

Investec Limited

Incorporated in the Republic of South Africa
Registration number 1925/002833/06
JSE share code: INL
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: INVP
JSE share code: INP
ISIN: GB00B17BBQ50
LEI: 2138007Z3U5GWDN3MY22

Investec (comprising Investec plc and Investec Limited) – Unaudited combined consolidated financial results for the year ended 31 March 2023

Group results summary for the year ended 31 March 2023 (FY2023) compared to 31 March 2022 (FY2022)

- The Group achieved strong financial performance amidst a complex macroeconomic backdrop that prevailed throughout the financial year
- Adjusted earnings per share increased 25.0% to 68.9p (FY2022: 55.1p), at the upper end of previous guidance
- Funds under management (FUM) decreased 4.5% to £61.0 billion (FY2022: £63.8 billion) largely reflecting the unfavourable market movements. Net inflows were £377 million, with £810 million inflows in discretionary FUM partly offset by £433 million net outflows in non-discretionary FUM
- Net core loans increased to £30.2 billion (FY2022: £29.9 billion) increasing 7.7% in neutral currency; largely driven by corporate lending and residential mortgage lending in both core geographies
- Customer accounts (deposits) increased 5.8% in constant currency, and decreased by 1.4% to £39.6 billion on reported basis
- Revenue grew 14.6%, benefitting from higher global interest rates and loan growth, which was underpinned by client acquisition and increased client activity. Fee and commission income was negatively impacted by the unfavourable market movements and weakening macro backdrop
- The cost to income ratio improved to 59.6% (FY2022: 63.3%) as operating costs grew by 9.5%. Fixed operating expenditure increased by 11.3%, due to inflationary pressures, continued investment in people and technology to support growth, and post-pandemic normalisation in certain discretionary spend
- Pre-provision adjusted operating profit increased 28.0% to £917.0 million (FY2022: £716.2 million), supported by the diversity of our revenue streams
- Asset quality remained strong with exposures well covered by collateral. Expected credit loss (ECL) impairment charges increased to £81.1 million (FY2022: £28.8 million), resulting in a credit loss ratio (CLR) of 23bps (FY2022: 8bps), and approaching the lower end of the Group's through-the-cycle (TTC) range of 25bps to 35bps
- Return on equity (ROE) was 13.7% (FY2022: 11.4%) and return on tangible equity (ROTE) was 14.7% (FY2022: 12.3%)
- Tangible net asset value (TNAV) per share remained broadly flat at 474.3p (FY2022: 476.6p). Net asset value (NAV) per share was 510.0p (FY2022: 510.0p) notwithstanding the return to shareholders of 64p per share through the distribution of a 15% shareholding in Ninety One, dividends, and the share purchase programme
- The Group continued to execute on its strategic priorities to grow with discipline and implemented a number of capital optimisation strategies
- Post the year-end, Investec announced the all-share combination of Investec Wealth & Investment UK (IW&I UK) with Rathbones plc to create the UK's leading discretionary wealth manager with approximately £100 billion in funds under management and administration
- Maintained strong capital and liquidity positions allowing us to navigate the current volatile and uncertain environment, and support identified growth initiatives
- The Board has proposed a final dividend of 17.5p per share, resulting in a full year dividend of 31.0p (FY2022: 25.0p). The payout ratio of 45.0% is within the Group's 30% to 50% payout range.

Fani Titi, Group Chief Executive commented:

"The Group reported strong results in a challenging macro backdrop, with all our client franchises reporting growth in pre-provision adjusted operating profit. Our focused approach to support our clients and the diversified nature of our revenue streams underpinned the financial performance. We achieved adjusted earnings per share of 68.9p, a 25.0% growth on prior year and made significant progress against the strategic goals outlined in 2019, with the Group's ROE well within the 12% to 16% target range set out for achievement in FY2024.

During the period under review, we returned approximately £780 million to shareholders, comprising ordinary dividends, the share purchase programme to optimise the SA balance sheet and the distribution of a 15% shareholding in Ninety One.

The strong capital generation across the Group allows us to maintain robust capital and liquidity levels, deliver improved returns to our shareholders, and support our clients, colleagues, and societies through an uncertain economic environment. We are proud of the progress we are making to entrench sustainability across every aspect of our business."

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 year ended 31 March 2023 (FY2023). Unless stated otherwise, comparatives relate to the Group's operations for the year ended 31 March 2022 (FY2022). The average Rand/Pound Sterling exchange rate depreciated by c.1% relative to FY2022, and the closing exchange rate depreciated by 14.0%.

Basic earnings per share were positively impacted by a gain of £155.1 million on implementation of the distribution of a 15% shareholding in Ninety One to shareholders on 30 May 2022.

Performance	FY2023	FY2022	Variance	% change	Neutral currency % change
Total operating income before expected credit losses (£'m)	2 280.4	1 990.4	290.1	14.6%	14.8%

Operating costs (£'m)	(1 350.8)	(1 233.9)	(116.9)	9.5%	9.9%
Adjusted operating profit (£'m)	835.9	687.4	148.5	21.6%	21.9%
Adjusted earnings attributable to shareholders (£'m)	614.4	505.2	109.2	21.6%	21.8%
Adjusted basic earnings per share (pence)	68.9	55.1	13.8	25.0%	25.3%
Basic earnings per share (pence)	85.8	52.0	33.8	65.0%	65.0%
Headline earnings per share (pence)	66.8	53.3	13.4	25.3%	25.5%
Dividend per share (pence)	31.0	25.0	6.0	24.0%	
Dividend payout ratio	45.0%	45.4%			
CLR (credit loss ratio)	0.23%	0.08%			
Cost to income ratio	59.6%	63.3%			
ROE (return on equity)	13.7%	11.4%			
ROTE (return on tangible equity)	14.7%	12.3%			

Balance sheet	FY2023	FY2022	Variance	% change	Neutral currency % change
Funds under management (£'bn)	61.0	63.8	(2.8)	(4.5%)	(0.4%)
Customer accounts (deposits) (£'bn)	39.6	40.1	(0.6)	(1.4%)	5.8%
Net core loans and advances (£'bn)	30.2	29.9	0.2	0.8%	7.7%
Cash and near cash (£'bn)	16.4	17.2	(0.8)	(4.7%)	1.7%
NAV per share (pence)	510.0	510.0	—	—%	4.6%
TNAV per share (pence)	474.3	476.6	(2.3)	(0.5%)	4.7%

Salient features by geography	FY2023	FY2022	Variance	% change	% change in Rands
Investec Limited (Southern Africa)					
Adjusted operating profit (£'m)	440.9	384.6	56.3	14.6%	14.9%
Cost to income ratio	53.0%	54.8%			
ROE	14.8%	11.5%			
ROTE	14.9%	11.6%			
CET1	14.7%	14.0%			
Leverage ratio	6.5%	7.4%			
Customer accounts (deposits) (£'bn)	20.4	21.8	(1.4)	(6.4%)	6.8%
Net core loans and advances (£'bn)	14.6	15.5	(0.9)	(5.8%)	7.5%
Investec plc (UK & Other)					
Adjusted operating profit (£'m)	395.0	302.8	92.2	30.5%	n/a
Cost to income ratio	64.5%	70.0%			
ROE	12.7%	11.3%			
ROTE	14.5%	13.1%			
CET1	12.0%	11.7%			
Leverage ratio	9.4%	9.2%			
Customer accounts (deposits) (£'bn)	19.1	18.3	0.8	4.5%	
Net core loans and advances (£'bn)	15.6	14.4	1.2	7.9%	

Strategy execution

Combination of Investec Wealth & Investment UK (IW&I UK) with Rathbones

On 4 April 2023, the Group announced it had reached agreement on a proposed all-share combination of IW&I UK with Rathbones to create the UK's leading discretionary wealth manager (the "Enlarged Rathbones Group") (the "Combination"). The Enlarged Rathbones Group will have approximately £100 billion in funds under management and administration ("FUMA"), delivering the scale that will underpin future growth. The Combination establishes a long-term, strategic partnership between the Enlarged Rathbones Group and Investec Group, which will enhance the client proposition across banking and wealth management services for both groups. The Combination represents a significant value creation opportunity for both Investec Group and Rathbones stakeholders. Under the terms of the agreement, Investec will own 41.25% of the Enlarged Rathbones Group in which it will be a long-term strategic shareholder, participating in the anticipated value creation from the combination including identified banking opportunities. The Combination is subject to, among other things, Rathbones shareholder and regulatory approvals. Completion is expected to occur in early Q4 2023 (subject to approvals). The full announcement can be found here www.investec.com/content/dam/investor-relations/presentations-and-announcements/Investec-Announcement.pdf.

Capital optimisation

Investec has made significant progress in its capital optimisation strategy. To date, the Group has acquired c.52 million INL and INP shares or an equivalent of c.5.2% of the shares outstanding before the November 2022 announcement of the share purchase and share buy-back programme; and returned c.R5.5 billion or £245 million to shareholders through this programme. In South Africa, Investec Limited received approval to commence capital measurement for the income producing real estate portfolio under the advanced internal ratings based (AIRB) approach, resulting in 242bps uplift to the CET 1 ratio at implementation.

Investec Equity Partners (IEP) Group restructure

As disclosed to shareholders in the September 2022 interim results:

- The IEP Group and Bud Group shareholders have approved a restructure to facilitate an exit by certain IEP shareholders, including Investec, by way of a share buyback. The restructure entails the transfer of certain assets to a Newco, to facilitate the orderly disposal of those assets
- Newco had entered into binding transaction agreements to dispose of certain chemical assets ("Chemical Asset Sale")

Shareholders are advised that the Chemical Asset Sale closed during the reporting period ended 31 March 2023, and on the back of this transaction as well as additional transactions pursuant to the IEP and Bud Group restructure, c.R810 million cash proceeds were received by Investec Limited in FY2023. Post year end, an additional R183 million has been received. The carrying value of the shareholding in IEP as at 31 March 2023 was R4.7 billion (FY2022: R5.4 billion).

The balance of the asset disposal process is anticipated to conclude over the next 18 months, subject to market conditions.

Investec Property Fund (IPF) internalisation

Post Investec Group's year-end, IPF shareholders approved the internalisation of the management company (Manco) which we believe will position the IPF platform well to unlock shareholder value in the long term. This is subject to regulatory approval, including the Competition Authorities. Closing is expected to occur in Q3 2023.

Outlook

The Group is well positioned to continue supporting its clients notwithstanding the uncertain macroeconomic outlook. We have strong capital and robust liquidity levels 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:

- Revenue outlook to be underpinned by moderate book growth, continued elevated interest rates and client activity levels
- Overall costs to be contained with cost to income ratio of approximately 60%, despite inflationary pressures and continued investment in the business
- A normalisation of credit loss ratio to inside the through-the-cycle (TTC) range of 25bps to 35bps
- Capital optimisation strategies to continue as well as progress on IEP
- ROE to be around the mid-point of the Group's current target range of 12% to 16%.

Enquiries

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Presentation/conference call details

Investec management will host its annual results presentation live from Johannesburg on Thursday 18 May at 10h00 (SA)/9h00 (UK) time.

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

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

About Investec

Investec partners with private, institutional, and corporate clients, offering international banking, investments, and wealth management services in two principal markets, South Africa, and the UK, as well as certain other countries. The Group was established in 1974 and currently has 8,500+ employees.

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

Johannesburg and London

Sponsor: Investec Bank Limited

Group financial performance

Overview

Pre-provision adjusted operating profit increased, supported by continued client acquisition resulting in higher average advances, rising interest rates and increased client activity. Fee and commission income in our Wealth & Investment businesses was negatively impacted by the effects of the market sell off on average FUM.

Fixed operating expenditure reflects inflationary pressures, continued investment in technology and people and post-pandemic normalisation in certain business expenses.

Impairments were driven by updated forward-looking macroeconomic scenarios since FY2022, and Stage 3 ECL charges. A portion of post-model management overlays raised since the onset of COVID-19 for potential risk migration have been released and now catered for in-model. Recoveries of previously written off exposures remained high in South Africa.

Pre-provision adjusted operating profit increased 28.0% to £917 million (FY2022: £716.2 million)

Revenue increased 14.6% to £2 280.4 million (FY2022: £1 990.4 million)

Net interest income increased 37.1% to £1 295.8 million (FY2022: £945.3 million) driven by higher average interest earning assets and rising interest rates.

Non-interest revenue (NIR) decreased 5.8% to £984.7 million (FY2022: £1 045.1 million).

- Net fee and commission income decreased 4.7% to £779.4 million (FY2022: £818.2 million), reflecting lower fee income from Wealth & Investment and UK equity capital markets given market volatility and uncertainty during the year, partly offset by higher fees from increased client activity in South Africa
- Investment loss of £17.1 million (FY2022: £28.0 million gain) reflects fair value adjustments of £55.3 million within the Group Investment portfolio, primarily in IPF's investment properties, partly offset by dividends received and realised gains on disposal of investments
- Share of post-taxation profit of associates and joint venture holdings decreased to £29.1 million (FY2022: £79.6 million), largely driven by:
 - Lower share of associate earnings following the distribution of Ninety One in May 2022 when it ceased to be classified as an associate, partly offset by
 - Higher share of earnings from IEP given improvement in the operational performance of the underlying investee companies within IEP, before it ceased to be classified as an associate on 30 November 2022
- Trading income arising from customer flow increased by 2.3% to £131.2 million from £128.3 million in the prior year. Positively impacted by 31.6% increase in trading income from our banking franchises on the back of increased client activity. This was partly offset by mark-to-market (MTM) loss of £11.3 million on IPF balance sheet hedging activities compared to a gain in the prior year
- Net trading gains arising from balance sheet management and other trading activities were £57.7 million compared to a loss of (£21.1 million) in the prior year. The gains arise from MTM movements in the value of currency and interest rate hedges on the balance sheet
- Other operating income of £4.4 million (FY2022: £12.2 million income) includes fair value movements on instruments held to meet non-equity settled share schemes. The corresponding liability is reflected in other liabilities with changes in the value of the liability expensed through staff expenses in operating costs.

Expected credit loss (ECL) impairment charges increased by £52.3 million to £81.1 million (FY2022: £28.8 million) resulting in a credit loss ratio of 23bps (FY2022: 8bps)

Asset quality remains strong, with exposures to a carefully defined target market well covered by collateral. The ECL increase was primarily driven by the deterioration in forward-looking macroeconomic outlook since March 2022 and Stage 3 ECL impairment charges. The Group has maintained a lower level of post-model management overlays to account for risks assessed as inadequately reflected in the models.

Operating costs increased 9.5% to £1 350.8 million (FY2022: £1 233.9 million)

Fixed operating expenditure increased by 11.3% due to inflationary pressures, investment in technology and people and post-pandemic normalisation in discretionary expenditure. The cost to income ratio improved to 59.6% from 63.3% in FY2022.

Since March 2019, fixed costs increased 3.4%, while revenue grew by 16.7% reflecting the heightened focus on cost discipline whilst growing scale in our chosen franchises.

Taxation

The taxation charge on adjusted operating profit was £179.7 million (FY2022: £143.3 million), resulting in an effective tax rate of 21.9% (FY2022: 22.1%).

In the UK, the effective tax rate is 19.9% (FY2022: 14.7%), the prior period is mainly driven by higher deferred tax assets on the back of higher tax rates.

SA's effective tax rate is 23.7% (FY2022: 26.9%). The prior year higher tax rate in SA relates to a release of certain deferred tax assets held in our property division.

Funding and liquidity

Customer deposits increased by 5.8% in neutral currency and decreased 1.4% to £39.6 billion (FY2022: £40.1 billion) at 31 March 2023 on a reported basis. Customer deposits increased by 4.5% to £19.1 billion for Investec plc and increased by 6.8% to R448.5 billion for Investec Limited. Cash and near cash of £16.4 billion (£8.6 billion in Investec plc and R171.4 billion in Investec Limited) at 31 March 2023 represent approximately 41.4% of customer deposits. Loans and advances to customers as a percentage of customer deposits was 75.6%.

The Group comfortably exceeds Basel liquidity requirements for the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

- Investec Bank Limited (consolidated Group) ended the period to 31 March 2023 with the three-month average of its LCR at 153.6% and an NSFR of 116.4%
- Investec plc reported a LCR of 383% and a NSFR of 147% at 31 March 2023.

Capital adequacy and leverage ratios

Capital and leverage ratios remain sound, ahead of Board-approved minimum targets and regulatory requirements. The CET1 and leverage ratio were 14.7% and 6.5% for Investec Limited (increased Internal Ratings Based scope) and 12.0% and 9.4% for Investec plc (Standardised approach) respectively.

Segmental performance

Wealth & Investment

Adjusted operating profit from the Wealth & Investment businesses increased 1.1% to £124.6 million (FY2022: £123.1 million), positively impacted by the net inflows in discretionary FUM and rising global interest rates, partly offset by the effects of unfavourable market levels on fees in the year under review.

Wealth & Investment	Southern Africa					UK & Other				Total	
	FY2023	FY2022 [^]	Variance			FY2023	FY2022 [^]	Variance		FY2023	FY2022 [^]
	£'m	£'m	£'m	%	% in Rands	£'m	£'m	£'m	%	£'m	£'m
Operating income	120.2	115.5	4.7	4.1%	5.5%	347.7	338.3	9.3	2.8%	467.8	453.8

Operating costs	(87.4)	(82.9)	(4.4)	5.3%	7.0%	(255.9)	(247.7)	(8.2)	3.3%	(343.3)	(330.7)
Adjusted operating profit	32.8	32.5	0.3	0.8%	1.8%	91.8	90.6	1.2	1.3%	124.6	123.1

^A Restated. Following a strategic review, our Swiss operations have been earmarked to play a key role in the Group's strategic expansion of its international wealth services. To ensure strategic alignment, the results of the Switzerland wealth business are now reported as part of the Southern Africa Wealth & Investment business (previously reported as part of the UK & Other Wealth & Investment business). The comparative period has been restated to reflect this change. There has been no change in the legal or ownership structures.

Southern Africa Wealth & Investment (in Rands)

Adjusted operating profit increased by 1.8% to R672 million (FY2022: R660 million).

Total FUM increased by 10.4% to R435.1 billion (FY2022: R394.0 billion) driven by discretionary and annuity net inflows of R5.9 billion, and the net impact from positive foreign currency translation gains. Non-discretionary FUM reported net outflows of R10.6 billion in the current year.

Revenue grew by 5.5% underpinned by inflows into local investment products in the current year and offshore investment products in the prior year in discretionary and annuity portfolios. Non-discretionary brokerage decreased markedly in the current period due to lower trading volumes given market volatility.

Operating costs increased 7.0%, influenced by continued investment in the platform, as well as post-pandemic normalisation of business expenses. Operating margins decreased to 27.3% from 28.2% in FY2022.

UK & Other Wealth & Investment

Adjusted operating profit increased 1.3% to £91.8 million (FY2022: £90.6 million) with higher net interest income from rising global interest rates offset by lower net fees and commission income given unfavourable market levels and subdued net inflows.

FUM decreased by 5.0% to £40.7 billion impacted by declining market levels since 31 March 2022 (FY2022: £42.9 billion). Net inflows were £608 million translating to a net organic growth in FUM of 1.4%. The extent of market volatility and the inflationary environment resulted in reduced appetite amongst existing clients to invest new funds, negatively impacting both net inflows and fee income.

Revenue increased by 2.8%, driven by positive net inflows in the current and prior years, along with higher net interest income. Fee income decreased year on year due to lower market levels. Commission based income was also negatively impacted by the market conditions

Operating costs were up 3.3% due to inflationary pressures and the post-pandemic normalisation in certain discretionary expenditure. Operating margin was 25.8% (FY2022: 27.0%).

Specialist Banking

Adjusted operating profit from Specialist Banking increased 33.9% to £727.1 million (FY2022: £543.0 million). Pre-provision adjusted operating profit increased 41.4% to £808.0 million (FY2022: £571.3 million).

Specialist Banking	Southern Africa					UK & Other				Total	
	FY2023	FY2022	Variance			FY2023	FY2022	Variance		FY2023	FY2022
	£'m	£'m	£'m	%	% in Rands	£'m	£'m	£'m	%	£'m	£'m
Operating income (before ECL)	846.1	721.7	124.4	17.2%	18.2%	933.7	720.4	213.3	29.6%	1 779.8	1 442.0
ECL impairment charges	(14.1)	(3.1)	(11.1)	>100.0%	>100.0%	(66.7)	(25.2)	(41.5)	>100.0%	(80.8)	(28.2)
Operating costs	(407.5)	(369.0)	(38.5)	10.4%	11.4%	(563.6)	(501.6)	(62.0)	12.4%	(971.0)	(870.5)
(Profit)/loss attributable to NCI	(0.8)	(0.3)	(0.5)	>100.0%	>100.0%	—	—	—	—%	(0.8)	(0.3)
Adjusted operating profit	423.8	349.4	74.4	21.3%	22.0%	303.4	193.7	109.7	56.7%	727.1	543.0

Southern Africa Specialist Banking (in Rands)

Adjusted operating profit increased 22% to R8 668 million (FY2022: R7 104 million).

Revenue increased 18.2%, and was positively impacted by higher average interest earning assets, rising interest rates, increased client activity and continued client acquisition in line with our growth strategy. This was augmented by positive investment income.

Net interest income increased 19.1% driven by higher average interest earning assets and rising interest rates.

Non-interest revenue increased 16.4% driven by:

- Higher fee income from increased activity levels in all our client franchises, including utilisation of trade finance facilities and higher investment banking fees.
- Investment income largely benefitted from non-repeat of prior year negative FV adjustments.
- Trading income from customer flow reflects increased client activity given heightened volatility and rising interest rates.
- Balance sheet management and other trading activities reflects net foreign currency translation gains on non-Rand denominated monetary assets and liabilities. This was partly offset by mark-to-market (MTM) losses on certain interest rate, currency swaps.

Partially offset by:

- Other negatively impacted by MTM losses on instruments held to meet non-equity settled share schemes.

ECL impairment charges increased to R289 million from R51 million in the prior year. The credit loss ratio on core loans subject to ECL was 8bps (FY2022: Nil), primarily driven by the idiosyncratic Stage 3 ECL charges on certain exposures. Post-model management overlays of R106 million were released, with R113 million retained to account for emerging risks assessed as inadequately reflected in the forward-looking model. Released overlays were previously held for anticipated migration risk in Private Bank are now catered for in-model. ECL charged was positively impacted by the reversal of impairments and recoveries on previously impaired loans.

The cost to income ratio was 48.2% (FY2022: 51.1%). Operating costs increased 11.4% driven by higher personnel expenses due to salary increases, increased headcount, variable remuneration and the post-pandemic normalisation of discretionary expenditure. Fixed costs increased 14.8%, this follows periods of well contained cost growth, resulting in a 5.5% compounded annual growth rate since 31 March 2019.

Net core loans grew by 7.5% to R320.7 billion (FY2022: R298.4 billion). Corporate lending portfolios grew by 20.7% since 31 March 2022, driven by increased corporate credit demand across our lending specialisations. Advances to private clients reported subdued growth of 2.6% year to date with a reasonable growth in residential mortgages.

UK & Other Specialist Banking

Adjusted operating profit increased by 56.7% to £303.4 million (FY2022: £193.7 million) driven by strong revenue growth across our lending franchises and increased client trading income from customer flow given heightened market volatility during the year.

Net interest income increased 47.5% driven by higher average interest earning assets and the positive effect of rising global interest rates.

Non-interest revenue decreased by 6.3% due to:

- Lower fees from equity capital markets partially offset by higher advisory fees from Growth and Leveraged Finance and Fund Solutions
- Lower investment income of £5.0 million due to fair value adjustments on investments and lower dividend income

Partly offset by

- Trading income from customer flow increased 45.5% over the prior period reflecting strong client activity levels in our interest rate and currency desks given market volatility
- Trading income from balance sheet management and other trading activities increased >100% reflecting the positive positioning in balance management activities.

ECL impairment charges totalled £66.7 million, resulting in a credit loss ratio of 37bps (FY2022: 17bps). The increase in ECL charges was driven by an increase in modelled ECLs due to forward-looking macro-economic assumptions and Stage 3 ECL charges on certain exposures. Post-model management overlay of £11.9 million raised since the onset of the COVID-19 pandemic was released, with £4.9 million retained to account for risks judged as not reflected in-model. Released post-model overlays are now captured in-model.

The cost to income ratio improved to 60.4% (FY2022: 69.6%). Operating costs increased by 12.4% year on year primarily driven by an increase in variable remuneration in line with business performance, inflationary pressures and investment in people and technology. Fixed operating costs increased below the UK inflation rate at 8.4%. The fixed operating costs trajectory since March 2019 reflects the impact of various strategic actions; with FY2023 costs 4.3% below March 2019 costs while revenue is 22.9% higher over the same period.

Net core loans grew by 7.9% to £15.6 billion since 31 March 2022 driven by residential mortgages and strong demand for corporate credit across multiple portfolios which was offset by higher redemptions in the current year. Residential mortgages also had higher redemptions in the second half of the financial year.

Group Investments

Group Investments includes the holding in Ninety One, the IEP Group, Investec Property Fund (IPF) and other equity investments.

Group Investments	Southern Africa					UK & Other				Total	
	FY2023	FY2022	Variance			FY2023	FY2022	Variance		FY2023	FY2022
	£'m	£'m	£'m	%	% in Rands	£'m	£'m	£'m	%	£'m	£'m
Operating income (net of ECL charges)	14.5	60.5	(46.1)	(76.2%)	(83.9%)	18.1	33.4	(15.3)	(45.8%)	32.6	93.9
Operating costs	(3.0)	(1.9)	(1.0)	52.1%	55.6%	—	—	—	—	(3.0)	(1.9)
(Profit) attributable to NCI	(11.8)	(39.9)	28.1	(70.4%)	(77.1%)	—	—	—	—	(11.8)	(39.9)
Adjusted operating profit	(0.3)	18.7	(19.0)	(>100%)	(>100%)	18.1	33.4	(15.3)	(45.8%)	17.8	52.1

Adjusted operating profit from Group Investments decreased by 65.8% to £17.8 million (FY2022: £52.1 million) driven by:

- Lower share of associate earnings from Ninety One following the 15% distribution in May 2022 and consequent derecognition as an investment in associate.
- Net fair value adjustments on IPF's investment property portfolio.
- Negative fair value adjustment to IEP's carrying value to align it with realisable value.

Partially offset by

- Continued improvement in the operational performance of the underlying investee companies within IEP.

Further information

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

On behalf of the boards of Investec plc and Investec Limited

Philip Hourquebie

Chair

17 May 2023

Fani Titi

Group Chief Executive

Notes to the commentary section above

Presentation of financial information

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

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

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

Following a review of the liquidity, capital position, profitability, the business model and operational risks facing the business, the directors have a reasonable expectation that the Investec Group will be a going concern for a period of at least 12 months. The results for the year ended 31 March 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 year ended 31 March 2022.

Amounts represented on a neutral currency basis for income statement items assume that the relevant average exchange rates for the year ended 31 March 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 31 March 2023 remain the same as those at 31 March 2022.

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 of Investec Limited performed a review of the pro-forma financial information and the opinion is available for inspection at the registered offices of Investec Limited and Investec plc upon request.

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	Year ended 31 March 2023		Year ended 31 March 2022	
	Closing	Average	Closing	Average
per GBP1.00				
South African Rand	21.94	20.45	19.24	20.28
Euro	1.14	1.16	1.18	1.18
US Dollar	1.24	1.21	1.31	1.37

Profit Forecast

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

- Revenue outlook is underpinned by book growth, elevated interest rates and client activity levels
- Overall costs to be contained with cost to income of approximately 60%, despite inflationary pressures and continued investment in the business
- A normalisation of ECL charges to inside the through-the-cycle (TTC) range of 25bps to 35bps
- Capital optimisation strategies to continue and progress on IEP expected
- ROE to be around mid-range 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 17 May 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 2022 audited annual financial statements, which are in accordance with IFRS.

Assumptions

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

Factors outside the influence or control of the Investec Board:

- There will be no material change in the political and/or economic environment that would materially affect the Investec Group
- There will be no material change in legislation or regulation impacting on the Investec Group's operations or its accounting policies
- There will be no business disruption that will have a significant impact on the Investec Group's operations, whether for the economic effects of increased geopolitical tensions or otherwise

- The Rand/Pound Sterling, Euro/Pound, INR/Pound and US Dollar/Pound Sterling exchange rates and the tax rates remain materially unchanged from the prevailing rates detailed above
- There will be no material changes in the structure of the markets, client demand or the competitive environment
- There will be no material change to the facts and circumstances relating to legal proceedings and uncertain tax matters.

Estimates and judgements

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

- Valuation of unlisted investments primarily in private equity, direct investments portfolios and embedded derivatives. Key valuation inputs are based on the most relevant observable market inputs, adjusted where necessary for factors that specifically apply to the individual investments and recognising market volatility
- The determination of ECL against assets that are carried at amortised cost and ECL relating to debt instruments at fair value through other comprehensive income (FVOCI) involves the assessment of future cash flows which is judgmental in nature
- Valuation of investment properties is performed by capitalising the budget net income of the property at the market related yield applicable at the time.
- The Group's income tax charge and balance sheet provision are judgmental in nature. This arises from certain transactions for which the ultimate tax treatment can only be determined by final resolution with the relevant local tax authorities. The Group recognises in its tax provision certain amounts in respect of taxation that involve a degree of estimation and uncertainty where the tax treatment cannot finally be determined until a resolution has been reached by the relevant tax authority. The carrying amount of this provision is often dependent on the timetable and progress of discussions and negotiations with the relevant tax authorities, arbitration processes and legal proceedings in the relevant tax jurisdictions in which the Group operates. Issues can take many years to resolve and assumptions on the likely outcome would therefore have to be made by the Group
- Where appropriate, the Group has utilised expert external advice as well as experience of similar situations elsewhere in making any such provisions
- Determination of interest income and interest expense using the effective interest rate method involves judgement in determining the timing and extent of future cash flows.

Accounting policies, significant judgements and disclosures

These reviewed condensed 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 31 March 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 31 March 2023 are consistent with those adopted in the audited financial statements for year ended 31 March 2022.

The financial results have been prepared under the supervision of Nishlan Samujh, the Group Finance Director. The preliminary financial statements for the year ended 31 March 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 the economic environment caused by worsening of the energy supply crisis
 - 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 actual 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 17 May 2023
- The information in the Group's announcement for the year ended 31 March 2023, which was approved by the Board of Directors on 17 March 2023, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006. The 31 March 2022 financial statements were filed with the registrar and were unqualified with the audit report containing no statements in respect of sections 498(2) or 498(3) of the UK Companies Act
- The financial information on which forward-looking statements are based is the responsibility of the Directors of the Group and has not been reviewed and reported on by the Group's auditors.

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

Definitions

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

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

Financial assistance

Shareholders are referred to Special Resolution number 30, which was approved at the annual general meeting held on 4 August 2022, relating to the provision of direct or indirect financial assistance in terms of Section 45 of the South African Companies Act, No 71 of 2008 to related or inter-related companies. Shareholders are hereby notified that in terms of S45(5)(a) of the South African Companies Act, the Boards of Directors of Investec Limited and Investec Bank Limited provided such financial assistance during the period 1 April 2022 to 31 March 2023 to various Group subsidiaries.

Johannesburg and London

Sponsor: Investec Bank Limited

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 0.8% against the comparative year ended 31 March 2022, and the closing rate has depreciated by 14.0% since 31 March 2022. The following tables provide an analysis of the impact of the Rand on our reported numbers.

	Results in Pounds Sterling					Results in Rands		
	Year to 31 March 2023	Year to 31 March 2022	% change	Neutral currency^ Year to 31 March 2023	Neutral currency % change	Year to 31 March 2023	Year to 31 March 2022	% change
Adjusted operating profit before taxation (million)	£836	£687	21.6%	£838	22.0%	R17 055	R13 947	22.3%
Earnings attributable to shareholders (million)	£805	£516	56.0%	£804	55.8%	R16 376	R10 481	56.2%
Adjusted earnings attributable to shareholders (million)	£614	£505	21.6%	£615	21.8%	R12 524	R10 256	22.1%
Adjusted earnings per share	68.9p	55.1p	25.0%	69.0p	25.2%	1404c	1118c	25.6%
Basic earnings per share	85.8p	52.0p	65.0%	85.6p	64.6%	1745c	1055c	65.4%
Headline earnings per share	66.8p	53.3p	25.3%	66.9p	25.5%	1398c	1083c	29.1%

	Results in Pounds Sterling					Results in Rands		
	At 31 March 2023	At 31 March 2022	% change	Neutral currency^^ At 31 March 2023	Neutral currency % change	At 31 March 2023	At 31 March 2022	% change
Net asset value per share	510.0p	510.0p	—%	533.5p	4.6%	11 191c	9 810c	14.1%
Tangible net asset value per share	474.3p	476.6p	(0.5%)	498.8p	4.7%	10 407c	9 167c	13.5%
Total equity (million)	£5 332	£5 740	(7.1%)	£5 696	(0.8%)	R116 999	R110 410	6.0%
Total assets (million)*	£57 295	£58 888	(2.7%)	£61 357	4.2%	R1 257 211	R1 131 872	11.1%
Core loans (million)	£30 179	£29 934	0.8%	£32 236	7.7%	R662 205	R575 773	15.0%
Cash and near cash balances (million)	£16 361	£17 161	(4.7%)	£17 461	1.7%	R359 006	R330 089	8.8%
Customer accounts (deposits) (million)	£39 556	£40 118	(1.4%)	£42 433	5.8%	R867 968	R771 675	12.5%
Funds under management (million)	£60 959	£63 800	(4.5%)	£63 525	(0.4%)	R1 337 609	R1 227 209	9.0%

^ For income statement items we have used the average Rand: Pound Sterling exchange rate that was applied in the prior period, i.e. 20.28.

^^ For balance sheet items we have assumed that the Rand: Pound Sterling closing exchange rate has remained neutral since 31 March 2022.

• Restated as detailed below.

Condensed combined consolidated income statement

£'000	Year to 31 March 2023	Year to 31 March 2022
Interest income	3 397 341	1 951 209
Interest expense	(2 101 584)	(1 005 939)
Net interest income	1 295 757	945 270
Fee and commission income	832 213	864 639
Fee and commission expense	(52 860)	(46 423)
Investment loss/(income)	(17 145)	27 974
Share of post-taxation profit of associates and joint venture holdings	29 149	79 556
Trading income/(loss) arising from		
– customer flow	131 204	128 277
– balance sheet management and other trading activities	57 714	(21 128)
Other operating income	4 386	12 190
Total operating income before expected credit loss impairment charges	2 280 418	1 990 355
Expected credit loss impairment charges	(81 089)	(28 828)
Operating income	2 199 329	1 961 527
Operating costs	(1 350 835)	(1 233 948)
Operating profit before goodwill, acquired intangibles and strategic actions	848 494	727 579
Impairment of goodwill	(890)	(1 962)
Amortisation of acquired intangibles	(15 160)	(15 477)
Amortisation of acquired intangibles of associates	(1 542)	(9 249)
Closure and rundown of the Hong Kong direct investments business	(450)	(1 203)
Operating profit	830 452	699 688
Net gain/(implementation costs) on distribution of associate to shareholders	154 438	(2 427)
Financial impact of group restructures	(4 968)	—
Profit before taxation	979 922	697 261
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(179 704)	(143 309)
Taxation on acquired intangibles and strategic actions	17 213	2 422
Profit after taxation	817 431	556 374
Profit attributable to non-controlling interests	(12 566)	(40 170)
Earnings attributable to shareholders	804 865	516 204
Earnings attributable to ordinary shareholders	764 446	475 469
Earnings attributable to perpetual preferred securities and other Additional Tier 1 security holders	40 419	40 735

Earnings per share

	Year to 31 March 2023	Year to 31 March 2022
Basic earnings per share – pence	85.8	52.0
Diluted basic earnings per share – pence	82.5	50.2

Combined consolidated statement of total comprehensive income

£'000	Year to 31 March 2023	Year to 31 March 2022
Profit after taxation	817 431	556 374
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 [^]	39 717	(4 311)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income [^]	(48 515)	(301)
Gain on realisation of debt instruments at FVOCI recycled through the income statement [^]	(2 960)	(2 010)
Foreign currency adjustments on translating foreign operations	(306 053)	173 160
Items that will not be reclassified to the income statement		
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	(7)	617
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income [^]	(657)	3 420

Remeasurement of net defined benefit pension liability	75	40
Net gain attributable to own credit risk [^]	104	11 095
Total comprehensive income	499 135	738 084
Total comprehensive income attributable to ordinary shareholders	513 518	629 300
Total comprehensive (loss)/income attributable to non-controlling interests	(54 802)	68 049
Total comprehensive income attributable to perpetual preferred securities	40 419	40 735
Total comprehensive income	499 135	738 084

[^] These amounts are net of taxation of £6.4million taxation expense (31 March 2022: £3.5 million taxation expense).

Combined consolidated balance sheet

At £'000	31 March 2023	31 March 2022 [^]	31 March 2021 [^]
Assets			
Cash and balances at central banks	6 437 709	5 998 270	3 517 100
Loans and advances to banks	1 450 627	2 552 061	2 637 436
Non-sovereign and non-bank cash placements	644 065	684 983	439 841
Reverse repurchase agreements and cash collateral on securities borrowed	3 632 658	4 609 778	3 575 713
Sovereign debt securities	4 751 646	4 148 867	3 711 623
Bank debt securities	939 509	1 515 210	1 121 730
Other debt securities	1 229 392	1 229 287	1 364 235
Derivative financial instruments	1 386 134	1 590 513	1 683 214
Securities arising from trading activities	1 632 391	683 329	1 024 671
Investment portfolio	1 330 907	912 872	909 050
Loans and advances to customers	29 911 158	29 561 088	26 041 087
Own originated loans and advances to customers securitised	272 879	375 763	401 912
Other loans and advances	142 726	128 284	102 135
Other securitised assets	103 151	123 888	140 087
Interests in associated undertakings and joint venture holdings	53 703	734 434	679 157
Current taxation assets	69 322	33 653	60 325
Deferred taxation assets	258 126	259 370	246 622
Other assets	1 581 693	2 139 354	2 237 646
Property and equipment	278 561	335 420	329 972
Investment properties	722 481	820 555	832 061
Goodwill	262 632	258 404	259 805
Software	15 401	9 443	58 968
Other acquired intangible assets	41 136	44 152	12 574
Non-current assets classified as held for sale	35 761	79 229	51 783
	57 183 768	58 828 207	51 438 747
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	110 891	59 549	52 405
	57 294 659	58 887 756	51 491 152
Liabilities			
Deposits by banks	3 617 524	3 178 668	2 403 712
Derivative financial instruments	2 424 036	2 581 315	2 231 166
Other trading liabilities	202 256	275 589	326 189
Repurchase agreements and cash collateral on securities lent	936 564	863 285	1 003 312
Customer accounts (deposits)	39 555 669	40 118 412	34 449 430
Debt securities in issue	1 802 586	2 043 640	1 892 319
Liabilities arising on securitisation of own originated loans and advances	163 787	238 370	160 646
Liabilities arising on securitisation of other assets	81 609	95 885	108 281
Current taxation liabilities	83 183	41 631	78 790
Deferred taxation liabilities	26 545	19 624	40 333
Other liabilities	1 873 714	2 315 841	1 951 122
	50 767 473	51 772 260	44 645 300
Liabilities to customers under investment contracts	108 370	56 475	49 798
Insurance liabilities, including unit-linked liabilities	2 521	3 074	2 607

	50 878 364	51 831 809	44 697 705
Subordinated liabilities	1 084 630	1 316 191	1 480 951
	51 962 994	53 148 000	46 178 656
Equity			
Ordinary share capital	247	247	247
Ordinary share premium	1 208 161	1 516 024	1 517 852
Treasury shares	(564 678)	(318 987)	(267 508)
Other reserves	(850 742)	(650 228)	(788 222)
Retained income	4 553 011	4 069 776	3 772 628
Ordinary shareholders' equity	4 345 999	4 616 832	4 234 997
Perpetual preference share capital and premium	136 259	174 869	174 053
Shareholders' equity excluding non-controlling interests	4 482 258	4 791 701	4 409 050
Other Additional Tier 1 securities in issue	398 568	411 683	335 111
Non-controlling interests	450 839	536 372	568 335
– Perpetual preferred securities issued by subsidiaries	—	—	72 750
– Non-controlling interests in partially held subsidiaries	450 839	536 372	495 585
Total equity	5 331 665	5 739 756	5 312 496
Total liabilities and equity	57 294 659	58 887 756	51 491 152

^ Restated as detailed below.

Condensed consolidated statement of changes in equity

£'000	Year to 31 March 2023	Year to 31 March 2022
Balance at the beginning of the year	5 739 756	5 312 496
Total comprehensive income	499 135	738 084
Share-based payments adjustments	25 904	23 932
Dividends paid to ordinary shareholders	(260 673)	(178 418)
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 security holders	(40 419)	(40 735)
Dividends paid to non-controlling interests	(30 849)	(29 287)
Share buyback of ordinary share capital	(56 863)	(36 150)
Repurchase of perpetual preference shares	(19 379)	(77 835)
Issue of Other Additional Tier 1 security instruments	22 787	67 552
Repayment of Other Additional Tier 1 security instruments	(15 951)	—
Net equity impact of non-controlling interest movements	118	443
Employee benefit liability recognised	(9 224)	—
Movement of treasury shares	(240 008)	(47 114)
Net equity movements of interests in associated undertakings	—	6 788
Distribution to ordinary shareholders	(282 669)	—
Balance at the end of the year	5 331 665	5 739 756

Condensed consolidated cash flow statement

£'000	Year to 31 March 2023	Year to 31 March 2022
Net cash inflow from operating activities	469 757	3 071 540
Net cash (outflow)/inflow from investing activities	(13 993)	35 565
Net cash outflow from financing activities	(914 684)	(587 923)
Effects of exchange rates on cash and cash equivalents	(196 806)	90 928
Net (decrease)/increase in cash and cash equivalents	(655 726)	2 610 110
Cash and cash equivalents at the beginning of the year	9 099 740	6 489 630
Cash and cash equivalents at the end of the year	8 444 014	9 099 740

^ Restated as detailed below.

Cash and cash equivalents is defined as including: cash and balances at central banks, on demand loans and advances to banks and non-sovereign and non-bank cash placements (all of which have a maturity profile of less than three months).

Combined consolidated segmental analysis

Segmental geographical and business analysis of adjusted operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests.

For the year to 31 March 2023 £'000	Private Client		Corporate, Investment Banking and Other	Group Investments	Group Costs	Total Group	% change	% of total
	Wealth & Investment [^]	Private Banking						
UK and Other	91 756	70 154	233 234	18 103	(18 209)	395 038	30.5%	47.3%
Southern Africa	32 799	179 616	244 141	(323)	(15 343)	440 890	14.6%	52.7%
Adjusted operating profit	124 555	249 770	477 375	17 780	(33 552)	835 928	21.6%	100.0%
Non-controlling interest*						12 566		
Adjusted operating profit before non-controlling interests						848 494		
% change	1.2%	8.8%	52.3%	(65.8%)	8.9%	21.6%		
% of total	14.9%	29.9%	57.1%	2.1%	(4.0)%	100.0%		
Total assets £'mn	1 225	15 662	38 880	1 528	—	57 295		

For the year to 31 March 2022 £'000	Private Client		Corporate, Investment Banking and Other	Group Investments	Group Costs	Total Group	% of total
	Wealth & Investment [^]	Private Banking					
UK and Other	90 593	30 828	162 825	33 387	(14 819)	302 814	44.1%
Southern Africa	32 542	198 827	150 549	18 670	(15 993)	384 595	55.9%
Adjusted operating profit	123 135	229 655	313 374	52 057	(30 812)	687 409	100.0%
Non-controlling interest*						40 170	
Adjusted operating profit before non-controlling interests						727 579	
% of total	17.9%	33.4%	45.6%	7.6%	(4.5)%	100.0%	
Total assets^{^^} £'mn	1 267	16 157	39 562	1 902	—	58 888	

* Profit attributable to non-controlling interests predominantly relates to the Investec Property Fund Limited.

[^] Following a strategic review, our Swiss operations have been earmarked to play a key role in the Group's strategic expansion of its international wealth services. To ensure strategic alignment, the operational results of the Switzerland wealth business are now reported as part of the Southern Africa Wealth & Investment division (previously reported as part of UK & Other Wealth & Investment). The comparative period has been restated to reflect this change. There has been no change in the legal or ownership structures.

^{^^} Restated as detailed below.

Net fee and commission income

For the year to 31 March 2023 £'000	UK and Other	Southern Africa	Total
Wealth & Investment net fee and commission income	324 907	108 063	432 970
Fund management fees/fees for funds under management	287 779	66 418	354 197
Private client transactional fees*	37 128	44 614	81 742
Fee and commission expense	—	(2 969)	(2 969)
Specialist Banking net fee and commission income	108 760	187 622	296 382
Specialist Banking fee and commission income**	123 511	219 128	342 639
Specialist Banking fee and commission expense	(14 751)	(31 506)	(46 257)
Group Investments net fee and commission income	—	50 001	50 001
Group Investments fee and commission income***	—	53 635	53 635
Group Investments fee and commission expense	—	(3 634)	(3 634)
Net fee and commission income	433 667	345 686	779 353
Annuity fees (net of fees payable)	303 522	252 893	556 415
Deal fees	130 145	92 793	222 938

* Trust and fiduciary fees amounted to £0.4 million and are included in Private client transactional fees.

** Included in Group Investments and Specialist Banking is fee and commission income of £78.0 million for operating lease income which is out of the scope of IFRS 15 – Revenue from contracts with customers.

Included within Group Investments fee and commission income is a net contribution from rental activities resulting from the consolidation of IPF of £56.0 million comprising property revenue of £90.3 million and property expenses of £34.3 million.

Financial impact of strategic actions

For the year to 31 March	2023	2022
£'000		
Closure and rundown of the Hong Kong direct investments business [^]	(450)	(1 203)
Net gain/(implementation costs) on distribution of associate to shareholders	154 438	(2 427)
Financial impact of Group restructures ^{^^}	(4 968)	—
Financial impact of strategic actions	149 020	(3 630)
Taxation on financial impact of strategic actions	14 501	633
Net financial impact of strategic actions	163 521	(2 997)

[^] In the prior year included within the balance are fair value gains of £0.7 million.

^{^^} Includes transaction costs relating to the proposed combination of Investec Wealth & Investment UK and Rathbones Group. Refer to the events after reporting date note below.

Net gain on distribution of associate to shareholders

On 30 May 2022, 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	(708)
Gain on distribution of Ninety One shares before tax	154 438
Taxation benefit (release of deferred taxation)	14 501
Gain on distribution of Ninety One shares net of taxation and implementation costs	168 939

Balance sheet restatements

Derivative financial instruments to other assets

As at 31 March 2022, £70.7 million and 31 March 2021, £72.2 million, initial margin on collateral, which is not available as an offset to individual exposures, was recorded in derivative financial instruments liabilities instead of other assets.

In addition, 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 £14.1 million at 31 March 2023 (31 March 2022: £26.7 million, 31 March 2021: £31.5 million) 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 sheets have been restated for the reclassifications above. This change has no impact on the comparative income statements. The impact of these changes on the 31 March 2022 and 31 March 2021 balance sheets and 31 March 2022 cash flows are:

£'000	At 31 March 2022 as previously reported	Restatement	At 31 March 2022 restated
Assets			
Derivative financial instruments	1 617 240	(26 727)	1 590 513
Other assets	2 068 615	70 739	2 139 354
Total assets	58 843 744	44 012	58 887 756
Liabilities			
Derivative financial instruments	2 537 303	44 012	2 581 315
Total liabilities	53 103 988	44 012	53 148 000

£'000	At 31 March 2021 as previously reported	Restatement	At 31 March 2021 restated
Assets			
Derivative financial instruments	1 714 743	(31 529)	1 683 214
Other assets	2 165 438	72 208	2 237 646
Total assets	51 450 473	40 679	51 491 152
Liabilities			
Derivative financial instruments	2 190 487	40 679	2 231 166
Total liabilities	46 137 977	40 679	46 178 656

The impact of this change on the 31 March 2022 cash flow statement is:

£'000	At 31 March 2022 as previously reported	Restatement	At 31 March 2022 restated
Operating profit adjusted for non-cash and non-operating items	816 404	—	816 404
Taxation paid	(152 140)	—	(152 140)
Increase in operating assets	(3 318 637)	(3 233)	(3 321 870)
Increase in operating liabilities	5 725 913	3 233	5 729 146
Net cash outflow from operating activities	3 071 540	—	3 071 540

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. Since issuing our 31 March 2022 Annual Report, 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 potential 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 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.

Events after the reporting date

Proposed sale of the Investec Property Fund Limited (IPF) asset management function in South Africa and Europe

Investec entered into an agreement with IPF on 1 March 2023 to sell its real estate asset management function across South Africa and Europe, for a maximum purchase consideration of R975 million.

Investec has carved out R125 million of the consideration in the form of an earn-out provision, linked to the growth in the existing IPF assets under management as at 31 March 2023, in excess of a minimum annual growth threshold over three years.

The IPF circular relating to the proposed transaction was posted to IPF shareholders on 17 April 2023, with the transaction being approved at a general meeting held on 17 May 2023. The transaction is further subject to the approval of the Competition Commission.

At the completion date of the sale, Investec will deconsolidate its c.24.3% investment in IPF. Going forward the investment in IPF will be equity accounted. At the date of this report, the transaction has not yet become effective. The financial effect of the deconsolidation will be dependent on the net asset value and fair value of the IPF share on the date of deconsolidation, a reliable estimate cannot be made at this point.

Proposed combination of Investec Wealth & Investment UK and Rathbones Group

It was announced on 4 April 2023 that Investec plc and Rathbones Group Plc (Rathbones) have entered into a definitive agreement regarding an all-share combination of Investec Wealth & Investment Limited (IW&I UK) and Rathbones.

Under the terms of the combination, Rathbones will issue new Rathbones shares in exchange for 100% of Investec W&I UK's share capital. On completion, Investec Group will own 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 combination is conditional, among other things, on:

- i. Approval by Rathbones' shareholders (by ordinary resolution) at a general meeting of Rathbones expected to be held during quarter two of 2023,
- ii. The Financial Conduct Authority and London Stock Exchange agreeing to admit the ordinary share element of the consideration shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities,
- iii. No material adverse change having occurred in respect of either Rathbones or Investec IW&I UK,
- iv. The Competition and Markets Authority (CMA) confirming in response to a briefing note that it has no further questions, or alternatively, CMA approval, and
- v. Relevant financial and other regulatory approvals and notifications being obtained, including in the UK, Jersey, Guernsey and South Africa

At the completion date of the sale, Investec will deconsolidate its 100% investment in IW&I UK. Going forward the investment in the enlarged Rathbones Group will be equity accounted.

At the date of this report, the transaction has not yet become effective. The financial effect of deconsolidation will be dependent of the net asset value of the IW&I UK business, and the fair value of the Rathbones shares on the date of deconsolidation and a reliable estimate cannot be made at this point.

Analysis of assets and liabilities by measurement category

At 31 March 2023	Total	Amortised	Non-financial	Total
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£'000	instruments at fair value	cost	instruments or scoped out of IFRS 9	
Assets				
Cash and balances at central banks	—	6 437 709	—	6 437 709
Loans and advances to banks	—	1 450 627	—	1 450 627
Non-sovereign and non-bank cash placements	5 909	638 156	—	644 065
Reverse repurchase agreements and cash collateral on securities borrowed	961 790	2 670 868	—	3 632 658
Sovereign debt securities	3 527 223	1 224 423	—	4 751 646
Bank debt securities	612 930	326 579	—	939 509
Other debt securities	409 644	819 748	—	1 229 392
Derivative financial instruments	1 386 134	—	—	1 386 134
Securities arising from trading activities	1 632 391	—	—	1 632 391
Investment portfolio	1 330 907	—	—	1 330 907
Loans and advances to customers	2 108 369	27 802 789	—	29 911 158
Own originated loans and advances to customers securitised	—	272 879	—	272 879
Other loans and advances	—	142 726	—	142 726
Other securitised assets	78 231	24 920	—	103 151
Interests in associated undertakings and joint venture holdings	—	—	53 703	53 703
Current taxation assets	—	—	69 322	69 322
Deferred taxation assets	—	—	258 126	258 126
Other assets	257 378	811 379	512 936	1 581 693
Property and equipment	—	—	278 561	278 561
Investment properties	—	—	722 481	722 481
Goodwill	—	—	262 632	262 632
Software	—	—	15 401	15 401
Other acquired intangible assets	—	—	41 136	41 136
Non-current assets classified as held for sale	—	—	35 761	35 761
	12 310 906	42 622 803	2 250 059	57 183 768
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	110 891	—	—	110 891
	12 421 797	42 622 803	2 250 059	57 294 659
Liabilities				
Deposits by banks	—	3 617 524	—	3 617 524
Derivative financial instruments	2 424 036	—	—	2 424 036
Other trading liabilities	202 256	—	—	202 256
Repurchase agreements and cash collateral on securities lent	169 063	767 501	—	936 564
Customer accounts (deposits)	3 188 859	36 366 810	—	39 555 669
Debt securities in issue	21 554	1 781 032	—	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	—	—	83 183	83 183
Deferred taxation liabilities	—	—	26 545	26 545
Other liabilities	99 692	916 649	857 373	1 873 714
	6 187 069	43 613 303	967 101	50 767 473
Liabilities to customers under investment contracts	108 370	—	—	108 370
Insurance liabilities, including unit-linked liabilities	2 521	—	—	2 521
	6 297 960	43 613 303	967 101	50 878 364
Subordinated liabilities	—	1 084 630	—	1 084 630
	6 297 960	44 697 933	967 101	51 962 994

Financial instruments at fair value

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation technique used.

The different levels are identified as follows:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 March 2023 £'000	Total instruments at fair value	Fair value category		
		Level 1	Level 2	Level 3
Assets				
Non-sovereign and non-bank cash placements	5 909	—	5 909	—
Reverse repurchase agreements and cash collateral on securities borrowed	961 790	—	961 790	—
Sovereign debt securities	3 527 223	3 527 223	—	—
Bank debt securities	612 930	406 088	206 842	—
Other debt securities	409 644	102 035	213 677	93 932
Derivative financial instruments	1 386 134	—	1 332 950	53 184
Securities arising from trading activities	1 632 391	1 611 233	17 156	4 002
Investment portfolio	1 330 907	200 252	2 691	1 127 964
Loans and advances to customers	2 108 369	—	771 498	1 336 871
Other securitised assets	78 231	—	—	78 231
Other assets	257 378	257 378	—	—
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	110 891	110 891	—	—
	12 421 797	6 215 100	3 512 513	2 694 184
Liabilities				
Derivative financial instruments	2 424 036	—	2 364 578	59 458
Other trading liabilities	202 256	154 473	47 783	—
Repurchase agreements and cash collateral on securities lent	169 063	—	169 063	—
Customer accounts (deposits)	3 188 859	—	3 188 859	—
Debt securities in issue	21 554	—	21 554	—
Liabilities arising on securitisation of other assets	81 609	—	—	81 609
Other liabilities	99 692	—	47 292	52 400
Liabilities to customers under investment contracts	108 370	—	108 370	—
Insurance liabilities, including unit-linked liabilities	2 521	—	2 521	—
	6 297 960	154 473	5 950 020	193 467
Net financial assets/(liabilities) at fair value	6 123 837	6 060 627	(2 437 507)	2 500 717

Transfers between level 1 and level 2

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

Measurement of financial assets and liabilities at level 2

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

	Valuation basis/techniques	Main inputs
Assets		
Non-sovereign and non-bank cash placements	Discounted cash flow model	Yield curves
Reverse repurchase agreements and cash collateral on securities borrowed	Discounted cash flow model, Hermite interpolation, Black-Scholes	Yield curves, discount rates, volatilities
Bank debt securities	Discounted cash flow model	Yield curves
Other debt securities	Discounted cash flow model	Yield curves, NCD curves and swap curves, discount rates, external prices, broker quotes
Derivative financial instruments	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Black-Scholes and Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Securities arising from trading activities	Standard industry derivative pricing model, Discounted cash flow model	Interest rate curves, implied bond spreads, equity volatilities, yield curves
Investment portfolio	Discounted cash flow model, relative valuation model comparable quoted inputs	Discount rate and fund unit price, net assets
Loans and advances to customers	Discounted cash flow model	Yield curves
Other assets	Discounted cash flow model	Yield curves
Liabilities		

Derivative financial instruments	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Black-Scholes and Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Other trading liabilities	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Repurchase agreements and cash collateral on securities lent	Discounted cash flow model, Hermite interpolation	Yield curves, discount rates
Customer accounts (deposits)	Discounted cash flow model	Yield curves, discount rates
Debt securities in issue	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Other liabilities	Discounted cash flow model	Yield curves
Liabilities to customers under investment contracts	Current price of underlying unitised assets	Listed prices
Insurance liabilities, including unit-linked liabilities	Current price of underlying unitised assets	Listed prices

Level 3 financial instruments

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

£'000	Investment portfolio	Loans and advances to customers	Other securitised assets	Other balance sheet assets	Total
Assets					
Balance at 1 April 2022	873 708	1 252 232	93 087	179 641	2 398 668
Total gains or (losses)	(30 243)	92 109	1 000	5 253	68 119
In the income statement	(30 243)	92 365	1 000	5 253	68 375
In the statement of comprehensive income	—	(256)	—	—	(256)
Purchases	138 597	1 692 584	—	26 056	1 857 237
Sales	(45 897)	(762 668)	—	(36 946)	(845 511)
Issues	680	8 305	—	—	8 985
Settlements	(23 936)	(983 912)	(15 856)	(31 148)	(1 054 852)
Transfers into level 3	6 304	—	—	4 746	11 050
Transfer from interests in associated undertakings [^]	229 361	—	—	—	229 361
Foreign exchange adjustments	(20 610)	38 221	—	3 516	21 127
Balance at 31 March 2023	1 127 964	1 336 871	78 231	151 118	2 694 184

[^] The IEP Group and Bud Group shareholders have approved a restructure to facilitate an exit by certain IEP shareholders, including the Investec Group, by way of a share buyback. The restructure entails the transfer of certain assets to a Newco, to facilitate the orderly disposal of those assets. As a result the nature of the holding in IEP has changed to that of a debt instrument and has been transferred to the investment portfolio line on the balance sheet, where it is measured at fair value through profit or loss.

For the year to 31 March 2023, investment portfolio of £6.3 million, derivatives financial instruments assets of £4.7 million were transferred from level 2 to level 3. The valuation methodologies were reviewed and unobservable inputs were used to determine the fair value.

£'000	Liabilities arising on securitisation of other assets	Other balance sheet liabilities	Total
Liabilities			
Balance at 1 April 2022	95 885	95 187	191 072
Total losses in the income statement	1 384	6 814	8 198
Purchases	—	6 324	6 324
Settlements	(15 660)	(562)	(16 222)
Transfers out of level 3	—	(8)	(8)
Foreign exchange adjustments	—	4 103	4 103
Balance at 31 March 2023	81 609	111 858	193 467

Derivative financial instrument liabilities of £8 000 were transferred from level 3 to level 2.

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

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

For the year to 31 March 2023	Total	Realised	Unrealised
£'000			

Total gains included in the income statement for the period			
Net interest income	98 169	86 175	11 994
Investment (loss)/income	(41 148)	605	(41 753)
Trading income arising from customer flow	160	1	159
Trading income arising from balance sheet management and other trading activities	2 996	—	2 996
	60 177	86 781	(26 604)
Total gains or (losses) included in other comprehensive income for the period			
Gain on realisation on debt instruments at FVOCI recycled through the income statement	433	433	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(256)	—	(256)
	177	433	(256)

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 31 March 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	93 932	Potential impact on income statement		2 702	(5 253)
		Credit spreads	1.05%-1.87%	108	(254)
		Cash flow adjustments	CPR 14.81%	10	(10)
		Other [^]	[^]	2 584	(4 989)
Derivative financial instruments	53 184	Potential impact on income statement		5 260	(5 136)
		Volatilities	7.5%-18.9%	13	(25)
		Underlying asset value ^{^^}	^{^^}	3 999	(4 100)
		Cash flow adjustment	CPR 14.81%	6	(5)
		Other [^]	[^]	1 242	(1 006)
Securities arising from trading activities	4 002	Potential impact on income statement			
		Cash flow adjustments	CPR 14.17%	206	(235)
Investment portfolio	1 127 964	Potential impact on income statement		120 618	(158 986)
		Price earnings multiple	5.5x-11.2x	11 718	(21 695)
		Underlying asset value ^{^^}	^{^^}	9 378	(20 883)
		EBITDA	**	11 003	(12 331)
		EBITDA	(10%)-10%	21 341	(21 341)
		Cash flows	**	1 915	(1 414)
		Underlying asset value ^{^^}	^{^^}	1 425	(3 104)
		Precious and industrial metal prices	(5%)-5%	1 249	(1 249)
		Property prices	#	45 698	(49 011)
		Other [^]	[^]	16 891	(27 958)
Loans and advances to customers	1 336 871	Potential impact on income statement		36 255	(50 330)
		Credit spreads	0.28%-5.2%	10 994	(22 971)
		Property value	**	14 934	(9 659)
		Price earnings multiple	3.5x-4x	4 276	(7 083)
		Underlying asset value ^{^^}	^{^^}	1 663	(1 841)
		Other [^]	[^]	4 388	(8 776)
		Potential impact on other comprehensive income		15 756	(31 758)
		Credit spreads	0.29%-5.5%	15 753	(31 751)
		Other	[^]	3	(7)
Other securitised assets*	78 231	Potential impact on income statement			
		Cash flow adjustments	CPR 14.81%	701	(669)
Total level 3 assets	2 694 184			181 498	(252 367)
Liabilities					
Derivative financial instruments	59 458	Potential impact on income statement		(4 098)	4 099
		Volatilities	9%-18.9%	(1)	2
		Underlying asset value ^{^^}	^{^^}	(4 097)	4 097
Liabilities arising on securitisation of other assets*	81 609	Potential impact on income statement			
		Cash flow adjustments	CPR 14.81%	(351)	363
Other liabilities	52 400	Potential impact on income statement		(5 561)	5 930
		Property prices	#	(4 929)	5 298
		Other	[^]	(632)	632

At 31 March 2023	Balance sheet value £'000	Significant unobservable input changed	Range which unobservable input has been changed	Favourable changes £'000	Unfavourable changes £'000
Assets					
Total level 3 liabilities	193 467			(10 010)	10 392
Net level 3 assets	2 500 717			171 488	(241 975)

* The sensitivity of the fair value of liabilities arising on securitisation of other assets has been considered together with other securitised assets.

^ Other – The valuation sensitivity has been assessed by adjusting various inputs such as expected cash flows, discount rates, earnings multiples rather than a single input. It is deemed appropriate to reflect the outcome on a portfolio basis for the purposes of this analysis as the sensitivity of the assets cannot be determined through the adjustment of a single input.

^^ Underlying asset values are calculated by reference to a tangible asset, for example property, aircraft or shares.

** The EBITDA, cash flows and property values have been stressed on an investment-by-investment and loan-by-loan basis in order to obtain favourable and unfavourable valuations.

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

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

Credit spreads

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

Discount rates

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

Volatilities

Volatility is a key input in the valuation of derivative products containing optionality. Volatility is a measure of the variability or uncertainty in returns for a given derivative underlying. It represents an estimate of how much a particular underlying instrument, parameter or index will change in value over time.

Cash flows

Cash flows relate to the future cash flows which can be expected from the instrument and requires judgement.

EBITDA

The Company being valued earnings before interest, taxes, depreciation and amortisation. This is the main input into a price-earnings multiple valuation method..

Price-earnings multiple

The price-to-earnings ratio is an equity valuation multiple. It is a key driver in the valuation of unlisted investments.

Property value and precious and industrial metals

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

Underlying asset value

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

Fair value of financial assets and liabilities at amortised cost

At 31 March 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	6 437 709	6 437 709	—	—
Loans and advances to banks	1 450 627	1 450 627	—	—
Non-sovereign and non-bank cash placements	638 156	638 156	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	2 670 868	1 267 814	1 403 054	1 402 885
Sovereign debt securities	1 224 423	4 370	1 220 053	1 240 625
Bank debt securities	326 579	4 805	321 774	323 941
Other debt securities	819 748	137 429	682 319	676 397
Loans and advances to customers	27 802 789	13 334 165	14 468 624	14 331 553
Own originated loans and advances to customers securitised	272 879	272 879	—	—
Other loans and advances	142 726	69 827	72 899	72 976
Other securitised assets	24 920	24 920	—	—
Other assets	811 379	811 379	—	—
	42 622 803	24 454 080	18 168 723	18 048 377
Liabilities				
Deposits by banks	3 617 524	873 033	2 744 491	2 765 632
Repurchase agreements and cash collateral on securities lent	767 501	162 872	604 629	630 983

Customer accounts (deposits)	36 366 810	20 291 966	16 074 844	15 992 582
Debt securities in issue	1 781 032	297 489	1 483 543	1 440 357
Liabilities arising on securitisation of own originated loans and advances	163 787	163 787	—	—
Other liabilities	916 649	913 925	2 724	1 572
Subordinated liabilities	1 084 630	262 141	822 489	831 177
	44 697 933	22 965 213	21 732 720	21 662 303

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 41

Notice is hereby given that a final dividend number 41, being a gross dividend of 17.50000 pence (2022: 14.00000 pence) per ordinary share has been declared by the Board from income reserves in respect of the year ended 31 March 2023, payable to shareholders recorded in the shareholders' register of the Company at the close of business on Friday 18 August 2023.

- For Investec plc shareholders, registered on the United Kingdom share register, through a dividend payment by Investec plc from income reserves of 17.50000 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 17.50000 pence per ordinary share.

The relevant dates relating to the payment of dividend number 41 are as follows:

Last day to trade cum-dividend

On the Johannesburg Stock Exchange (JSE)	Tuesday 15 August 2023
On the London Stock Exchange (LSE)	Wednesday 16 August 2023

Shares commence trading ex-dividend

On the Johannesburg Stock Exchange (JSE)	Wednesday 16 August 2023
On the London Stock Exchange (LSE)	Thursday 17 August 2023

Record date (on the JSE and LSE) Friday 18 August 2023

Payment date (on the JSE and LSE) Monday 4 September 2023

Share certificates on the South African branch register may not be dematerialised or rematerialised between Wednesday 16 August 2023 and Friday 18 August 2023, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday 16 August 2023 and Friday 18 August 2023, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Shareholders registered on the South African branch register are advised that the distribution of 17.50000 pence, equivalent to a gross dividend of 423.00000 cents per share, has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Wednesday 17 May 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 423.00000 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 338.40000 cents per share (gross dividend of 423.00000 cents per share less Dividend Tax of 84.60000 cents per share) per share paid by Investec Limited on the SA DAS share.

By order of the Board



David Miller

Company Secretary

17 May 2023

Investec Limited

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

Ordinary share dividend announcement

Declaration of dividend number 134

Notice is hereby given that final dividend number 134, being a gross dividend of 423.00000 cents (2022: 279.00000 cents) per ordinary share has been declared by the Board from income reserves in respect of the year ended 31 March 2023 payable to shareholders recorded in the shareholders' register of the Company at the close of business on Friday 18 August 2023.

The relevant dates relating to the payment of dividend number 134 are as follows:

Last day to trade cum-dividend	Tuesday 15 August 2023
Shares commence trading ex-dividend	Wednesday 16 August 2023
Record date	Friday 18 August 2023
Payment date	Monday 4 September 2023

The final gross dividend of 423.00000 cents per ordinary share has been determined by converting the Investec plc distribution of 17.50000 pence per ordinary share into Rands using the Rand/Pound Sterling average buy/sell forward rate at 11h00 (SA time) on Wednesday 17 May 2023.

Share certificates may not be dematerialised or rematerialised between Wednesday 16 August 2023 and Friday 18 August 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 299 014 115 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 423.00000 cents per ordinary share
- Shareholders who are not exempt from paying the Dividend Tax will receive a net dividend of 338.40000 cents per ordinary share (gross dividend of 423.00000 cents per ordinary share less Dividend Tax of 84.60000 cents per ordinary share).

By order of the Board



Niki van Wyk

Company Secretary

17 May 2023

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 34

Notice is hereby given that preference dividend number 34 has been declared by the Board from income reserves for the period 1 October 2022 to 31 March 2023 amounting to a gross preference dividend of 21.58904 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 9 June 2023.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 21.58904 pence per preference share is equivalent to a gross dividend of 516.58687 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA time) on Wednesday 17 May 2023.

The relevant dates relating to the payment of dividend number 34 are as follows:

Last day to trade cum-dividend

On the Johannesburg Stock Exchange (JSE) Tuesday 6 June 2023
On the International Stock Exchange (TISE) Wednesday 7 June 2023

Shares commence trading ex-dividend

On the Johannesburg Stock Exchange (JSE) Wednesday 7 June 2023
On the International Stock Exchange (TISE) Thursday 8 June 2023

Record date (on the JSE and TISE) Friday 9 June 2023

Payment date (on the JSE and TISE) Friday 23 June 2023

Share certificates may not be dematerialised or rematerialised between Wednesday 7 June 2023 and Friday 9 June 2023, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday 7 June 2023 and Friday 9 June 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 413.26950 cents per preference share for preference shareholders liable to pay the Dividend Tax and 516.58687 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the Board



David Miller

Company Secretary

17 May 2023

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 24

Notice is hereby given that preference dividend number 24 has been declared by the Board from income reserves for the period 1 October 2022 to 31 March 2023 amounting to a gross preference dividend of 490.94179 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 9 June 2023.

The relevant dates relating to the payment of dividend number 24 are as follows:

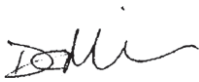
Last day to trade cum-dividend	Tuesday 6 June 2023
Shares commence trading ex-dividend	Wednesday 7 June 2023
Record date	Friday 9 June 2023
Payment date	Friday 23 June 2023

Share certificates may not be dematerialised or rematerialised between Wednesday 7 June 2023 and Friday 9 June 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 392.75343 cents per preference share for preference shareholders liable to pay the Dividend Tax and 490.94179 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the Board



David Miller

Company Secretary

17 May 2023

Investec Limited

Incorporated in the Republic of South Africa

Registration number: 1925/002833/06

JSE share code: INL

JSE hybrid code: INPR

JSE debt code: INLV

NSX ordinary share code: IVD

BSE ordinary share code: INVESTEC

ISIN: ZAE000063814

LEI: 213800CU7SM6O4UWOZ70

Preference share dividend announcement

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

Declaration of dividend number 37

Notice is hereby given that preference dividend number 37 has been declared by the Board from income reserves for the period 1 October 2022 to 31 March 2023 amounting to a gross preference dividend of 401.90045 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 9 June 2023.

The relevant dates for the payment of dividend number 37 are as follows:

Last day to trade cum-dividend	Tuesday 6 June 2023
Shares commence trading ex-dividend	Wednesday 7 June 2023
Record date	Friday 9 June 2023
Payment date	Friday 23 June 2023

Share certificates may not be dematerialised or rematerialised between Wednesday 7 June 2023 and Friday 9 June 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 24 835 842 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 321.52036 cents per preference share for shareholders liable to pay the Dividend Tax and 401.90045 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the Board



Niki van Wyk

Company Secretary

17 May 2023

Investec plc

Incorporated in England and Wales

Registration number 3633621

JSE ordinary share code: INP

LSE ordinary share code: INVP

ISIN: GB00B17BBQ50

LEI: 2138007Z3U5GWDN3MY22

Registered office

30 Gresham Street, London
EC2V 7QP, United Kingdom

Registrars in the United Kingdom

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

Company Secretary

David Miller

Investec Limited

Incorporated in the Republic of South Africa

Registration number 1925/002833/06

JSE ordinary share code: INL

JSE hybrid code: INPR

JSE debt code: INLV

NSX ordinary share code: IVD

BSE ordinary share code: INVESTEC

ISIN: ZAE000081949

LEI: 213800CU75M604UWOZ70

Registered office

100 Grayston Drive

Sandown, Sandton

2196 South Africa

Transfer secretaries in South Africa

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue, Rosebank

2196 South Africa

Company Secretary

Niki van Wyk

Directors

Philip Hourquebie¹ (Chair)

Fani Titi² (Chief Executive)

Nishlan Samujh² (Finance Director)

Richard Wainwright² (Executive Director)

Ciaran Whelan³ (Executive Director)

Henrietta Baldock¹

Zarina Bassa² (Senior Independent Director)

Stephen Koseff²

Nicky Newton-King²

Jasandra Nyker²

Vanessa Olver^{2*}

Khumo Shuenyane²

Philisiwe Sibiya²

Brian Stevenson¹

¹ British

² South African

³ Irish

* Appointed 18 May 2022

David Friedland stepped down from the Board on 5 August 2022

Sponsor

Investec Bank Limited