



— OUT OF THE ORDINARY

# Creating enduring worth

Results presentation for  
the six months ended  
30 September 2023



# Agenda

## 01

### **Overview**

Fani Titi  
*Group Chief  
Executive*



## 02

### **Financial review**

Nishlan Samujh  
*Group Finance  
Director*



## 03

### **Geographic review – UK & Other**

Ruth Leas  
*Investec Bank plc  
CEO*



## 04

### **Geographic review – Southern Africa**

Richard Wainwright  
*Investec Bank Ltd  
CEO*



## 05

### **Closing and Q&A**

Fani Titi  
*Group Chief  
Executive*



Agenda

# Overview

Fani Titi

*Group Chief Executive*

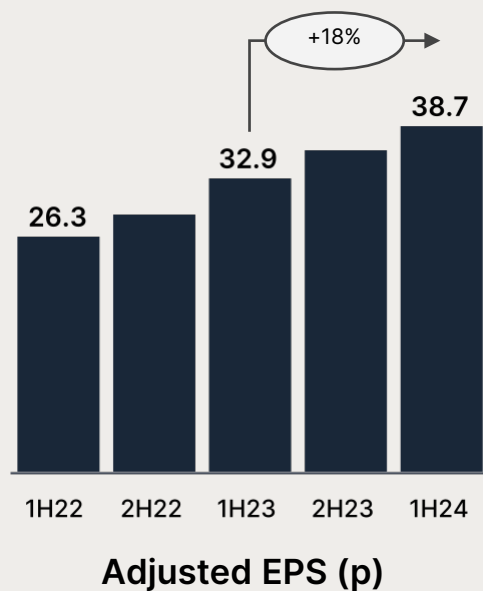


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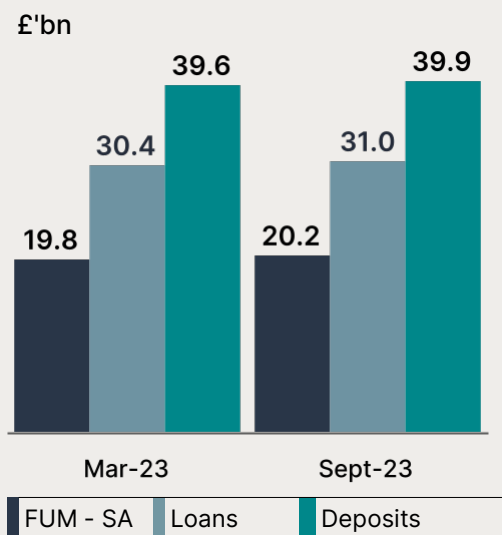


# Key takeaways

Earnings momentum continues

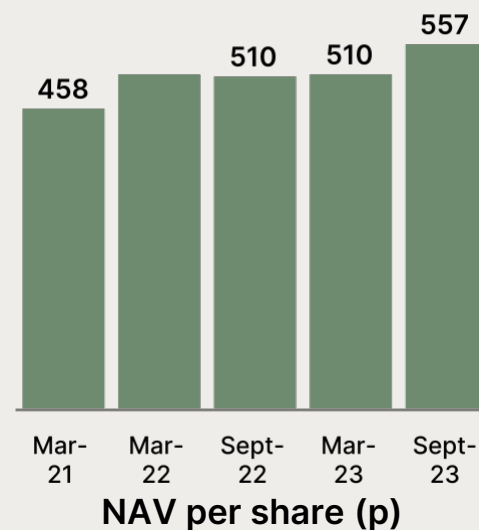


Deep client franchises, diversified earnings

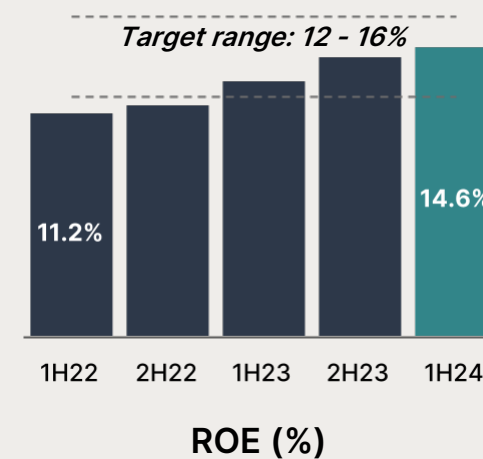


Rathbones Group FUMA: £100.7bn

Strong capital generation



Returns to shareholders firmly within target



# Results highlights

Adjusted earnings per share

**38.7p**

(Sept-22: 32.9p)

17.6% ahead of prior period

Up 39.3% in Rands

Adjusted operating profit

**£441.4mn**

(Sept-22: £397.1mn)

11.1% ahead of prior period

Up 31.7% in Rands

Cost to income

**53.3%**

(Sept-22: 55.6%)

Credit loss ratio

**32bps**

(Sept-22: 16bps)

Return on equity

**14.6%**

(Sept-22: 12.9%)

Net asset value per share

**556.7p**

(Sept-22: 509.5p)

9.3% ahead of prior period

Up 25.3% in Rands

INTERIM DIVIDEND – **15.5P**, AN INCREASE OF 14.8% FROM PRIOR PERIOD

PROGRESS ON SHARE PURCHASE: £300MN / c.R6.8BN RETURNED TO SHAREHOLDERS

# Geographic highlights

	Investec plc		Investec Limited	
<b>Loan book</b>	£16.3bn	▲ 9.1% annualised	£14.7bn	▼ 1.3% annualised (▲ 8.2% annualised in Rands)
<b>Deposits</b>	£19.9bn	▲ 8.4% annualised	£20.0bn	▼ 2.0% annualised (▲ 5.3% annualised in Rands)
<b>FUM</b>	£100.7bn	Rathbones Group plc FUMA*	£20.2bn	▲ 2.0% (▲ 5.4% in Rands)
<b>Adjusted operating profit</b>	£235.4mn	▲ 41.4%	£205.9mn	▼ 10.7% (▲ 5.6% % in Rands)
<b>Cost to income ratio</b>	▼ to 53.9% (1H2023: 59.5%)		▲ to 52.5% (1H2023: 51.7%)	
<b>Credit loss ratio</b>	55bps (1H2023: 32bps)		8bps (1H2023: 1bps)	
<b>ROE and ROTE</b>	ROE of 13.6% (1H2023: 11.1%)	ROTE of 16.7% (1H2023: 12.6%)	ROE of 16.0% (1H2023: 14.6%)	ROTE of 16.1% (1H2023: 14.8%)

\* FUMA: Funds under management and administration

# Net-zero strategy

Published our Scope 3 financed emissions

Short-term (0-1 year)		Medium-term (1-5 years)		Long-term (5-40 years)					
Targets	2024/25	2027	2030	2035	2050				
	Set a sustainable finance lending target	Investec plc committed to zero coal in their loan book	Investec Group committed to zero thermal coal in their loan book	No new oil and gas projects to be taken on the balance sheet	Investec Group committed to net-zero as part of the Net-Zero Banking Alliance				
Ambitions	<ul style="list-style-type: none"><li>Maintain <b>carbon neutrality</b> within our direct operations</li><li>Manage and monitor our <b>fossil fuel exposures</b></li><li>Provide <b>climate finance with</b> a deliberate focus on <b>financing renewable and clean energy</b>.</li></ul>		<ul style="list-style-type: none"><li><b>Support clients</b> in their net-zero ambitions</li><li>Provide <b>sustainable finance</b> to enable a just climate transition</li><li>Embed <b>climate risk and opportunities</b> into our culture and decision-making</li><li><b>Enhance our disclosures</b> on financed emissions as the guidance evolves.</li></ul>		<ul style="list-style-type: none"><li>Continue the actions from short-term and medium-term and <b>continued alignment of policy and action</b> towards net-zero pathways within the countries we operate in, by 2050 or sooner if possible.</li></ul>				
	Scope 3 financed emissions		Fossil fuels						
Absolute	tCO2e	Intensity	0.018%	0.023%	Absolute	£23mn	Intensity	0.07%	2.26%
	5.29mn								
(2021: 4.82mn) in gross core loans		(2021: 68%) coverage of gross core loans		(Mar-23: £31mn) Total absolute coal exposure		(Mar-23: £560mn) Total absolute fossil fuel exposure		(Mar-2023: 0.10%) as a % of gross core loans and advances	
		(2021: 0.018%) as a % of gross core loans						(Mar-2023: 1.84%) as a % of gross core loans and advances	

Agenda

# Financial review

Nishlan Samujh

*Group Finance Director*

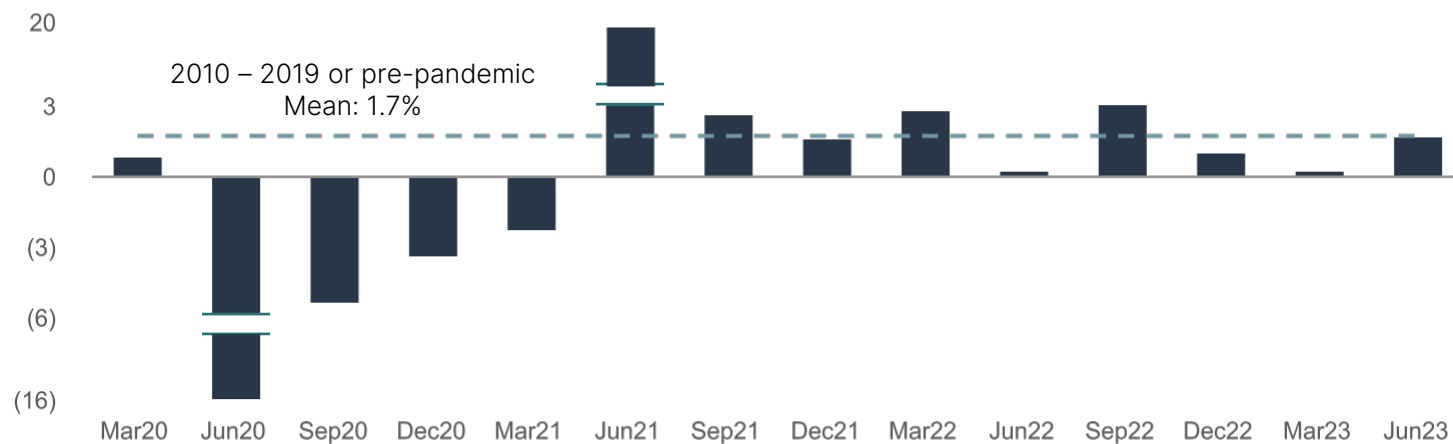


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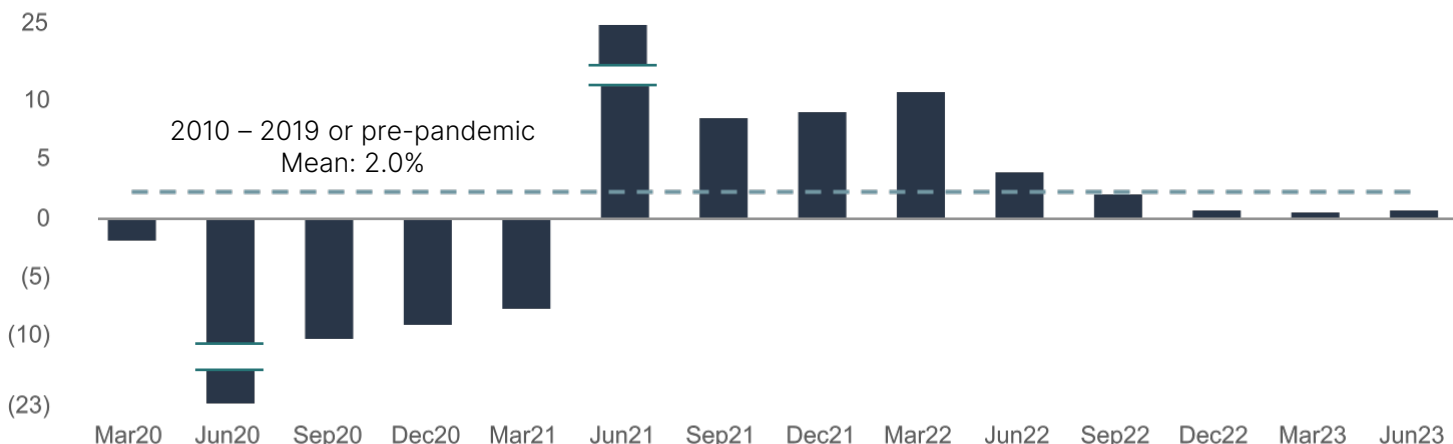
# Subdued growth environment...

## South Africa GDP growth



- SA economy expected to expand by 0.5% y/y in calendar year 2023
- Q2 2023 saw expansion of 0.6% quarter on quarter seasonally adjusted as load shedding proved less severe than anticipated
- GDP growth for 2024 calendar year expected to be 1.1% y/y

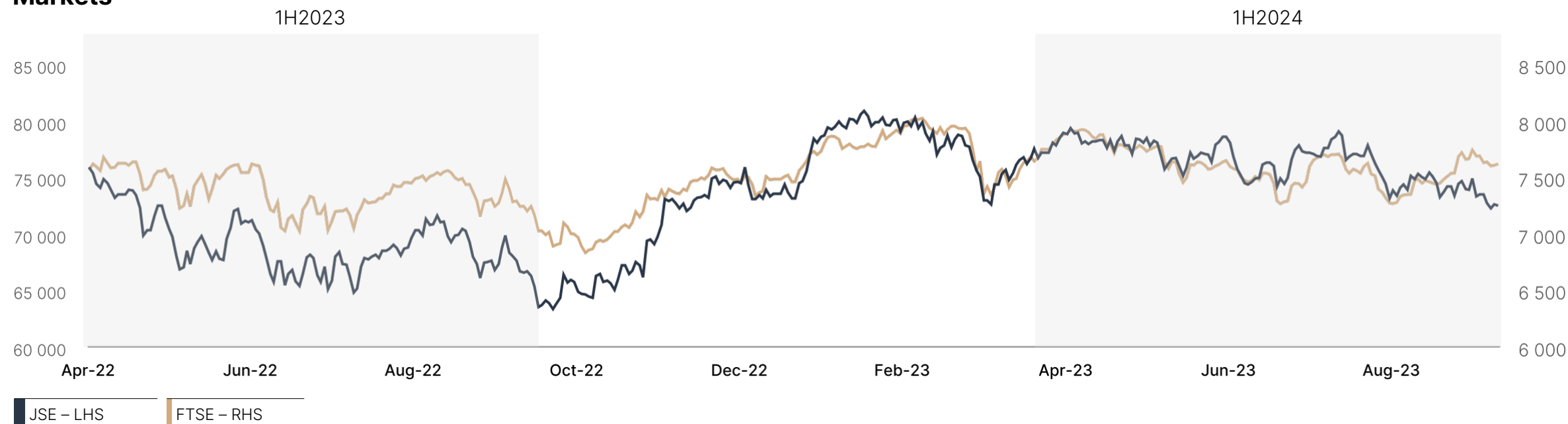
## UK GDP growth



- UK GDP growth is set to slow markedly over 2023 and 2024
- H1 2023 has seen the economy grow by 0.5%. However, the environment is set to be more challenging in H2
- Investec's baseline view is for a recession starting in Q3
- The end of the recession and the start of a recovery is expected in Q2 2024
- Calendar year growth in 2023 and 2024 is forecast at 0.4% and 0.0% respectively

...persistent market volatility...

## Markets



Market indices	Closing rates			Average rates		
	Sept-23	Sept-22	% change	Sept-23	Sept-22	% change
JSE All Share	72 383	63 726	13.6%	76 294	68 899	10.7%
FTSE All Share	4 127	3 763	9.7%	4 140	4 065	1.8%
Dow Jones	33 508	28 726	16.6%	34 155	32 215	6.0%

## ...and a weakening GBP / ZAR exchange rate

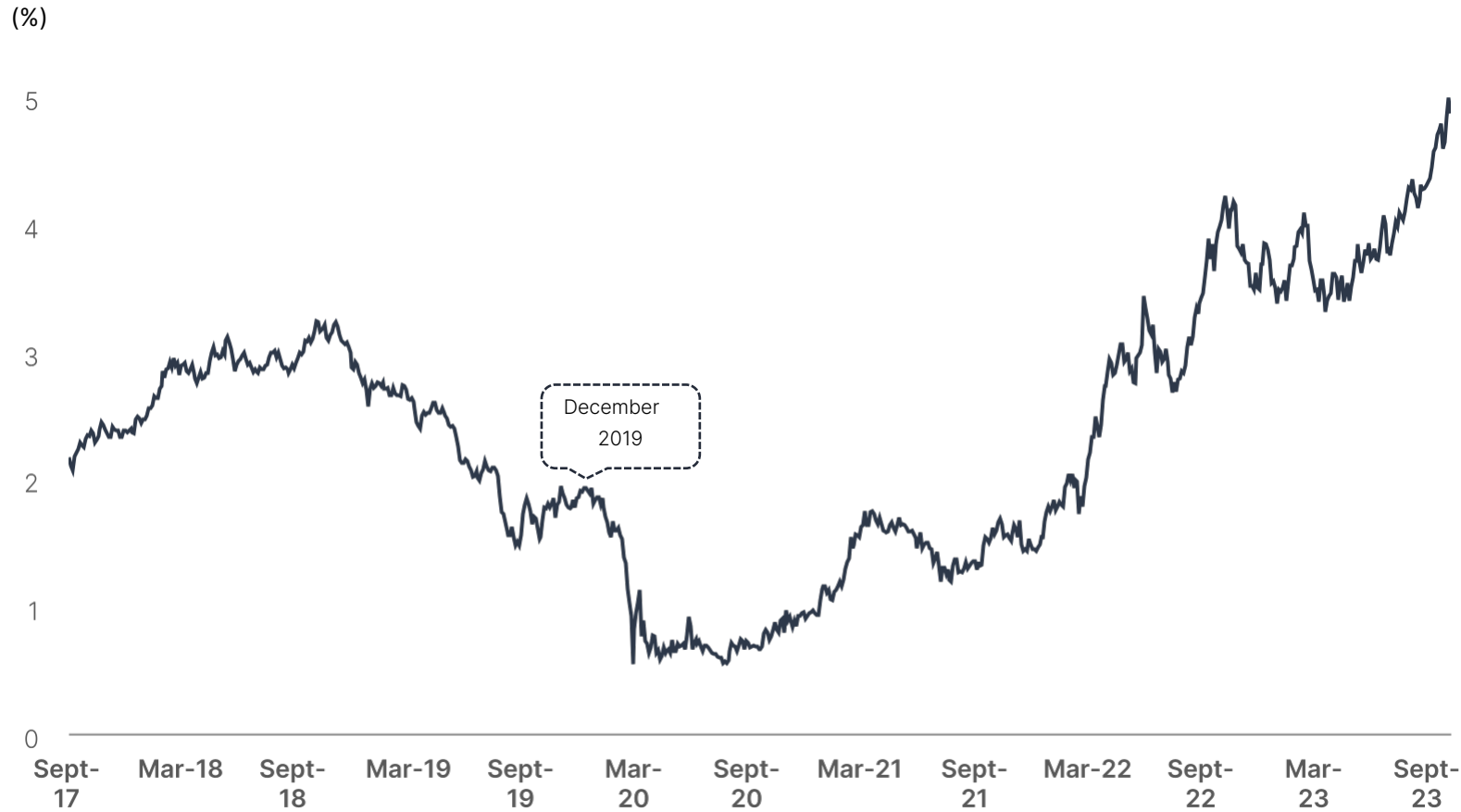
### Exchange rate



Currency £1.00	Closing rates			Average rates		
	Sept-23	Sept-22	% change	Sept-23	Sept-22	% change
South African Rand	22.99	20.05	14.7%	23.48	19.80	18.6%

# Global interest rates

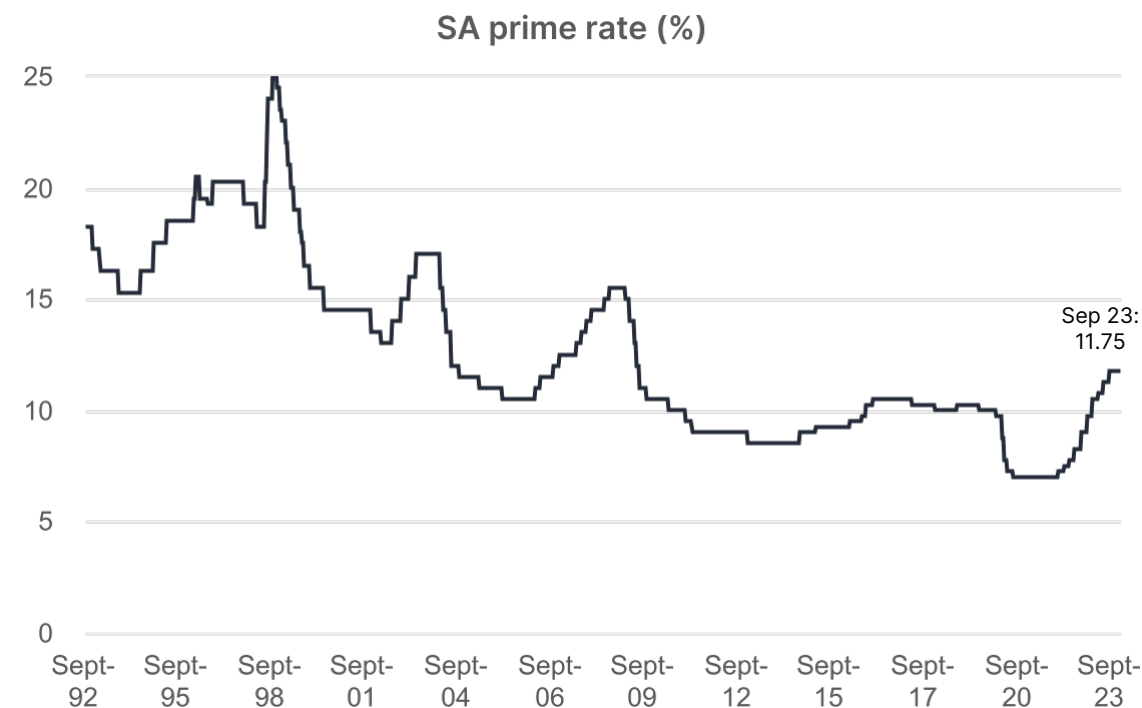
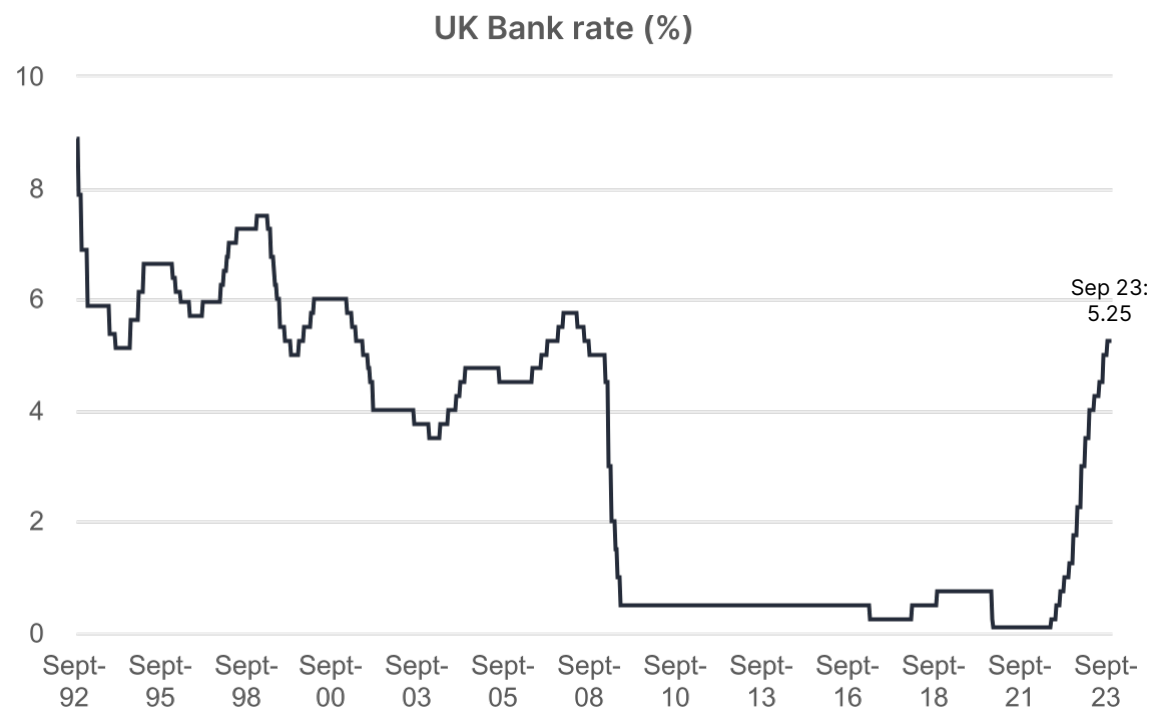
## USA 10-year treasury bonds



- Surging inflation has seen central banks tighten monetary policy
- Policy rates expected to be kept at current levels for some time as inflation remains well above target in major economies
- Rate cuts expected to begin in Q2 2024 given further moderation in inflation and slowing growth



# UK and SA interest rate history



Interest rates	Closing rates		Average rates	
	Sept-23	Sept-22	Sept-23	Sept-22
SA prime overdraft rate	<b>11.75%</b>	9.75%	<b>11.60%</b>	8.44%
UK Base rate	<b>5.25%</b>	2.25%	<b>4.80%</b>	1.29%

# Strategic execution

Significant strategic actions taken over the past 18 months

**Completion of combination between Investec Wealth & Investment UK ('IW&I UK') and Rathbones Group plc\***

Creating the UK's largest discretionary wealth manager

**RATHBONES** £100.7bn FUMA#  
as at September 2023

Investec holds a 41.25% economic interest in Rathbones

**Disposal of property management companies to Burstone Group Limited (formerly Investec Property Fund (IPF))**



and consequent deconsolidation of IPF^



**Distribution of 15% shareholding in Ninety One in the prior year**

Investec retains a c.10.0% shareholding in Ninety One

**An approximately R6.8 billion or c.£300 million share buy-back and repurchase programme**

**Restructure of The Bud Group Holdings (formerly Investec Equity Partners (IEP)) in the prior year**

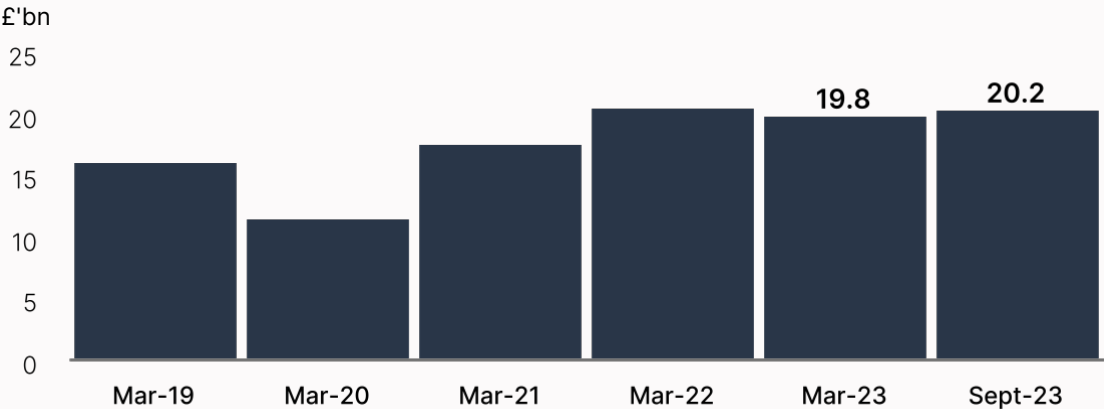
\* Rathbones will be equity accounted for as an associate going forward

^ Going forward, Burstone will be accounted for at fair value through profit and loss

# FUMA: Funds under management and administration

# Earnings drivers

## Funds under management - IW&I SA



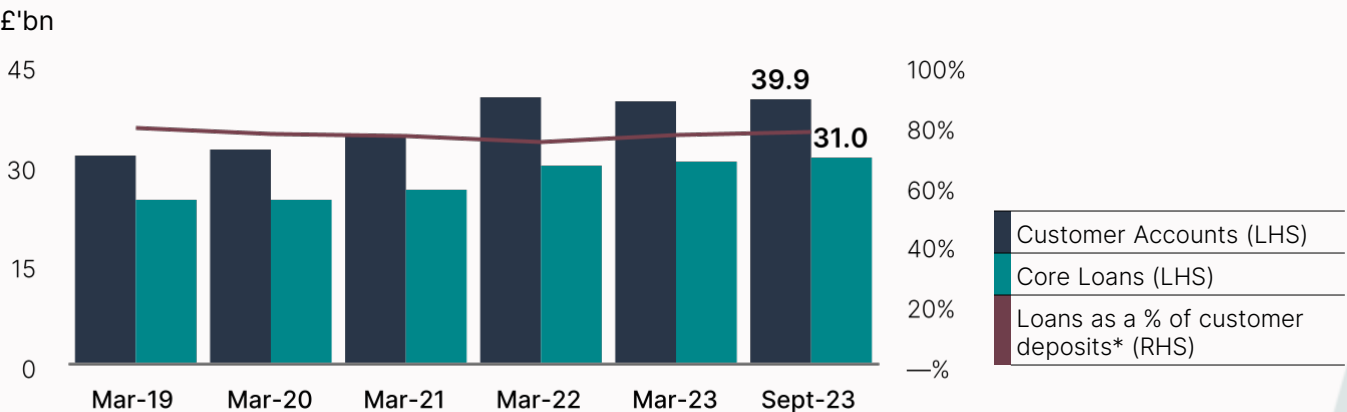
FUM for IW&I SA  
increased 2.0% to  
**£20.2bn**

- Net inflows of £159mn,
  - Net inflows of £261mn discretionary and annuity FUM partly offset by
  - Outflows of £102mn in non-discretionary FUM

Rathbones Group  
FUMA  
**£100.7bn**

- Investec holds an economic interest of 41.25% in Rathbones Group

## Customer accounts (deposits) and loans

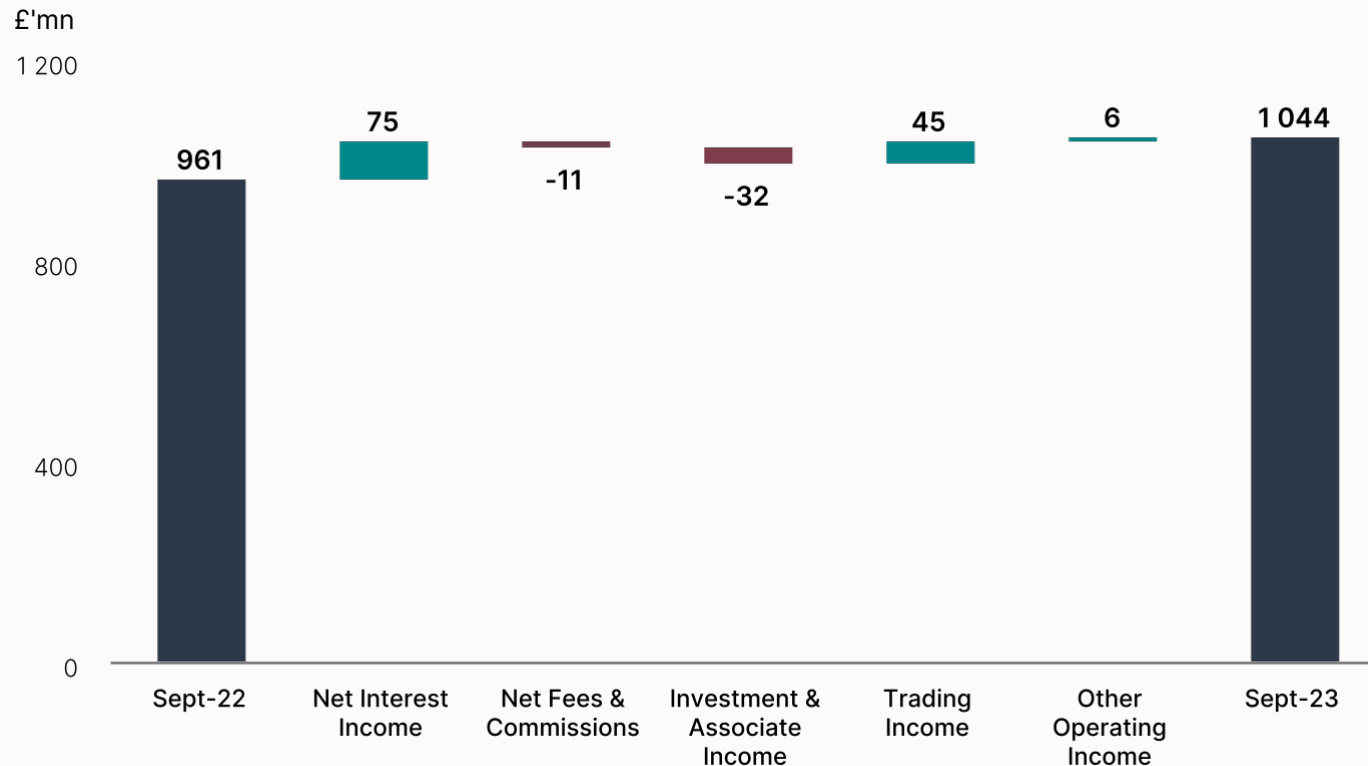


Core loans  
increased by  
**4.0%** annualised,  
and grew by **8.7%** annualised in neutral currency

Customer accounts (deposits)  
increased by  
**1.9%** annualised,  
and grew by **3.4%** annualised in neutral currency

# Solid revenue growth

Revenue performance supported by strong and diversified client franchises



## Revenue

increased 8.6% to

**£1 043.8mn**

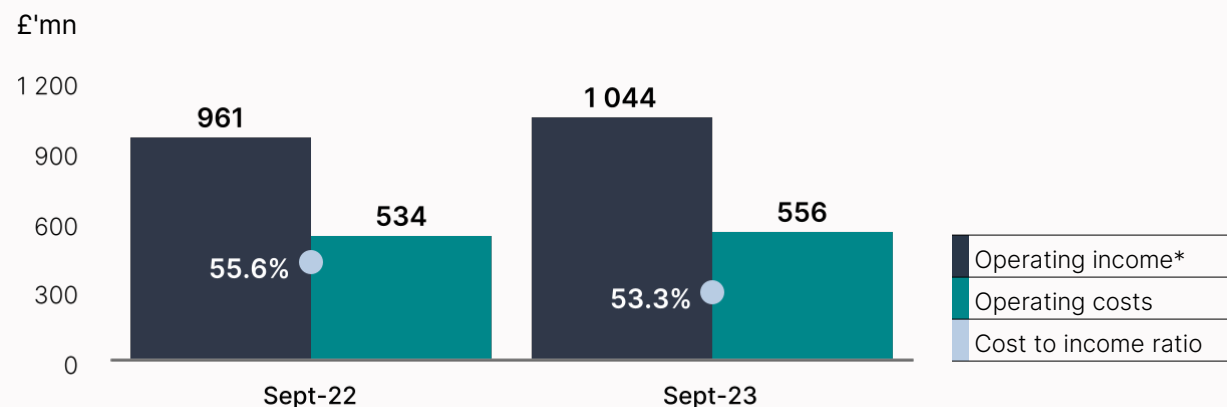
- Double-digit growth in NII was driven by strong corporate loan growth and rising global interest rates
- Increase in non-interest revenue supported by increased client activity despite significant economic headwinds in our core geographies
- Decrease in associate income due to derecognition of Ninety One and IEP as associates in the prior year
- Annuity income constitutes 74.8% (1H2023: 74.3%) of total income



# Operating cost analysis

Cost growth reflecting inflationary pressures and investment in people and technology

## Cost to income



Cost to income ratio improved to

**53.3%**

(Sept-22: 55.6%)

- Operating income increased 8.6%
- Operating costs increased 4.1%

## Costs



**Operating costs increase was primarily driven by:**

Inflationary pressures and continued investment in IT and people to support growth

Higher variable remuneration given the business performance

\* Total operating income before expected credit loss impairment charges

# Group Investments

Group Investments pillar consists of equity investments held outside the Group's banking activities

£'mn	Carrying value	Income yield	% Holding
Ninety One	159	7.6%	10.0%
Burstone Group (formerly IPF)	64	5.4%	24.3%
The Bud Group Holdings (formerly IEP)	196	—%	36.4%
Equity investments	29	—%	
<b>Total - Balance Sheet carrying value</b>	<b>448</b>	<b>3%</b>	
<b>Average required capital</b>	<b>272</b>		
<b>Return on equity</b>	<b>3.9%</b>		
<b>Current Market Value at 15 November 2023</b>	<b>453</b>		



Adjusted operating profit of

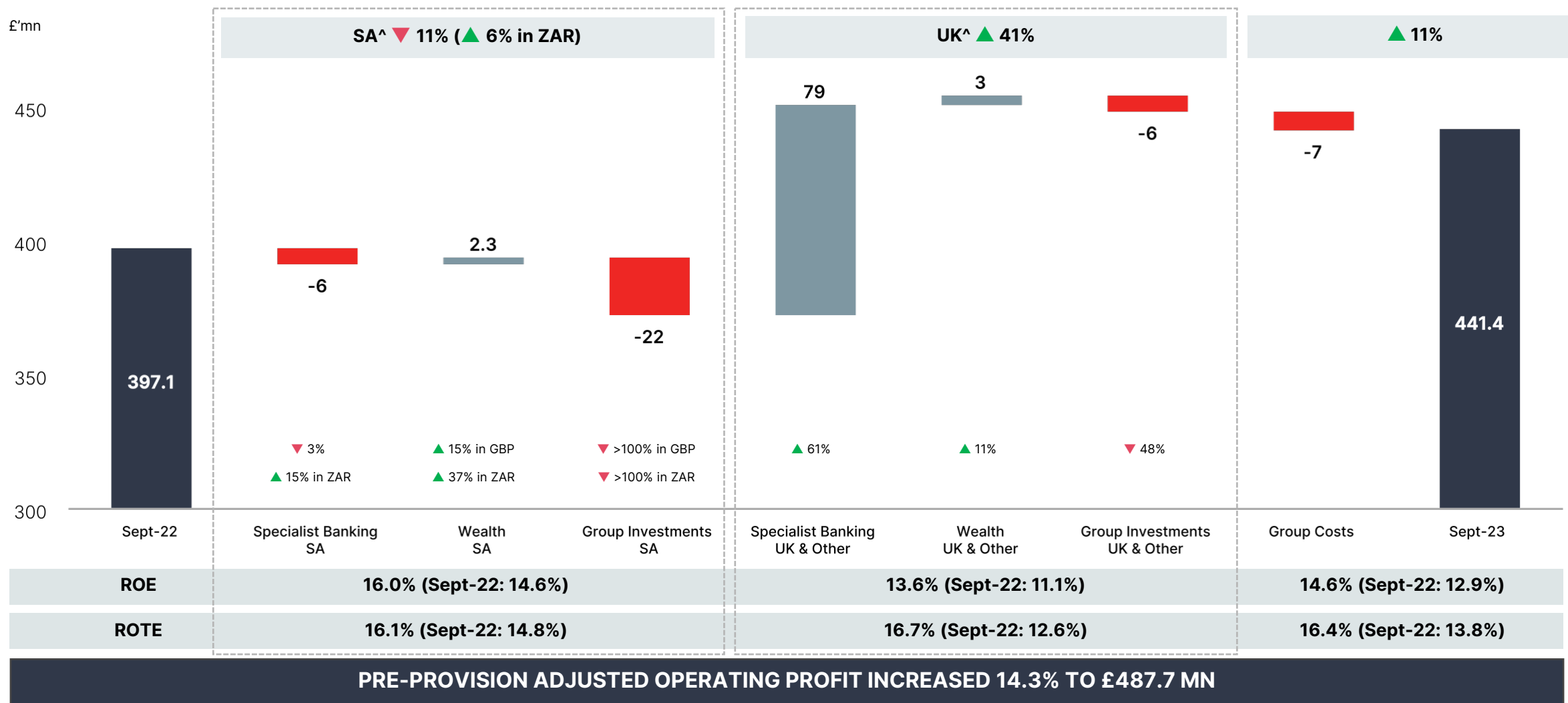
**£4.9mn**

(Sep-22: £32.2mn) reflects:

- Lower earnings following Ninety One distribution where it ceased to be an associate
- Cessation of equity accounting for The Bud Group Holdings following its restructure
- Lower investment income on fair value measure of our shareholding in Burstone Group
- Lower dividend income from Ninety One

# Solid underlying performance

Adjusted operating profit\* largely driven by strong performance from our client franchises



\* Operating profit before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

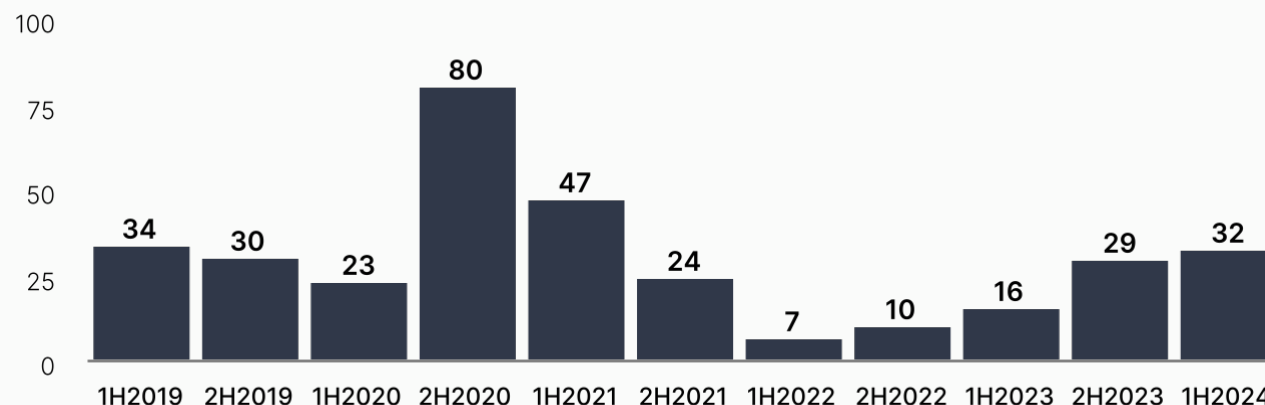
^ Geographical metrics shown for SA and UK are inclusive of group costs.

# Group expected credit loss

Asset quality remained solid with exposures covered by collateral

## Credit loss ratio (core loans)

bps



Annualised CLR

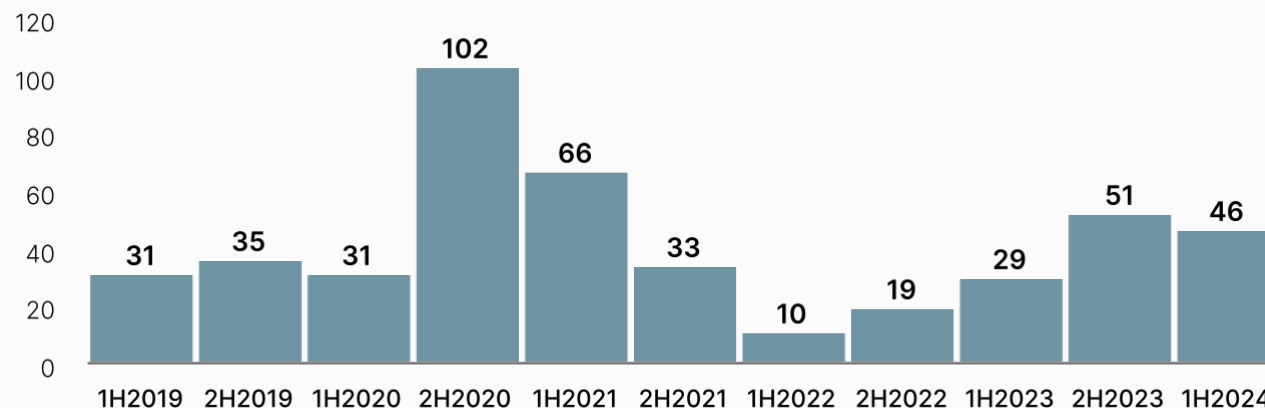
increased to

**32 bps**

(Sept-22: 16 bps), towards the upper end of the through-the-cycle range (TTC) range of 25-35bps

## Income statement ECL impairment charges

£'mn



ECL charges

increased to

**£46.3mn**

(Sept-22: £29.4mn) mainly driven by:

- Idiosyncratic client stresses with no evidence of trend deterioration in overall credit quality of the book
- Stage 3 ECL charges
- Partly offset by higher post write-off recoveries in SA

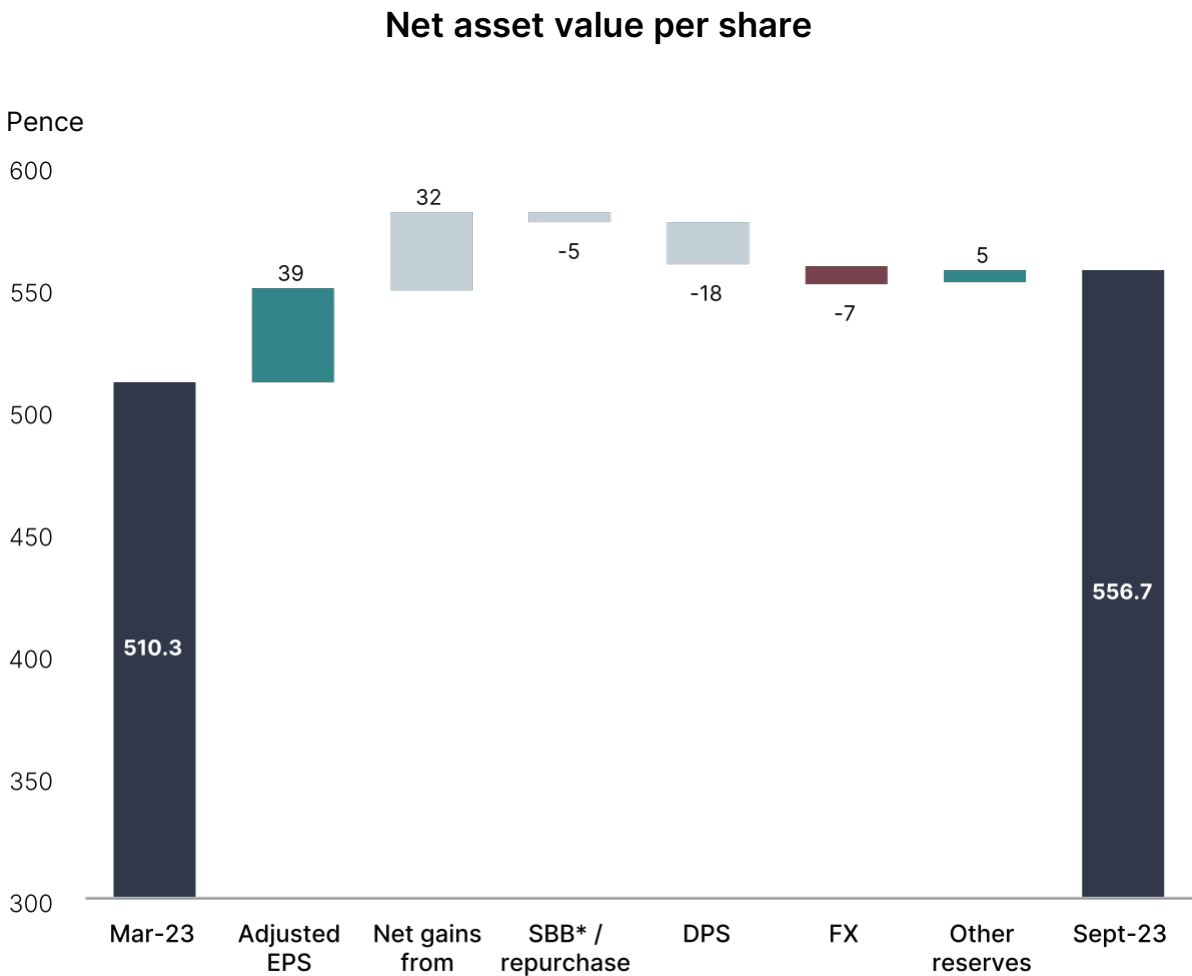


# ROE and ROTE

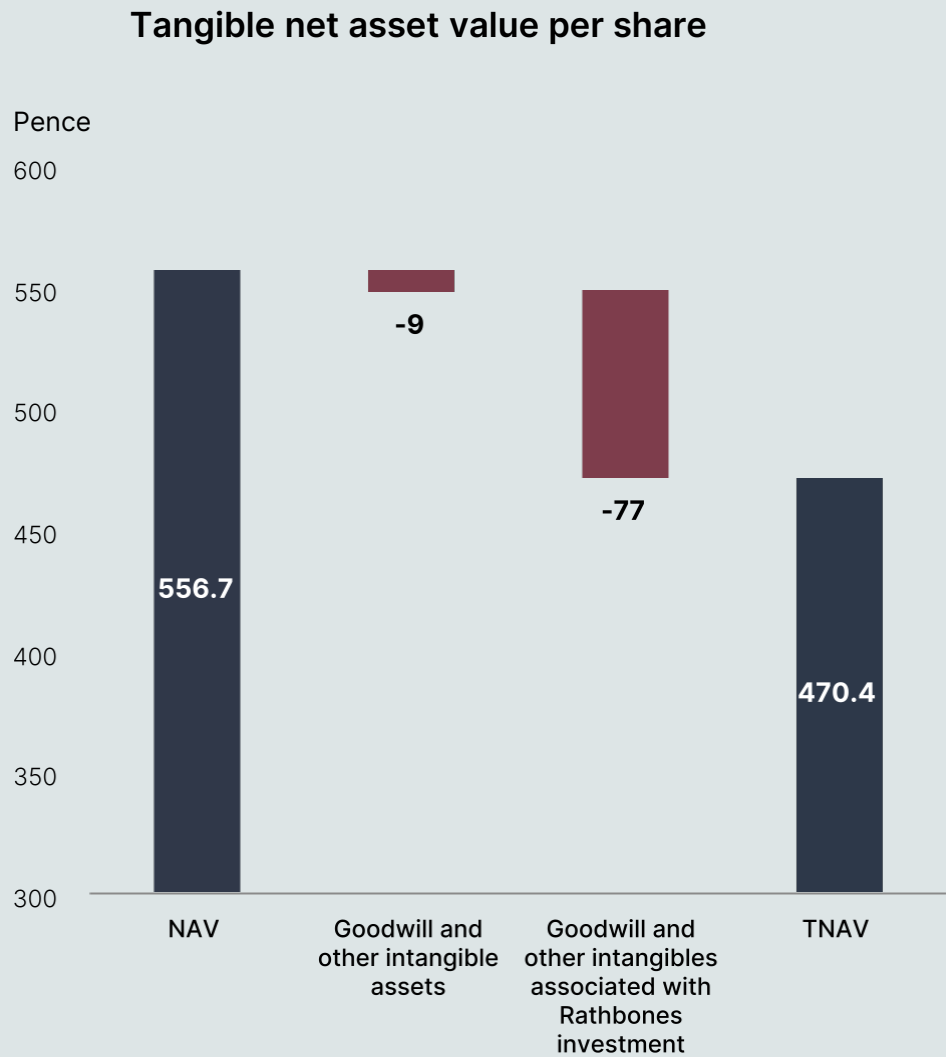


# Net Asset Value

Underpinned by strong earnings growth and gains from strategic actions

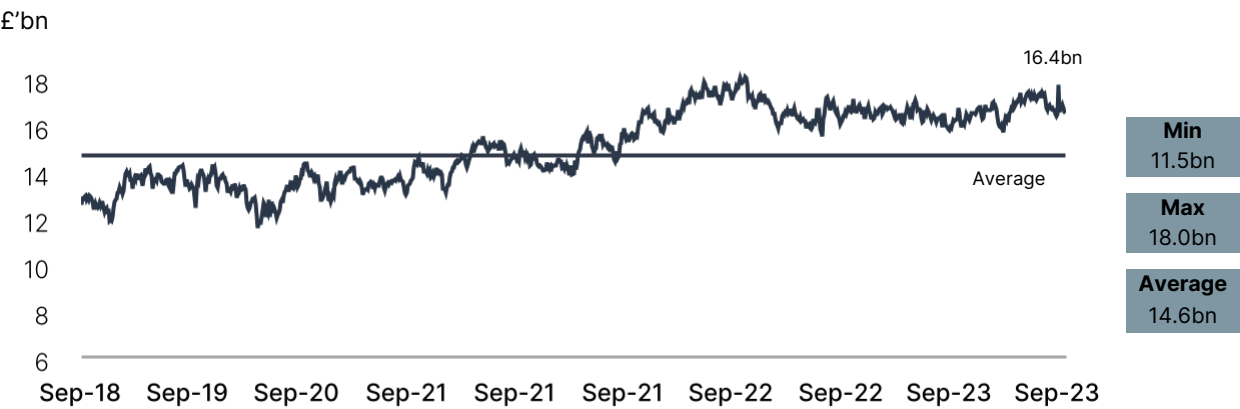


\* Share buy-back



# Capital and liquidity

## Group cash and near cash



### Group liquidity summary

- Strong liquidity positions to support growth
- Loans to customers as % of customer deposits of **76.9%** (Mar 23: 76.1%)

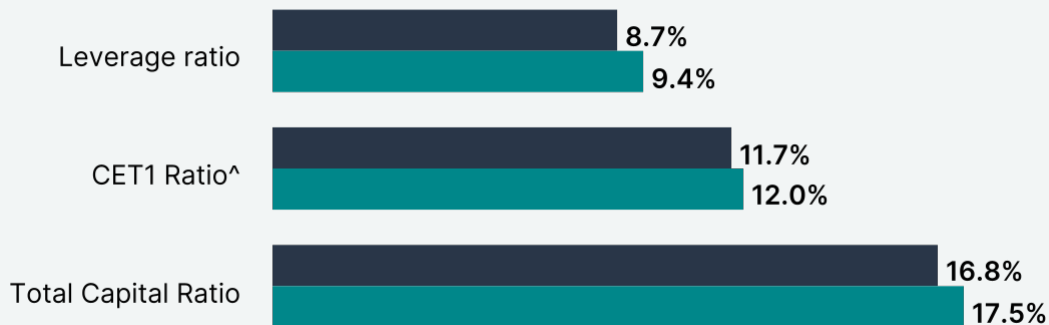
### Capital summary

- CET1<sup>^</sup> ratio above 10% target for Investec plc, and **11.5%** to **12.5%** for Investec Ltd
- Capital and leverage ratios remain sound, ahead of regulatory requirements

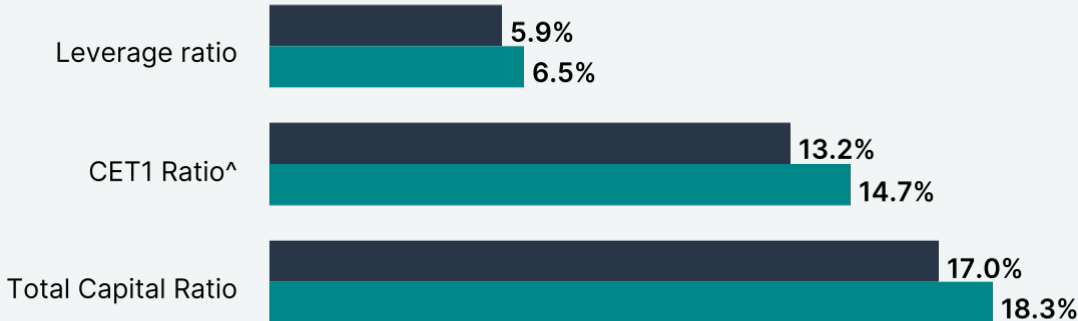
## Investec plc capital ratios<sup>^^</sup>

Sept-23

Mar-23



## Investec Ltd capital ratios<sup>#</sup>



Refer to the Group's 2023 interim results booklet for further detail on capital adequacy and leverage ratios.

<sup>^</sup> Common Equity Tier 1.

<sup>^^</sup> Investec plc uses the Standardised Approach to quantify credit RWA.

<sup>#</sup> 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

Agenda

# Geographic review – UK & Other

Ruth Leas

*Investec Bank plc CEO*

03

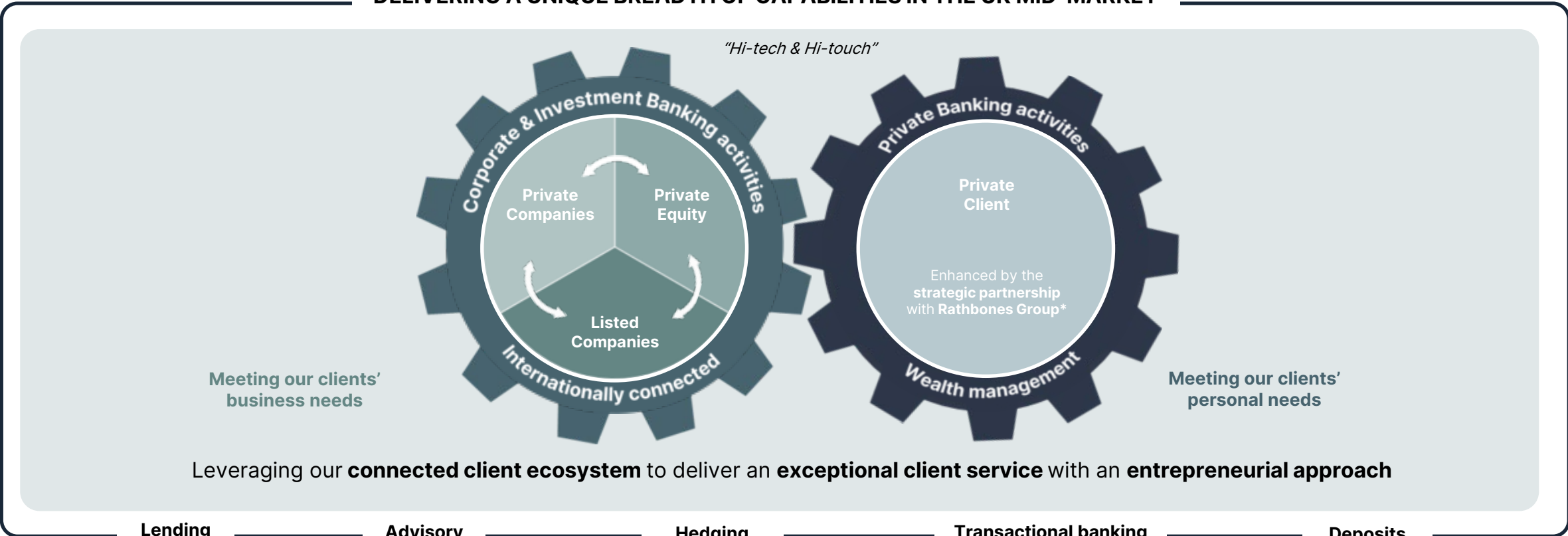




# Strategic positioning

Building scale & relevance with the client at the centre – creating enduring worth

## DELIVERING A UNIQUE BREADTH OF CAPABILITIES IN THE UK MID-MARKET



Lending

Advisory

Hedging

Transactional banking

Deposits

£235.4 million

Adjusted operating profit for the 6 months to 30 Sep 23

£16.3 billion

Net core loans

£19.9 billion

Customer deposits

16.7%

ROTE

Note: \* Following the completion of the combination of IW&I UK and Rathbones in September 2023, Rathbones had £100.7bn FUMA. Investec has a 41.25% shareholding in Rathbones

## UK results highlights

Revenue

**£595.4mn**

(Sept-22: £480.1mn)

24.0% ahead of prior period

Operating costs

**£320.9mn**

(Sept-22: £285.7mn)

12.3% ahead of prior period

Cost to income

**53.9%**

(Sept-22: 59.5%)

Credit loss ratio

**55bps**

(Sept-22: 32bps)

Adjusted operating profit

**£235.4mn**

(Sept-22: £166.5mn)

41.4% ahead of prior period

Return on equity

**13.6%**

(Sept-22: 11.1%)

**PRE-PROVISION ADJUSTED OPERATING PROFIT INCREASED 41.3% TO £274.7 MN**



up 41%

Total UK adjusted  
operating profit

**£235.4mn**

1H2023: £166.5mn

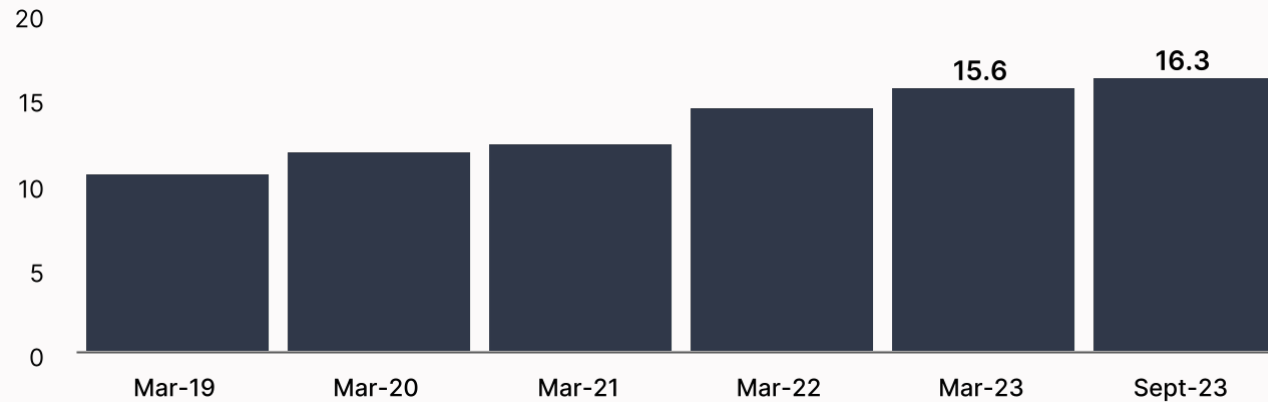
£'mn	Sept-2023	Sept-2022	% change
Wealth & Investment	35.9	32.4	11 %
Specialist Banking	207.4	128.6	61 %
Group Investments	6.2	12.1	(49) %
Group costs	(14.1)	(6.6)	114 %
<b>Total Group</b>	<b>235.4</b>	166.5	41 %

# Specialist Banking UK & Other

Loan growth largely underpinned by client activity across corporate lending portfolios

## Net core loans

£'bn



## Net core loans

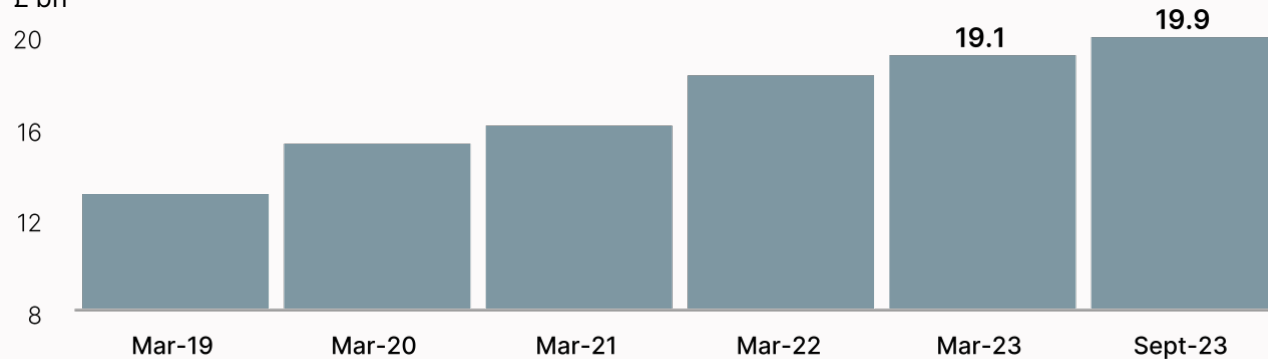
grew by 9.1% annualised to

**£16.3bn**

- Corporate lending grew 13.0% annualised
- HNW mortgage lending reported muted growth of 1.6% annualised driven by
  - Interest rate rises adversely affecting demand for mortgages
  - Redemptions remain high

## Customer accounts (deposits)

£'bn



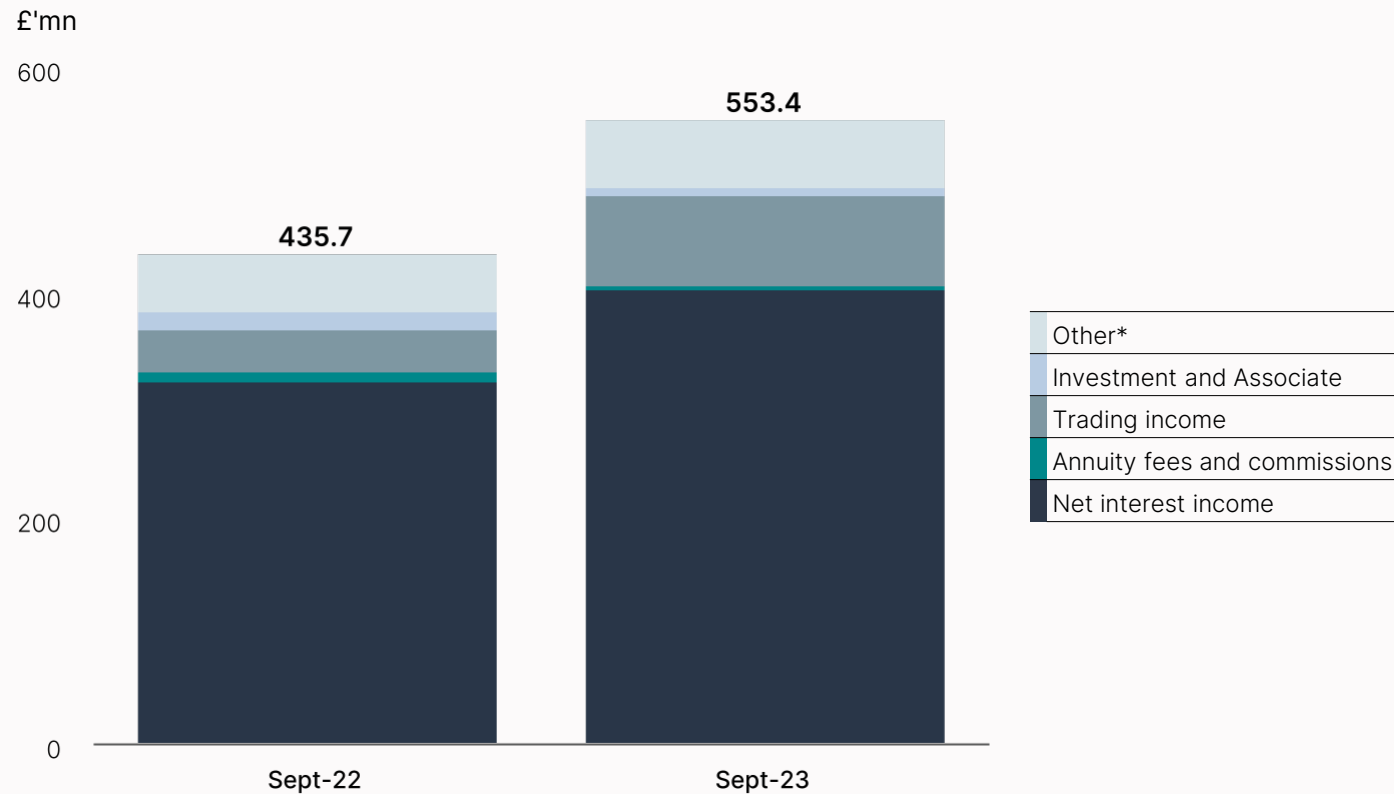
## Deposits

grew by 8.4% annualised to

**£19.9bn**

# Specialist Banking UK and Other

Delivered a strong set of results



\* Other includes deal fees and other operating income

## Revenue

# 27.0%

increase

NII increased 25.0% driven by:

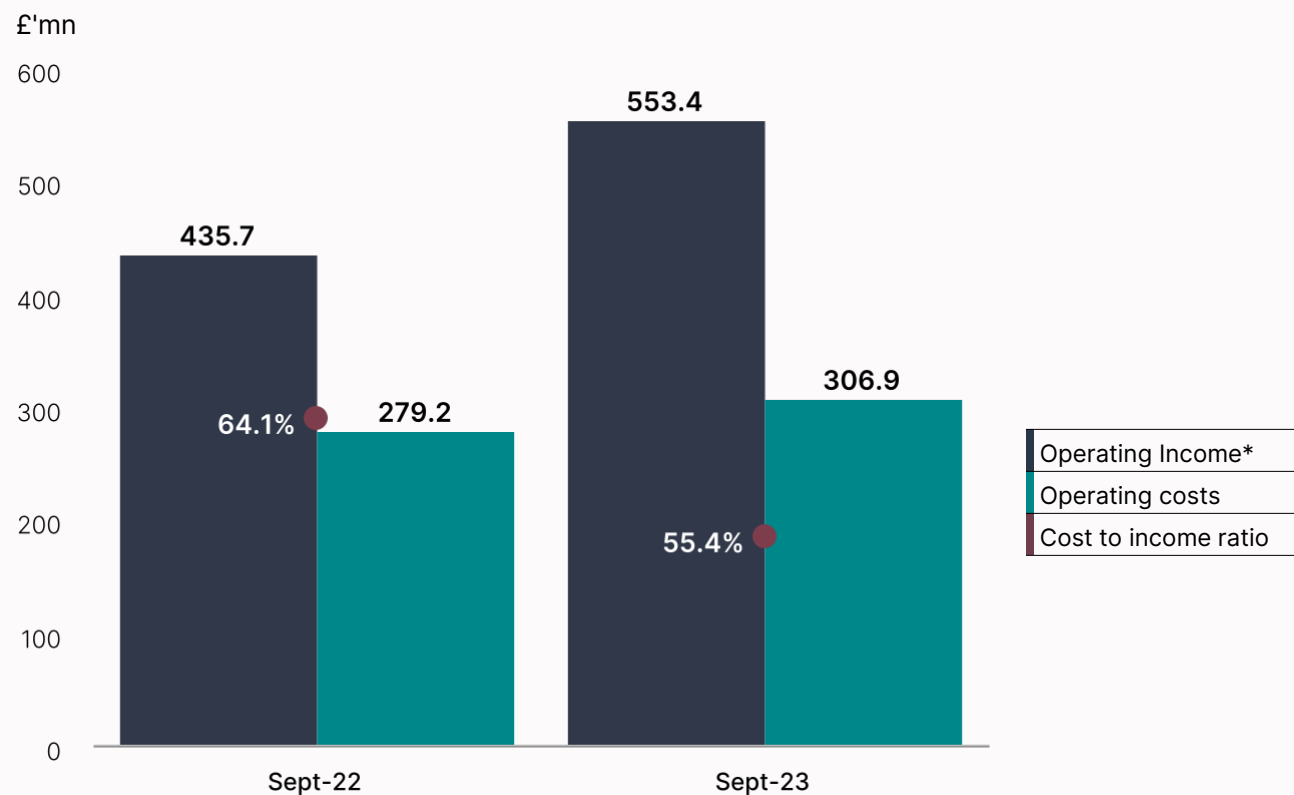
- Strong book growth and
- Higher interest rates

Non-interest revenue increased 32.7%

- Higher net fees and commission income from increased advisory and lending activity
- Trading income from customer flow increased 61.9% driven by
  - increased facilitation of hedging for clients,
  - increased client flow trading income in our ECM activities
  - positive risk management gains from hedging the reduced financial products run down book
- Trading income from balance sheet management reflects the gains from unwinding certain interest rate swap hedges as part of the implementation of the structural interest rate hedging programme

# Specialist Banking UK and Other

Fixed operating costs contained



Cost to income ratio improved to

**55.4%**

(Sept-22: 64.1%)

Operating costs increased 9.9%:

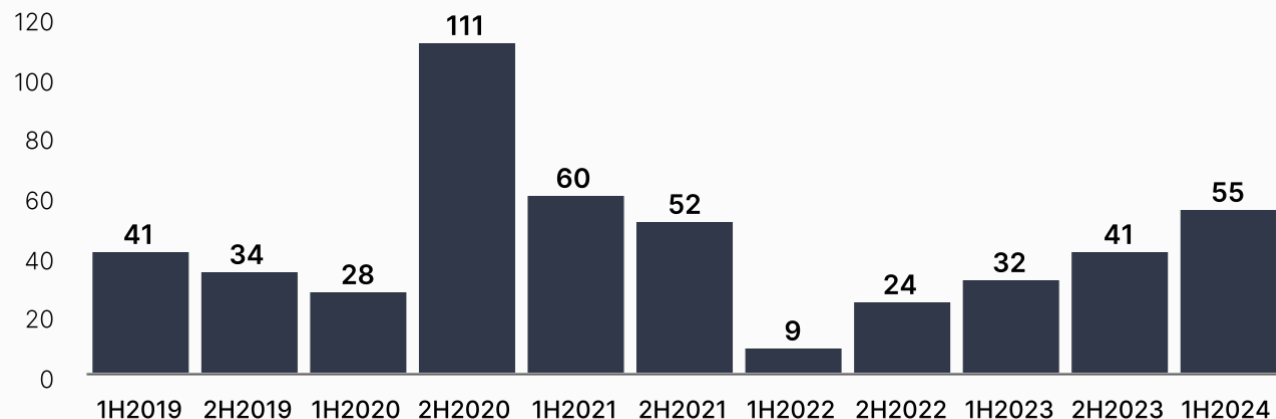
- Increase in variable remuneration
- Investment in people and technology
- Fixed operating costs increased by 2.3%, well below prevailing UK inflation rate

\* Total operating income before expected credit loss impairment charges

# Unpacking the UK credit loss ratio

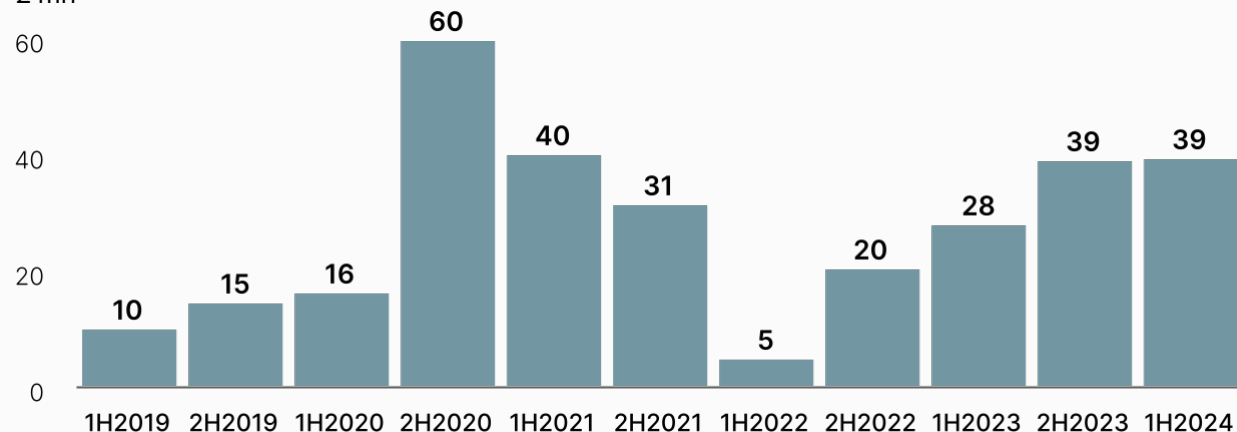
## Credit loss ratio (core loans)

bps



## Income statement ECL impairment charges

£'mn



Annualised CLR

increased to

**55bps**

(Sept-22: 32bps), above the through-the-cycle range (TTC) range of 30-40bps

ECL charges

increased to

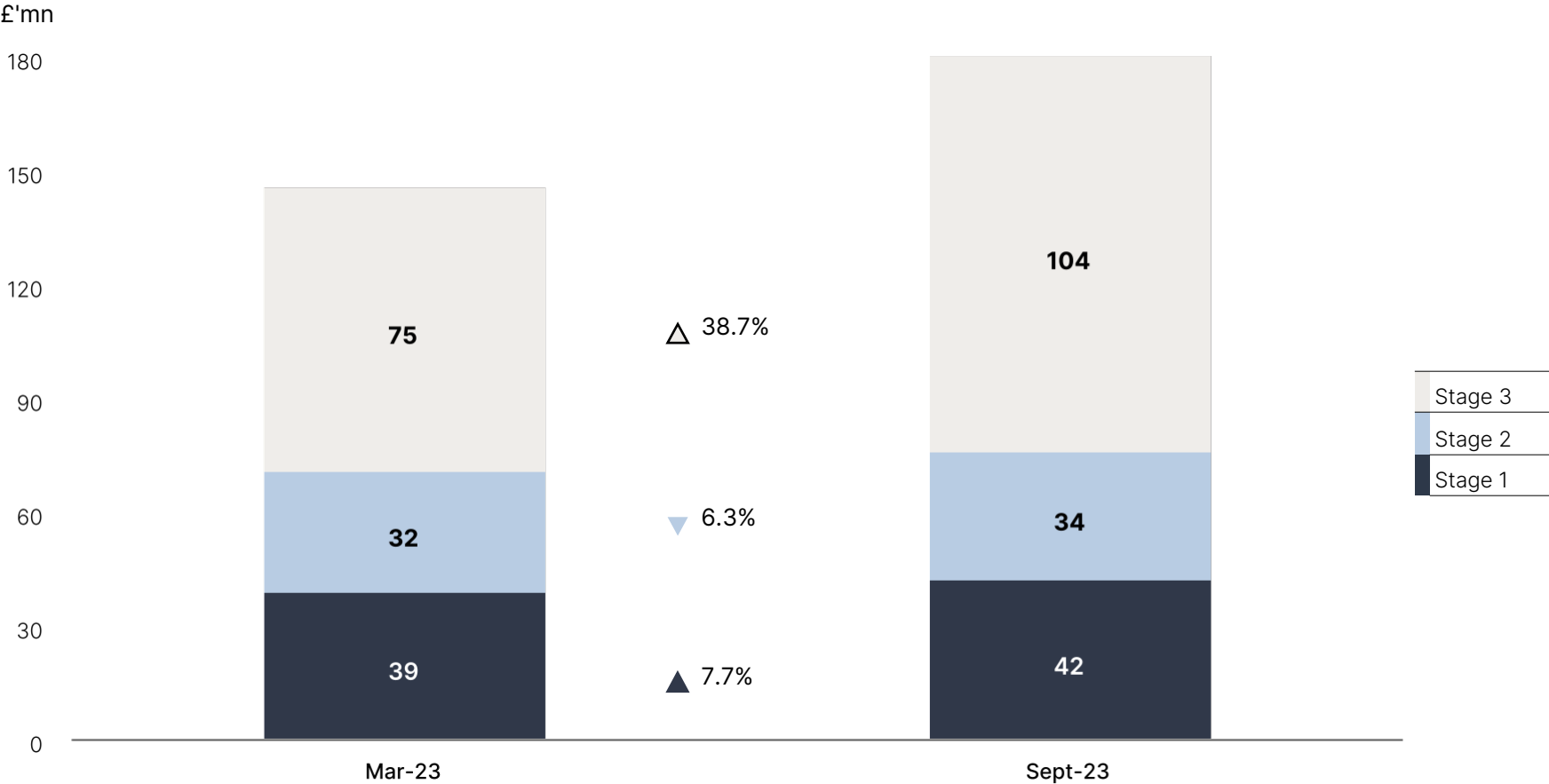
**£39.3mn**

(Sept-22: £27.9mn) mainly driven by:

- Stage 3 ECL charges on certain exposures
- Idiosyncratic client stresses with no evidence of trend deterioration in the overall credit quality of our books
- Updated forward-looking macroeconomic scenario weightings resulting in an in-model release of £3.6 million of ECL charges.



# Balance sheet ECL provisions



ECL coverage ratio %

	Mar 2023	Sept 2023
Stage 1	0.29%	0.30%
Stage 2	2.4%	2.6%
Stage 3	21.9%	23.4%
Total coverage	1.0%	1.1%

# Wealth & Investment UK

Combination with Rathbones

Adjusted operating profit

**£35.9 million**

(Sep-22: £32.4 million)

**10.8% ahead of prior period**

1

Created the UK's leading **discretionary wealth manager** delivering the scale that will power future growth

Rathbones FUMA at  
30 September 2023

**£100.7 billion**

2

The **strategic partnership** will enhance the client proposition across both groups

3

Focused on **continuing connectivity** through the strategic partnership:

Incremental FUM referred and created of

**£100 million**

(1H2023: £180 million)

4

Fully committed to the attractive wealth management sector in the UK with a

**41.25% shareholding**

in Rathbones Group

# Growth opportunities



1 INCREASE SCALE & RELEVANCE OF OUR ESTABLISHED CLIENT FRANCHISES



2 GROW IN CONTINENTAL EUROPE



3 ADVANCE OUR ALTERNATIVE INVESTMENT FUNDS STRATEGY



4 REALISING THE SCALE BENEFITS OF IW&I UK'S COMBINATION WITH RATHBONES

Agenda

# Geographic review – Southern Africa

Richard Wainwright  
*Investec Bank Ltd CEO*



04

# Strategic positioning

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

## Key client groups and our offering



Corporate / Institutional / Government / Intermediary



Private Clients (HNW / High Income) / Charities / Trusts



Specialist Banking



Wealth & Investment

We have market-leading client franchises

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

We are a people business backed by our out of the ordinary culture, entrepreneurial spirit and freedom to operate

R4.8 billion

Adjusted  
operating profit

R338.4 billion

Net core loans

R460.4 billion

Customer  
deposits

R465.1 billion

Funds  
under management

# SA results highlights

Revenue

**R10.5bn**

(Sept-22: R9.5bn)  
10.6% ahead of prior period

Operating costs

**R5.5bn**

(Sept-22: R4.9bn)  
12.2% ahead of prior period

Cost to income

**52.5%**

(Sept-22: 51.7%)

Credit loss ratio

**8bps**

(Sept-22: 1bps)

Adjusted operating profit

**R4.8bn**

(Sept-22: R4.6bn)  
5.6% ahead of prior period

Return on equity\*

**16.0%**

(Sept-22: 14.6%)

**PRE-PROVISION ADJUSTED OPERATING PROFIT: INCREASED BY 8.8% TO R5.0BN**

\* Return on equity determined on a Pound Sterling basis



## Adjusted operating profit



up 6%

Total SA adjusted  
operating profit

**R4 832mn**

1H2023: R4 574mn

R'mn	Sept-2023	Sept-2022	% change
Wealth & Investment	411	301	36.5%
Specialist Banking	4 616	4 026	14.7%
Group Investments	(31)	399	(>100.0%)
Group costs	(164)	(152)	7.9%
<b>Total Group</b>	<b>4 832</b>	4 574	5.6%



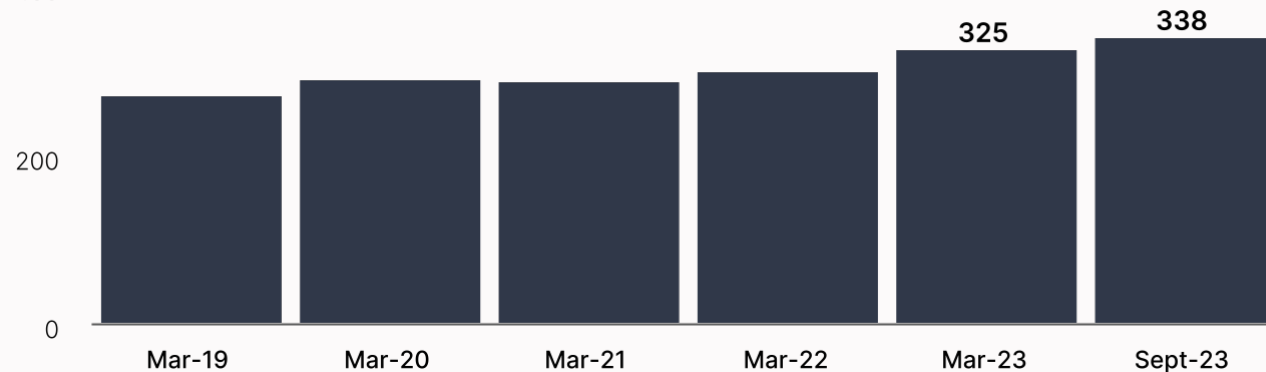
# Specialist Banking SA

Loan growth supported by increased corporate lending

## Net core loans

R'bn

400



## Net core loans

up 8.2% annualised to

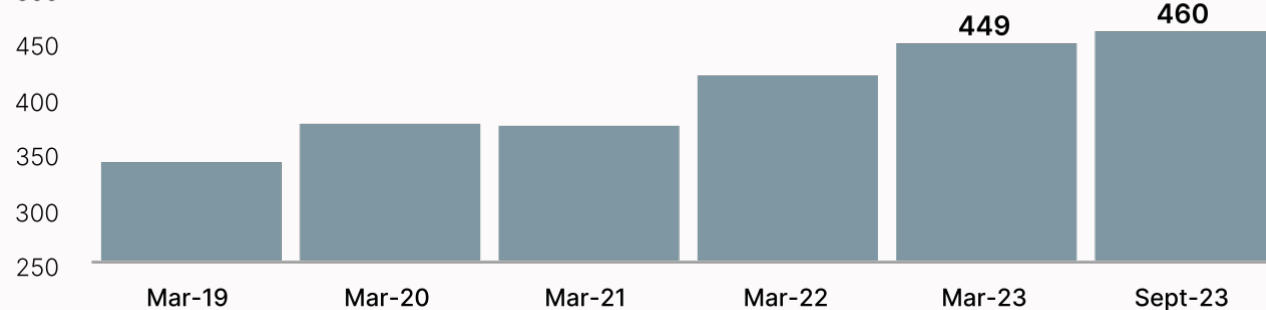
**R338.4bn**

- Strong growth in corporate lending portfolios across several lending specialisations
- Increase in residential mortgages in private client lending
- Partially offset by muted growth in the income producing real estate book

## Customer accounts (deposits)

R'bn

500



## Deposits

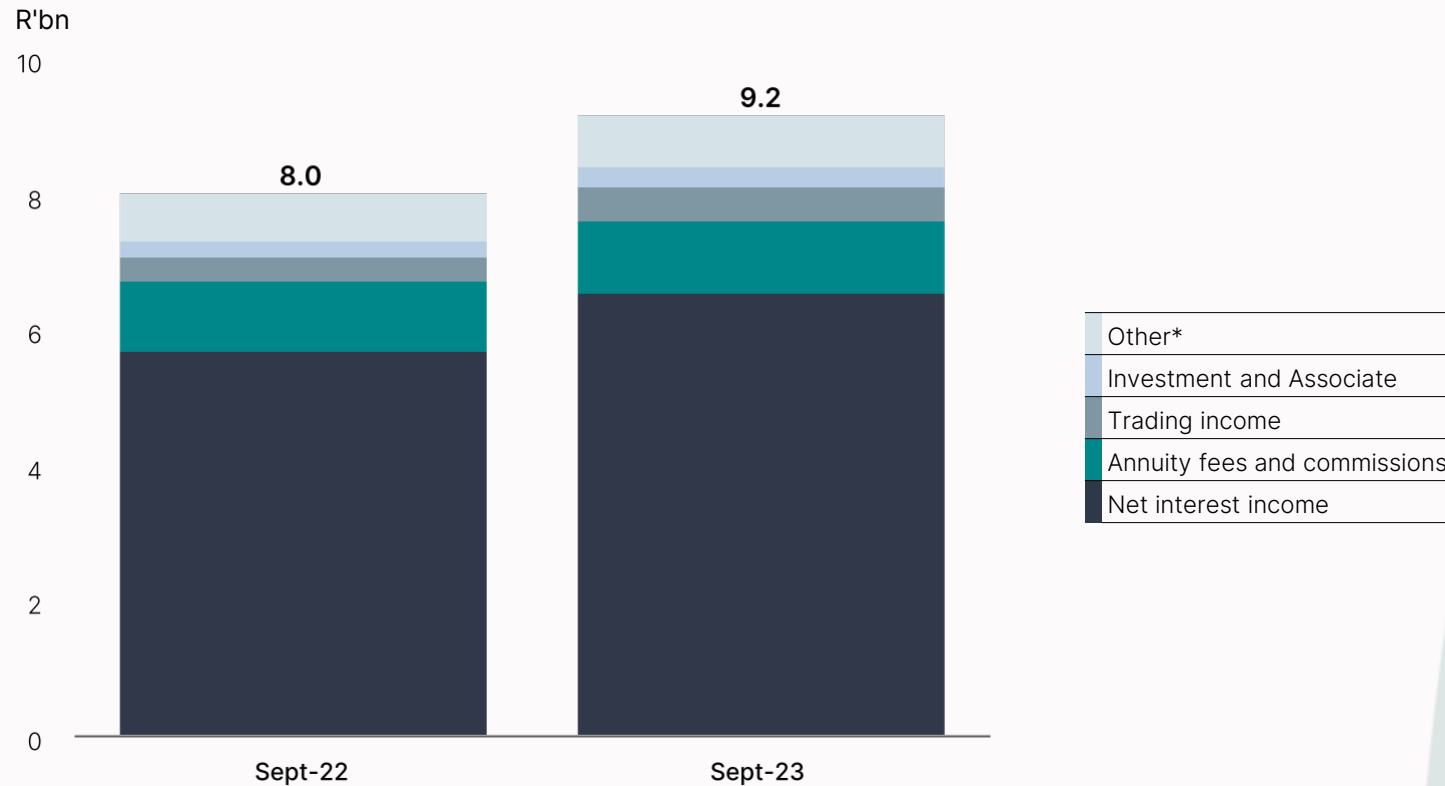
increased 5.3% annualised to

**R460.4bn**

- Retail deposits grew by 18.7% annualised

# Specialist Banking SA

Continued operating income momentum from client franchises



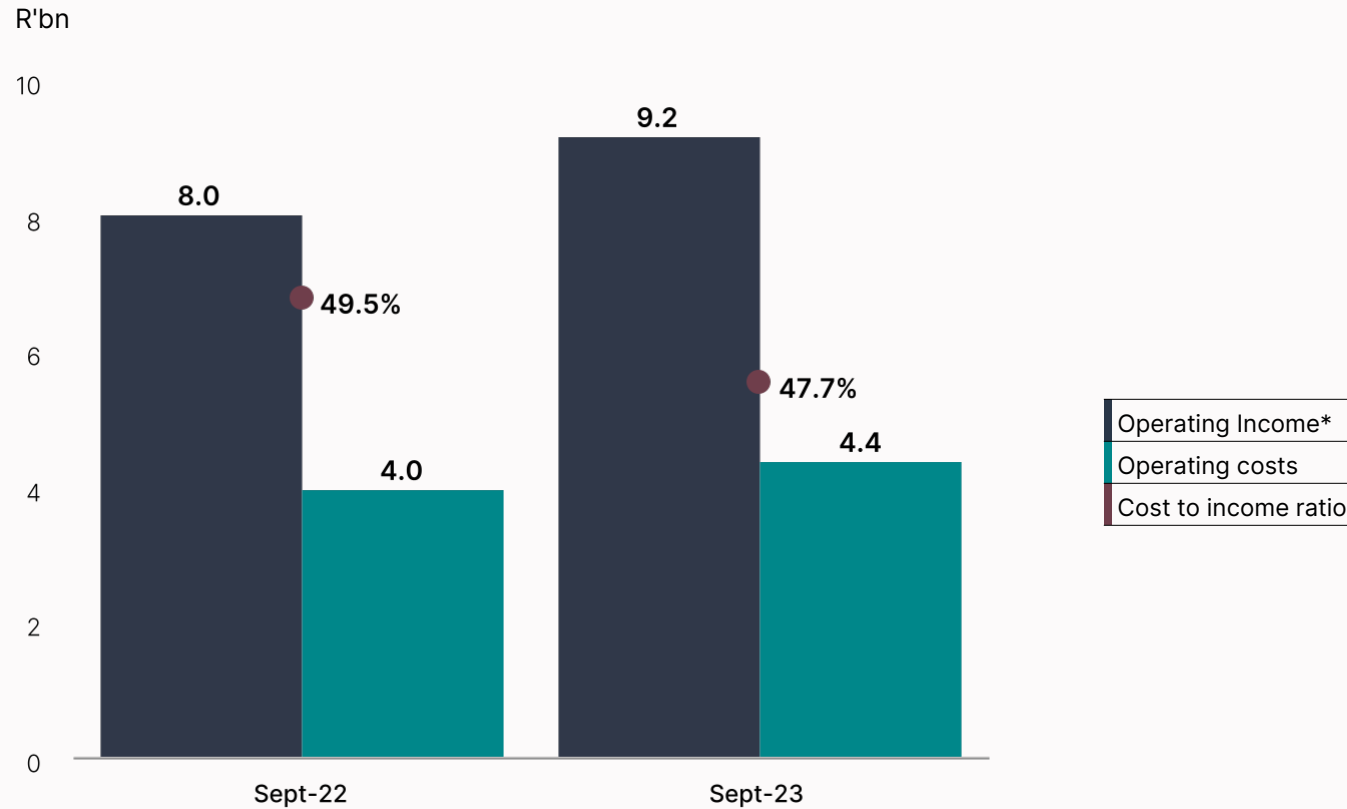
Revenue  
**14.4%**  
increase

- NII increased 14.6% driven by:
  - Higher average interest earning assets
  - Positive endowment from higher interest rates
- Non-interest revenue grew 14.0%
  - Net fee and commission income benefitted from increased activity levels
  - Positive contribution from investment income
  - Trading income from balance sheet management reflects non-repeat of prior period mark-to-market losses

\* Other includes deal fees and other operating income

# Specialist Banking SA

Cost-to-income ratio improved notwithstanding inflationary pressures and investment for growth



Cost to income ratio decreased to

**47.7%**

(Sept-22: 49.5%)

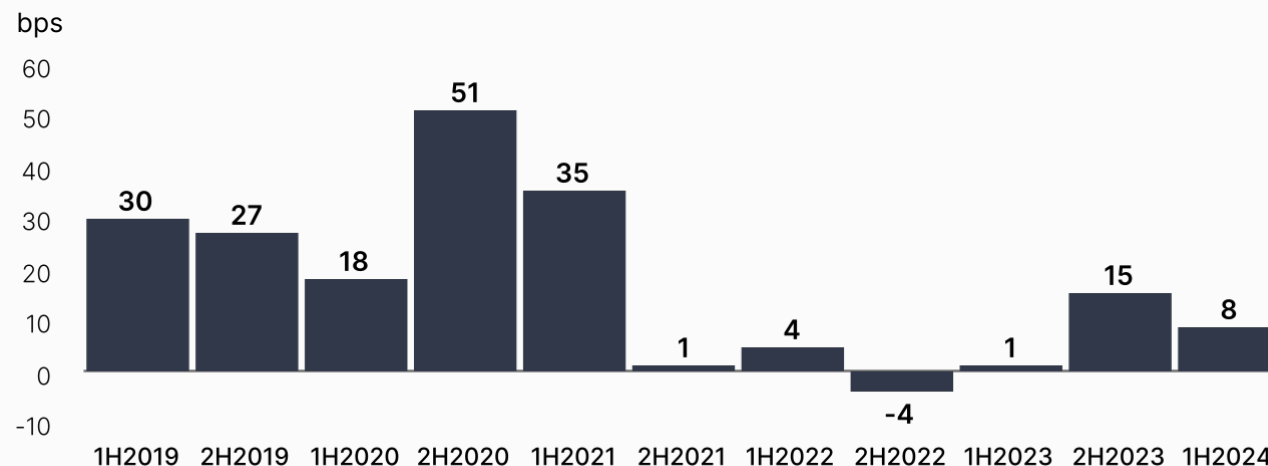
Operating costs increased 10.4%

- Higher personnel expenses due to annual salary adjustments and increased headcount
- Variable remuneration increased in line with performance
- Fixed operating costs increased 9.4%.

\* Total operating income before expected credit loss impairment charges

# Unpacking the SA credit loss ratio

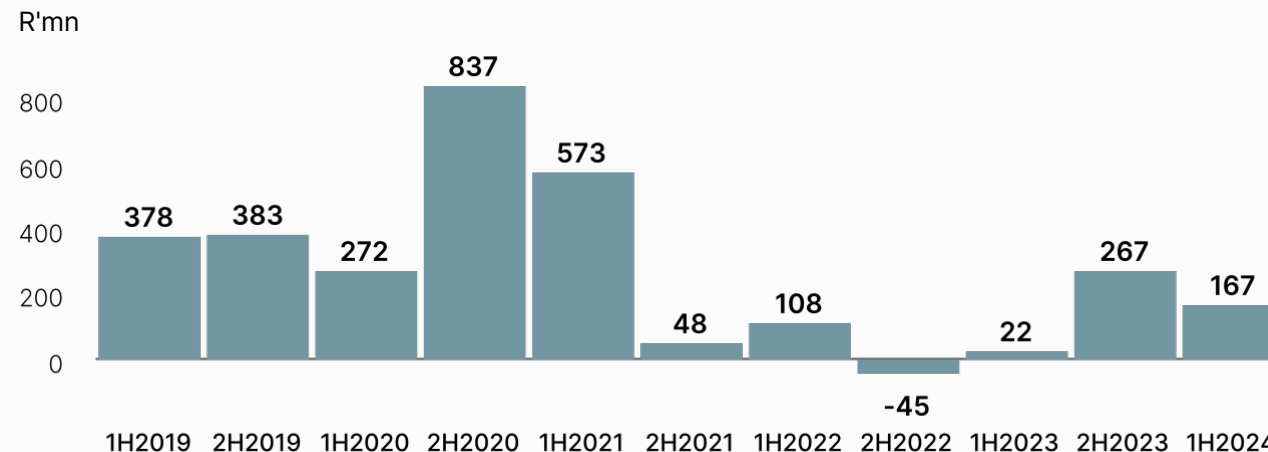
## Credit loss ratio (core loans)



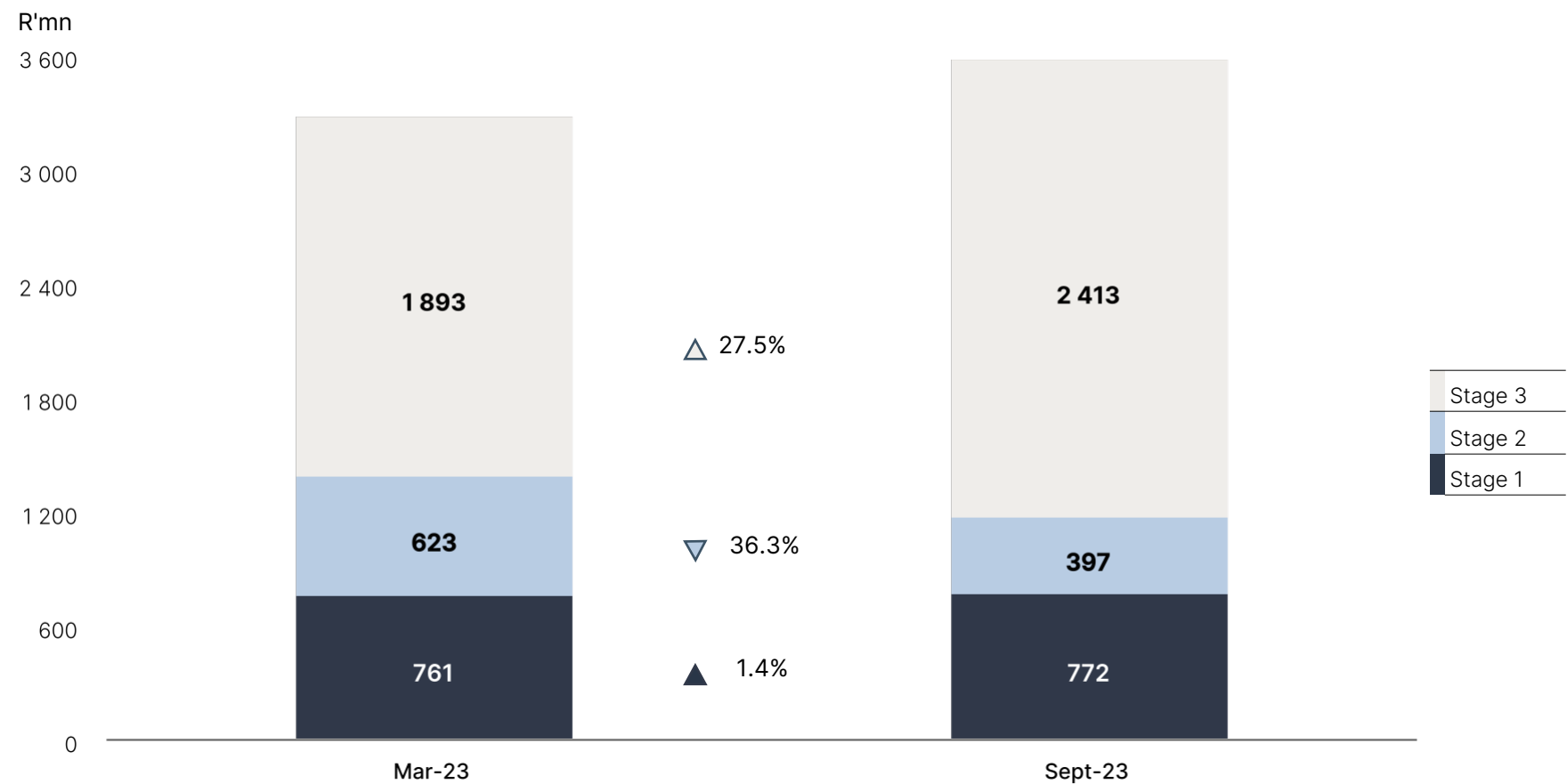
ECL impairment charges on loans subject to ECL increased resulting in a CLR of 8 bps, driven primarily by:

- Stage 3 ECL charges on certain exposures
- Recoveries on previously impaired loans
- In-model releases following model recalibration

## Income statement ECL impairment charges



# Balance sheet ECL provisions



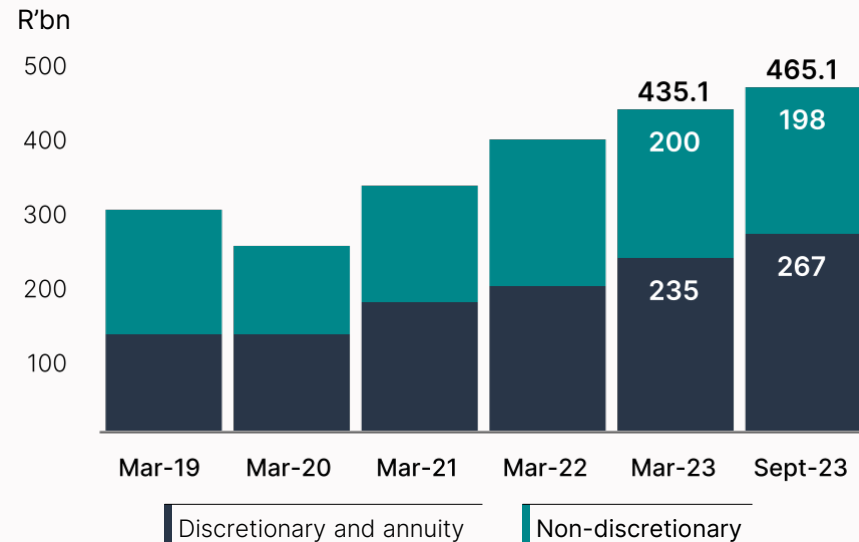
## ECL coverage ratio %

	Mar 2023	Sep 2023
Stage 1	0.25%	0.24%
Stage 2	3.8%	4.1%
Stage 3	21.3%	18.5%
Total coverage	1.01%	1.05%

# Wealth & Investment SA

Strong financial performance in a challenging operating environment

## SA funds under management



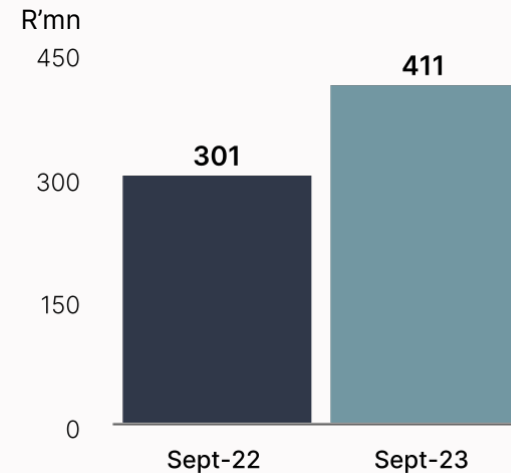
FUM increased by 6.9% to

**R465.1bn**

since Mar-23

- Net discretionary inflows of R7.3bn partly offset by R2.6bn non-discretionary outflows

## Adjusted operating profit



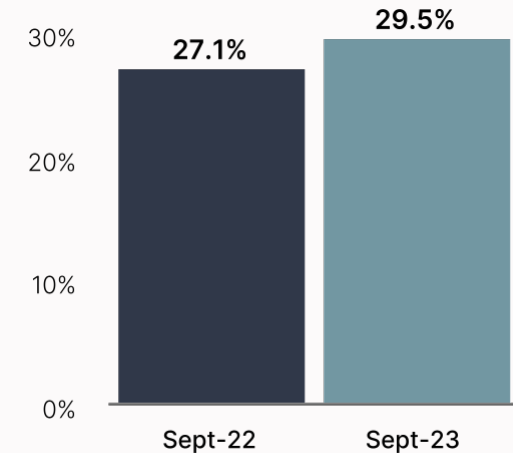
Adjusted operating profit up 36.5% to

**R411.0mn**

Adjusted operating profit of SA business up 16.8%

- Sustained inflows into local and offshore investment products
- Higher average annuity and discretionary FUM
- Positive foreign currency translation gains

## Operating margin



Operating margin at

**29.5%** (Sept-22: 27.1%)

Operating margin of SA business at 31.1% (Sept-22: 31.4%)

- Operating income up 5.7%
- Operating costs up 2.2%
  - Investment in growth, including IT spend and FX related increases in non-ZAR expenses

# Growth opportunities

- 1 PRIVATE CLIENT STRATEGY
- 2 CORPORATE MID-MARKET STRATEGY
- 3 TRADE AND INFRASTRUCTURE FINANCE OPPORTUNITIES IN CONTINENTAL AFRICA
- 4 RENEWABLE ENERGY AND THE JUST ENERGY TRANSITION OPPORTUNITY



Agenda

# Closing and Q&A

Fani Titi

*Group Chief Executive*

# 05



# Financial outlook – FY2024

Based on current economic forecast and business activity levels

## **We will continue to support our clients notwithstanding the uncertain macro outlook**

- We have strong capital and robust liquidity levels to navigate the current environment and pursue our identified growth initiatives in our chosen markets

## **Balance sheet strength to navigate the current environment**

- Revenue momentum to be underpinned by moderate book growth, continued elevated interest rates, continued client acquisition and activity levels
- Cost to income ratio expected to be below 55%
- The credit loss ratio to remain within the through-the-cycle range (TTC) of 25bps to 35bps
  - SA to normalise towards the lower-end of the TTC range of 20bps to 30bps
  - 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% – 16%**



## In closing

We are a **focused business** with deep client franchises and a **strong entrepreneurial culture**

We are dedicated to our purpose of **creating enduring worth**

Our client franchises **have scale and relevance** in chosen markets

Clear set of scalable **opportunities to deliver revenue growth**

**Strong capital generation** to support growth and returns to shareholders

Well-positioned to navigate a challenging environment





Thank you



# Appendix



# Proviso

- Please note that matters discussed in today's presentation 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 the economic environment due to global inflationary pressure and elevated global interest rates
  - changes in the global economy and financial markets from the likely impacts of the Russian invasion of Ukraine
  - 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 at 30 September 2023
  - changes in the structure of the markets, client demand or the competitive environment
- A number of these factors are beyond the Investec Group's control
- These factors may cause the Investec Group's actual future results, performance or achievements in markets in which it operates to differ from those expressed or implied
- Any forward looking statements made are based on knowledge of the group at 15 November 2023
- These forward looking statements represent a profit forecast under the Listing Rules
- The financial information on which the 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
- Unless otherwise stated, all information in this presentation has been prepared on a pro-forma basis
- Adjusted operating profit refers to operating profit before goodwill, acquired intangibles and strategic actions and after adjusting for earnings attributable to non-controlling interests



# Macro-economic scenarios – 30 September 2023

UK

Base case						At 30 September 2023 average 2023 – 2028			
Macro-economic scenarios %	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	Upside	Base case	Downside 1 inflation	Downside 2 global shock
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)
Bank of England – bank rate (end year)	5.3	4.3	3.3	2.5	2.5	3.3	3.6	5.7	1.5
<b>Euro area</b>									
GDP growth	0.2	1.3	1.8	1.6	1.6	1.8	1.3	0.2	0.2
<b>US</b>									
GDP growth	1.7	0.8	1.8	1.8	2.1	2.3	1.7	0.7	0.6
<b>Scenario weightings</b>	55					10	55	25	10

South  
Africa

Base case						At 30 September 2023 average 2023 – 2028				
Macro-economic scenarios %	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	Extreme up case	Up case	Base case	Lite down case	Severe down case
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
<b>Scenario weightings</b>	47					1	1	47	43	8



# Taking stock

Consistent execution of our strategy underpinned the achievement of all our medium-term targets in 1H2024

£'mn	FY2020	FY2021	FY2022	FY2023	1H2024
<b>Adjusted EPS - pence per share</b>	<b>33.9</b>	<b>28.9</b>	<b>55.1</b>	<b>68.9</b>	<b>38.7</b>
Total operating income	1807	1 641	1 990	2 280	1 005
Total costs	1 186	1 165	1 234	1 351	556
ECL impairment charge	133	99	29	81	46

**Sustained earnings growth supports higher dividends per share**

**Costs have been well managed over time**

<b>WANOS - millions</b>	<b>945.8</b>	<b>929.1</b>	<b>917.5</b>	<b>891.9</b>	<b>851.8</b>
Ordinary shareholders' equity	3 862	4 235	4 617	4 408	4 715
Required equity in Group Investments	389	518	561	561	240

**Low impairments reflecting strong asset quality**

<b>ROE - %</b>	<b>8.3</b>	<b>6.6</b>	<b>11.4</b>	<b>13.7</b>	<b>14.6</b>
<b>CET 1 - %</b>					
Investec Limited* – FIRB / Increased scope AIRB	10.9	12.8	14	14.7	13.2
Investec plc - Standardised	10.7	11.2	11.7	12.0	11.7

**WANOS reflect the Group capital management execution**

**Strong capital generation - excess capital returned to shareholders**

\* Investec Limited received approval to adopt the AIRB approach for measurement of capital on the Income Producing Real Estate portfolio (IPRE). Investec also migrated the High Value Commercial Real Estate (HVCRE) portfolio to the slotting approach, a subset of the Foundation Internal Rating Based (FIRB) approach. Combined, this reduced the CET1 ratio by 242bps. FY2022 is presented on a pro-forma IRB scope basis. FY2021 is presented on a pro-forma increased scope AIRB basis. FY2020 has been presented under FIRB, FY2019 has been presented on a pro-forma FIRB basis.

# Investec

## **We seek to create enduring worth – living in, not off, society**

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- ✓ Partner for the long term, guided by our purpose
- ✓ Invested in transformational growth for our people, clients, communities and planet

## **Investec is a distinctive bank and wealth manager, operating in two core geographies**

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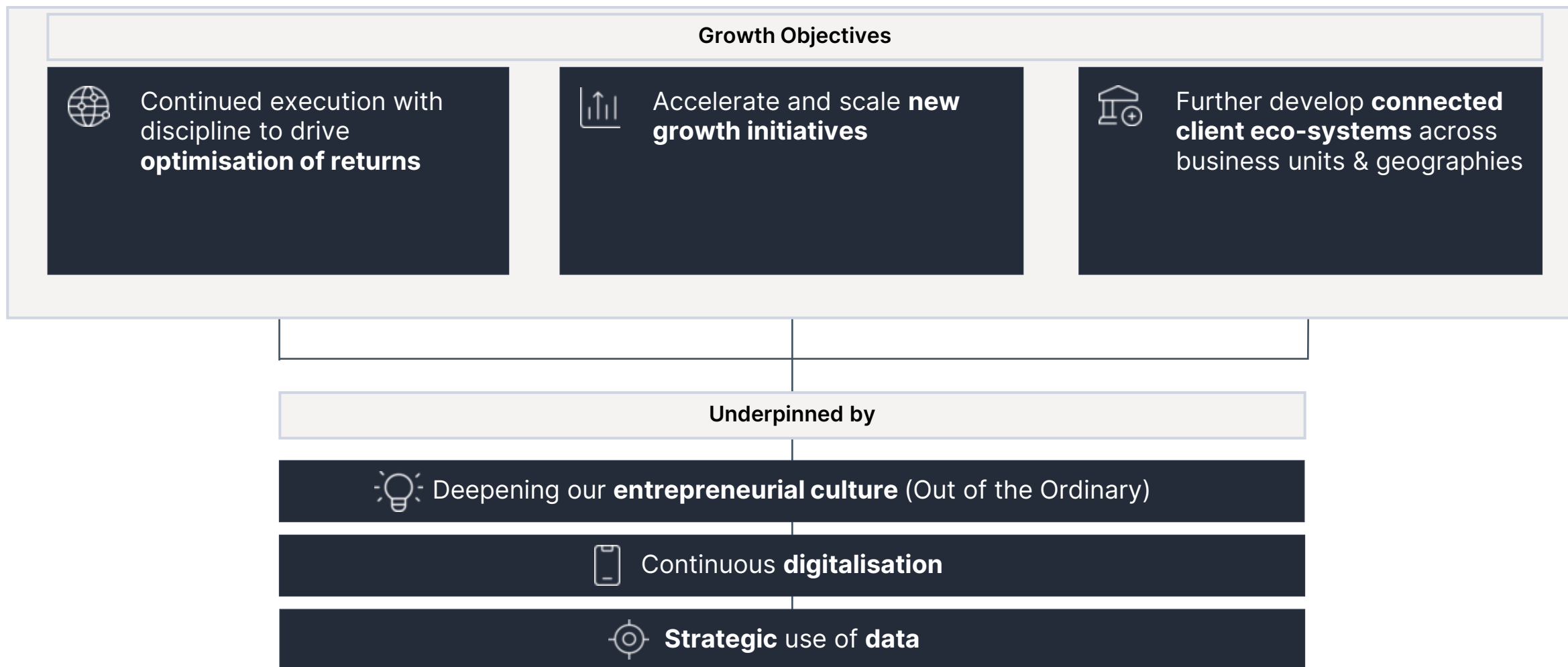
- ✓ Rich heritage in Private Banking, Corporate and Institutional Banking and Wealth & Investment
- ✓ We have relevance and scale in the markets we operate in and ability to generate profit to advance our purpose
- ✓ We serve select niches where we can compete effectively through market-leading specialist client franchises

## **We are a people backed business, our distinction is embodied in our entrepreneurial culture**

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- ✓ Supported by a highly differentiated and client-centric “Out of the Ordinary” service
- ✓ And our ability to be nimble, flexible and innovative

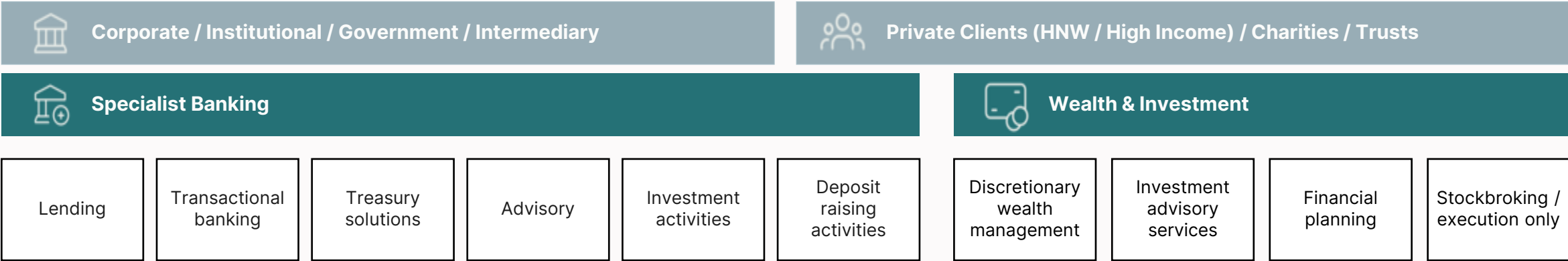
# Our strategic objectives



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

Principal geographies 2	Total Employees c.7 400+	Core loans £31.0bn	Customer deposits £39.9bn	Funds under management IW&I SA    Rathbones Group plc £20.2bn    FUMA: £100.7bn
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## Key client groups and our offering



We have market-leading client franchises

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

We are a people business backed by our out of the ordinary culture, entrepreneurial spirit and freedom to operate

# Sustainability highlights

Operate responsibly, finance and invest for a sustainable future, and maintain our competitive ESG position

## PROGRESS MADE ON OUR IMPACT SDGs



### Net-zero commitments

- Committed to zero thermal coal in our loan book by 31 March 2030
- Partnered with Proparco in an \$80mn package to implement the Transforming Financial Systems for Climate programme in SA
- Completed a pro-climate assessment within Investec Limited to identify improvement areas towards our net-zero goals



### Equality commitments

- Group board: **50%** ethnic diversity and **55%** women
- Cost of living crisis: **1mn meals** to those in food poverty in UK
- Transformation: **R454mn** procurement from black women-owned suppliers in South Africa

## SUSTAINABLE FINANCE

- Continued inflows into **Investec Global Sustainable Equity Fund** of \$50mn (since launch in Mar-21)
- Co-arranged a commercial loan to the value of **€178mn** to develop and rehabilitate essential water supply infrastructure across 111 locations, enhancing access to potable water in these areas
- Closed a commercial facility for three Angola hospitals to the value of **€225mn**

## MINIMAL LENDING TO COAL

- **0.07% thermal coal exposure** as a % of gross core loans at 30 September 2023 (Mar-23: 0.10%)
- **Investec plc** committed to **zero coal in the loan book** by 31 March 2027
- **Investec Limited** committed to **zero thermal coal** in the loan book by 31 March 2030

Incorporating sustainability in the way we do business and creating innovative, impactful solutions

# Divisional highlights

## UK & Other

### Specialist Bank

Loan book  
grew by 9.1% annualised to  
**£16.3bn**

Continued client acquisition and  
strong demand for corporate  
lending

Deposits  
grew by 8.4% annualised to  
**£19.9bn**

Adjusted operating profit  
up 61.2% ahead of prior period at  
**£207.4mn.**

### Wealth & Investment

Fully committed to the  
attractive wealth  
management sector in the  
UK with a **41.25%**  
**shareholding**  
**in Rathbones Group**

Adjusted operating profit  
up 10.8% ahead of prior period at  
**£35.9mn**

## Southern Africa

### Specialist Bank

Loan book  
up 8.2% annualised to  
**R338.4bn**

Elevated corporate credit  
demand across lending  
specialisations

Deposits  
up 5.3% annualised to  
**R460.4bn**

Adjusted operating profit  
up 14.7% ahead of prior period at  
**R4 616mn**

### Wealth & Investment

Expanded global  
investment offerings  
providing access to a  
range of investment  
opportunities

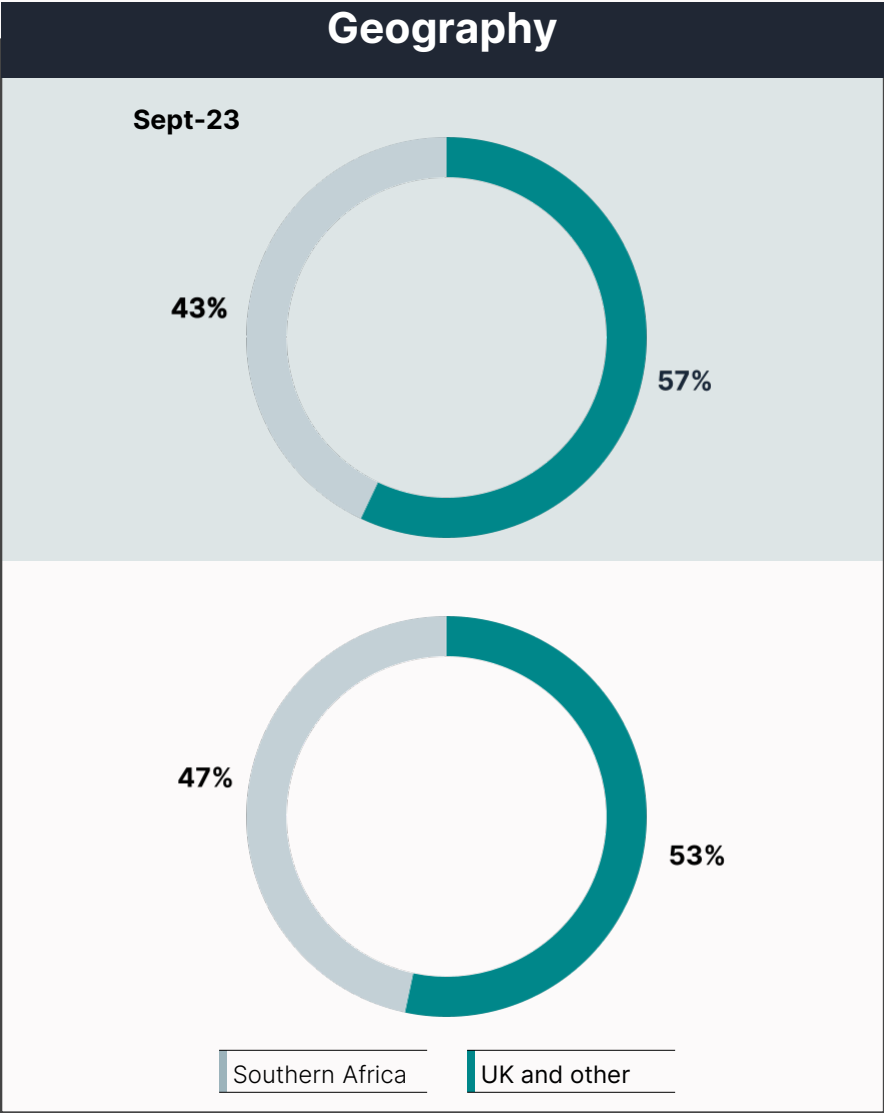
Discretionary  
and annuity net  
inflows of  
**R7.3bn**

Adjusted operating profit  
up 36.5% to  
**R411.0mn**  
amid a challenging operating  
environment for the industry

# Diversified, quality revenue mix across geographies and businesses

Operating income<sup>^</sup>  
up 8.6% to  
**£1 043.8mn**

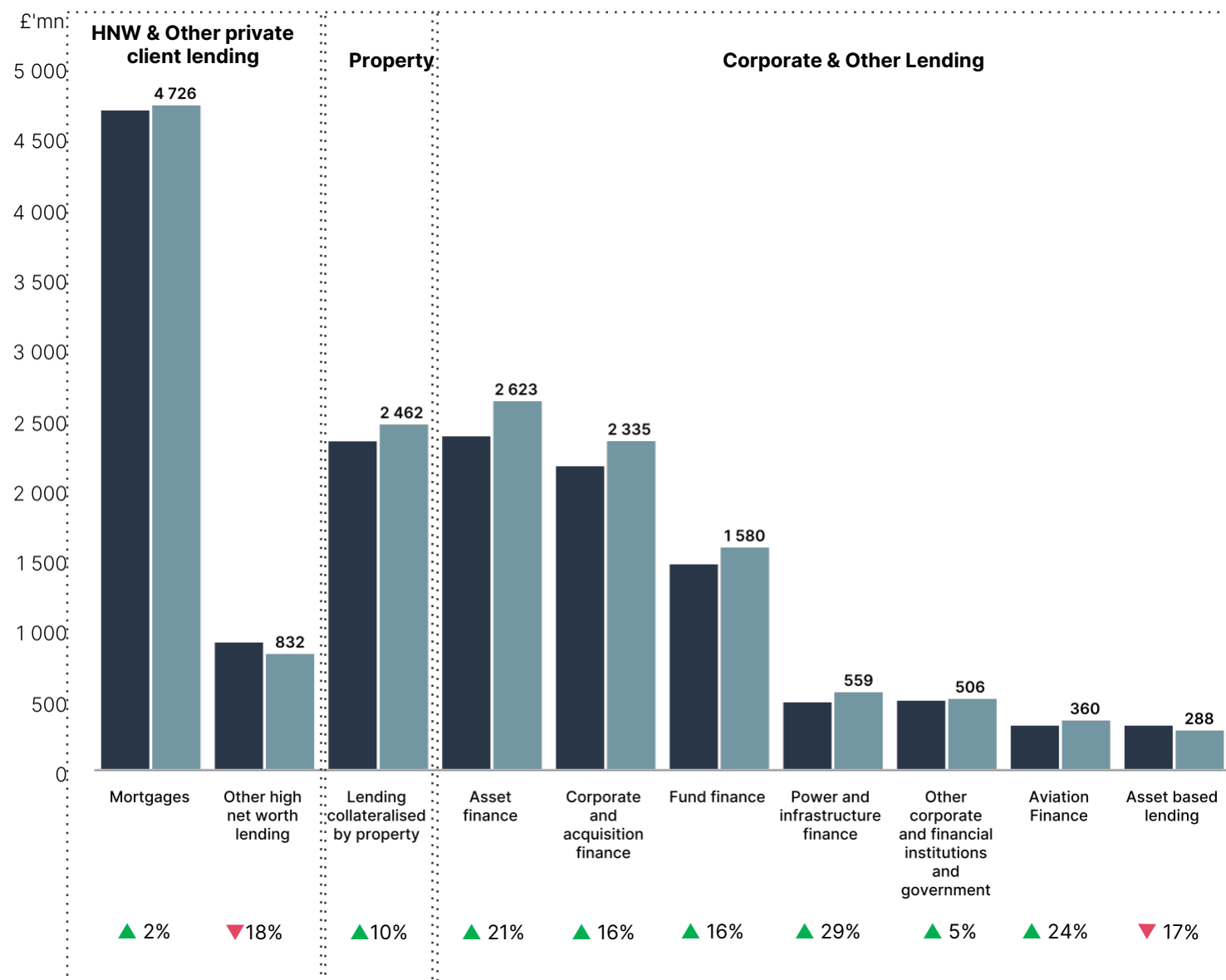
Adjusted operating profit\*  
up 11.1% to  
**£441.4mn**



<sup>^</sup> Total operating income before expected credit loss impairment charges  
<sup>\*</sup> Adjusted operating profit by division is adjusted operating profit before group costs

Mar-23

Sept-23



## Strong growth in UK loan book

Continued client acquisition and strong demand for corporate lending across multiple asset classes

UK net core loans  
up

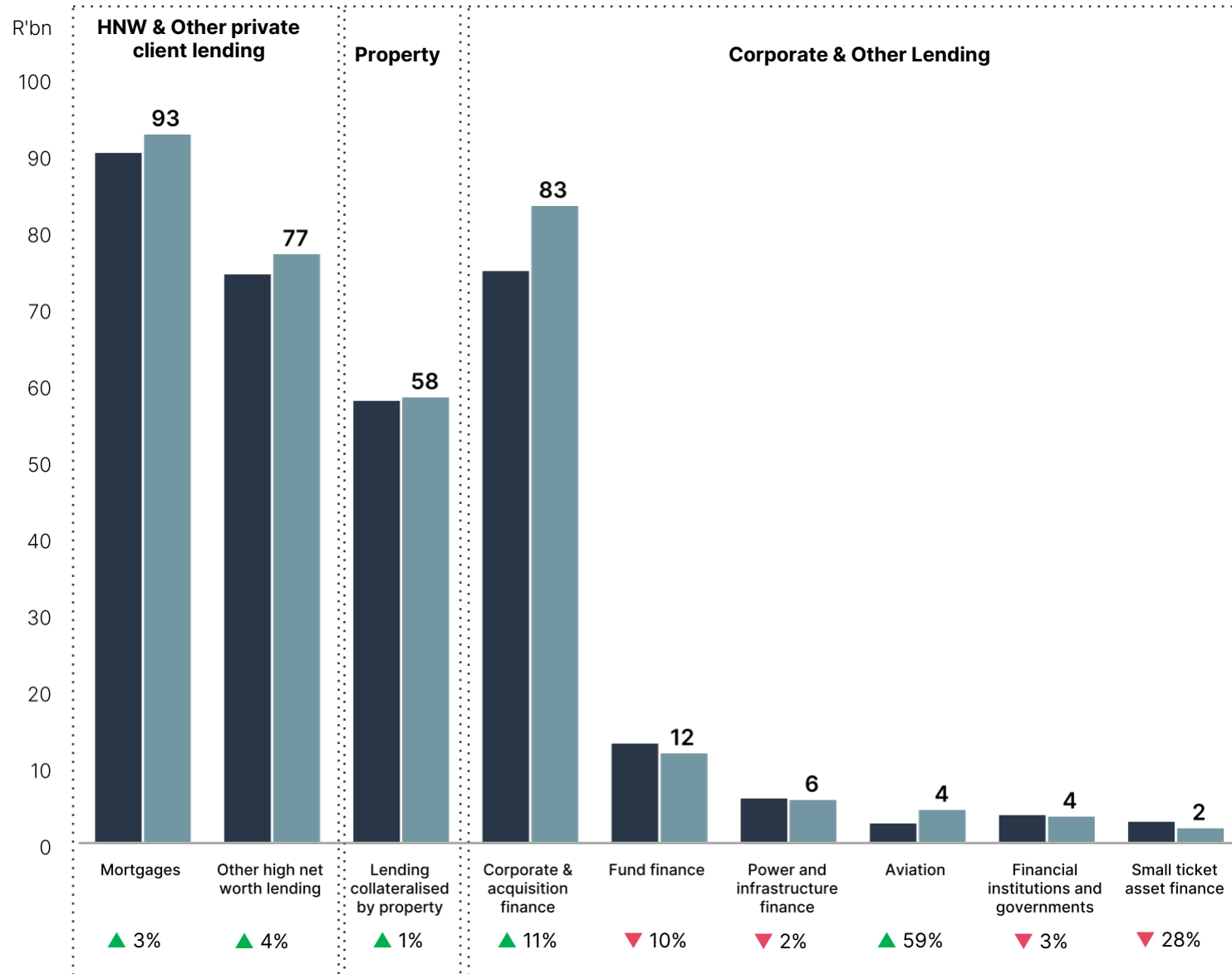
**9.1%** annualised

- Good activity in corporate client lending portfolio across multiple asset classes
- Muted growth in residential mortgage due to interest rate rises and increased redemptions from HNW private clients



Mar-23

Sept-23



## SA net core loan growth

Underpinned by strong growth in corporate client lending

Net core loans  
up 8.2% annualised to

**R338.4bn**

- Strong growth in corporate lending portfolios driven by increased corporate credit demand across several lending specialisations
- Strong growth in residential mortgages and auto finance books partially offset by muted growth in the income producing real estate book