

**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 share code: IVD  
BSE share code: INVESTEC  
ISIN: ZAE000081949  
LEI: 213800CU7SM6O4UWOZ70

**Investec plc**

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

**Group pre-close trading update and trading statement****20 March 2025**

Investec Group today announces its scheduled pre-close trading update for the year ending 31 March 2025 (FY2025). An investor conference call will be held today at 09:00 UK time / 11:00 South African time. Please register for the call at [www.investec.com/investorrelations](http://www.investec.com/investorrelations).

Commentary on the Group's financial performance in this pre-close trading update represents the 11 months ended 28 February 2025 and compares forecast FY2025 to FY2024 (31 March 2024).

The prior year results are presented on a continuing and discontinuing basis in line with the relevant accounting standards as a result of previously announced strategic actions.

The following commentary is based on the Group's total performance.

**FY2025 earnings update and guidance**

Our client franchises continued to make progress against our strategic priorities, supporting revenue growth in a challenging operating environment. Our diversified business model and strong balance sheet allowed us to continue supporting our clients and achieve results within our financial target ranges.

For the year ending 31 March 2025, the Group expects:

- Pre-provision adjusted operating profit to be between £1 013 million and £1 076 million (FY2024: £963.6 million) or c.5.0% to c.12.0% ahead of prior year
- Adjusted earnings per share between 75.0p and 81.2p (FY2024: 78.1p) or c.4.0% behind to c.4.0% ahead of prior year
- Headline earnings per share between 67.2p and 73.5p (FY2024: 72.9p) or c.8.0% behind to c.1.0% ahead of prior year
- Basic earnings per share between 67.2p and 73.5p (FY2024: 105.3p) or c.30.0% to c.36.0% behind prior year. The prior year was positively impacted by the significant net gain from the implementation of the UK Wealth & Investment combination with Rathbones which was partially offset by the effects of Burstone's deconsolidation; and the amortisation of intangible assets associated with the Rathbones combination in the current period
- Credit loss ratio to be within the through-the-cycle (TTC) range of 25bps to 45bps. The overall credit quality remained strong
- Cost to income ratio to be below the 53.8% reported in the prior year, benefitting from revenue growing ahead of costs
- Group adjusted operating profit before tax between £888 million and £956 million (FY2024: £884.5 million)
  - Southern African business adjusted operating profit to be at least 5.0% ahead of prior year in Rands (FY2024: R10 097 million, £429.0 million). Specialist Bank adjusted operating profit expected to be between 2.0% and 7.0% ahead of prior year in Rands (FY2024: R9 516 million, £404.3 million). Credit loss ratio is expected to remain around the lower end of the TTC range of 15bps to 35bps. The expected credit losses (ECLs) reflect lower recoveries from previously written off exposures relative to prior year. The Southern African business ROE is expected to be between 17.7% and 18.7%, within the 16.0% to 20.0% medium-term target range.

The Investec Limited CET1 ratio at 31 December 2024 was 14.8%<sup>1</sup> (31 Mar 2024: 13.6%)

- UK business, including Rathbones Group, adjusted operating profit to be 4.0% behind to 4.0% ahead of the prior year (FY2024: £455.5 million). Specialist Bank adjusted operating profit is expected to be c.4.0% behind to c.4.0% ahead of prior year, following a significant increase of 33.9% in the prior year (FY2024: £406.2 million). We expect to report a credit loss ratio around the upper end of the previously guided range of 50bps to 60bps, driven by certain specific impairments. The UK business ROTE is expected to be between 13.5% to 14.5%, within the medium-term target range of 13.0% to 17.0%. The Investec plc CET1 ratio at 31 December 2024 was 12.3%<sup>2</sup> (31 Mar 2024: 12.4%<sup>3</sup>)
- Group ROE to be between 13.0% and 14.0%, within the Group's medium-term target range of 13.0% to 17.0%. Group ROTE is expected to be between 15.5% and 16.5%, within the 14.0% to 18.0% medium-term range.

The year-to-date performance which formed the basis for the above expectations is summarised below:

- Revenue growth was supported by continued client acquisition, strong net inflows in discretionary and annuity funds under management (FUM) in the current and prior periods and higher average advances
  - Net interest income benefitted from the growth in average lending books and lower cost of funds in Southern Africa in line with our strategy to optimise the funding pool, this was partly offset by the effects of deposit repricing in the UK
  - Non-interest revenue (NIR) benefitted from year-to-date improvement in fee-generating activities within our Banking businesses, as well as strong fees from our SA Wealth & Investment business. Investment income also positively contributed to NIR growth reflecting net fair value gains, and dividends received. Increased market liquidity and the upward trending market resulted in higher trading income from client flow; this was partially offset by lower risk management gains in hedging the remaining and significantly reduced financial products run down book in the UK.
- The cost to income ratio improved relative to the prior year (FY2024: 53.8%) as revenue grew ahead of costs. Fixed operating expenditure reflected continued investment in people and technology for growth and inflationary pressures. Variable remuneration in each geography was in line with respective underlying performance
- Investec's share of Rathbones reported post-tax underlying profit attributable to shareholders for their year ended 31 December 2024 of £167.6 million is £69.1 million (FY2024: £66.9 million)

<sup>1</sup> Investec Limited is predominately on the advanced approach for credit and market risk. Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET1 ratio would be 57bps (111bps) lower.

<sup>2</sup> Investec plc reports capital ratios measured on a Standardised capital measurement approach. Investec plc's December 2024 CET1 ratio excludes quarterly profits and associated foreseeable charges and dividends for the period 1 October 2024 to 31 December 2024. In accordance with the Prudential Regulation Authority rules, quarterly profits may only be included in a firm's capital position once the profits have been independently verified by an external audit firm.

<sup>3</sup> Investec plc's March 2024 capital disclosures follow Investec's normal basis of presentation and do not include the deduction of foreseeable charges and dividends when calculating the CET1 ratio as required under the Capital Requirements Regulation.

For the 11 month period ended 28 February 2025:

- Within Specialist Banking, core loans increased by 4.7% annualised to £32.2 billion (31 March 2024: £30.9 billion) and increased by 3.2% annualised in neutral currency, driven by growth in private client lending in both geographies as well as corporate lending in South Africa. Growth in corporate lending turnover in the UK was offset by elevated repayments given the higher interest rate environment
- Customer deposits increased by 4.8% annualised to £41.2 billion on reported basis and increased by 3.3% annualised in neutral currency
- Funds under management (FUM) in Southern Africa increased by 14.5% to £24.0 billion (31 March 2024: £20.9 billion). Net discretionary and annuity inflows of R14.7 billion were partly offset by outflows of R9.6 billion in non-discretionary FUM
- Rathbones Group, a 41.25% held Investec associate, reported funds under management and administration of £109.2 billion as at 31 December 2024.

The Group maintained strong capital and liquidity levels and is well positioned to continue supporting our clients navigate the current environment and execute on our strategic priorities.

#### **Other information**

The financial information on which this trading update and trading statement is based, has not been reviewed and reported on by the external auditors.

An investor conference call will be held today at 09:00 UK time / 11:00 South African time. Please [REGISTER HERE](#) for the call.

#### **Year end results**

The year end results for the year ending 31 March 2025 are scheduled for release on **Thursday, 22 May 2025**.

On behalf of the board  
Philip Hourquebie (Chair), Fani Titi (Group Chief Executive)

#### **For further information please contact:**

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## Key income drivers

### Core loans

£'m	28-Feb-25	31- Mar-24	% change	Neutral currency % change
UK and Other	16,607	16,557	0.3%	0.3%
South Africa	15,633	14,344	9.0%	6.0%
<b>Total</b>	<b>32,240</b>	<b>30,901</b>	<b>4.3%</b>	<b>3.0%</b>

### Customer deposits

£'m	28-Feb-25	31- Mar-24	% change	Neutral currency % change
UK and Other	21,246	20,784	2.2%	2.2%
South Africa	19,984	18,721	6.7%	3.8%
<b>Total</b>	<b>41,230</b>	<b>39,505</b>	<b>4.4%</b>	<b>3.0%</b>

### Funds under Management (FUM)

£'m	28-Feb-25	31-Mar-24	% change	Neutral currency % change
<b>Wealth &amp; Investment - Southern Africa</b>	<b>23,959</b>	<b>20,922</b>	<b>14.5%</b>	<b>11.8%</b>
Discretionary	14,181	12,517	13.3%	10.4%
Non-discretionary	9,778	8,405	16.3%	13.8%
<b>Rathbones Group plc*</b>	<b>109,200</b>	<b>107,600</b>		

\* The balance of £109.2bn reflects total funds under management and administration (FUMA) as reported at 31 December 2024 by Rathbones Group plc.

## Notes

### 1. Definitions

- **Adjusted operating profit** refers to profit before tax of continuing operations, adjusted to remove goodwill, acquired intangibles and strategic actions, including such items within equity accounted earnings, and non-controlling interests. Non-IFRS measures such as adjusted operating profit are considered as pro-forma financial information as per the JSE Listings Requirements. The pro-forma financial information is the responsibility of the Group's Board of Directors. Pro-forma financial information was prepared for illustrative purposes and because of its nature may not fairly present the issuer's financial position, changes in equity or results of operations. This pro-forma financial information has not been reported on by the Group's external auditors
- **Adjusted earnings attributable to ordinary shareholders** is calculated as earnings attributable to shareholders adjusted to remove goodwill, acquired intangible assets, strategic actions, including such items within equity accounted earnings, and earnings attributable to perpetual preference shareholders and Other additional tier 1 security holders
- **Adjusted earnings per share** is calculated as adjusted earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year
- **Headline earnings** is an earnings measure required to be calculated and disclosed by the JSE and is calculated in accordance with the guidance provided by The South African Institute of Chartered Accountants in Circular 1/2023
- **Headline earnings per share (HEPS)** is calculated as headline earnings divided by the weighted average number of ordinary shares in issue during the year.
- **Basic earnings** is earnings attributable to ordinary shareholders as defined by IAS33 *Earnings Per Share*
- **Core loans** is defined as net loans to customers plus net own originated securitised assets
- **The credit loss ratio** is calculated as expected credit loss (ECL) impairment charges on gross core loans as a percentage of average gross core loans subject to ECL.

### 2. Exchange rates

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 and US Dollars. 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 the Pound Sterling over the period:

Currency per GBP1.00	11 months to 28 February 2025		Year ended 31 March 2024	
	Period end	Average	Period end	Average
South African Rand	23.31	23.22	23.96	23.54
Euro	1.21	1.19	1.17	1.16
US Dollar	1.26	1.27	1.26	1.26

### 3. Profit forecasts

- The following matters highlighted in this announcement contain forward-looking statements:
  - Adjusted EPS is expected to be between 75.0p and 81.2p which is below and ahead of FY2024 respectively
  - HEPS is expected to be between 67.2p and 73.5p which is below and ahead of FY2024 respectively
  - Basic EPS is expected to be between 67.2p and 73.5p which is below FY2024
  - Pre-provision adjusted operating profit is expected to be between £1 013 million and £1 076 million which is ahead of FY2024
  - Adjusted operating profit is expected to be between £888 million and £956 million which is ahead of FY2024
  - The UK business' including Rathbones Group adjusted operating profit to be 4.0% behind to 4.0% ahead of prior year. Specialist Bank adjusted operating profit is expected to be 4.0% behind to 4.0% ahead of prior year. The UK business ROTE is expected to be between 13.5% to 14.5%, within the medium-term target range of 13.0% to 17.0%
  - The Southern African business' adjusted operating profit to increase by at least 5.0% ahead of prior year in Rands. Specialist Bank adjusted operating profit expected to be between 2.0% and 7.0% ahead of prior year in Rands. SA business ROE is expected to be between 17.5% and 18.5% within the 16.0% to 20.0% medium-term target range
  - ROE is expected to be between 13.0% and 14.0%, within the Group's medium-term target range of 13% to 17%.

(collectively the *Profit Forecasts*)

- The basis of preparation of each of these statements and the assumptions upon which they are based are set out below. These statements are subject to various risks and uncertainties and other factors – which may cause the Group's actual future results, performance or achievements in the markets in which it operates to differ from those expressed in the Profit Forecasts
- Any forward-looking statements made are based on the knowledge of the Group at 19 March 2025
- These forward-looking statements represent a profit forecast under the Listing Rules. The Profit Forecasts relate to the year ended 31 March 2025

The financial information on which the Profit Forecasts are 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 Forecasts have been compiled using the assumptions stated below, and on a basis consistent with the accounting policies adopted in the Group's March 2024 audited financial statements, which are in accordance with IFRS and are those which the Group anticipates will be applicable for the year ending 31 March 2025.
- The Profit Forecasts have been prepared based on (a) audited financial statements of the Group for the year ended 31 March 2024, and the results of the Specialist Banking and Wealth & Investment businesses underlying those audited financial statements; (b) the unaudited management accounts of the Group and the Specialist Banking and Wealth & Investment businesses for the 11 months to 28 February 2025; and (c) the projected financial performance of the Group and the Specialist Banking and Wealth & Investment businesses for the remaining one month of the period ending 31 March 2025.
- Percentage changes shown on a neutral currency basis for balance sheet items assume that the relevant closing exchange rates at 28 February 2025 remain the same as those at 31 March 2024. This neutral currency information has not been reported on by the Group's auditors.

#### ***Assumptions***

The Profit Forecasts have 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
- The Rand/Pound Sterling and US Dollar/Pound Sterling exchange rates remain materially unchanged from the prevailing rates detailed above
- The tax rates remain materially unchanged
- There will be no material changes in the structure of the markets, client demand or the competitive environment.

### ***Estimates and judgements***

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

- Valuation of unlisted investments primarily in the private equity, direct investments portfolios and embedded derivatives. Key valuation inputs are based on the most relevant observable market inputs, adjusted where necessary for factors that specifically apply to the individual investments and recognising market volatility
- The determination of ECL against assets that are carried at amortised cost and ECL relating to debt instruments at fair value through other comprehensive income (FVOCI) involves the assessment of future cash flows which is judgmental in nature
- Based on the current available information, the provision for the motor commission review as reported as at 30 September 2024 is not expected to change materially. There remains significant uncertainty across the industry as to the extent of any misconduct and customer loss that may be identified, and/or the nature, extent and timing of any remediation action that may subsequently be required following the Court of Appeal decision and FCA motor commission review. The Group notes that the ultimate financial impact of the Court of Appeal decision and ongoing FCA investigation into motor commission could materially vary, pending further guidance from the FCA or the outcome of the intended appeal to the UK Supreme Court
- 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.

### **About Investec**

Investec partners with private, institutional, and corporate clients, offering international banking, investments, and wealth management services in two principal markets, South Africa and the UK. The Group was established in 1974 and currently has 7,800+ employees. Investec has a dual listed company structure with primary listings on the London and Johannesburg Stock Exchanges.

### **Johannesburg and London**

**JSE Equity and Debt Sponsor: Investec Bank Limited**