752)	(733)	(7 948)	(607)
Goodwill and intangible assets net of deferred tax	(743)	(724)	(295)	(279)
Investment in financial entity	—	—	(526)	—
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(2)	(2)	—	—
Shortfall of eligible provisions compared to expected loss	—	—	(328)	(328)
Amount of deductions exceeding 15% threshold	—	—	(935)	—
Other regulatory adjustments	—	—	(5 864)	—
Securitisation positions which can alternatively be subject to a 1 250% risk weight	(4)	(4)	—	—
Defined-benefit pension fund assets	(3)	(3)	—	—
Common Equity Tier 1 capital	2 172	2 327	38 276	44 304
Additional Tier 1 capital	250	250	3 217	2 710
Additional Tier 1 instruments	250	250	5 711	2 710
Phase out of non-qualifying Additional Tier 1 instruments	—	—	(2 451)	—
Non-qualifying surplus capital attributable to non-controlling interest	—	—	(43)	—
Tier 1 capital	2 422	2 577	41 493	47 014
Tier 2 capital	711	711	7 522	8 090
Collective impairment allowances	—	—	340	339
Tier 2 instruments ^{****}	711	711	7 751	7 751
Non-qualifying surplus capital attributable to non-controlling interests	—	—	(569)	—
Total regulatory capital	3 133	3 288	49 015	55 104
Risk weighted assets	18 504	18 028	289 148	271 727

* Where: IBP is Investec Bank plc consolidated. IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

^v The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the Group operates. For Investec plc and IBP this does not include the deduction of foreseeable charges and dividends when calculating CET1 capital. The impact of this deduction totalling £45 million for Investec plc and £56 million for IBP would lower the CET1 ratio by 24bps and 31bps respectively.

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

^{aa} Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 49bps and 70bps lower respectively. The leverage would be 21bps and 27bps lower respectively.

^{aaa} Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 30 September 2023, 52% of the portfolio applies the AIRB approach, 30% applies the FIRB approach and the remaining 18% of the portfolio is subject to the standardised approach.

^{aaaa} Investec plc and IBP's Tier 2 instruments include £17 million of subordinated liabilities arising from the proportional consolidation of the Group's 41.25% interest in Rathbones Group plc.

CAPITAL MANAGEMENT AND ALLOCATION

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Capital structure and capital adequacy

	Standardised		IRB scope ^{***}	
	Investec plc ^{*v^} £'million	IBP ^{*v^} £'million	Investec Limited ^{***} R'million	IBL ^{***} R'million
At 31 March 2023				
Shareholders' equity	2 428	2 522	45 929	44 016
Shareholders' equity excluding non-controlling interests	2 468	2 539	48 374	44 016
Perpetual preference share capital and share premium	(25)	—	(2 445)	—
Deconsolidation of special purpose entities	(15)	(17)	—	—
Non-controlling interests	—	—	—	—
Non-controlling interests per balance sheet	1	1	9 872	—
Non-controlling interests excluded for regulatory purposes	(1)	(1)	(9 872)	—
Regulatory adjustments to the accounting basis	16	15	1 054	1 111
Additional value adjustments	(5)	(5)	(280)	(223)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	—	—	(15)	(15)
Cash flow hedging reserve	(28)	(28)	1 349	1 349
Adjustment under IFRS 9 transitional arrangements	49	48	—	—
Deductions	(318)	(306)	(5 173)	(329)
Goodwill and intangible assets net of deferred tax	(312)	(300)	(315)	(311)
Investment in financial entity	—	—	(456)	—
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(2)	(2)	—	—
Shortfall of eligible provisions compared to expected loss	—	—	(18)	(18)
Other regulatory adjustments	—	—	(4 384)	—
Securitisation positions which can alternatively be subject to a 1 250% risk weight	(4)	(4)	—	—
Common Equity Tier 1 capital	2 126	2 231	41 810	44 798
Additional Tier 1 capital	250	250	3 212	2 710
Additional Tier 1 instruments	250	250	5 705	2 710
Phase out of non-qualifying Additional Tier 1 instruments	—	—	(2 445)	—
Non-qualifying surplus capital attributable to non-controlling interest	—	—	(48)	—
Tier 1 capital	2 376	2 481	45 022	47 508
Tier 2 capital	738	764	6 963	7 928
Collective impairment allowances	—	—	365	365
Tier 2 instruments	764	764	7 563	7 563
Non-qualifying surplus capital attributable to non-controlling interests	(26)	—	(851)	—
Investment in capital of financial entities above 10% threshold	—	—	(114)	—
Total regulatory capital	3 114	3 245	51 985	55 436
Risk weighted assets	17 767	17 308	283 600	261 263

* Where: IBP is Investec Bank plc consolidated. IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

^v The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the Group operates. For Investec plc and IBP this does not include the deduction of foreseeable charges and dividends when calculating CET1 capital. The impact of this deduction totalling £55 million for Investec plc and £36 million for IBP would lower the CET1 ratio by 31bps and 21bps respectively.

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

^{^^} Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 117bps and 164bps lower respectively. The leverage would be 49bps and 65bps lower respectively.

^{***} Investec Limited uses the IRB Approach to quantify credit RWA. As at 31 March 2023, 53% of the portfolio applies the AIRB approach, 28% applies the FIRB approach and the remaining 19% of the portfolio is subject to the standardised approach.

CAPITAL MANAGEMENT AND ALLOCATION

CONTINUED

Risk weighted assets

	Standardised		IRB scope ^{^^}		Standardised		IRB scope ^{^^}	
	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
	At 30 September 2023				At 31 March 2023			
Risk weighted assets	18 504	18 028	289 148	271 727	17 767	17 308	283 600	261 263
Credit risk	15 118	15 066	224 573	216 377	14 122	14 118	218 883	206 693
Equity risk	514	102	13 013	9 858	594	153	14 283	10 437
Counterparty credit risk	399	409	7 068	7 068	477	487	7 930	7 930
Credit valuation adjustment risk	47	47	2 359	2 359	37	37	3 477	3 477
Market risk	402	402	7 937	6 728	513	511	6 875	5 784
Operational risk	2 024	2 002	34 198	29 337	2 024	2 002	32 152	26 942

Capital requirements

	Standardised		IRB scope ^{^^}		Standardised		IRB scope ^{^^}	
	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
	At 30 September 2023				At 31 March 2023			
Capital requirements	1 480	1 442	34 821	32 723	1 421	1 385	34 067	31 384
Credit risk	1 209	1 205	27 045	26 058	1 130	1 129	26 292	24 828
Equity risk	41	8	1 567	1 187	47	13	1 716	1 254
Counterparty credit risk	32	33	851	851	38	39	953	953
Credit valuation adjustment risk	4	4	284	284	3	3	418	418
Market risk	32	32	956	810	41	41	826	695
Operational risk	162	160	4 118	3 533	162	160	3 862	3 236

Leverage ratios

	Investec plc* ^v £'million	IBP* ^v £'million	Investec Limited R'million* [^]	IBL R'million* [^]	Investec plc* ^v £'million	IBP* ^v £'million	Investec Limited R'million* [^]	IBL R'million* [^]
	At 30 September 2023				At 31 March 2023			
Tier 1 capital**	2 422	2 577	41 493	47 014	2 376	2 481	45 022	47 508
Total exposure measure	27 495	27 225	701 096	690 221	25 216	24 945	696 319	662 702
Leverage ratio	8.7%	9.4%	5.9%	6.8%	9.4%	9.9%	6.5%	7.2%
Tier 1 capital (fully loaded) ^{^^}	2 402	2 558	41 493	47 014	2 328	2 432	45 022	47 508
Total exposure measure (fully loaded)	27 475	27 205	701 096	690 221	25 168	24 896	696 319	662 702
Leverage ratio (fully loaded)^{*** ^^}	8.7%	9.4%	5.9%	6.8%	9.2%	9.8%	6.5%	7.2%

* Where: IBP is Investec Bank plc consolidated and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

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

*** The CET1 ratio (fully loaded) and the leverage ratio (fully loaded) assumes full adoption of IFRS 9 (including the 'quick fix' regulation in the UK).

^v The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the Group operates. For Investec plc and Investec Bank plc this does not include the deduction of foreseeable charges and dividends when calculating the CET1 ratio as required under the Capital Requirements Regulation. The impact of this deduction totalling £45 million (31 March 2023: £55 million) for Investec plc and £56 million (31 March 2023: £36 million) for IBP would lower the CET1 ratio by 24bps (31 March 2023: 21bps) and 31bps (31 March 2023: 31bps) respectively.

[^] Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 49bps (31 March 2023: 117bps) and 70bps (31 March 2023: 164bps) lower respectively. The leverage would be 21bps (31 March 2023: 49bps) and 27bps (31 March 2023: 65bps) lower respectively.

^{^^} Investec Limited uses the IRB Approach to quantify credit RWA. As at 30 September 2023, 52% (31 March 2023: 53%) of the portfolio applies the AIRB approach, 30% (31 March 2023: 28%) applies the FIRB approach and the remaining 18% (31 March 2023: 19%) of the portfolio is subject to the standardised approach.

CAPITAL MANAGEMENT AND ALLOCATION

CONTINUED

Total regulatory capital flow statement

At 30 September 2023	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
Opening Common Equity Tier 1 capital	2 126	2 231	41 810	44 798
Ordinary share buy-back	—	—	(411)	—
Dividends paid to ordinary shareholders and Additional Tier 1 security holders	(59)	(43)	(2 900)	(3 165)
Profit after taxation	555	571	2 757	4 039
Reclassification of reserves**	—	—	(1 310)	(1 310)
Treasury shares	13	—	87	—
Share-based payment adjustments	(3)	5	276	(59)
Movement in other comprehensive income	(15)	(2)	762	303
Investment in financial entity	—	—	(70)	—
15% limit deduction	—	—	(935)	—
Shortfall of eligible provisions compared to expected loss	—	—	(310)	(310)
Cash flow hedging reserve	10	10	—	—
Goodwill and intangible assets (deduction net of related taxation liability)	(431)	(424)	21	32
Deconsolidation of special purpose entities	8	8	—	—
IFRS 9 transitional arrangements	(29)	(28)	—	—
Other, including regulatory adjustments and other transitional arrangements**	(3)	(1)	(1 501)	(24)
Closing Common Equity Tier 1 capital	2 172	2 327	38 276	44 304
Opening Additional Tier 1 capital	250	250	3 212	2 710
Other, including regulatory adjustments and transitional arrangements	—	—	5	—
Closing Additional Tier 1 capital	250	250	3 217	2 710
Closing Tier 1 capital	2 422	2 577	41 493	47 014
Opening Tier 2 capital	738	764	6 963	7 928
Issued capital	—	—	500	500
Redeemed capital	(44)	(70)	(667)	(667)
Collective impairment allowances	—	—	(26)	(26)
Investment in capital of financial entities above 10% threshold	—	—	114	—
Other, including regulatory adjustments and other transitional arrangements ****	17	17	638	355
Closing Tier 2 capital	711	711	7 522	8 090
Closing total regulatory capital	3 133	3 288	49 015	55 104

* Where: IBP is Investec Bank plc consolidated and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

** During the period to 30 September 2023, it was identified that some fair value hedges were incorrectly booked in equity to cash flow hedge reserve. As a result, the cash flow hedging reserve was reclassified as debits to retained earnings (R1.3 billion) and the underlying hedged items (R668 million).

*** For Investec Limited Other includes the movement in Investec Limited's investment in Investec plc acquired as part of the share buy-back programme. This investment is fully deducted from CET1.

**** For Investec plc and IBP Other includes £17 million of subordinated liabilities arising from the proportional consolidation of the Group's 41.25% interest in Rathbones Group plc. For Investec Limited Other includes minority interest and foreign currency revaluation.

CAPITAL MANAGEMENT AND ALLOCATION

CONTINUED

Total regulatory capital flow statement

At 31 March 2023	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
Opening Common Equity Tier 1 capital	1 979	2 043	44 790	45 206
Ordinary share buy-back	—	—	(1 191)	—
Dividends paid to ordinary shareholders and Additional Tier 1 security holders	(106)	(112)	(7 765)	(8 956)
Profit after taxation	293	314	7 052	6 792
Treasury shares	(15)	—	(347)	—
Distribution to shareholders	(91)	—	—	—
Share-based payment adjustments	5	—	424	225
Employee benefit liability recognised	—	—	(93)	(85)
Movement in other comprehensive income	(43)	34	1 600	1 758
Investment in financial entity	160	—	415	—
Shortfall of eligible provisions compared to expected loss	—	—	152	151
Cash flow hedging reserve	(28)	(28)	—	—
Goodwill and intangible assets (deduction net of related taxation liability)	(9)	(9)	(32)	(29)
Deferred tax that relies on future profitability (excluding those arising from temporary differences)	6	6	—	—
Deconsolidation of special purpose entities	5	3	—	—
Gains or losses on liabilities at fair value resulting from changes in own credit standing	—	—	2	2
IFRS 9 transitional arrangements	(28)	(29)	—	—
Other, including regulatory adjustments and other transitional arrangements	(2)	9	(3 197)	(266)
Closing Common Equity Tier 1 capital	2 126	2 231	41 810	44 798
Opening Additional Tier 1 capital	250	250	3 064	2 560
Issued capital	—	—	500	500
Redeemed capital	—	—	(791)	(350)
Other, including regulatory adjustments and transitional arrangements	—	—	439	—
Closing Additional Tier 1 capital	250	250	3 212	2 710
Closing Tier 1 capital	2 376	2 481	45 022	47 508
Opening Tier 2 capital	622	766	8 091	9 557
Issued capital	346	346	2 570	2 431
Redeemed capital	(348)	(348)	(5 936)	(4 347)
Collective impairment allowances	—	—	(59)	(59)
Investment in capital of financial entities above 10% threshold	—	—	507	—
Other, including regulatory adjustments and other transitional arrangements	118	—	1 790	346
Closing Tier 2 capital	738	764	6 963	7 928
Closing total regulatory capital	3 114	3 245	51 985	55 436

* Where: IBP is Investec Bank plc consolidated and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

Additional information



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ANALYSIS OF ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

At 30 September 2023	Total instruments at fair value	Amortised cost	Non-financial instruments or scoped out of IFRS 9	Total
£'000				
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

FAIR VALUE DISCLOSURE

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	—
Non-current assets classified as held for sale	—	—	—	—
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.

FAIR VALUE DISCLOSURE

CONTINUED

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

FAIR VALUE DISCLOSURE

CONTINUED

Level 3 financial instruments

The following tables show a reconciliation of the opening balances to the closing balances for level 3 financial instruments. All instruments are at fair value through profit or loss.

£'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 six months 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

FAIR VALUE DISCLOSURE

CONTINUED

Sensitivity of fair values to reasonably possible alternative assumptions by level 3 instrument type

The fair value of financial instruments in level 3 are measured using valuation techniques that incorporate assumptions that are not evidenced by prices from observable market data. The following table shows the sensitivity of these fair values to reasonably possible alternative assumptions, determined at a transactional level:

At 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.

FAIR VALUE DISCLOSURE

CONTINUED

In determining the value of level 3 financial instruments, the following are the principal inputs that can require judgement:

Credit spreads

Credit spreads reflect the additional yield that a market participant would demand for taking exposure to the credit risk of an instrument. The credit spread for an instrument forms part of the yield used in a discounted cash flow calculation. In general a significant increase in a credit spread in isolation will result in a movement in fair value that is unfavourable for the holder of a financial instrument.

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 values and precious and industrial metals

The property value and precious and industrial metals is a key driver of future cash flows on these investments.

Underlying asset value

In instances where cash flows have links to referenced assets, the underlying asset value is used to determine the fair value. The underlying asset valuation is derived using observable market prices sourced from broker quotes, specialist valuers or other reliable pricing sources.

FAIR VALUE DISCLOSURE

CONTINUED

Fair value of financial instruments 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

SHAREHOLDER ANALYSIS

Investec ordinary shares

As at 30 September 2023, Investec plc and Investec Limited had 696.1 million and 295.3 million ordinary shares in issue respectively.

Largest ordinary shareholders as at 30 September 2023

In accordance with the terms provided for in Section 793 of the UK Companies Act, 2006 and Section 56 of the South African Companies Act, 2008, the Group has conducted investigations into the registered holders of its ordinary shares (including nominee and asset management companies) and the results are as disclosed below.

Investec plc

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	92 785 128	13.3%
2. Investec Group (UK & ZA)	59 179 646	8.5%
3. M&G Investments (UK & ZA)	49 563 218	7.1%
4. BlackRock Inc (EU, US & UK)	46 480 414	6.7%
5. Ninety One (UK & ZA)	38 233 995	5.5%
6. The Vanguard Group Inc (US, UK & AUS)	30 311 212	4.4%
7. Investec Staff Share Scheme (UK & ZA)	28 677 585	4.1%
8. BrightSphere Investment Group (US & UK)	23 602 951	3.4%
9. Allan Gray (ZA)	15 044 443	2.2%
10. Norges Bank Investment Management (NO)	11 828 239	1.7%
Cumulative total	395 706 831	56.9%

The top 10 shareholders account for 56.8% of the total shareholding in Investec plc. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

Investec Limited

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	45 620 555	15.5%
2. Allan Gray (ZA)	21 769 114	7.4%
3. Sanlam Group (ZA)	10 974 249	3.7%
4. The Vanguard Group Inc (US, UK & AUS)	10 549 453	3.6%
5. Truffle Asset Management (ZA)	10 523 105	3.6%
6. Old Mutual Investment Group (ZA)	9 684 406	3.3%
7. Standard Bank Group (ZA)	9 282 658	3.1%
8. IGL Share Scheme (UK & ZA)	9 165 935	3.1%
9. Investec Staff Share Scheme (UK & ZA)	9 100 063	3.1%
10. M&G Investments (UK & ZA)	7 430 347	2.5%
Cumulative total	144 099 885	48.9%

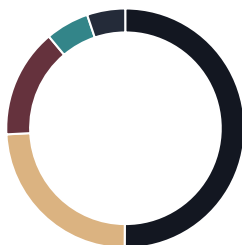
The top 10 shareholders account for 48.8% of the total shareholding in Investec Limited. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

SHAREHOLDER ANALYSIS

CONTINUED

Geographical holding by beneficial ordinary shareholder as at 30 September 2023

Investec plc



South Africa	50.1%
UK	24.1%
USA and Canada	14.7%
Rest of Europe	5.9%
Other countries and unknown	5.2%

Investec Limited



South Africa	65.9%
UK	1.9%
USA and Canada	14.1%
Rest of Europe	4.3%
Other countries and unknown	13.8%

Share statistics

For the period ended	30 Sept 2023	30 Sept 2022
Price earnings ratio ¹	6.2	5.5
Dividend payout ratio (%)	40.1	41.0
Dividend yield (%)	6.4	5.0
Earnings yield (%) ¹	16.1	10.9

Investec plc

For the period ended	30 Sept 2023	30 Sept 2022
Daily average volumes of shares traded ('000)	1 477	1 645
Closing market price per share (Pound Sterling)	4.82	3.63
Number of ordinary shares in issue (million)	696.1	696.1
Market capitalisation (£'million) ²	2 874	2 351

Investec Limited

For the period ended	30 Sept 2023	30 Sept 2022
Daily average volumes of shares traded ('000)	775	1 032
Closing market price per share (Rands)	108.92	71.64
Number of ordinary shares in issue (million)	295.3	308.9
Market capitalisation (R'million) ²	92 268	64 782
Market capitalisation (£'million) ²	4 083	3 282

- Calculations are based on the annualised adjusted earnings per share and the closing share price.
- This calculation of market capitalisation excludes the Group's treasury shares. For the market capitalisation of Investec plc, the LSE only includes the shares in issue for Investec plc, as Investec Limited is not incorporated in the UK. For the market capitalisation of Investec Limited, the JSE has agreed to use the total number of shares in issue for the combined Group, comprising Investec plc and Investec Limited.

Annexures



IN THIS SECTION

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ALTERNATIVE PERFORMANCE MEASURES



We supplement our IFRS figures with alternative performance measures used by management internally and which provide valuable, relevant information to readers. These measures are used to align internal and external reporting, identify items management believes are not representative of the underlying performance of the business and provide insight into how management assesses period on period performance. A description of the Group's alternative performance measures and their calculation, where relevant, is set out below.

Alternative performance measures are not measures within the scope of IFRS and are not a substitute for IFRS financial measures. Alternative performance measures constitute pro-forma financial information. The pro-forma financial information is the responsibility of the Board of directors and is presented for illustrative purposes only and because of its nature may not fairly present the Group's financial position, changes in equity, and results in operations or cash flows.

Adjusted earnings attributable to ordinary shareholders

Earnings attributable to shareholders adjusted to remove goodwill, acquired intangibles, strategic actions, and earnings attributable to perpetual preference shareholders and Other Additional Tier 1 security holders



Refer to page 37 for the reconciliation of earnings attributable to shareholders to adjusted earnings attributable to ordinary shareholders

Adjusted earnings per share

Adjusted earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period



Refer to page 37 for calculation

Adjusted operating profit

Refer to the calculation in the table below:

£'000	30 Sept 2023	30 Sept 2022
Operating profit before goodwill, acquired intangibles and strategic actions	441 364	397 106
Less: Profit attributable to other non-controlling interests	(4)	—
Adjusted operating profit[^]	441 360	397 106

[^] This key metric is based on the pro-forma income statements on page 51

Adjusted operating profit per employee

Adjusted operating profit divided by average permanent employees



Refer to page 68 for calculation

Annuity income

Net interest income plus net annuity fees and commissions



Refer to pages 57 and 59

Core loans

The table below describes the differences between 'loans and advances to customers' as per the balance sheet and gross core loans

£'million	UK and Other		Southern Africa		Total Group	
	30 Sept 2023	31 March 2023	30 Sept 2023	31 March 2023*	30 Sept 2023	31 March 2023*
Loans and advances to customers per the balance sheet	16 282	15 568	14 438	14 545	30 720	30 113
Add: Own originated loans and advances to customers per the balance sheet	—	—	282	273	282	273
Add: ECL held against FVOCI loans reported on the balance sheet within reserves	(11)	(5)	—	—	(11)	(5)
Net core loans	16 271	15 563	14 720	14 818	30 991	30 381
of which subject to ECL [#]	15 649	15 012	14 653	14 743	30 302	29 755
Net core loans at amortised cost and FVOCI	15 649	15 012	14 109	14 104	29 758	29 116
Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes) [^]	—	—	544	639	544	639
of which FVPL (excluding fixed rate loans above)	622	551	67	75	689	626
Add: ECL	180	146	155	150	335	296
Gross core loans	16 451	15 709	14 875	14 968	31 326	30 677
of which subject to ECL [#]	15 829	15 158	14 808	14 893	30 637	30 051
of which FVPL (excluding fixed rate loans above)	622	551	67	75	689	626

[^] These are fixed rate loans which have passed the solely payments of principal and interest (SPPI) test and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. £0.5 billion of the drawn exposure falls into Stage 1 (31 March 2023: £0.6 billion), £16 million in Stage 2 (31 March 2023: £1 million) and the remaining £43 million in Stage 3 (31 March 2023: £44 million). The ECL on the Stage 1 portfolio is £1 million (31 March 2023: £2 million), ECL on the Stage 2 portfolio is £nil (31 March 2023: £nil) and ECL on the Stage 3 portfolio is £11 million (31 March 2023: £11 million).

[#] Includes portfolios for which ECL is not required for IFRS purposes, but which management evaluates on this basis.

* Restated as a result of change in classification between non-sovereign and non-bank cash placements and loans and advances to customers as detailed on page 74

ALTERNATIVE PERFORMANCE MEASURES

CONTINUED

Core loans to equity ratio Net core loans divided by total shareholders' equity per the balance sheet

Cost to income ratio Refer to calculation in the table below:

£'000	30 Sept 2023	30 Sept 2022
Operating costs (A)	556 108	534 282
Total operating income before expected credit losses	1 043 763	960 739
Less: (Profit)/loss attributable to other non-controlling interests	(4)	—
Total (B)	1 043 759	961
Cost to income ratio (A/B)^	53.3%	55.6%

^ This key metric is based on the pro-forma income statements on page 51

Coverage ratio	ECL as a percentage of gross core loans subject to ECL
Credit loss ratio	ECL impairment charges on core loans as a percentage of average gross core loans subject to ECL
Dividend payout ratio	Ordinary dividend per share divided by adjusted earnings per share
Gearing ratio	Total assets excluding assurance assets divided by total equity
Loans and advances to customers as a percentage of customer deposits	Loans and advances to customers as a percentage of customer accounts (deposits)
Net tangible asset value per share	→ Refer to calculation on page 79
Net interest margin	Interest income net of interest expense, divided by average interest-earning assets → Refer to calculation on page 57
Return on average ordinary shareholders' equity (ROE)	→ Refer to calculation on pages 80 to 83
Return on average tangible ordinary shareholders' equity (ROTE)	→ Refer to calculation on pages 80 to 83
Return on risk weighted assets	Adjusted earnings attributable to ordinary shareholders divided by average risk weighted assets, where risk weighted assets is calculated as the sum of risk weighted assets for Investec plc and Investec Limited (converted into Pound Sterling) → Refer to page 79
Staff compensation to operating income ratio	All staff compensation costs expressed as a percentage of operating income before ECL (net of operating profits or losses attributable to other non-controlling interests)

DEFINITIONS

Cash and near cash

Includes cash, near cash (other 'monetisable assets') and Central Bank cash placements and guaranteed liquidity.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders of Investec plc and Investec Limited, adjusted for the effects of dilutive ordinary potential shares, by the weighted average number of shares in issue during the period plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive ordinary potential shares during the year.

Refer to page 37 for the calculation of diluted earnings per share.

Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders in Investec plc and Investec Limited by the weighted average number of ordinary shares in issue during the year.

Refer to page 37 for the calculation of earnings per share.

Effective operational tax rate

Tax on profit on ordinary activities (excluding non-operating items) divided by operating profit before goodwill and acquired intangibles and excluding share of post-taxation profit of associates and joint venture holdings.

Funds under management

Consists of funds managed by the Wealth & Investment business.

Headline earnings per share

Headline earnings is calculated in accordance with the JSE listing requirements and in terms of Circular 1/2021 issued by the South African Institute of Chartered Accountants. Headline earnings per share is calculated by dividing the Group's headline earnings by the average number of shares which it had in issue during the accounting period.

Refer to page 37 for the calculation of headline earnings per share.

Interest-bearing liabilities

Deposits by banks, debt securities in issue, repurchase agreements and cash collateral on securities lent, customer accounts (deposits), subordinated liabilities, liabilities arising on securitisation of own originated loans and advances, and finance lease liabilities. Refer to page 57 for calculation.

Interest-earning assets

Cash and near cash, bank debt securities, sovereign debt securities, core loans, other debt securities, other loans and advances, other securitised assets, and finance lease receivables. Refer to page 57 for calculation.

Legacy business in the UK Specialist Bank ('Legacy')

Legacy, as separately disclosed from 2014 to 2018, comprises pre-2008 assets held on the UK bank's balance sheet, that had very low/negative margins and assets relating to business we are no longer undertaking.

Market capitalisation

Total number of shares in issue (including Investec plc and Investec Limited) excluding treasury shares, multiplied by the closing share price of Investec plc on the London Stock Exchange.

Net-zero

Balancing the amount of emitted greenhouse gases with equivalent emissions that are either offset or sequestered.

Ninety One and Ninety One Group

All references to Ninety One and Ninety One Group refer to Ninety One plc and its subsidiaries plus Ninety One Limited and its subsidiaries.

Strategic actions

Comprises the closure and rundown of the Hong Kong direct investments business, the demerger of the asset management business and the financial impact of Group restructures.

Subject to ECL

Includes financial assets held at amortised cost and FVOCI as well as designated at FVPL loan portfolios for which ECL is not required for IFRS purposes, but for which management evaluates on this basis.

Weighted number of ordinary shares in issue

The number of ordinary shares in issue at the beginning of the year increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the Group less treasury shares. Refer to calculation on page 37.

GLOSSARY

Abbreviation	Meaning	Abbreviation	Meaning
AFS	Available for sale	IBL	Investec Bank Limited
AGM	Annual general meeting	IBP	Investec Bank plc
AIRB	Advanced Internal Ratings-Based	IFRS	International Financial Reporting Standard
AT1	Additional Tier 1	IPF	Investec Property Fund
BCBS	Basel Committee of Banking Supervision	IRRBB	Interest rate risk in the banking book
BID	Belonging, Inclusion and Diversity	IRB	Internal ratings-based approach
BoE	Bank of England	ISAs (UK)	International Standards on Auditing (UK)
BOM	Bank of Mauritius	IW&I	Investec Wealth & Investment
BSE	Botswana Stock Exchange	JSE	Johannesburg Stock Exchange
CAGR	Compound Annual Growth rate	LCR	Liquidity Coverage Ratio
CCB	Capital Conservation Buffer	LHS	Left Hand Side
CCyB	Countercyclical Capital Buffer	LSE	London Stock Exchange
CDO	Collateralised debt obligation	MTM	Mark to market
CET1	Common Equity Tier 1	MD	Managing Director
CFO	Chief Financial Officer	MiFID	Markets in Financial Instruments Directive
COO	Chief Operating Officer	MREL	Minimum Requirements for Own Funds and Eligible Liabilities
CPI	Consumer Price Index	NAV	Net Asset value
CPR	Conditional prepayment rate	NCI	Non-controlling interests
CRR	Capital Requirements Regulation	NIR	Non-interest revenue
CRO	Chief Risk Officer	NSFR	Net Stable Funding Ratio
CVA	Credit value adjustment	NSX	Namibian Stock Exchange
DCF	Discounted cash flow	OCI	Other comprehensive income
DLC	Dual-listed company i.e The combined group	OTC	Over the counter
EBA	European Banking Authority	PRA	Prudential Regulation Authority
EBITDA	Earnings before interest, taxes, depreciation and amortisation	RHS	Right Hand Side
ECA	Export Credit Agency	ROTE	Return on tangible equity
ECB	European Central Bank	ROE	Return on equity
ECL	Expected credit losses	ROU	Right of use asset
EPS	Earnings per share	RPI	Retail Price Index
ERV	Expected rental value	RWA	Risk-weighted asset
ESG	Environmental, social and governance	SAICA	South African Institute of Chartered
EU	European Union	SARS	South African Revenue Service
FICC	Fixed income, currency and commodities	SDGs	Sustainable Development Goals
FIRB	Foundation Internal Ratings Based	South African PA	South African Prudential Authority (previously known as the Banking Supervision Division of the South African Reserve Bank)
FPC	Financial Policy Committee	SOE	State-Owned Enterprise
FRC	Financial Reporting Council	TTC	Through-the-cycle
FRTB	Fundamental Review of the Trading Book	TNAV	Tangible Net Asset Value
FSB	Financial Services Board	SPPI	Solely payments of principal and interest
FSC	Financial Sector Code	W&I	Wealth & Investment
FSCS	Financial Services Compensation Scheme	WACC	Weighted average cost of capital
FUMA	Funds under management and administration		
FV	Fair Value		
FVOCI	Fair value through other comprehensive income		
FVPL	Fair value through profit and loss		
GDP	Gross Domestic Product		
HNW	High net worth		
HQLA	High quality liquid assets		
IAPF	Investec Australia Property Fund		
IASB	International Accounting Standards Board		
IASs	International Accounting Standards		

DIVIDEND ANNOUNCEMENTS

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 an 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

Payment date (on the JSE and LSE) Friday 22 December 2023

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.

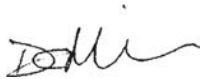
DIVIDEND ANNOUNCEMENTS

CONTINUED

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

DIVIDEND ANNOUNCEMENTS

CONTINUED

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: 213800CU7SM604UWOZ70

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

DIVIDEND ANNOUNCEMENTS

CONTINUED

Investec plc

Incorporated in England and Wales
 Registration number: 3633621
 Share code: INPP
 ISIN: GB00B19RX541
 LEI: 2138007Z3U5GWDN3MY22

Preference share dividend announcement

Non-redeemable non-cumulative non-participating preference shares ("preference shares")

Declaration of dividend number 35

Notice is hereby given that preference dividend number 35 has been declared by the Board from income reserves for the period 1 April 2023 to 30 September 2023 amounting to a gross preference dividend of 29.08904 pence per preference share payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the Company at the close of business on Friday 1 December 2023.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 29.08904 pence per preference share is equivalent to a gross dividend of 667.28222 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate of 22.9393 as at 11h00 (SA time) on Monday 13 November 2023.

The relevant dates relating to the payment of dividend number 35 are as follows:

Last day to trade cum-dividend

On the Johannesburg Stock Exchange (JSE)	Tuesday 28 November 2023
On the International Stock Exchange (TISE)	Wednesday 29 November 2023

Shares commence trading ex-dividend

On the Johannesburg Stock Exchange (JSE)	Wednesday 29 November 2023
On the International Stock Exchange (TISE)	Thursday 30 November 2023

Record date (on the JSE and TISE) Friday 1 December 2023

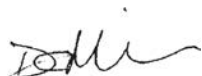
Payment date (on the JSE and TISE) Tuesday 12 December 2023

Share certificates may not be dematerialised or rematerialised between Wednesday 29 November 2023 and Friday 1 December 2023, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday 29 November 2023 and Friday 1 December 2023 both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Investec plc United Kingdom tax reference number: 2683967322360
- The issued preference share capital of Investec plc is 2 754 587 preference shares
- The dividend paid by Investec plc to shareholders recorded on the South African branch register is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 533.82578 cents per preference share for preference shareholders liable to pay the Dividend Tax and 667.28222 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the Board



David Miller

Company Secretary
 13 November 2023

14 November 2023

Sponsor: Investec Bank Limited

DIVIDEND ANNOUNCEMENTS

CONTINUED

Investec plc

Incorporated in England and Wales
 Registration number: 3633621
 JSE share code: INPPR
 ISIN: GB00B4B0Q974
 LEI: 2138007Z3U5GWDN3MY22

Rand-denominated preference share dividend announcement

Rand-denominated non-redeemable non-cumulative non-participating perpetual preference shares ("preference shares")

Declaration of dividend number 25

Notice is hereby given that preference dividend number 25 has been declared by the Board from income reserves for the period 1 April 2023 to 30 September 2023 amounting to a gross preference dividend of 552.49657 cents per preference share payable to holders of the Rand-denominated non-redeemable non-cumulative non-participating perpetual preference shares as recorded in the books of the Company at the close of business on Friday 1 December 2023.

The relevant dates relating to the payment of dividend number 25 are as follows:

Last day to trade cum-dividend	Tuesday 28 November 2023
Shares commence trading ex-dividend	Wednesday 29 November 2023
Record date	Friday 1 December 2023
Payment date	Tuesday 12 December 2023

Share certificates may not be dematerialised or rematerialised between Wednesday 29 November 2023 and Friday 1 December 2023, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Investec plc United Kingdom tax reference number: 2683967322360
- The issued Rand-denominated preference share capital of Investec plc is 131 447 preference shares
- The dividend paid by Investec plc to shareholders recorded on the South African branch register is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 441.99726 cents per preference share for preference shareholders liable to pay the Dividend Tax and 552.49657 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the Board



David Miller

Company Secretary
 13 November 2023

14 November 2023

Sponsor: Investec Bank Limited

DIVIDEND ANNOUNCEMENTS

CONTINUED

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: ZAE000063814
 LEI: 213800CU7SM604UWOZ70

Preference share dividend announcement

Non-redeemable non-cumulative non-participating preference shares ("preference shares")

Declaration of dividend number 38

Notice is hereby given that preference dividend number 38 has been declared by the Board from income reserves for the period 1 April 2023 to 30 September 2023 amounting to a gross preference dividend of 452.29114 cents per preference share payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the Company at the close of business on Friday 1 December 2023.

The relevant dates for the payment of dividend number 38 are as follows:

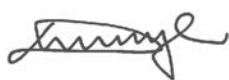
Last day to trade cum-dividend	Tuesday 28 November 2023
Shares commence trading ex-dividend	Wednesday 29 November 2023
Record date	Friday 1 December 2023
Payment date	Tuesday 12 December 2023

Share certificates may not be dematerialised or rematerialised between Wednesday 29 November 2023 and Friday 1 December 2023 both dates inclusive.

Additional information to take note of

- Investec Limited South African tax reference number: 9800/181/71/2
- The issued preference share capital of Investec Limited is 24 835 843 preference 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)
- The net dividend amounts to 361.83291 cents per preference share for shareholders liable to pay the Dividend Tax and 452.29114 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the Board



Niki van Wyk

Company Secretary

13 November 2023

14 November 2023

Sponsor: Investec Bank Limited

CORPORATE INFORMATION

Investec plc and Investec Limited**Secretary and registered office****Investec plc****David Miller**

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London EC2V 7QP
United Kingdom
Telephone (44) 20 7597 4000
Facsimile (44) 20 7597 4491

Investec Limited**Niki van Wyk**

100 Grayston Drive
Sandown Sandton 2196
PO Box 785700 Sandton 2146
Telephone (27) 11 286 7000
Facsimile (27) 11 286 7966

Website

www.investec.com

Registration number**Investec plc**

Registration number 3633621

Investec Limited

Registration number 1925/002833/06

Auditors

Ernst & Young LLP
Ernst & Young Inc.
PricewaterhouseCoopers Inc.

Registrars in the United Kingdom

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
United Kingdom
Telephone (44) 370 707 1077

Transfer secretaries in South Africa

Computershare Investor Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
PO Box x 9000
Saxonworld 2132
Telephone (27) 11 370 5000

Directorate as at 15 November 2023**Executive Directors**

Fani Titi (Chief Executive)
Nishlan Samujh (Finance Director)

Non-executive Directors

Philip Hourquebie (Chair)
Zarina Bassa (Senior Independent Director)
Henrietta Baldock
Stephen Koseff
Nicky Newton-King
Jasandra Nyker
Vanessa Olver
Philisiwe Sibiya
Brian Stevenson

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

For queries regarding information in this document**Investor Relations**

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(44) 20 7597 5546

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Website www.investec.com/en_za/#home/investor-relations.html

