Investec

OUT OF THE ORDINARY SINCE 1974

# *Out of the Ordinary* since 1974

INVESTEC GROUP INTEGRATED AND STRATEGIC ANNUAL REPORT 2024

This year marks Investec's 50th anniversary. Throughout our journey, we have held steadfastly to our purpose of creating enduring worth, our entrepreneurial culture, and our unwavering commitment to our stakeholders.

Investec is committed to being a catalyst for positive change, fostering a more sustainable and equitable future. At this momentous milestone, we look back with humility and forward with confidence, committed to creating enduring worth for the next 50 years and beyond.

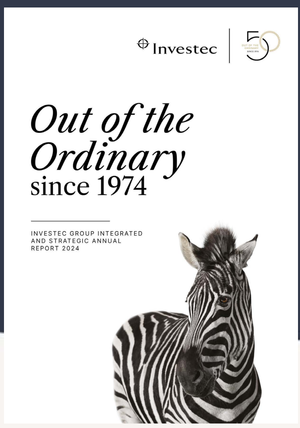
Investec. *Out of the Ordinary* for half a century.

CONTENTS

## The purpose of this report is to explain how we create, preserve or erode value over time. We explore this through the following sections:

OUR REPORTING SUITE

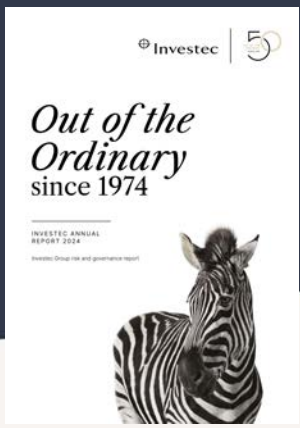
# We produce a full suite of reports to cater for the diverse needs of our stakeholders.




### Investec Group integrated and strategic report

Strategic report incorporating a business overview and a summary of our risk, sustainability, governance and remuneration practices

Download the report at www.investec.com




### Investec Group risk and governance report

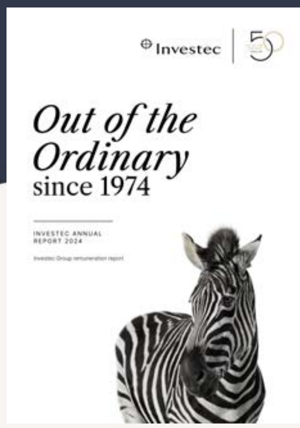
Sets out the more detailed management of risks relating to the Group's operations and the governance committee reporting

Download the report at www.investec.com


### Investec Group annual financial statements

Sets out the full DLC audited annual financial statements

Download the report at www.investec.com




### Investec Group remuneration report

Sets out the full remuneration practices of the Group including implementation of policies and the Directors' remuneration report

Download the report at www.investec.com

The following reports are published and available on our website.

### Group sustainability report

This report provides a holistic view of the Group's social and environmental impact within our operations including our contribution to the Sustainable Development Goals (SDGs). We incorporate material information from the main geographies in which we operate.

### Group climate-related financial disclosures report

This report provides our progress on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We incorporate material climate-related matters in this report.

### Pillar 3 disclosure reports

These reports provide disclosures that allow market participants to assess the scope of application by banks of the Basel committee's framework and the rules in their jurisdiction – their capital condition, risk exposure, risk management process and capital adequacy.

OUR REPORTING SUITE
CONTINUED

# About this report

## Annual Integrated Report

As a requirement of our dual-listed company (DLC) structure, we comply with the disclosure obligations contained in the applicable listing rules of the UK Listing Authority (UKLA), the JSE Limited (JSE) and other exchanges on which our shares are listed. We further comply with any public disclosure obligations as required by the UK regulators and the South African Prudential Authority, as well as the recommendations of King IV™ and the UK Governance Code 2018.

**All references in this report to Investec, the Investec Group, or the Group relate to the combined Investec DLC Group comprising Investec plc and Investec Limited.**

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This document, the integrated and strategic report, should be read in conjunction with the Investec Group's 2024 risk and governance report, the Investec Group's 2024 remuneration report, the Investec Group's 2024 sustainability report and the Investec Group's 2024 annual financial statements which elaborate on some of the aspects highlighted in the strategic report.

**Feedback**

We value feedback and invite questions and comments on our reporting. To give feedback please contact our Investor Relations division.

For queries regarding information in this document: Investor relations

Tel (27) 11 286 7070
(44) 20 7597 5546

Email investorrelations@investec.com

Web www.investec.com/en_gb/welcome-to-investec/about-us/investor-relations.html

OUR REPORTING SUITE
CONTINUED

## Reporting boundary

This report covers the period 1 April 2023 to 31 March 2024 including significant developments up to the date of Board approval. It encompasses the whole Group, consisting of the holding companies of the South African and non Southern African businesses, and all entities over which we have control or significant influence.

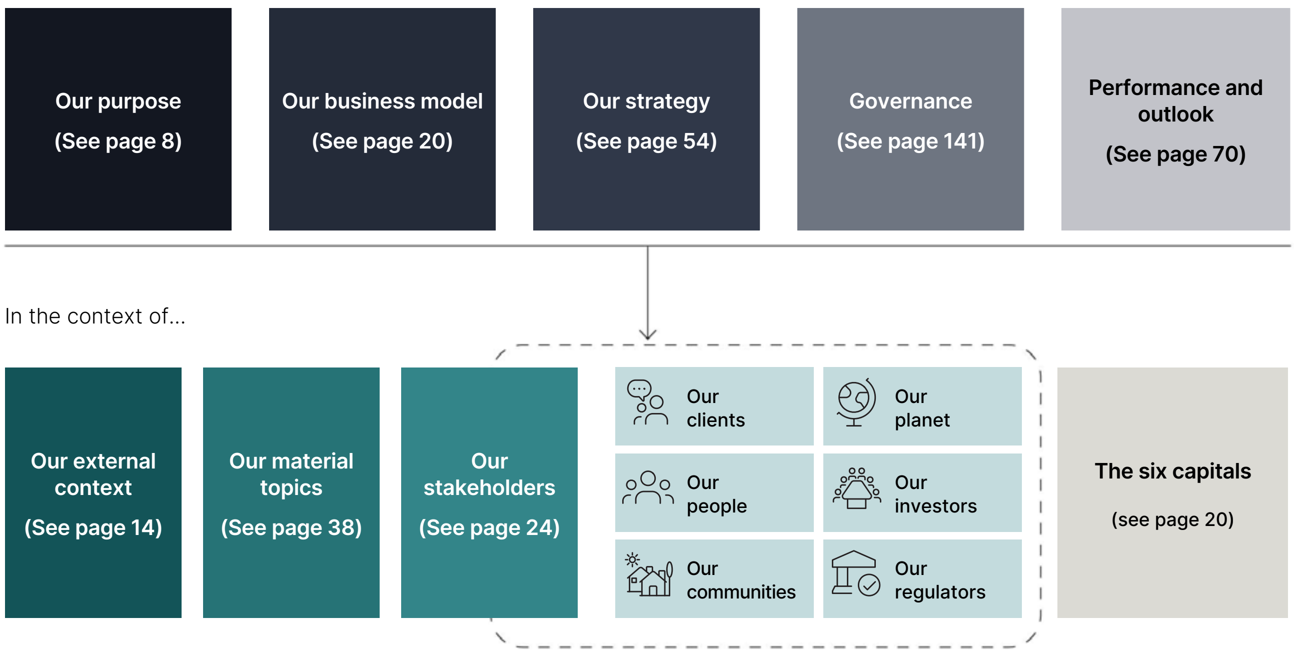
We aim to provide investors with concise yet sufficiently informed strategic narrative to the Group's purpose, business model, strategy, governance, performance and outlook. This is done in the context of our operating environment, our material topics, our stakeholders and value creation, preservation and erosion of the six capitals.

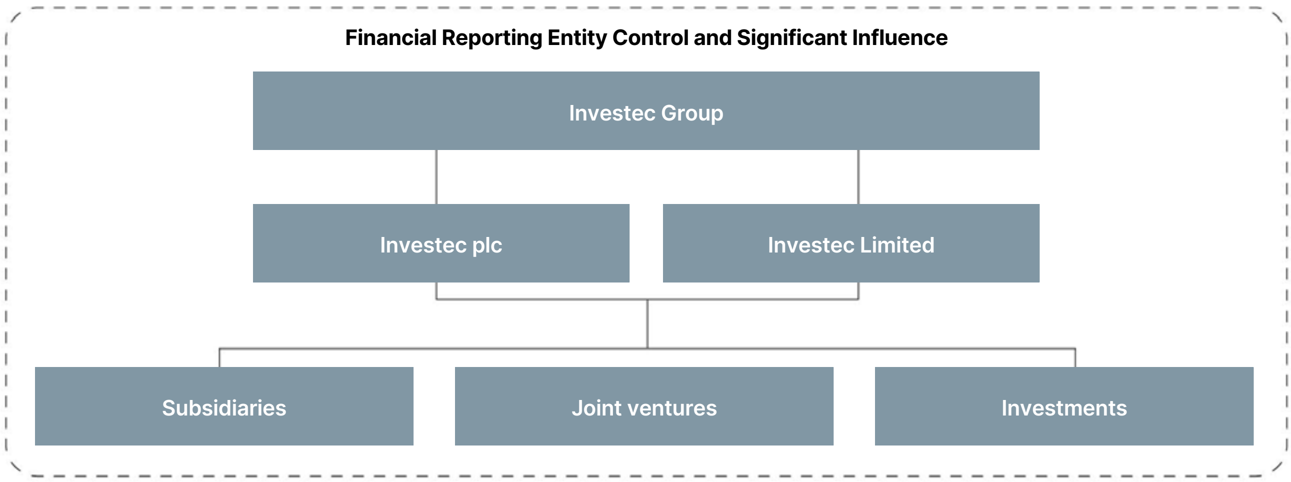
Our integrated reporting boundary covers the opportunities, risks and outcomes associated with matters beyond our financial reporting boundary.

Strategic and governance information boundaries expand to the Group's key opportunities, risks and outcomes, including matters relevant to our primary stakeholders.

The opportunities, risks and outcomes arising from entities and stakeholders over which we do not have control or significant influence are included where they affect our ability to create and preserve value, and mitigate value erosion.

Our strategic narrative through...



OUR REPORTING SUITE
CONTINUED

## Approval by the Board

Investec's Board acknowledges its responsibility to ensure the integrity of the Integrated Report. The Board, in its opinion and having applied its collective mind to the preparation and presentation of the Integrated Report, believes it addresses all material matters and offers a balanced view of Investec's strategy and how it relates to the organisation's ability to create value in the short, medium and long term.

The Board believes that the Integrated Report adequately addresses Investec's use of and effects on the six capitals and how the availability of these capitals affects Investec's strategy and business model. The Board confirms this Integrated report was prepared in accordance with the Integrated Reporting Framework.

The Board is ultimately responsible for the Integrated Report, which is prepared under the supervision of management and subject to a rigorous internal and external review process. The Integrated Report is submitted to the Audit Committee who reviews its content and the collation process, relying on the assurance provided on the various reporting elements. The Audit Committee recommended the report for Board approval.

### Board of Directors

| | |
|---|---|
| **Philip Hourquebie**<br>Chair | **Vanessa Olver**<br>Independent Non-Executive Director |
| **Zarina Bassa**<br>Senior Independent Director | **Diane Radley**<br>Independent Non-Executive Director |
| **Henrietta Baldock**<br>Independent Non-Executive Director | **Philisiwe Sibiya**<br>Independent Non-Executive Director |
| **Stephen Koseff**<br>Non-Executive Director | **Brian Stevenson**<br>Independent Non-Executive Director |
| **Nicola Newton-King**<br>Independent Non-Executive Director | **Fani Titi**<br>Chief Executive |
| **Jasandra Nyker**<br>Independent Non-Executive Director | **Nishlan Samujh**<br>Group Finance Director |

## Key to icons

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

**Audited information**
Denotes information in the risk and remuneration reports that forms part of the Group's audited annual financial statements.

**Page references**
Refers readers to information elsewhere in this report.

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

**Group sustainability**
Refers readers to further information in the Investec Group's 2024 sustainability report which is published and available on our website: www.investec.com

**Reasonable assurance**
Denotes information in the sustainability summary that has been reasonably assured by EY LLP.

**Strategic Report**
Section 414A of the UK Companies Act 2006 (the UK Companies Act) requires the Directors to present a strategic report in the annual report and accounts.

## In this year's report

We explore how we are creating enduring worth through the lens of the International Integrated Reporting Framework's six capitals.

Financial capital

Human capital

Intellectual capital

Manufactured capital

Natural capital

Social and relationship capital

# Our business overview

# An overview of who we are, how we create value, and the stakeholders we create value for. We also explain the environment in which we operate, and outline our most material issues.

IN THIS SECTION

OUR BUSINESS AT A GLANCE

# One Investec

## **Our purpose** is to create enduring worth.

| | |
|---|---|
| **Our mission** | Investec is a distinctive bank and wealth manager, driven by commitment to our purpose, values, core philosophies and culture. We deliver exceptional service to our clients in the areas of banking and wealth management, striving to create long-term value for all of our stakeholders and contributing meaningfully to our people, communities and the planet. |
| **Our distinction** | The Investec distinction is embodied in our entrepreneurial culture, supported by a strong risk management discipline, client-centric approach and an ability to be nimble, flexible and innovative. We do not seek to be all things to all people. Our aim is to build well defined, value-adding businesses focused on serving the needs of select market niches where we can compete effectively and build scale and relevance.<br><br>Our unique positioning is reflected in our iconic brand, our high-touch and high-tech approach and our positive contribution to society, macro-economic stability and the environment. Ours is a culture that values purposeful thinking and stimulates extraordinary performance. We take pride in the strength of our leadership team and our people are empowered and committed to our values and culture. |
| **Our philosophies** | Single organisation |
| | Meritocracy |
| | Focused businesses |
| | Differentiated, yet integrated |
| | Material employee ownership |
| | Creating an environment that stimulates extraordinary performance |
| **Our values** | Deep client partnerships, built on trust and Out of the Ordinary service, are the bedrock of our business |
| | We uphold cast-iron integrity in all our dealings, consistently displaying moral strength |
| | We seek creative, talented people with passion, energy and stamina, who collaborate unselfishly |
| | We thrive on change and challenge the status quo with courage, constantly innovating and adapting to an ever-changing world |
| | We believe in open and honest dialogue to test decisions, seek consensus and accept responsibility |
| | We pursue diversity and strive to create an environment in which everyone an bring their whole selves |
| | We show care for people, support our colleagues and respect the dignity and worth of the individual |
| | We are committed to living in society, not off it, contributing meaningfully to the communities in which we operate |
| | We embrace our responsibility to the environment and the well-being of our planet |
| | We trust our people to exercise their judgement, promoting entrepreneurial flair and freedom to operate with risk consciousness and unwavering adherence to our values |

OUR BUSINESS AT A GLANCE
CONTINUED

# Our journey so far

| | |
|---|---|
| **1974** | Founded as a leasing company in Johannesburg |
| **1980** | We acquired a banking licence in South Africa |
| **1986** | We were listed on the JSE Limited South Africa |
| **1992** | Entered the UK market following the acquisition of Allied Trust Bank |
| **2002** | In July 2002, we implemented a dual-listed companies (DLC) structure with linked companies listed in London and Johannesburg |
| **2003** | We concluded a significant empowerment transaction in which our empowerment partners collectively acquired a 25.1% stake in the issued share capital of Investec Limited |
| **2020** | We successfully completed the demerger of Investec Asset Management which separately listed as Ninety One in March 2020 |
| **2022** | The Board approved a proposed share purchase and a share buyback programme of up to R7 billion (c.£350 million) to be executed over a period of 18 months from November 2022. We also distributed a 15% shareholding in Ninety One. The Group retained a 10% shareholding in Ninety One. |
| **2023** | We successfully completed the all-share combination of Investec Wealth & Investment Limited UK and Rathbones Group to create the UK's leading discretionary wealth manager with Investec Group holding a 41.25% economic interest in Rathbones.<br><br>In June 2023, we increased our shareholding in Capitalmind to c.60%, from the 30% position which we acquired in 2021. |
| **2024** | Today, we are a simplified and focused business, well-positioned to pursue identified growth opportunities, supported by our One Investec strategy. |

Refer to the Divisional review section (page 70) for more information on where we operate.

# Investment proposition

Well positioned to pursue long-term growth

Well capitalised and highly liquid balance sheet

Improved capital allocation – including ongoing strategies to optimise the capital base

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

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

Resilient clients through difficult macro environments

Cost discipline remains a priority whilst investing for future growth

OUR BUSINESS AT A GLANCE
CONTINUED

# Our international footprint

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

- Wealth & Investment Activities
- Private Client Banking Activities
- Corporate and Investment Banking Activities
- Corporate Advisory and Investment Activities
- Property Activities
- Securities

**USA**

Established a presence in 1998

Energy and Infrastructure Finance, Fund Solutions, Aviation Finance and Institutional Equities business providing research and sales activities

**Ireland**

Established a presence in 1999

Treasury Risk Solutions and Institutional Equities business

**United Kingdom**

Established a presence in 1992

Corporate, institutional and private client banking activities

Wealth management services offered through our long-term strategic partnership with Rathbones

**Channel Islands**

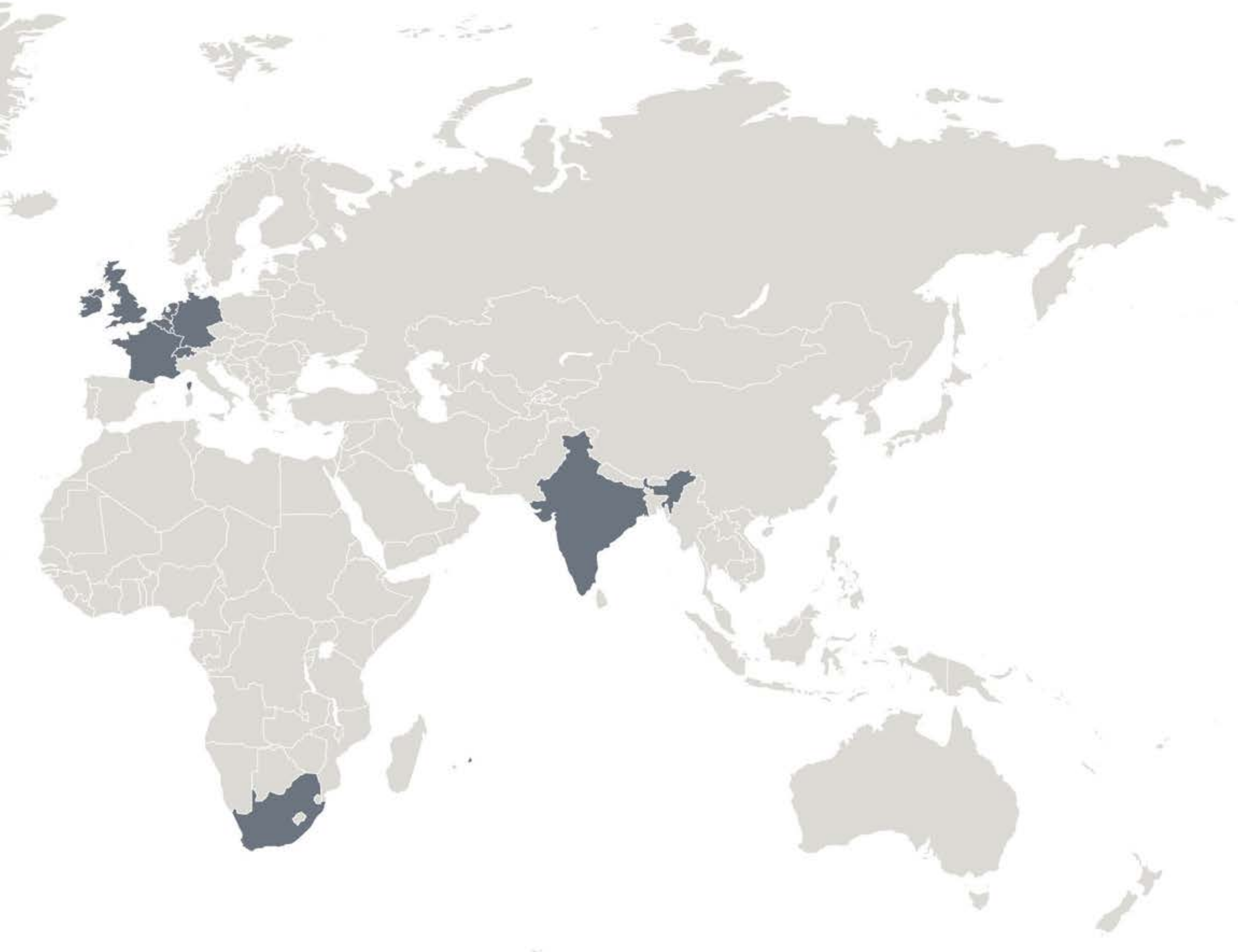
Established a presence in Guernsey (1998), Jersey (2007) and Isle of Man (2018)

Private banking, lending and treasury services to private clients and financial intermediaries

Custody and Execution-only services through our independent nominee company

Wealth management services offered through our long-term strategic partnership with Rathbones

# OUR BUSINESS AT A GLANCE
CONTINUED



**Switzerland**

Established a presence in 1974

Private banking and Wealth management services offered to private clients, family offices, trusts and corporate service providers

Corporate lending activities

**Continental Europe**

Established a presence in 2023

Investment banking activities including M&A advisory and corporate lending

**South Africa**

Established a presence in 1974

Corporate, institutional and private client banking activities

Wealth and investment management services with the ability to leverage off the global platform

**Mauritius**

Established a presence in 1997

Corporate, institutional and private client banking activities

Wealth management services

**India**

Established a presence in 2010

Institutional equities business providing research, sales and trading activities

Sales desk located in Singapore for Indian equities to Singaporean institutional investors

Merchant banking business connecting Indian companies with domestic and international investors

Investment management services in structured credit and other products

# OUR BUSINESS AT A GLANCE
CONTINUED

## Southern Africa

Net core loans
£14.3bn

Customer deposits
£18.7bn

Total assets
£26.6bn

Funds under management
£20.9bn

Total employees
5 293

ROE
17.3%

ROTE
17.3%

Adjusted operating profit
£429.0mn

Cost to income ratio^
52.9%

Allocated capital
£1.8bn

## UK and Other

Net core loans
£16.6bn

Customer deposits
£20.8bn

Total assets
£30.1bn

Rathbones Group FUMA*
£107.6bn

Total employees
2 253

ROE
12.8%

ROTE
15.7%

Adjusted operating profit
£455.5mn

Cost to income ratio^
54.4%

Allocated capital
£3.0bn

## Total Group

Net core loans
£30.9bn

Customer deposits
£39.6bn

Total assets
£56.7bn

Funds under management
£20.9bn

Rathbones Group FUMA*
£107.6bn

Total employees
7 546

ROE
14.6%

ROTE
16.5%

Adjusted operating profit
£884.5mn

Cost to income ratio^
53.8%

Allocated capital
£4.8bn

^ This key metric is based on the pro-forma income statements on page 72.
* As at 31 March 2024, Rathbones Group Plc, of which Investec owns a 41.25% economic interest, had funds under management and administration (FUMA) of £107.6bn.
Totals determined in £'000 which may result in rounding differences.

# OUR OPERATIONAL STRUCTURE

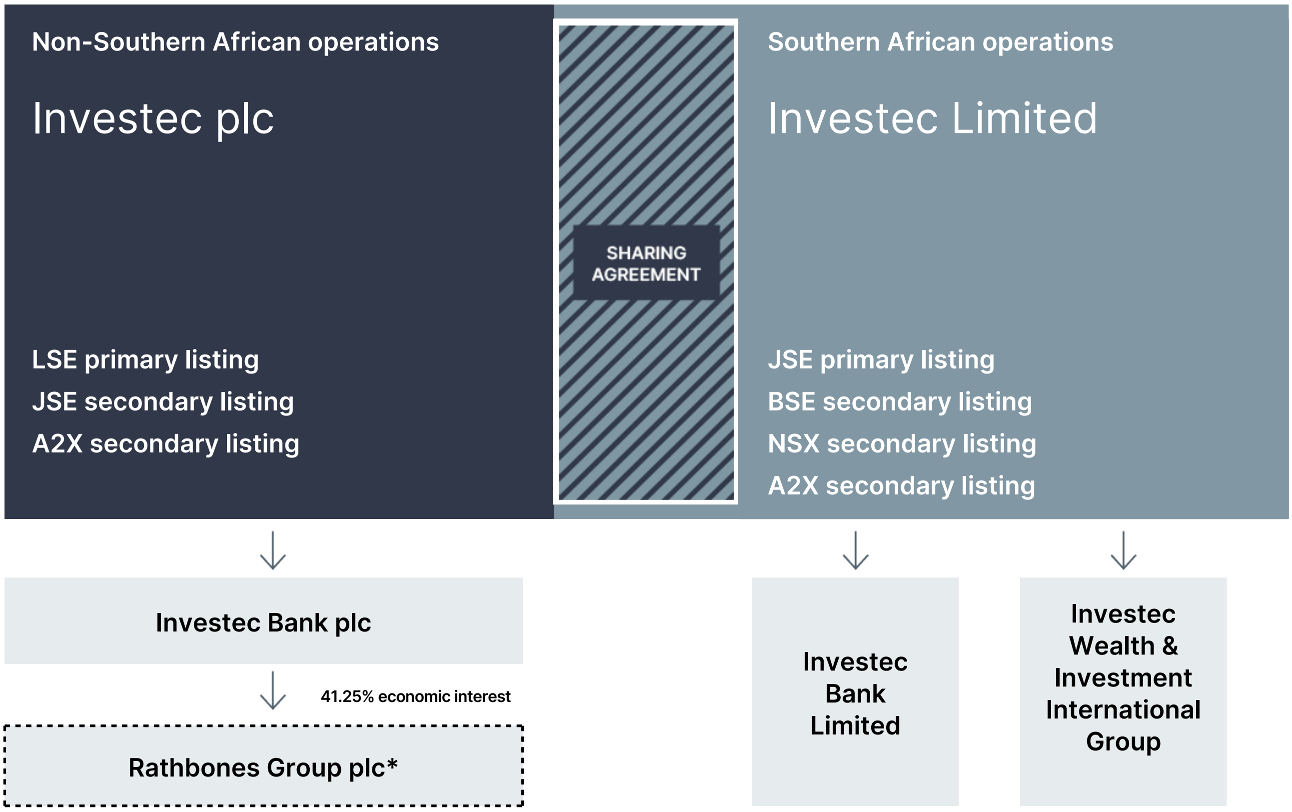
### Our operational structure

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

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

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

### Our DLC structure and main operating subsidiaries and associates




All shareholdings in the ordinary share capital of the subsidiaries and associates shown are 100% unless otherwise stated.
* See page 16 for further information on the Combination.

## Salient features of the DLC structure

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

OUR EXTERNAL CONTEXT

# Our external context

Investec is driven by its purpose to create enduring worth. We operate in a constantly evolving environment, balancing the complex trade-off between risks and opportunities which has significant influence on our strategic direction and operating model. Understanding the influences on our business and our customers enables us to be prepared for change, respond quickly and create long-term sustainable value.

## Rapid pace of digitalisation

Digitalisation forms a fundamental part of our strategy to transform and grow our business through modernising our infrastructure, enhancing our security as well as ensuring the responsible adoption of artificial intelligence (AI).

We are creating a technology ecosystem that can be responsive to the evolving financial landscape and the latest technology developments enabling us to continuously create out of the ordinary experiences for our clients and colleagues.

**Read more about this trend**

| | |
|---|---|
| Group Chief Executive's report | **See page 46** |
| Principal risks | **See page 108** |
| Material topics | **See page 38** |

## Heightened emphasis on sustainability

Investec's purpose is rooted in the belief that our contribution to society and the planet should be an integral part of our business rather than a peripheral consideration. We recognise that sustainability is becoming increasingly important to all stakeholders, and as a bank, we have a crucial role to play in delivering sustainable finance and inclusion. There is a growing expectation for companies to support and enable better environmental and social impacts, and investors are increasingly considering sustainability factors in their investment decisions. With climate-related prudential and regulatory focus, we need to demonstrate progress beyond performance.

Therefore, Investec's sustainability strategy is built on the understanding that our business should actively contribute to the betterment of society and the planet.

**Read more about this trend**

| | |
|---|---|
| Group Chief Executive's report | **See page 46** |
| Principal risks | **See page 108** |
| Material topics | **See page 38** |
| Group sustainability report | |

# OUR EXTERNAL CONTEXT

## Uncertain economic and political backdrop

The Group has been performing in a challenging operating environment, characterised by geopolitical tensions, heightened risk of deglobalisation, sustained inflationary pressure and high interest rates, which has led to an uncertain economic and political outlook.

The diversified nature of our client franchises and deposit base, strong balance sheet as well as prudent risk management processes position us well to navigate the external shocks and support our clients through an uncertain economic environment.

**Read more about this trend**

| | |
|---|---|
| Group Chief Executive's report | **See page 46** |
| Principal risks | **See page 108** |


## Complex regulatory environment

UK and SA Banks are subject to ongoing monitoring and oversight from the Prudential Regulation Authority (PRA), South African Prudential Authority (SA PA), Financial Conduct Authority (FCA) and the Financial Sector Conduct Authority (FSCA) among other regulatory bodies.

The financial systems in our two core geographies are stable, effectively regulated, and well-capitalised and we have adapted our business strategy and processes to prepare for the changing regulatory environment and heightened supervision. We remain risk conscious, placing our clients at the centre of everything we do.

**Read more about this trend**

| | |
|---|---|
| Group Chief Executive's report | **See page 46** |
| Principal risks | **See page 108** |
| Material topics | **See page 38** |

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

In April 2023, the Boards and Management of Investec Group and Rathbones Group plc ("Rathbones") announced a definitive agreement regarding an all-share combination of Investec Wealth & Investment Limited ("IW&I UK") and Rathbones (the "Combination"). The Combination brought together two trusted and prestigious UK wealth management businesses with closely aligned cultures and operating models.

The IW&I UK and Rathbones combination creates the **UK's leading discretionary wealth manager** with c.£107.6 billion in funds under management and administration ("FUMA"), delivering the scale that will underpin future growth.

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

## Overview of the transaction

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

i. 27,056,463 ordinary voting shares representing 29.9% of the Rathbones enlarged ordinary voting share capital; and
ii. 17,481,868 convertible non-voting ordinary shares,

such that Investec Group now has an economic interest of 41.25% in Rathbones' enlarged share capital.

### Strategic review and rationale

1 Created UK's leading discretionary wealth manager

— Scale and operating efficiencies to power future growth

— Enhanced client and employee proposition

— Increased investment in capability and technology

2 Reaffirmed Investec Group's commitment to the strategically attractive UK wealth management sector

3 Creates sustainable value for Investec Group's shareholders

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

## Further considerations

### Accounting implications

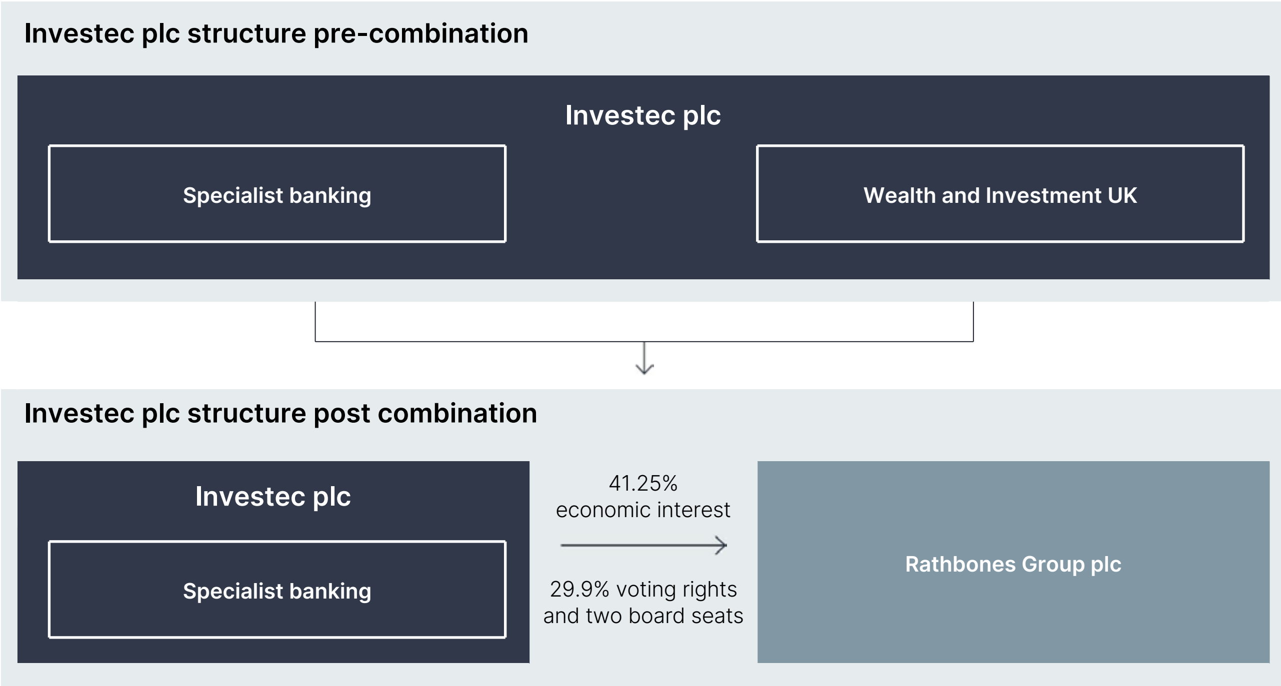
The IW&I UK transaction included Investec Group's wealth and investment businesses in the UK and Channel Islands but excludes Investec Bank (Switzerland) AG ("IBSAG") and Investec Wealth & Investment International (Pty) Ltd ("Investec W&I SA"). Both IBSAG and Investec W&I SA remain wholly-owned subsidiaries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

IW&I UK was previously 100% consolidated and the Group's investment in Rathbones is now equity accounted and recognised as an associate.

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

Refer to page 98 to 100 of Investec Group's 2024 annual financial statements for discontinued operations.

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




### Governance and management

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

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

**Fani Titi**
Investec Group Chief Executive

CASE STUDY

# Helping businesses become *more sustainable*

## South Africa's infrastructure challenges have created new opportunities for financial institutions to support clients in their endeavours to improve their business resilience and sustainability.

The unreliable supply of electricity and water has not only caused major uncertainties and disruption to South African businesses and households; it has also spawned new industries and value chains which created new opportunities for Investec to support clients in navigating the challenges posed by the unreliable infrastructure.

In line with our strategic priority to accelerate and scale identified growth initiatives, our Sustainable Solutions team provides bespoke solutions – including expert advice, lending products and access to credible partners – to improve business resilience or ensure the uninterrupted supply of energy and water.

The bank's extensive knowledge of clients and expertise in renewable energy sit at the heart of the Solutions proposition, and enable us to offer flexible and innovative financing options.

During 2023, we provided solar financing to a pathology lab client experiencing continuous interruptions and contamination of specimens due to power failures, which had resulted in a negative financial impact. Recognising the urgent need for a solution, our Sustainable Solutions team acted swiftly and arranged a facility to fund the installation of the solar systems at two locations, thereby ensuring a reliable power supply. This prompt response ensured the lab's critical services continued without interruption while also strengthening our relationship with the client.

"Our dedication to our clients is evident through our Sustainable Solutions proposition, which strives to create enduring worth by supporting the long-term sustainability and commercial viability of our clients' homes and businesses in South Africa."

**Melanie Humphries**
Head of Private Banking Sustainable Solutions

OUR BUSINESS MODEL

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

## Our Purpose and approach → Our inputs

# Creating enduring worth

We have market leading, distinctive client franchises.

We provide a high level of client service enabled by our digital platforms. Colloquially referred to as high-touch and high-tech.

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

| | | |
|---|---|---|
| **Financial capital** | Our shareholder and debt funding, which underpin our strong capital base, support our business operations and fund growth | • Shareholders' equity<br>• Preference shares<br>• Debt securities<br>• Deposits<br>• Funds under management |
| **Human capital** | Our culture, our people, their collective knowledge, skills and experience as well as our ethical and effective leadership, collectively facilitate the delivery on our purpose to create enduring worth | • Differentiated, entrepreneurial culture<br>• Experienced executive team<br>• A knowledgeable and highly skilled employee base<br>• Health and wellbeing of staff<br>• Inclusion and diversity<br>• Investment in training and development of staff |
| **Natural capital** | Our efforts to actively manage the impact of our operations on the environment; and our responsible approach to investing | • Signatory to the UN Net-Zero Banking Alliance<br>• Signed up to the Partnership for Biodiversity Accounting Financials<br>• Revised Sustainable and Transition Finance Classification Framework implementation<br>• Commitment to zero thermal coal exposure in our loan book by 2030<br>• Reduction in emissions and electricity usage<br>• Investment in renewable energy certificates |
| **Social and relationship capital** | Our strong relationships with all our stakeholders are an integral part of our operating environment and our objective to live in society, not off it | • Dedicated client relationship teams<br>• Our global client support centre<br>• Responsible ESG practices and policies<br>• Good relationships with key stakeholders<br>• Committed community spend |
| **Intellectual capital** | Our trusted brand and franchise value, strategic partnerships and innovative capabilities and expertise | • Leading brand recognition<br>• Continued marketing spend<br>• Investec rewards programme<br>• Continuous innovation<br>• Formation of strong strategic partnerships |
| **Manufactured capital** | The physical and digital infrastructure through which we conduct business activities | • Choice of software: Microsoft and its multiple service offerings<br>• Operating through both digital and physical infrastructures<br>• Ongoing investment in cybersecurity, the quality of our IT infrastructure and systems; as well as our IT staff |

# OUR BUSINESS MODEL
CONTINUED

## Our business activities and outputs

### Our clients

**Corporate / Institutional / Government / Intermediary**

**UK target market**
- Small to mid-sized UK corporates

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

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

**UK target market**
- Individuals with > £250k minimum investable amount
- High net worth active wealth creators (with >£300k annual income and > £3mn NAV)
- Charities and trusts, financial advisors and intermediaries

**SA target market**
- High net worth individuals
- High-income professionals
- Emerging and established entrepreneurs
- Young professionals across multiple disciplines
- Charities and trusts, financial advisors and intermediaries

### Our business activities

#### Specialist Banking

**Corporate & Investment Banking, Private Banking**

| Products and services | Revenue drivers |
|---|---|
| Lending | • Loan book growth<br>• Interest rates |
| Transactional banking | • Client acquisition<br>• Growth in value of transactions |
| Treasury solutions<br>Advisory<br>Investment activities | • Client flow<br>• Deal and M&A activity<br>• Market volatility |
| Deposit raising activities | • n/a |

#### Wealth & Investment

| Products and services | Revenue drivers |
|---|---|
| Discretionary wealth management<br>Investment advisory services<br>Financial planning | • Funds under management & administration |
| Stockbroking | • Value of trading volume<br>• Market volatility |

**Investec distinction**

The Investec distinction is embodied in our entrepreneurial culture, supported by a strong risk management discipline, client-centric approach and an ability to be nimble, flexible and innovative. We do not seek to be all things to all people. Our aim is to build well-defined, value-adding businesses focused on serving the needs of select market niches where we can compete effectively and build scale and relevance. Our unique positioning is reflected in our iconic brand, our high-touch and high-tech approach and our positive contribution to society, macro-economic stability and the environment. Ours is a culture that values purposeful thinking and stimulates extraordinary performance. We take pride in the strength of our leadership team, our people are empowered and committed to our values and culture.

**We carefully manage costs across the Group:**
- Costs are managed in the context of inflationary pressures and continued investment in our businesses
- Our strategic focus on continuous digitalisation has been key to driving efficiencies in the Group
- A portion of our remuneration costs are variable, and as such these grow in line with Group performance
- Our Group-wide cost to income targets enable cost growth to be managed in line with revenue growth.

### Our outputs

- Growth in loans and advances
- Deposit growth
- Net interest income
- Fee income

- Trading revenue
- Investment income
- Private client growth
- Net inflows into funds under management

# OUR BUSINESS MODEL
CONTINUED

## Our outcomes

| | | SDGs impacted | |
|---|---|---|---|
| **Financial capital** | • ROE : 14.6% (2023: 13.7%)<br>• ROTE: 16.5% (2023: 14.7%)<br>• Dividend per share: 34.5p (2023: 31.0p)<br>• Adjusted EPS: 78.1p (2023: 68.9p)<br>• CET1 ratio<br>SA: 13.6% (2023: 14.7%)<br>UK: 12.4% (2023: 12.0%) | 8 Decent work and economic growth: 8.1 | |
| **Human capital** | • Board representation<br>  • People of colour on DLC Board: 42% (2023: 43%)<br>  • Women on DLC Board: 58% (2023: 43%)<br>• Mean gender pay gap<br>  • Investec Limited: 27.2% (2023: 28.2%)<br>  • Investec plc: 20.8% (2023: 32.6%)<br>• Mean ethnicity pay gap in the UK of 17% (2023: 15.1%)<br>• Total staff turnover: 9.7% (2023: 10.6%) | 5 Gender equality | 10 Reduced inequalities: 10.2, 10.3 |
| **Natural capital** | • Change in fossil fuels as a % of loans and advances: 1.98% (2023: 1.84%)<br>• Formation of Sustainable Solutions business<br>• Top 100 sustainable companies (Corporate Knights)<br>• Change in Scope 1, 2 and 3 operational emissions ($CO_2$ tonnes)<br>  • Scope 1 emissions: 3 101 (2023: 2 736)<br>  • Scope 2 emissions: 17 250( 2023:  23 682)<br>  • Operational Scope 3 emissions: 16 249 (2023: 12 283) | 7 Affordable and clean energy: 7.1, 7.2<br>13 Climate action: 13.2 | 11 Sustainable cities and communities: 11.6 |
| **Social and relationship capital** | • Total staff volunteering hours: 9 399 (2023: 10 510)<br>• University bursaries awarded: 93 (2023: 73)<br>• Internships provided through the Youth Employment Service (YES) since inception: 3 671 (2023: 3 100)<br>• Maintained Level 1 B-BBEE status in South Africa | 8 Decent work and economic growth: 8.5, 8.6<br>16 Peace, justice and strong institutions: 16.2, 16.4 | 11 Sustainable cities and communities: 11.4 |
| **Intellectual capital** | • Launched Clarity, our online trading platform<br>• Became title partner of the Investec Champions Cup<br>• Strong brand recognition as evidenced by our awards<br>  • Recognised as the 'Bank of the Year' for South Africa (The Banker Bank of the Year Awards 2023)<br>  • Won first place in two DealMakers Awards categories<br>  • Global Trade Review Awards<br>  • Investec Wealth & Investment won two Raging Bull awards | 9 Industry, innovation and infrastructure: 9.4 | 11 Sustainable cities and communities: 11.2, 11.7 |
| **Manufactured capital** | • Delivery of personalised client journey across digital platforms<br>• Best private bank and wealth manager for technology use in Africa (Financial Times of London Global Private Banking Awards 2023)<br>• Launched Investec Spaces, a digital workplace for our colleagues, enhancing operational efficiencies<br>• Increased physical presence through the opening of additional representative offices | 9 Industry, innovation and infrastructure: 9.1, 9.4 | |

Value created

Value preserved

Value eroded

## OUR BUSINESS MODEL
CONTINUED

**Key:**

Our clients | Our people | Our communities | Our planet | Our investors | Our regulators

## Long-term value creation for our stakeholders

- Enhancing shareholder returns through our growth in NAV, dividends and long term share price appreciation
- Earnings growth resulting in increased tax revenue for governments in the geographies we operate in
- Our lending, advisory and investment activities allow us to support our clients

- We create employment opportunities in the geographies in which we operate
- Our knowledge, skills and expertise embedded within our entrepreneurial culture allows us to deliver on our purpose of creating enduring worth for our stakeholders
- Our employees contribute to government budgets through their employee taxes

- As corporate citizens we are committed to limiting our own impact on the environment
- We partner with and provide solutions for our clients in their achievement of their sustainability goals
- Our engagement with governments through public-private partnerships enables us to actively participate in the Just Energy Transition of economies

- Our membership in the CEO Initiative in SA positions us to support government in driving economic growth and transformation
- Our high-touch approach, ensures we are always available to service our clients and we go above and beyond to meet their needs
- Our volunteer programmes provided to staff enable our people to make an active contribution to society

- Our brand reputation and recognition benefit market perception, which supports the investment case for our investors
- We form strategic partnerships to not only enhance our value proposition but also provide innovative solutions to clients
- We continuously invest in product development to ensure we remain competitive and innovative in our chosen markets

- Ongoing investment into cybersecurity and digitalisation contributes to our systems integrity and use of artificial intelligence to drive efficiencies
- Our investment in systems and infrastructure have been key in enhancing productivity and the employee value proposition
- Our growing geographic footprint enables us to expand with and better service our clients

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)

# Listening to and engaging with our stakeholders

The Board values the importance of meeting the diverse needs and expectations of all the Group's stakeholders and building lasting relationships with them. Effective communication and stakeholder engagement are integral in building stakeholder value. The Board is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to primary stakeholders, enabling them to make meaningful assessments and informed investment decisions about the Group.

In order to achieve these outcomes, the Board addresses material matters of significant interest and concern, highlighting key risks to which the Group is exposed and responses to mitigate these risks.

The Group's DLC structure requires compliance with the disclosure obligations contained in the applicable listing rules of the UK Listing Authority (UKLA), the Johannesburg Stock Exchange (JSE) and other exchanges on which the Group's shares are listed, and with any public disclosure obligations as required by the UK Prudential Regulation Authority, the South African Prudential Authority, the UK Financial Conduct Authority (FCA), the South African Financial Sector Conduct Authority (FSCA) and other regulatory bodies. From time to time, the Group may be required to adhere to public disclosure obligations in other countries where it has operations.

The Investor Relations division has the overall responsibility for ensuring appropriate communication with stakeholders and, together with the Group Finance, Group Marketing, and Company Secretarial divisions, ensures that we meet our public disclosure obligations.

A Board-approved policy statement is in place to ensure compliance with all relevant public disclosure obligations and to uphold the Board's communication and disclosure philosophy.

## Section 172(1) statement

This section of the Strategic Report describes how the directors have had regard to the matters set out in section 172(1), and forms the directors' statement required under the Companies Act 2006. This statement also provides details of how the directors have engaged with and had regard to the interests of our key stakeholders.

Strong partnerships and understanding are essential to the creation of enduring worth. To be the best we can be, and to understand stakeholders' needs, we work hard to establish the most effective ways of engaging with them.

Engagement is important to us because it means we can understand stakeholder views and are able to respond in a meaningful and impactful way.

We gather feedback through continuous dialogue with our stakeholders throughout the year to gain an understanding of their needs. This year, we have also conducted a double materiality assessment which has helped us further understand which sustainability-related topics are important to our stakeholders.

These interactions inform what we focus on, how we engage with our stakeholders and how, through our strategy and purpose, we can improve as a business.

As detailed on the pages that follow, the Board's oversight of engagement with our stakeholders informs their principal decisions during the year.

# STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)
CONTINUED

## Our clients

At Investec, we are all about partnerships, striving to build deep and long-lasting relationships with our clients.

**What we focus on**

- Dependable engagement
- Innovative and creative solutions
- Financial support
- Enhanced cybersecurity
- Competitive pricing

**Material topics**

- Client engagement and marketing
- Ethical business conduct
- Data privacy and cybersecurity

**How we engage**

- Client engagement is managed by senior management and client relationship managers. The Board receives updates from senior management on key client issues
- Client engagement has returned to predominantly face-to-face meetings
- Comprehensive, user-friendly website and mobile app
- Regular telephone and email communications
- Industry-relevant events and client marketing events.

**Value created in FY2024**

- Continued success in HNW client acquisition, growing our client base by 8% and 5% in SA and the UK, respectively
- We have further developed our 'One Investec' mindset, a client-centric approach which brings all of Investec that is relevant to every client, enabling us to leverage the whole of our capability to provide solutions most relevant to clients' needs
- Recognised by the Financial Times of London as the best Private Bank and Wealth Manager in South Africa for the eleventh consecutive year
- Named #1 broker in the annual Institutional Investor UK Small & Mid Cap Survey 2023 and Lender of the Year at the Real Deals Private Equity Awards 2023.

**Link to the capitals** Financial capital | Social and relationship capital

## Our people*

Our people are at the heart of our business. We aim to be an organisation that values all of its people for their contributions and celebrates them for who they are.

**What we focus on**

- Our purpose, culture and values
- Meaningful communication
- Learning, development and career progression
- Diversity, inclusion and equity
- Physical and mental wellbeing
- Flexible working conditions
- Fair remuneration

**Material issues**

- Employee mental and physical health
- Belonging, inclusion and diversity
- Employee remuneration
- Employee rights

**How we engage**

- A designated Non-Executive Director oversees workforce engagement for the Group across its multiple jurisdictions
- Ongoing communication from executive leadership via email updates and other digital platforms
- An induction programme hosted by senior leaders for new employees, seeking to induce and foster our culture, purpose and strategic intent
- Learning, leadership development and diversity programmes offered to all employees
- Regular staff updates on the Group's strategy and performance hosted by Executive leadership
- A global employee app offering employees mobile access to our digital workplace
- Comprehensive wellbeing programmes in anchor geographies.

**Value created in FY2024**

- Introduced Investec Spaces, a global app for digital workplace access, with ongoing enhancements
- Reviewed our Private Medical Insurance provider in the UK to ensure the best of benefits available to staff and their families
- Enhanced our South African wellbeing strategy through a safety app for employees and their loved ones, providing emergency assistance
- Introduced a staff banking programme available to all employees in South Africa
- Focused on the implications of artificial intelligence (AI) in the workplace and designed learning resources on both AI and sustainability.

**Link to the capitals** Human capital | Social and relationship capital | Intellectual Capital

* includes permanent employees, temporary employees and contractors.

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)
CONTINUED

## Our investors

Our shareholders are primarily based in SA and the UK given our Group DLC structure. We also engage with debt investors in our subsidiaries.

**What we focus on**

- Progress against strategic objectives
- Financial performance and guidance on future performance
- Balance sheet resilience
- Sustainability and response to climate change
- Executive remuneration.

**Material issues**

- Ethical business conduct
- Transparency and disclosures
- Energy transition finance
- Climate change

**How we engage**

- Regular meetings with Executive Directors
- Annual meetings for the largest shareholders with the Chair of the Board and Chair of the Remuneration Committee
- Annual General Meeting hosted by the Chair of the Board with Board members in attendance
- Two investor presentations and two pre-close calls presented by the Group Chief Executive and Group Finance Director
- Stock exchange announcements
- Comprehensive investor relations website
- Investor roadshows and presentations.

**Value created in FY2024**

- The Group Finance Director completed a series of meetings with sell-side analysts and sales desks
- The Chair of the Board and Chair of the Remuneration Committee held a governance roadshow with top shareholders focusing on sustainability and executive remuneration
- Held 115 meetings with existing and prospective investors throughout the year.

**Link to the capitals** Financial capital

## Our communities

Our commitment to societal contribution, diversity and nurturing entrepreneurship informs our community support, focused on education, entrepreneurship and the environment.

**What we focus on**

- Financial and non-financial support
- Staff volunteerism
- Education and learnership opportunities
- Skills training and job creation
- Environmental protection
- Climate change and net-zero commitments

**How we engage**

- Regular meetings, calls and emails with our community partners
- Comprehensive community website and social media platforms to encourage participation
- Staff volunteering
- Community partners and NGOs invited to collaborate at conferences and events.

**Value created in FY2024**

- Achieved 1.1% Group community spend as a percentage of Group operating profit against our target of >1% (2023: 1.3%)
- 3 671 South African youth given Investec internships through YES since inception (2023: 3 100 since inception)
- 9 399 staff volunteering hours in the past year (2023: 10 510 hours)
- Supported 2 260 Arrival learners in the UK since inception (2023: 2 108 learners)
- 93 students awarded bursaries through the CSI Bursary Fund (2023: 73 students).

**Link to the capitals** Financial capital | Social and relationship capital

# STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)
CONTINUED

## Our government and regulators

We maintain continuous engagement with government and regulators in our key markets to ensure our business adapts to evolving regulatory requirements.

**What we focus on**

- Regulatory compliance, governance adherence and accurate regulatory submissions
- Strong prudential standards and oversight
- Fair treatment of clients and employees
- Financial and operational resilience
- Risk and capital management
- Capital, liquidity and reverse stress testing
- Group tax strategy
- Climate change and net-zero commitments

**Material topics**

- Regulatory and legal compliance
- Transparency and disclosures
- Data privacy and cybersecurity
- Climate change

**How we engage**

- Our Chair of the Board, Board members, Group Chief Executive and Executive Directors hold regular meetings with the Prudential Authority and the Prudential Regulation Authority. This includes the annual trilateral meeting with the Audit Committee and bilateral meetings on 'flavour of the year' topics
- Active participation in a number of policy forums.

**Value created in FY2024**

- Approval of the appointment of Diane Radley as Chair of the DLC Audit Committee
- Approval of Cumesh Moodliar's appointment as CEO of Investec Bank Limited
- Approval of IPF's internalisation of the management companies by the Competition Tribunal
- Approval received for the all-share combination between IW&I UK and Rathbones Group.

**Link to the capitals** Financial capital | Social and relationship capital

## Our ESG and climate-focused industry bodies and analysts

We actively support a transition to a clean and energy efficient economy, engaging with climate experts to refine our sustainability strategy.

**What we focus on**

- Our climate policy and framework
- Our commitment to net-zero carbon emissions and SBTi targets
- Managing and mitigating direct climate change impact within our operations
- Managing and mitigating indirect climate change impact through our loan book and investment portfolio
- Addressing ESG risks within our business

**Material topics**

- Climate change
- Energy transition finance

**How we engage**

- Annual sustainability report and sustainability factsheets
- Comprehensive sustainability website
- Comprehensive ESG disclosures, including a standalone TCFD report
- Our Chief Executive, together with members of the executive team, attended INSEAD's immersive Sustainability Leadership Programme
- Regular and active participation in a number of ESG and climate forums relating to the TCFDs, e.g. PCAF.

**Value created in FY2024**

- Reduced our Scope 3 financed emissions within our various asset classes
- Reduction in coal exposure to 0.08% (2023: 0.11%)
- Introduction of a Sustainable Solutions team in Investec Limited to provide sustainable financing to Private Banking Clients
- Top 100 Global Sustainable Companies
- Renewables as a % of our energy lending portfolio increased to 55.99% from 50.90% in 2023
- We have established Sustainable Business Forums in both the UK and South Africa that develop and integrate sustainability strategies into our business processes, commercial plays and incentive frameworks.

**Link to the capitals** Natural capital | Social and relationshi

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)
CONTINUED

## Our suppliers

We collaborate with suppliers and sub-contractors and expect them to be resilient and operate and behave in an environmentally and socially responsible manner.

**What we focus on**

- Compliance with applicable environmental, labour and anti-corruption laws and regulations
- Prompt payment practices
- Fair and transparent RFP and negotiation practices
- Clear guidance on policies and procedures, such as due diligence and onboarding

**Material topics**

- Ethical business conduct
- Regulatory and legal compliance

**How we engage**

- Engaging suppliers and involving other business functions as required. For example, the Group sustainability team may conduct a sustainability and ESG review once a supplier is engaged
- Centralised negotiation process
- Procurement questionnaires requesting information on suppliers' environmental, social and ethical policies
- Screening against ethical supply chain practices
- Due diligence on financial information, cyber security and operational resilience.

**Value created in FY2024**

- Consolidated and migrated all our vendor onboarding systems onto one system. The consolidation gives us a 360-degree view of all third parties
- Continued to improve our due diligence processes around financial crime, data and information security and financial screening. Critical third parties are monitored 24/7 to ensure compliance with agreed Service Level Agreements (SLAs).

**Link to the capitals** Social and relationship capital · Manufactured capital

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)
CONTINUED

Here we outline the principal decisions taken by the Board during the year and their impact on our stakeholders.

## Our purpose and values

### Context

There has been a global shift from shareholder capitalism to stakeholder capitalism, where the interests of all stakeholders are considered in the pursuit of an organisation's purpose.

For the past 50 years, Investec has been a purpose-driven organisation, believing in the ethos of living in society, not off it, while helping clients manage and create wealth.

This global shift called for a rearticulation of Investec's purpose that underpins our values, culture, growth objectives and strategic intent.

### How were stakeholder interests considered?

The redefinition of our purpose and values included an inclusive Group-wide process, involving thousands of colleagues across all our offices. This process ensured that the interests of stakeholders were considered, including employees, clients, shareholders, communities, regulators and the environment.

The Board, as Investec's governing body, took responsibility for ensuring Investec acts as a responsible corporate citizen, maintaining a stakeholder inclusive approach that balances the needs, interests, and expectations of all material stakeholders.

### Stakeholders considered in the decision:

### Outcomes

The Board approved the purpose statement as well as updated and refined value statements during the year and oversaw the activation campaign to embed the refreshed values across the Group.

The outcome of this process was the crystallisation of Investec's purpose into a concise statement: "We create enduring worth." This statement captures the essence of the organisation's core values and its commitment to sustainable and impactful value creation.

This marked the beginning of a new phase focused on executing the concept of 'enduring worth' in a way that resonates with and benefits all stakeholders. The Board's oversight ensures that Investec's strategic activities are in harmony with its cultural identity and purpose, steering the Group towards continued success, focused on creating enduring worth.

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)
CONTINUED

# IW&I UK & Rathbones all-share combination

RATHBONES | Incorporating Investec Wealth & Investment (UK)

### Context

In April 2023, the DLC Board approved an agreement with Rathbones Group plc (Rathbones) for an all-share combination of Investec Wealth and Investment Limited (IW&I UK) and Rathbones.

The Boards and management of Investec consider the strategic fit of the two businesses to be compelling with complementary strengths and capabilities to enhance the overall proposition for clients and create sustainable value for shareholders. The strategic partnership offers attractive growth and collaboration opportunities for both groups.

### How were stakeholder interests considered?

The Board believes that the transaction brings the following benefits to stakeholders:

- Greater scale, influence and market strength**:** Becoming an entity with over £100 billion in FUMA lends weight to stewardship and responsible investment activities, and provides growth opportunities to enhance shareholder returns
- Creates sustainable value for Investec shareholders: The transaction delivers significant value creation with at least £60 million of pre-tax cost and revenue synergies, earnings accretion (based on adjusted EPS), and results in material cost saving in respect of IW&I's planned technology spend through leveraging Rathbones' recent digital investment. In addition, the enlarged Rathbones Group has a robust capital base, with significant future capital generation, supportive of the Group's dividend policy
- An enhanced client proposition: The combination results in the ability to offer clients a broader range of services, as well as wider geographic coverage creating a multi-channel distribution capability across 23 locations in the UK and Channel Islands
- Operational efficiencies for client-facing and enablement teams: By developing a central investment research function, the business is able to deliver broader and deeper investment insights to investment managers. The combination also brings greater opportunity to invest further in our digital client engagement tools
- Culture and values: Both companies have client-centric values and closely aligned cultures, which is particularly important when considering a transaction of this nature. The combination also enhances the combined group's ability to attract and retain the best industry talent.

### Stakeholders considered in the decision:

### Outcomes

The transaction completed on 21 September 2023, with IW&I UK becoming part of Rathbones, creating the UK's leading discretionary wealth manager. Investec is now a supportive, long-term shareholder, owning 41.25% of the economic interest in the combined Rathbones Group Plc. The transaction represents a real step-change and long-term opportunity for the Group's UK wealth strategy, underscores the Board's commitment to the UK wealth management market and enhances the Group's UK business as a whole.

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)
CONTINUED

# Executive remuneration

### Context

Earlier in the financial year, the Board was pleased to receive very high votes in favour of both the implementation remuneration report and the remuneration policy at the 2023 AGM, at 96% and 91% respectively.

The Group's proposed 2024 remuneration policy will be presented to shareholders for approval at our AGM on 8 August 2024.

### How were stakeholder interests considered?

We engaged in an extensive consultation exercise with our key shareholders, Institutional Shareholder Services (ISS) and the Investment Association in February and March 2024 to obtain input into the design of our proposed 2024 remuneration policy. The key proposed change in the policy is to convert a third of the guaranteed cash pay into long-term shares subject to performance conditions, at a multiple of 1.8 times. The Long-Term Incentive (LTI) will therefore constitute a much higher proportion of the total remuneration, with the proportion delivered in fixed remuneration reducing materially. This will align with the removal in October 2023 of the prescribed "bonus cap" by the Prudential Regulation Authority in the UK . In addition, all of the non-financial measures in the Short-Term Incentive (STI) will be comprised of ESG measures, with the LTI non-financial measures being comprised of ESG and Strategic measures.

The changes are intended to ensure greater alignment with the shareholder experience over the medium to long term and to more clearly link executive remuneration to long-term performance.

### Stakeholders considered in the decision:

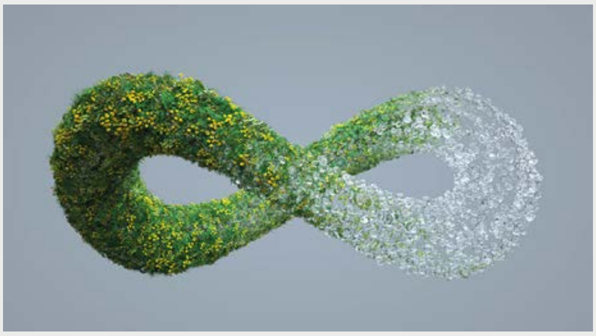
### Outcomes

Following our engagements with our key shareholders, ISS and the Investment Association on the proposed policy in February and March 2024, we made some amendments to reflect the feedback that we received.

The Chair of the Remuneration Committee and the Chair of the Board will engage again with our key shareholders and shareholder bodies in July this year, ahead of the AGM in August 2024 to obtain further feedback post the aforementioned amendments.

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)
CONTINUED

# Double materiality assessment



### Context

During the financial year, the Board endorsed the undertaking of a double materiality assessment to identify and evaluate the most significant sustainability-related topics affecting our business. This assessment aimed to deepen our understanding of the sustainability-related topics that matter to Investec and our stakeholders as well as our impact on society and the environment.

### How were stakeholder interests considered?

The assessment, prompted by new regulations like the Corporate Sustainability Reporting Directive (CSRD), was carried out by an independent third party. This ensured an unbiased and transparent collection of feedback from our stakeholders, including investors, employees, senior management, and non-executive directors. The process considered both the outward impact of Investec's operations on the environment and people, as well as the financial impact of these environmental, social, and governance-related topics on Investec's financial performance.

### Stakeholders considered in the decision:

### Outcomes

The double materiality assessment confirmed that climate change, energy transition, and financed emissions are the most material concerns to our stakeholders. Informed by this assessment, we are addressing these issues by:

1. Meeting our fossil fuel commitments
2. Driving sustainable and transition finance activities through our enhanced Sustainable and Transition Finance Classification Framework
3. Influencing our clients and suppliers to effectively pursue decarbonisation.

These strategic focuses will guide our efforts to mitigate our environmental impact and align with stakeholder expectations.

For detailed insights, refer to the ‘Material Topics’ section on page 38.

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)
CONTINUED

# Executive succession planning

## Context

In May 2023, the Group announced that both Richard Wainwright and Ciaran Whelan would be stepping down as Executive Directors of the Group at the 2023 AGM. The announcement detailed that both Richard and Ciaran would continue in an executive capacity until their planned retirement in 2025, however Richard would step down from his role as CEO of Investec Bank Limited (IBL – which houses the Group's Southern African banking operations) during 2024. Ciaran will continue to lead the Investec team involved in the Integration Committee of the Combination between IW&I UK and Rathbones Group until 2025.

In light of the two above-mentioned Executive Directors due to retire, the Board undertook a further review of the Group Executive Succession Plan.

## How were stakeholder interests considered?

The review of the Executive Succession Plan aimed to ensure leadership continuity, a smooth transition and organisational resilience. It included an evaluation of the talent pipeline for executive positions, which is critical for identifying potential leaders who can steer the Group towards future successes.

The Board oversaw a comprehensive selection process to identify suitable candidates to fulfil the role of IBL CEO. This process, which was guided by our culture and values, took into consideration the expectations of stakeholders and was subject to regulatory approval.

## Stakeholders considered in the decision

## Outcomes

The review of the succession planning process resulted in the appointment of Cumesh Moodliar as Richard's successor. From 1 April 2024, Cumesh assumed the role of CEO and Executive Director of IBL.

A similar process was conducted to identify a suitable candidate to succeed Cumesh as head of the South African Private Bank. This process was successfully concluded in December 2023, with Itumeleng Merafe being named as the successor.

These measures are testament to the robust governance structures and succession planning that the Board has in place, as well as the commitment to the internal development of our people.

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)
CONTINUED

# Value added statement

## Highlighting value created by the Group and its distribution to stakeholders

The value added statement below has been prepared on a pro-forma basis in the current and prior financial years i.e. IW&I UK has been presented as an equity accounted investment and IPF as an investment at fair value though profit or loss. Refer to page 63 for further detail on the pro-forma income statement.

| £'000 | 31 March 2024 | % | 31 March 2023 | % |
|---|---|---|---|---|
| **Net income generated – total Group** | | | | |
| Interest income | 4 124 150 | | 3 187 420 | |
| Other income | 745 171 | | 719 780 | |
| Interest expense | (2 785 457) | | (1 920 124) | |
| Other operating expenditure and impairments on loans | (303 708) | | (245 346) | |
| Financial impact of Group restructures (pre-tax) | (785) | | (5 418) | |
| | **1 779 371** | **100%** | **1 736 312** | **100%** |
| **Distributed as follows:** | | | | |
| **Employees:** Salaries, wages and other benefits | 525 265 | 29.5% | 521 335 | 30.0% |
| **Communities:** Spend on community initiatives | 9 808 | 0.6% | 9 972 | 0.6% |
| **Government:** Corporation, deferred payroll and other taxes | 532 865 | 29.9% | 553 882 | 31.9% |
| **Shareholders:** | 346 654 | 19.5% | 585 214 | 33.7% |
| Dividends to ordinary shareholders | 296 712 | | 260 673 | |
| Dividends to perpetual preference and Other Additional Tier 1 security holders | 49 942 | | 41 872 | |
| Distribution to shareholders | | | 282 669 | |
| **Retention for future expansion and growth:** | 364 779 | 20.5% | 65 909 | 3.8% |
| Depreciation | 8 707 | | 11 485 | |
| Retained income | 356 072 | | 54 424 | |
| **Total** | **1 779 371** | **100%** | **1 736 312** | **100%** |

# Investec has always been a values-driven organisation and we remain dedicated to our core purpose of creating enduring worth

CASE STUDY

# Building on long-term partnerships to support our clients *through their journey*

## A relationship based on 14 years of trust and dedication, delivering a hugely important deal for Dechra.

Since 2009, our Corporate Broking team has worked with global animal health and welfare company Dechra, supporting management in the achievement of their ambitious growth plans.

As Sole Financial Advisor and Sole Corporate Broker, we have used our in-depth knowledge of the company and its shareholders to help create value for Dechra. We have played an integral role in all five capital fundraisings conducted by Dechra since our appointment, raising approximately £460 million in aggregate, as well as providing strategic advice to the company on multiple acquisition opportunities. Over the last 14 years, Dechra's market capitalisation has increased 18x, from approximately £250 million to £4.5 billion, leading to inclusion in the FTSE 100 in 2022.

In June 2023, we acted as Sole Financial Advisor on the company's £4.5 billion recommended cash offer by EQT and ADIA. This was a significant deal for Dechra and bears testament to shareholder value created by the management team since its IPO. The takeover is the largest public-to-private M&A transaction by equity value for more than 15 years with a Sole Financial Adviser on the sell-side, and the largest M&A transaction by equity value in the UK market since the beginning of 2022.

“ Investec has been a long-standing partner of ours, successfully supporting Dechra on some of our most important corporate activities both from an M&A and equity capital markets perspective. Investec’s role as sole advisor on this landmark deal for Dechra reflects the quality and consistency of service and advice we’ve received over many years.”

**Ian Page**
CEO at Dechra Pharmaceuticals

MATERIAL TOPICS

# Material topics

During the 2024 financial year, we conducted a double materiality assessment to identify and assess our most significant sustainability-related impacts, opportunities and risks as a business.

This assessment was prompted by the emergence of new regulations, specifically the European Commission's Corporate Sustainability Reporting Directive (CSRD) and was conducted by a third party to ensure balanced and transparent feedback from our stakeholders. The double materiality assessment aligns with the proposed requirements of the CSRD and exceeds the current requirements set by the Task Force on Climate-Related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB), and the Global Reporting Initiative (GRI).

Through this assessment we gained a comprehensive understanding and deeper insights into the sustainability topics that are material to Investec, our stakeholders and our impact on society, the environment and governance-related topics.

## Double materiality

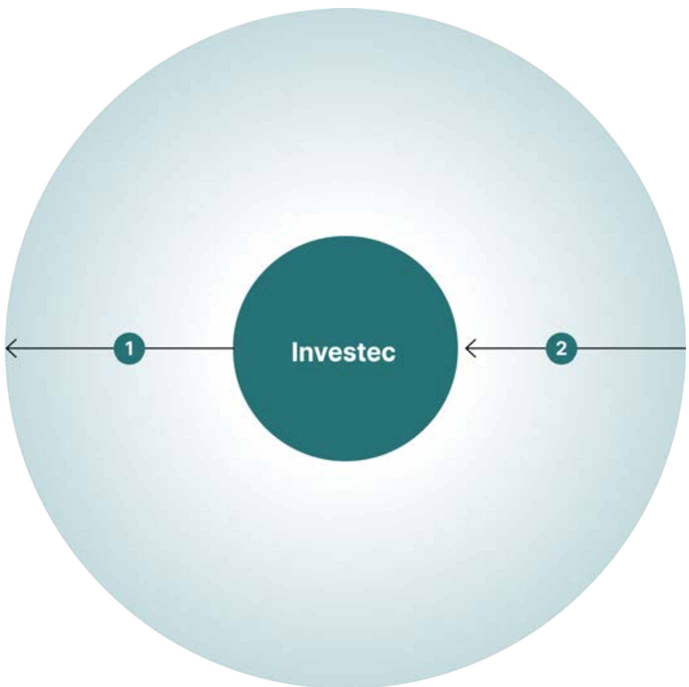
Double materiality is a process used to identify and assess an organisation's impact with respect to environment, social and governance-related topics. Taking into account the perspectives of a wide range of stakeholders, the process requires an assessment of impact across two dimensions:

1. **Outward impact:** Investec's impact on society and the environment both within our own operations and across our value chain
2. **Financial impact:** The effect of any risks and opportunities caused by these environmental, social and governance-related topics on Investec's financial performance

The interdependence between the two dimensions is recognised. For example, a sustainability impact may already be financially material, or may become so over time.

**Outward impact**

Investec's impact on environment, society and governance-related topics.



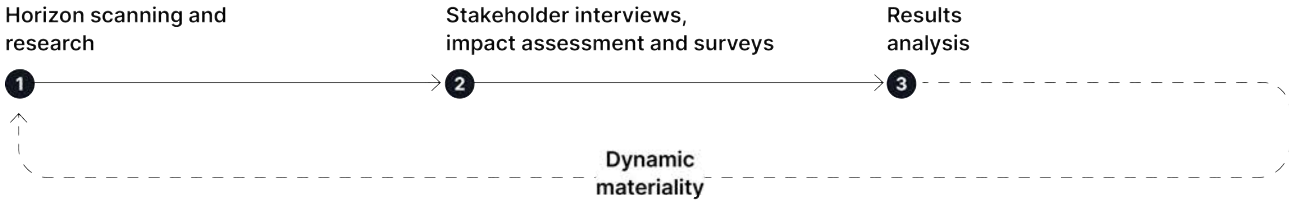

**Financial impact**

Impact of environment, society and governance-related topics on Investec's financial performance.

# MATERIAL TOPICS
CONTINUED

## Our approach

The following process outlines our approach to identify and assess our material impacts, opportunities and risks in accordance with the CSRD - European Sustainability Reporting Standards (ESRS) 2 guidance.




### 1 Horizon scanning and research

Potential topics were identified through reviewing industry frameworks, ESG ratings methodologies, legislation, industry trends, media reviews, peer reviews as well reviewing all Investec-relevant documentation. A comprehensive list of topics was identified aligned with CSRD. These were refined into a topic shortlist with initial impacts, risks and opportunities associated with each topic. Through this process we gained insights into potential material topics, business and stakeholder expectations and peer comparisons. This allowed us to define the scope and objectives of the assessment, including the:

- **Time horizon:** Defined as short-term, within the next five years, and longer-term beyond five years
- **Geographical coverage:** The materiality assessment covered Investec's value chain with stakeholder input primarily from UK and South Africa
- **Stakeholder groups:** Care was taken to ensure a mix of both affected stakeholders, and users of sustainability information (including financial reporting). The following stakeholder groups were represented in the assessment:
  - Shareholders
  - Business associations
  - Media
  - Non-governmental organisations (NPOs)
  - Consultancy companies
  - Employees across a range of business functions.

Identification of material topics and sub-topics aligned with CSRD were identified and are reflected in the table below.

### 2 Stakeholder interviews, impact assessment and surveys

Interviews with stakeholder groups were conducted to collect their views and opinions on the impact of these shortlisted sustainability topics for Investec. Interviews were conducted with 14 stakeholders across the six stakeholder groups mentioned above. The interview process considered Investec's impact on sustainability topics (outward impact) and the impact of sustainability topics on Investec, including on our financial performance (financial impact).

Sixteen detailed impact assessments were conducted by a 'core' group of internal stakeholders (of which 12 were outward impact assessments and four financial impact assessments), representing a wide range of business functions. In addition, our third party provider performed an independent review of the impact assessments. These impact assessments involved a more in-depth assessment of impact using granular assessment criteria considering current and future impact as described below:

- The **outward impact** focused on the impact Investec has on the environment and society, considering: the severity (scale, scope and remediability) of the impact and the likelihood of the impact occurring, considering mitigation of negative impacts/ contribution to positive impact from the wider operating context (laws, regulations) and Investec's actions and processes.
- The **financial impact** focused on the financial risks and opportunities associated with each topic, and the impact on Investec's financial position, considering the magnitude and the likelihood of the impact occurring.

## Sustainability topics

| Environmental | Social | Governance |
|---|---|---|
| Climate change | Employee mental and physical health | Ethical business conduct |
| Energy transition finance | Belonging, inclusion and diversity | Client engagement and marketing |
| Financed emissions | Employee engagement, attraction and retention | Regulatory and legal compliance |
| Operational emissions | Employee remuneration | Leadership accountability |
| Waste | Employee rights | Transparency and disclosure |
| Water | Community investment and livelihoods | Technological advancement and innovation |
| Biodiversity and ecosystems | Financial inclusion | Data privacy and cyber security |

MATERIAL TOPICS
CONTINUED

## 3 Results analysis

Results from 258 employee surveys were collected. This allowed us to capture our employees' perceptions of Investec's influence and impact. The survey did not directly inform the ESRS-aligned double materiality assessment but provided a useful insight into the levels of understanding around sustainability-related topics in the business and was used to validate the findings from the other inputs.

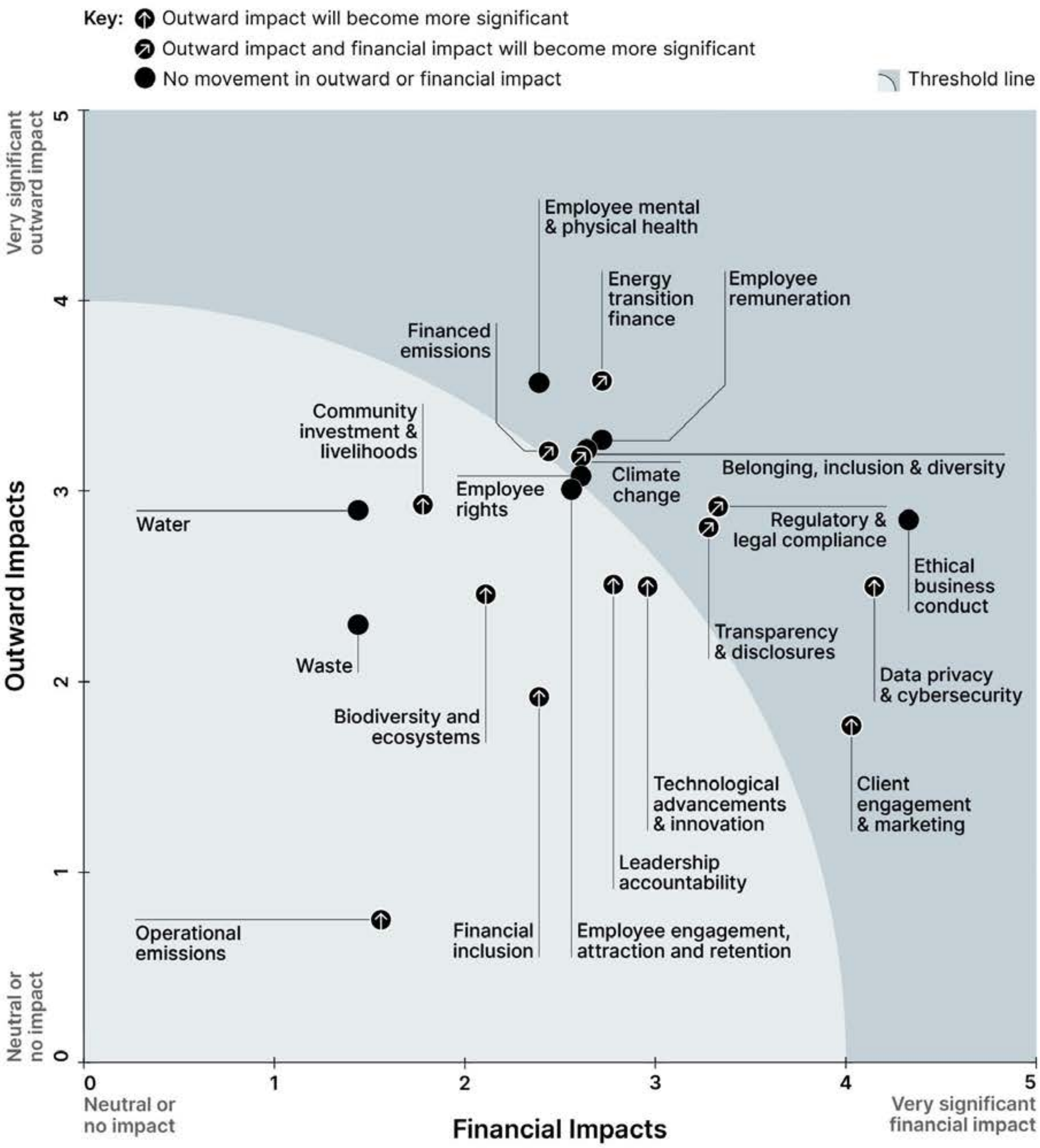
The shortlisted topics and impact assessments scoring were analysed and calibrated where appropriate which included:

- data analysis performed by the independent third party
- data analysis performed by the 'core team' and senior stakeholders and
- a presentation of the analysis and findings to the executive leadership.

The results were presented to senior executives, the DLC ESG Executive Committee and the DLC Social and Ethics Committee.

### The outcomes

The outcomes were plotted on a matrix, depicting Investec's outward impacts and financial impacts.



MATERIAL TOPICS
CONTINUED

## Defining our materiality threshold

A materiality threshold is required by the ESRS disclosure regulations in order to determine which topics are material for reporting purposes. The threshold indicates topics which are currently impactful, although we also consider emerging topics.

We have set the threshold for the outward and financial impacts at four, which results in 12 material topics for Investec. This is a half-point higher than a 'moderate impact' to allow for an appropriate number of topics in the context of the high scores recorded across all inputs.

The link to principal risks has been considered using quantitative and qualitative factors that may influence the management and mitigation or risk appetite of each principal risk.

| Topics above threshold | Sub-topics | Definition | Link to principal risks |
|---|---|---|---|
| | **MATERIAL ENVIRONMENTAL MATTERS** | | |
| **Climate change** | • Climate change adaption<br>• Climate change mitigation<br>• Climate-related risks and opportunities<br>• Climate change policies<br>• Climate-related governance<br>• Climate-related strategy<br>• Climate-related metrics and targets | The effects of climate change across Investec's value chain, including the impact of these effects on the company's strategy, business and performance. | • Credit and counterparty risk<br>• Concentration risk<br>• Sustainability risk (including climate and ESG)<br>• Investment risk<br>• Reputational risk<br>• Operational risk: Business disruption and operational resilience risk<br>• Operational risk: Regulatory compliance risk<br>• Operational risk: Third party risk |
| **Energy transition finance** | • Climate finance<br>• Transition finance<br>• Adaptation finance<br>• Green bonds<br>• Sustainability-linked loans<br>• Responsible investing<br>• Investing in renewable energy<br>• Divesting from fossil fuel projects<br>• Sustainable partnerships and collaboration<br>• Just transition<br>• Access to renewable energy | The financing and investment of a transition to a fair, clean, and energy efficient world. How Investec partners with clients, stakeholders and wider communities to facilitate this transition funding. | • Credit and counterparty risk<br>• Concentration risk<br>• Sustainability risk (including climate and ESG)<br>• Investment risk<br>• Reputational risk |
| **Financed emissions** | • Scope 3 financed emissions<br>• Investing and financing high carbon businesses (oil and gas and coal power plants)<br>• Scope 3 emission monitoring, management, targets and reporting<br>• Financing fossil fuels | The greenhouse gas emissions linked to Investec's lending, investment portfolio and other financing activities. | • Credit and counterparty risk<br>• Concentration risk<br>• Sustainability risk (including climate and ESG)<br>• Investment risk<br>• Reputational risk<br>• Operational risk: Regulatory compliance risk |
| | **MATERIAL SOCIAL MATTERS** | | |
| **Belonging, inclusion and diversity** | • Diversity<br>• Race and ethnicity<br>• Diverse representation<br>• Equal treatment and opportunities for all<br>• LGBTQIA+ inclusion<br>• Disability inclusion<br>• Non-discrimination<br>• Gender inclusivity in the workplace<br>• Measures against violence and harassment in the workplace<br>• Anti-bullying | The representation of employees and their ability to access opportunities at Investec (across all levels of seniority). This includes race, ethnicity, gender and disability. | • Operational risk: People risk<br>• Operational risk: Process and execution risk<br>• Operational risk: Legal risk |

## MATERIAL TOPICS
CONTINUED

| Topics above threshold | Sub-topics | Definition | Link to principal risks |
|---|---|---|---|
| **Employee mental and physical health** | • Mental health support<br>• Employee benefits<br>• Flexible working arrangements<br>• Health, safety and occupational injuries<br>• Health and safety training | The mental and physical health and safety of Investec's own employees. This includes safety training, mental health support and flexible working. | • Reputational risk<br>• Operational risk: People risk<br>• Operational risk: Legal risk |
| **Employee remuneration** | • Living and minimum wage<br>• Cost of living<br>• Ethnicity pay gap<br>• Gender equality and equal pay for work of equal value | The wages provided to Investec's employees, including, living and minimum wage and equal pay for work of equal value. | • Reputational risk<br>• Operational risk: People risk<br>• Operational risk: Regulatory compliance risk |
| **Employee rights** | • Working hours<br>• Work-life balance<br>• Secure employment<br>• Access to grievance mechanisms<br>• Retrenchment practices<br>• Human rights due diligence | The basic rights and Human Rights provided to Investec's employees. | • Reputational risk<br>• Operational risk: Legal risk<br>• Operational risk: People risk |
| **MATERIAL GOVERNANCE MATTERS** | | | |
| **Ethical business conduct** | • Corruption and bribery<br>• Anti-trust and anti-competitive practices<br>• Anti-money laundering<br>• Market abuse and insider trading<br>• Protection of whistle-blowers<br>• Political engagement and donations | Investec's business conduct and application of ethics and integrity in its corporate culture, direct operations and stakeholder engagements. | • Reputational risk<br>• Operational risk: Conduct risk<br>• Operational risk: Financial crime risk<br>• Operational risk: Fraud risk |
| **Client engagement and marketing** | • Responsible marketing practices<br>• Greenwashing risks<br>• Fair treatment of clients<br>• Fair advice for customers | Investec's behaviour, communications and interaction with clients. | • Reputational risk<br>• Operational risk: Conduct risk<br>• Operational risk: Regulatory compliance risk |
| **Transparency and disclosure** | • Transparent financial and non-financial reporting<br>• Climate-related disclosures<br>• Verifiable commitments and targets | The transparent and complete disclosure of Investec's financial and non-financial information and data. | • Operational risk: Regulatory compliance risk |
| **Regulatory and legal compliance** | • Adapting to regulatory change<br>• Responsible tax practices<br>• Compliance with relevant regulations and/or legislation<br>• Adhering to sustainability frameworks and regulations | Investec's application of regulatory and legal business practices. | • Operational risk: Legal risk<br>• Operational risk: Regulatory compliance risk<br>• Operational risk: Tax risk |
| **Data privacy and cyber security** | • Cyber risk<br>• Cyber security<br>• Personal data protection<br>• Privacy<br>• Data privacy policies<br>• Data collection and consent | The collection, storage and protection of Investec's employee and client data, and Investec's broader cybersecurity processes. | • Operational risk: Financial crime risk<br>• Operational risk: Information security and cyber risk<br>• Operational risk: Regulatory compliance risk<br>• Operational risk: Third-party risk |

MATERIAL TOPICS
CONTINUED

## Regional differences

Some regional differences were observed between the UK and South Africa. These regional differences included:

- Water was identified as a material topic for South Africa driven by continued water scarcity and water distribution challenges
- Financing the Just Energy Transition was seen as a necessity in South Africa, driven by the continued energy shortages in the country.

## Review and next steps

The double materiality assessment has provided us with a comprehensive and balanced view of the most relevant sustainability topics for Investec, considering both our outward impacts and financial risks and opportunities. It has assisted us to identify the main drivers and implications of these topics and their potential impacts, and to prioritise them according to their level of materiality. Based on the results of our assessment, we endeavour to focus on:

- Integrating the most material topics into our strategy, objectives and targets, and allocating sufficient resources and responsibilities to address them
- Monitoring and reporting on the performance and progress of the most material topics, and communicating this progress and performance to our stakeholders
- Engaging with our stakeholders on a regular basis, to understand their expectations and feedback, and to collaborate on the solutions and opportunities related to the most material topics
- Reviewing and updating our policies, procedures and practices, where required, to ensure that they reflect and support our commitment and actions on the most material topics
- Conducting a periodic review and update of our double materiality assessment, at least every two years, to capture any changes within the internal and external context. This will ensure that our sustainability topics remain relevant and aligned with our strategy and stakeholder needs.

# Our strategy and performance

# Our performance is testament to the continued execution of our strategy. This section contains a summary of our Group results.

IN THIS SECTION

GROUP CHIEF EXECUTIVE'S REPORT

# Creating *enduring worth* for half a century

"If I have seen further, it is by standing on the shoulders of giants."
**Isaac Newton**

This year marks Investec's 50th anniversary. Founded in Johannesburg in 1974 as a small leasing and finance business, we have grown into an international bank and wealth manager with over 7,500 people and operations in 11 countries. And though we have travelled a long and storied journey, our organisational character has remained true to our founding ethos. Our purpose, our unique entrepreneurial culture, and our unwavering commitment to our clients and other stakeholders have been constant throughout and will remain so.

In the year under review, the Group delivered a solid financial performance against an uncertain macroeconomic backdrop. Client acquisition in our anchor geographies of the UK and South Africa continued apace. The endowment effect of higher interest rates provided some tailwinds, while our diverse client franchises proved resilient in the face of stubbornly high inflation and a constrained economic environment.

The strong financial performance from our client franchises underpinned the 7.1% growth in pre-provision adjusted operating profit to £963.6 million and a return on equity of 14.6% (FY2023 13.7%). These outcomes reflect the disciplined execution of our strategy to simplify, focus and grow the business, in line with the strategy we set out at our Capital Markets Day in 2019.

Key milestones in the year under review included the completed combination of our UK Wealth and Investment business with Rathbones Group Plc to create one of the UK's leading discretionary fund manager, and the acquisition of a majority shareholding in Capitalmind, a springboard for growing our capital-light European advisory business. We also made further progress in optimising capital in South Africa and in returning excess capital to shareholders through the share buy-back and repurchase programme.

Strategic execution over the last five years has resulted in a structural improvement in the Group performance, leading us to revise our post Rathbones combination ROE targets upwards by 200bps. The Group's commitment to generating returns above its cost of capital underwrites our purpose to create enduring worth for all our stakeholders.

The Group is well-positioned to pursue its identified growth initiatives.

**Fani Titi**

Group Chief Executive

GROUP CHIEF EXECUTIVE'S REPORT
CONTINUED

# Creating enduring worth...

## For our clients

As has been the case for the last half century, Investec's achievements in the past year stem from the absolute priority we place on supporting our clients. Our deep specialisations, coupled with a tailored approach to client service, enable us to cater to the unique needs of each client. The "One Investec" philosophy that underpins our integrated value proposition continues to be entrenched in the business. It plays a pivotal role in attracting new clients and enhancing the services we offer to our existing clients.

We have continued to enhance our digital touchpoints and invest strategically in technologies to support our high-touch client experience. Our transition to cloud-based systems, aided by our partnership with Microsoft, has accelerated the unification of client platforms. These and other innovations have been acknowledged by the industry: Euromoney named us South Africa's Best Digital Bank at their prestigious Global Private Banking Awards, and PWM's Wealth Tech Awards recognised Investec for a third year running as the Best Private Bank for Use of Technology in Africa.

We have strengthened our market presence in the UK and achieved impressive returns despite the economic headwinds. I am encouraged by the growth in our corporate lending book and the continued expansion of the private banking business, particularly in the competitive and profitable high-net-worth mortgage space. We were thrilled to see the UK bank recognised as Lender of the Year at the RealDeals Private Equity Awards.

The corporate lending portfolio in South Africa has also grown, capturing market share across our specialisations. We are steadily building a presence in the South African medium-sized business banking segment, driving new client acquisition and entrenching existing client relationships. The business banking loan book increased moderately against the uncertain macro backdrop.

In our private client business, we continue to cater to high-net-worth and high-income segments, providing the benefits of an internationally connected offering that seamlessly integrates personalised banking with tailored investment management services. This proposition services the needs of South African clients seeking to bank offshore and internationalise their wealth. The number of South African clients with UK private bank accounts grew by 7% to 11,388.

The integration of our South African and Swiss wealth management operations establishes an international investment proposition that is unrivalled in the Southern African market The completion of Investec Wealth & Investment UK's combination with Rathbones marks the beginning of a long-term strategic partnership that further enhances our client proposition across banking and wealth management services. The combination, in which Investec retains a 41.25% economic interest, serves an expanded base of high-net-worth clients with enhanced banking and wealth management proposition.

Our investment banking capability in South Africa, the UK, continental Europe (through Capitalmind), India and the United States, provides a unique and differentiated offering, enabling clients to benefit from our international reach, sector expertise and world-class execution capability.

Although we see substantial long-term growth prospects in our anchor geographies, we are mindful that economic activity is presently constrained, placing individuals and businesses under considerable pressure. This only amplifies the importance of our contribution to clients. We will remain nimble and agile in responding to client needs, continuing to help them navigate these challenges and achieve their personal and commercial objectives. To paraphrase our recent brand marketing message, we aim to match the ambitions of our clients, backing them to find a way, because we see in them what they see in themselves: someone who will never settle for ordinary.

## For our colleagues

Investec's differentiated client experience is a direct function of the calibre and dedication of its people. I am deeply grateful to my colleagues for their unwavering commitment to supporting our clients and delivering on our purpose and strategy.

The considerable effort that our leaders devoted in the past year to reinforcing our values and operating principles reflects our conviction that Investec's culture is our unique advantage in attracting, retaining and developing top talent. Ours is a distinctly entrepreneurial culture, characterised by high levels of flexibility, freedom to operate within well-defined risk parameters, and tangible employee ownership. This approach not only empowers our people but also aligns their interests with those of our clients and our organisation.

We are deepening our ethos of inclusivity and belonging. Ongoing projects like the Youth Council and Reverse Mentorship programme are enabling a younger generation of employees to share their views and be more involved in decision-making at every level within the organisation. These and other learning and mobility opportunities continue to enable our people to achieve their full potential.

I am delighted by the steady increase in face-to-face staff and client interactions across our geographies and disciplines. In-office presence continues to normalise in the UK and in South Africa our people are now working from the office by default, with the same high degree of flexibility that has long been the hallmark of our agile work environment.

We believe our people should have the tools and technologies to work efficiently and focus on the most impactful tasks in their portfolios. To this end, we have rolled out an extensive trial of the Microsoft Copilot suite and made Zebra GPT, a pioneering enterprise AI platform based on the GPT4 large language model, available to all staff. I am excited by the enthusiasm with which our people have adopted generative AI tools to better serve our clients in a responsible manner.

We acknowledge the pain and uncertainty arising from recent corporate actions in the UK, leading us to review the operating model and our support staff compliment. We are determined that this difficult process will be managed fairly and compassionately.

We remain committed to developing leadership depth across our business, executing succession planning with purpose and precision. In South Africa, we were pleased to announce the appointment of Cumesh Moodliar as CEO of Investec Bank Limited, taking over from Richard Wainwright, who steps down after eight successful years in the role. Following a thorough process, Itumeleng Merafe was selected to succeed Cumesh as head of the private banking business in South Africa. I am confident that they will achieve great success in their new roles.

# GROUP CHIEF EXECUTIVE'S REPORT
CONTINUED

Our approach to reward is an important artifact of our culture. Salary increases in the UK and South Africa were marginally above inflation, thus helping to shield our colleagues from cost-of-living hardships. In line with our commitment to reward high performance, variable remuneration was in line with performance. Consistent with our philosophy of employee ownership, staff members throughout the organisation participate in our staff share awards and are therefore directly invested in our long-term growth. Currently, 7% of the Group's shares are held as awards by staff (excluding Non-Executive Directors' holdings). The staff compensation ratio improved to 38.3% from 42.7% in 2023, post the Rathbones combination.

The interplay of our purpose, values and culture is pivotal to our enduring success. Our dedication to a shared vision sharpens our focus and enhances strategic delivery, even in the most turbulent of times.

## For our shareholders

At our Capital Markets Day in 2019, Investec set out its strategic objectives and a clear commitment to achieve a return on equity (ROE) above its cost of capital over the medium term. Our approach was grounded in disciplined capital allocation, cost management, prudent growth and a refined risk framework.

We have substantially completed the optimisation of the South African capital base and the ongoing realisation of non-core South African investment portfolio is progressing well. Bud Group Holdings announced the proposed disposal of Assupol. Assupol is a significant asset within the group of assets earmarked to facilitate Investec's and other shareholders' exit from Bud Group Holdings. The capital released on disposal will be deployed in our core businesses which yield higher returns. In the UK, we are at the early stages of migrating capital measurement from the standardised to the internal ratings-based approach. This is anticipated to result in increased capital capacity for Investec Plc to support the growth of the UK bank.

The Group's diversified revenue streams underpin our ability to generate capital in varying market conditions and support sustainable shareholder returns. We have continued to manage risk prudently, guided by the Group's risk management framework. Our multiple deposit channels reflect our long-standing philosophy of prudent liquidity management and optimised funding costs. We reported a credit loss ratio within our through-the-cycle range and maintained market risk within our risk appetite despite recent volatility.

Our adjusted earnings per share increased by 13.4% to 78.1p, supporting an increase in the short-term incentive bonuses across the Group. Cost discipline remains a priority as we invest for growth. Our cost-to-income ratio improved to 53.8% from 54.7% last year. The combination of our UK discretionary wealth management business with Rathbones promises to further amplify cost-efficiencies and revenue potential. Return on equity improved to 14.6% from 13.7% in the prior year.

We achieved a total shareholder return (TSR) of 27% in the current financial year. The annual dividend per share increased by 11.3% to 34.5p, augmented by the c.£56 million return to shareholders on further execution of our share buy-back and share repurchase programme in the current financial year. Over the past three years, Investec delivered a TSR of 211%, outperforming both UK (FTSE 100 and 350) and SA (JSE Top 40 and JSE Banks Index) market indices, excluding the distribution in specie of 15% shareholding in Ninety One.

We have achieved our FY 2024 and medium-term targets – a testament to the resilience of our client franchises, which continued to generate capital well above their respective cost of capital. Our strategic execution over the last five years has resulted in a structural improvement in the Group performance, leading us to revise our post-Rathbones combination ROE targets upwards by 200bps. The Group is now targeting ROE of 13% to 17% and return on tangible equity (ROTE) of 14% to 18% in the medium term. The dividend payout policy has been revised to 35% to 50% of adjusted earnings per share.

We appreciate the ongoing support from our shareholders and we will continue to engage them for continuous feedback.

## And for our communities and our planet

Central to Investec's purpose and our values is the unwavering belief that our communities and the planet are integral to our success. This belief is deeply ingrained in our DNA and is reflected in our conviction that we live in society, not off it. Guided by the United Nations Sustainable Development Goals, we have identified inequality reduction (SDG 10) and climate action (SDG 13) as primary areas where we believe we can effect enduring positive change.

Together with some of our Group Executive Team, I had the privilege last year of attending INSEAD's immersive Sustainability Leadership Programme. The experience deepened our understanding of how companies like ours can achieve positive leverage within complex adaptive social and ecological systems. Inspired by these and other insights we introduced a foundational learning module for all colleagues, reinforcing our belief that sustainability is a collective responsibility.

Our leaders are playing an active role in advocating for sustainable and socially responsible business practices. Ruth Leas, CEO of Investec Bank Plc, is among a group of 30 CEOs from financial institutions around the world invited to join the UN Global Investors for Sustainable Development (GISD), an alliance that promotes sustainable development and advances broader societal goals. Following my own three rewarding years on this working group, I have stepped down from GISD to join the Board of UN Global Compact Network South Africa, responsible for providing strategic guidance to the United Nations Global Compact and promoting sustainability leadership.

As part of the Net-Zero Banking Alliance, Investec is committed to setting ambitious, quantifiable targets to steer financial flows towards environmentally and socially beneficial outcomes. I am proud to report that, for the sixth consecutive year, Investec has maintained carbon neutrality within our Scope 1, Scope 2, and operational Scope 3 emissions.

Our strategy to reach net zero by 2050 is based on a three-pronged approach:

- Meeting our fossil fuel exposure commitments
- Driving sustainable and transition finance activities
- Influencing our clients and suppliers to effectively pursue decarbonisation.

We have committed to have zero coal exposure in the Investec plc loan book by 31 March 2027 and zero thermal coal exposure across the Group by March 2030. In line with our just transition strategy, Eskom is an exception to this target given its critical role as an energy provider to South Africa. From March 2023, we ceased financing to limited recourse project financing for new thermal coal mines and will no longer provide

GROUP CHIEF EXECUTIVE'S REPORT
CONTINUED

financing for new oil and gas exploration, extraction and production from 1 January 2035. Our current fossil fuel exposure stands at 1.98% of our loan book (2023: 1.84%).

Our determination to reduce social inequality begins at home. We have made inroads in Board diversity and voluntarily disclosed our ethnicity pay gap in the UK. I'm encouraged that women now constitute 58% of the DLC Board, up from 43% in FY2023. Investment in employee development is evident in our learning and development spending at 2.1% of staff costs (FY2023: 1.8%).

Our key community-focused initiatives include:

- The Youth Employment Services (YES) programme, of which Investec is a founding member, aims to create work experience opportunities for young people. Last year we integrated our YES commitment into our learning model to provide formal learnership opportunities. We have placed 3 671 youths in YES internships in the past six years.
- Our flagship Promaths initiative has made a tangible difference in the lives of thousands of socially disadvantaged South African high school learners through tutoring in mathematics and science. In 2023, Promaths contributed 6% of the country's national distinctions in maths and 7% in science.
- In the UK we launched a new partnership with The Conservation Volunteers, which works to create stronger, healthier communities by connecting people across the UK with environmental action initiatives.
- We celebrated 15 years of working with Arrival Education, which has seen more than 500 of our colleagues supporting over 2,500 young people from diverse, marginalised communities across the UK to succeed in their careers.

A highlight of the year, both from a marketing and social action perspective, was the announcement of our five-year partnership with European Professional Club Rugby (EPCR) to sponsor the Investec Champions Cup, the world's leading club rugby competition. This historic sponsorship reflects our belief in the power of meritocracy and celebrates high performance and outstanding talent. With the participation of clubs from both the UK and South Africa, the competition is relevant in both markets. It is also an embodiment of our purpose. Key objectives include progress towards a carbon-neutral tournament, advancing the women's game and developing innovative financial solutions and wellness programmes tailored to players to complement EPCR's recently launched sustainability strategy (impACT).

Through our continued support and engagement in these and other community programmes, we strive to create a brighter tomorrow for young people and the societies in which we operate. We remain devoted to the principle that Investec can and must be a catalyst for positive change and a sustainable and equitable future.

## A strategy of disciplined growth

Investec is well positioned to deliver on its strategy of disciplined growth. We have identified several executable and scalable growth opportunities which we believe will create value in the long term. We have strong levels of levels of capital and liquidity to support this strategy.

In the UK, we have established a differentiated mid-market offering, where we continue to take market share and benefit from market growth. In South Africa, where our mid-market proposition is relatively nascent, we now offer a competitive business transactional banking platform in addition to the lending services we have long provided to medium-sized businesses. There is a significant opportunity to offer South African businesses the same outstanding levels of service that we are renowned for in the private and corporate banking space. Our South African corporate bank is also well-placed to benefit from the burgeoning demand for infrastructure finance, both in South Africa and across the African continent.

Private client growth in the South African market is proceeding apace, bolstered by our unique offshore banking offering in jurisdictions including Mauritius and Switzerland. Our international presence is complemented by a segment-based approach that seamlessly combines market-leading private banking and wealth services – an attractive proposition for clients seeking to diversify their wealth locally and internationally.

In the UK, our private client loan book grew further during the year, and we foresee opportunities arising from access to an expanded base of high-net-worth clients served by the enlarged Rathbones Group. The Rathbones combination represents an important expansion of our presence in the attractive UK wealth and investment sector, and we also see exciting potential for expansion in selected European markets through the provision of M&A and corporate finance advice.

We maintain a strong focus on sustainability as we strive to achieve our growth ambitions. To this end, we have published an enhanced Sustainable and Transition Finance Classification Framework and established Sustainable Business Forums in both South Africa and the UK. Our sustainable finance targets will be released by the end of March 2025 and will be incorporated into executive KPIs to ensure accountability. In our client ecosystem, we're working to improve the accuracy of Scope 3 financed emissions data.

GROUP CHIEF EXECUTIVE'S REPORT
CONTINUED

## Operating environment

### Period under review

Global economic growth last year was subdued, constrained by global central banks' hawkish stance in the face of stubbornly high inflation. The year was also marked by heightened geopolitical instability. Relations between the US and China remained strained, the war in Ukraine dragged on for a second year, and tragic events in Israel and Gaza threatened to expand into a wider regional conflict. The disruption of shipping in the Red Sea by Houthi rebels injected additional friction into already strained global supply chains, aggravating inflationary pressures.

The performance of major economies was mixed. The Eurozone dipped into technical recession, while China battled to contain troubles in its property sector and local government finances. The US, in contrast, was a bright spot, maintaining economic growth thanks to a strong labour market and an unwinding of excess savings from Covid-era expansionist policies.

### South Africa

South Africa's economic growth last year fell far short of that needed to address the country's dire unemployment rate and restore investor confidence. The period under review was also marked by a decline in investor confidence due to the uncertainty surrounding the election outcomes.

Collaborative efforts by business and government to address the structural impediments are bearing fruit. Private sector involvement in the Durban port, for example, has led to a reduction in port congestion, though performance of this critical national asset, along with the broader port and rail infrastructure, is not yet adequate. The frequency and intensity of power outages hit record historic levels in the first quarter of the 2023 calendar year but have since decreased markedly as the Electricity Availability Factor trend turned positive after years of steady decline.

### UK

Macro-economic headwinds prevailed in the UK, characterised by high inflation, tight monetary policy and weak economic activity. Since peaking at 11.1% in October 2022, CPI inflation had moderated by the start of the financial year to 8.7%, a level materially above the Bank of England's 2% target. This contributed to the Monetary Policy Committee's decision to increase the policy rate until it reached 5.25% by August 2023. Weighed down by high inflation and rising rates, the economy formally entered a mild technical recession between July and December 2023. However, by the close of the financial year the clouds were beginning to clear thanks to a further moderation in inflation and a pickup in real household disposable income. GDP growth over the financial year averaged 0.1%.

### Outlook

We see conditions for improved GDP growth in the Eurozone next year as inflation slows. While still higher than central banks' targets, inflation rates in most countries have retreated from their peak, prompting a halt to the cycle of monetary tightening. We expect gradual policy rate cuts to begin in many jurisdictions. A key uncertainty towards the end of the final quarter of the calendar year is the outcome of the US Presidential election and associated policy implications.

Politically, the 2024 calendar year is expected to remain an eventful year, with elections in most of the world's democracies, including many in which Investec operates. Apart from short-term policy implications, these and other political events will undoubtedly have consequences for economic growth and trade patterns.

Mounting political tensions threaten to undermine the advances in international trade that contributed to an unprecedented rise in global prosperity since the end of the Second World War. Amidst heightened systemic risks, countries and companies are taking active steps to secure strategic inputs by reconfiguring their global supply chains, localising production, or shifting it to politically aligned countries.

In the year ahead, the expected gradual policy adjustments and the resolution of regional conflicts will shape the trajectory of both the global economy and the financial services sector.

### South Africa

Year to date, inflation has tended to be stickier than markets anticipated, with freight costs impacted by conflicts in the Red Sea, and drought conditions in South Africa leading to higher food prices. Headline inflation is anticipated to be around the mid-point of the South African Reserve Bank's target range by November 2024, although upside risks still exist. The Bank's Monetary Policy Committee has signalled that it will consider rate cuts when the CPI inflation stabilises around 4.5%. This is expected to follow the first US interest rate cut, which is currently expected to commence at the November FOMC meeting.

Following a peaceful election and a smooth transition of power to a government of national unity, whose stated priorities are constitutionality, policy continuity and growth-centred reforms, the investor sentiment has since improved.

The outlook has, however, picked up following the improvement in the freight, logistics and electricity supply, although these are not yet eradicated. Our GDP growth forecasts for this calendar year and the next are 1.1% and 1.5%, respectively. In the medium-term, we expect growth to tick up steadily, reaching 2.4% by 2028 and 2.6% the following year. We expect year-on-year growth to approach 3% by 2030. This is contingent upon further progress in tackling structural constraints within the economy including energy shortages, a deficient transport sector and high levels of crime and corruption.

### UK

We are expecting an upturn in the UK operating environment this year, with GDP growth forecast to increase to 1% as headwinds turn to tailwinds. Inflation is predicted to moderate further: our forecast is for CPI inflation to fall below the Bank of England's target in the July-September quarter and to remain below 2% by the end of the financial year. This is expected to lead to further growth in real household disposable income, underpinning an economic recovery. Supportive factors include the fiscal loosening announced at the 6 March 2024 Budget and an envisaged easing in interest rates.

On the basis that inflation continues to moderate, the Bank of England is expected to begin cutting interest rates in the fall, proceeding at a gradual pace over the remainder of the 2025 financial year. Our base case is for the Bank rate to fall to 4.25% by March 2025. Politics will also feature heavily in the coming year, with a general election date set for the 4th of July 2024.

# GROUP CHIEF EXECUTIVE'S REPORT
CONTINUED

## Looking ahead

The Group is well positioned to continue to support its clients amidst the uncertain macroeconomic outlook. We have strong capital and liquidity levels to navigate the current environment and pursue our identified growth initiatives in our chosen markets.

Our strategic execution over the last five years has resulted in a structural improvement in the Group performance, which is reflected in the upward revision of ROE targets. We have simplified and focused our business over the last five years, setting it on a path to pursue growth opportunities in our established client franchises.

At this auspicious milestone in Investec's history, I acknowledge the company's founders. As the Isaac Newton quote at the start of my statement expresses so succinctly, the achievements we record today would not have been possible without their vision and entrepreneurial spirit. Together, they created what is undoubtedly one of South Africa's great corporate success stories.

I would like to take this opportunity to express our gratitude for the dedication and tireless efforts of all Investec's people, both past and present. It is through your commitment and hard work that we have achieved a remarkable fifty-year track record of identifying and seizing opportunities. Furthermore, I want to acknowledge the long-standing relationships we have built with our valued clients and stakeholders. Your trust and support have been instrumental in building a truly Out of the Ordinary organisation.

While we anticipate that the year ahead may present its fair share of challenges, I am confident that our fortitude and resilience will enable us to navigate these hurdles. Our commitment to sustainable growth remains unwavering, and we will continue to act in the best interests of all our stakeholders.

On behalf of the Board of Investec plc and Investec Limited

**Fani Titi**
Group Chief Executive

CASE STUDY

# Helping smaller enterprises *drive Africa's growth*

## The trade finance gap has long been an impediment to economic growth in Africa. Micro, small and medium-sized enterprises (MSMEs), crucial to the continent's economy, are frequently denied the finance they need to fulfil their potential to support self-sustaining development across the continent.

Local banks, constrained by global banking regulations, are often obliged to prioritise government bonds over essential trade credit for MSMEs. This has led to a substantial funding shortfall, depriving MSMEs of the necessary capital to drive growth.

In partnership with Frontclear, we have developed an innovative trade finance product that leverages local banks' government bond holdings. By using these bonds as collateral, banks can now access cross-border trade finance through a repo structure. This provides MSMEs with much-needed trade finance, while ensuring banks continue to meet regulatory requirements.

This product structure is the first of its kind to ultimately provide liquidity to MSME traders in Africa and consequently promoting sustainable trade finance on the continent. The product is already making a difference, with its first application being a direct capital and liquidity injection into a Nigerian bank's MSME trade portfolio. Furthermore, the product has already gained recognition from peers and the broader banking industry, with Investec receiving the award for 'Outstanding SME Trade Finance Solution' at The Digital Banker Global SME Banking Innovation Awards 2024.

This funding solution embodies our dedication to societal growth and the empowerment of African SME traders. It stands as a practical, scalable model promising a brighter future for trade and development across Africa.


"Investec has successfully pioneered a structured funding solution for African SME traders thereby helping address the existing trade finance gap in Africa. By enabling the provision of liquidity through a development finance entity, the unique structure opens up funding for MSME borrowers and is a pragmatic reflection of Investec's commitment to living in society, not off it."

**George Wilson**
Head of Institutional Trade Finance at Investec

OUR STRATEGY

## Our strategy defines the **strategic choices we make in** pursuit of our purpose of **creating enduring worth**.

We have formulated our strategy with a balanced consideration of our stakeholders' needs and priorities.

Read more about our stakeholders and material topics on pages 24 and 38

### Our stakeholders

Clients | People | Communities | Planet | Shareholders


further integrating sustainability into our business strategy by:

- Positively contributing to the SDGs and in alignment with our SDGs
- Operating responsibly and ethically
- Partnering with our clients and philanthropy partners to maximise positive impact
- Providing profitable, impactful and sustainable products and services
- Actively advocating for industry alignment and best practice

Read more about our sustainability strategy in the sustainability section found on page 120

OUR STRATEGY
CONTINUED

## Our growth objectives

### Continued execution with discipline to drive optimisation of returns

**How we achieve it:**

- Disciplined approach to capital allocation
- Continuous improvement in cost efficiencies
- Adherence to our risk and capital appetite frameworks.

**Link to the six capitals:**

- Financial capital
- Intellectual capital
- Human capital
- Manufactured capital

### Accelerate and scale growth initiatives

**How we achieve it:**

- Scale our existing, diversified UK & SA client franchises
- Pursue growth in our selected geographies outside of SA and UK
- Add new complementary offerings to our existing proposition
- Accelerate our sustainability initiatives across our commercial strategies, focusing on sustainable finance
- Realising the benefits of the Rathbones deal.

**Link to the six capitals:**

- Financial capital
- Intellectual capital
- Human capital
- Social and relationship capital
- Natural capital
- Manufactured capital

### Further develop connected client ecosystems across business units and geographies

**How we achieve it:**

- Integrate business unit strategies across specialisations into combined client value propositions, while maintaining high degree of business ownership of the client relationship
- Accelerating operational leverage and optimise systems, processes and technology
- Explore external partnerships that enhance market offerings, drive scale and/or create access to new markets
- Further develop “One Investec” mindset in all our people, in which we truly put the client at the centre.

**Link to the six capitals:**

- Financial capital
- Intellectual capital
- Human capital
- Manufactured capital

## Underpinned by

### Deepening our entrepreneurial culture
(Out of the ordinary: speed of execution & client experience)

**How we achieve it:**

- Deepen our commitment to support our clients through tailored and highly responsive solutions
- Deliver on our promise to provide our clients an out of the ordinary experience by improving decision-making agility across business units
- Continue to drive improvement in our speed of execution.

**Link to the six capitals:**

- Human capital
- Manufactured capital

### Continuous digitalisation

**How we achieve it:**

- Targeted investment to deliver a digital and technology capability that advances our business strategy and drives competitive advantage
- Continuously develop our digital capability to enhance our client value proposition.

**Link to the six capitals:**

- Financial capital
- Intellectual capital
- Human capital
- Manufactured capital

### Strategic use of data

**How we achieve it:**

- Focus our efforts and investment in improved data science that supports business initiatives, cross-business collaboration, improves performance measurement and better informs decision making.

**Link to the six capitals:**

- Financial capital
- Intellectual capital
- Human capital
- Manufactured capital

OUR STRATEGY
CONTINUED

# Our progress in FY2024

## Our growth objectives

### Continued execution with discipline to drive optimisation of returns

**Progress in FY2024**

- Made progress in our share buyback & repurchase programme of approximately R6.8 billion
- Investec plc has started to build IRB models. Good progress has been made on data remediation and developing some of the first generation models
- Continue to realise assets as we rationalise the Group Investments portfolio in SA:
  - Disposal of property management companies to Burstone Group Limited (formerly Investec Property Fund)
  - The Bud Group Holdings portfolio for exiting shareholders continues to progress well
- Broadened and grew our services offered from India to the wider Group as part of our global "One Investec" philosophy, with our teams now located in new premises in Mumbai

**Looking ahead**

- Continue our journey to transition to IRB in the UK with the focus now on developing the remainder of the first generation models and more refined generation 2 models
- Continue to realise assets as we rationalise the Group Investments portfolio in SA
- Maintain cost discipline despite the inflationary environment

## Underpinned by

### Deepening our entrepreneurial culture (Out of the Ordinary)

**Progress in FY2024**

- Held multiple cross-business strategy processes focused on combined client value propositions and improved client experience
- Leadership engagement throughout the year underwriting our high-performance culture, enabled by our flat structure, ongoing open and honest dialogue and direct feedback with ownership, autonomy, and freedom to operate
- Hosted employee engagement through process-led dialogue – this remains our primary method of decision making, problem solving and challenging convention
- Continued to offer our reverse mentorship programme which recognises the need to create the spaces that enable young, aspirational talent to connect and learn with leaders, exploring how different generations approach their work

**Looking ahead**

- Continue to pursue an Out of the Ordinary client experience, with a focus on establishing long-term client relationships that exceed client expectations
- Continue to improve internal decision-making processes to achieve increased speed of execution and improved cross-business co-operation

# OUR STRATEGY
CONTINUED

## Accelerate and scale growth initiatives

### Progress in FY2024

- Continued to grow in Europe: Integrated our purchase of a majority stake in Capitalmind and located a lending origination team in our Zurich office to focus on the DACH region
- Expanded our international footprint: Implemented the IW&I SA investment distribution agreement in Latin America
- Continued to utilise external capital to facilitate our origination & distribution capability: Launched Private Debt Fund II through our Alternative Investment Management platform in the UK
- Grew IFB by driving new client acquisition and entrenching existing client relationships. Loan book increased by 11.0%
- For the 6 months to 31 Mar 24, realised £10.6mn of £15mn run-rate synergies that were planned for the first full year following completion of the IW&I UK and Rathbones combination
- Further integrating sustainability into our commercial strategies through the development and publication of our Sustainable Finance Framework

### Looking ahead

- Committed to delivering the planned synergies of the IW&I UK and Rathbones combination
- Build external partnerships to complement our balance sheet lending capabilities

## Further develop connected client ecosystems across business units & geographies

### Progress in FY2024

- Continued to provide our UK PB offering to our SA clients. No. of accounts totalled 11,388 as at 31 Mar 24 (FY23: 10,661)
- Continued to provide an integrated M&A advisory offering across our regions in SA, UK & Europe and India, and via our international partnerships, to facilitate an expansion of our cross-border services
- In SA, we continued our 'One Investec' strategy across the Specialist Bank, with an increase in activity across business transactional banking, with average balances of R2.0bn (FY23: R1.4bn)
- Significant drive to increase collaboration between our UK Corporate and Private client groups, leading to an increased momentum of referrals. Our Corporate client groups referred 220 opportunities to our Private clients group (FY22: 72)
- Collaborated with Rathbones to enhance the proposition across banking and wealth management services

### Looking ahead

- Remain committed to unlocking value through our client ecosystem. We see a sizeable opportunity to provide our clients with an integrated banking and wealth offering.
- As part of the long-term strategic partnership and co-operation agreement between Investec and Rathbones, we will continue to collaborate with Rathbones to provide our clients with a holistic solution.

## Continuous digitalisation

### Progress in FY2024

- Committed to digitalisation and innovation to drive scale, efficiency and sustained growth by leveraging cloud technologies
- Continued to rebuild our core platforms and delivered new business capabilities, resulting in improvements to our client offerings for lending, payments, FX and risk management
- New products and services are available through our digital savings, private client, and corporate online platforms
- Improved speed-to-market for development of new product features
- Capitalising on rapid innovation in Generative AI for everyday productivity use cases leveraging the Microsoft Copilot suite and use cases that transform our business capabilities
- Continued investment in our cyber security capabilities to maintain the trust of our clients and employees

### Looking ahead

- Continue to modernise and rebuild our core platforms and deliver new capabilities with improved speed-to-market
- Capitalise on AI capabilities to boost productivity and accelerate innovation across all interactions, products and services
- Invest in keeping Investec and our clients secure, focusing on threats and opportunities from disruptive technologies and new business models leveraging 3rd party ecosystems

## Strategic use of data

### Progress in FY2024

- Focused our efforts and investment to improve data science capabilities. This continues to support business initiatives and cross-business cooperation, improves performance measurement, better informs decision making and enables business growth
- Advanced the way data is used to inform the strength of our Group strategic objectives
- We continue to utilise our data to ensure a seamless client experience and deliver more data-driven insights

### Looking ahead

- Continue to modernise our data platforms
- Embed data science skills across all parts of the Group
- Drive advanced analytics initiatives to enhance our client servicing and propositions

CASE STUDY

# Delivering on our *'One Investec'* strategy

## Through our 'One Investec' strategy, we make the full breadth and depth of our relevant capabilities available to meet the needs of each and every client, regardless of specialisation or geography.

In recent years, our Private Capital, Private Company Fundraising, Sponsor Coverage, Private Client and M&A advisory teams have collaborated on multiple occasions to provide assistance to CUBE, a global leader in Automated Regulatory Intelligence (ARI) and Regulatory Change Management (RCM) technology. Our collaboration has fostered a strong relationship with the founder, Ben Richmond, which began in 2021 when Investec's Private Capital team led a bespoke debt solution for CUBE.

The following year, the Private Company Fundraising team advised CUBE on its growth equity fundraising which saw Bregal Milestone investing in CUBE's first institutional raise. The injection of capital empowered CUBE to continue to scale and roll-out its innovative regulatory technology solution across the global financial services sector.

Following the successful fundraise transaction, the Investec team remained close to the business with the intention of assisting CUBE in its next stage of growth.

In 2024, Investec advised Hg, a leading investor in European and transatlantic software and services businesses, on its significant investment in CUBE. Leveraging the strength of Investec's Private Equity relationships, led by its Sponsor Coverage team, alongside Technology sector expertise, Investec was able to support Hg in its investment. Furthermore, our knowledge of CUBE has helped us unlock our ability to support Ben with his private banking needs.

We continue to develop our relationships with Ben, CUBE and Hg, ensuring that whenever a need arises, they can all leverage the full breadth and depth of our relevant capabilities. The collaboration between Investec and CUBE stands as a testament to our 'One Investec' strategy.

“ CUBE is building a platform that will deliver regulatory transformation capabilities for our global customers. The work we’ve done with Investec, as part of our growth strategy, has helped ensure we have the right strategic investment partner at the right stage of our journey.”

**Ben Richmond**
Founder & CEO, CUBE

OUR KEY PERFORMANCE INDICATORS

# Key performance indicators

## Driving sustainable long-term growth

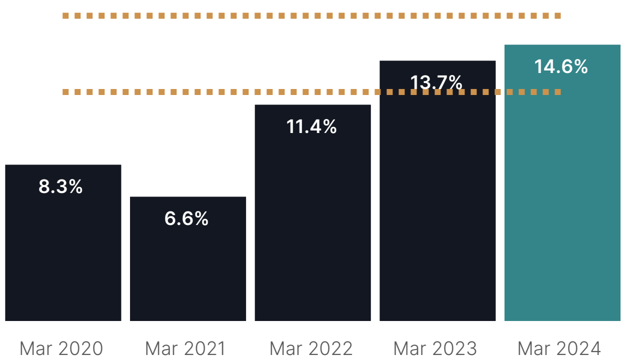
Key performance indicators are regularly reviewed by the Board, to assess performance against the Group's most important priorities. These include measures for assessing financial and non-financial performance and balancing the interests of various stakeholders including communities, customers, shareholders and colleagues.

Key performance indicators that are directly linked to our remuneration balanced scorecard are marked with this symbol Ⓡ

**Return on equity** Ⓡ

14.6%

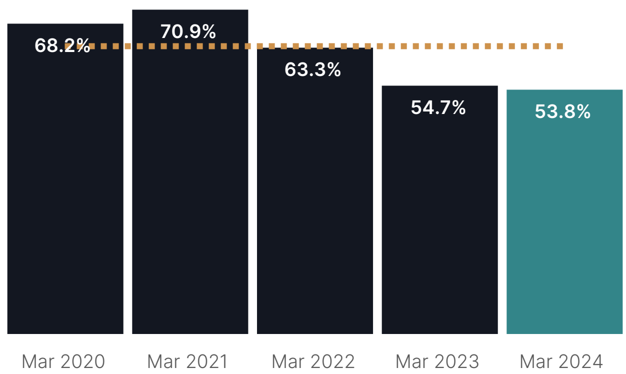
Medium-term target 12.0-16.0%




**Cost to income ratio** Ⓡ

53.8%

Medium-term target <63%

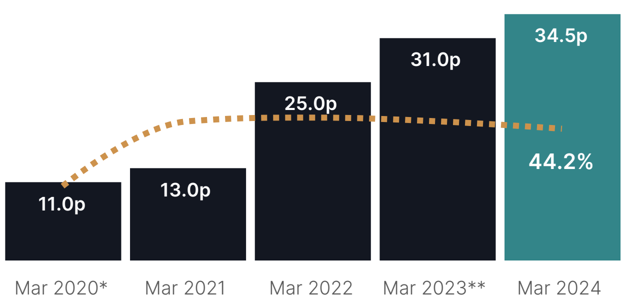



**Dividend per share** (pence per share)

34.5p

Dividend pay-out ratio

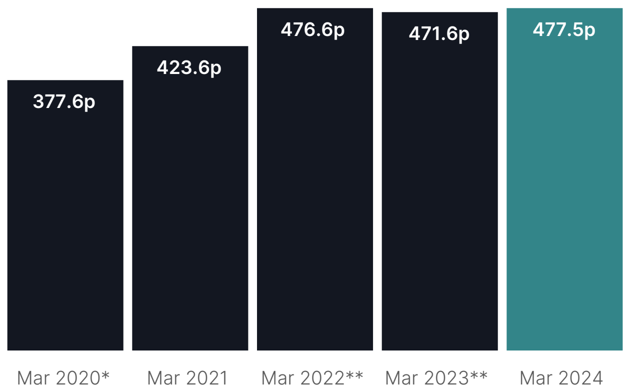
Progressive dividend policy with a target pay-out ratio of 30% to 50%




* Strategic action impact: Plus distribution in specie of Ninety One shares 73.4p
** Strategic action impact: Plus distribution in specie of Ninety One shares 30.91p

**Tangible net asset value (TNAV) per share** (pence per share) Ⓡ

477.5p




* Strategic action impact (Share buy back) -11.60p
** Strategic action impact (Ninety-One distribution) -12.60p
** Strategic action impact (Share buy back) -23.92p

OUR KEY PERFORMANCE INDICATORS
CONTINUED

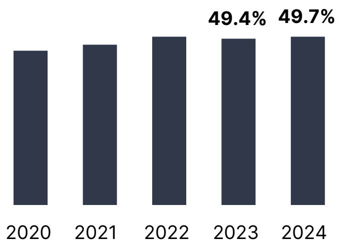
# Sustainability performance indicators and targets

For further information regarding our sustainability ambitions please refer to our Investec Group 2024 Sustainability report. Read more on our financed emissions scope, methodology and terminology in the Investec Group 2024 TCFD report. The sustainability metrics linked to the short and long-term incentives of Executive Directors have been updated in FY2024. Read more in the Group's 2024 remuneration report.

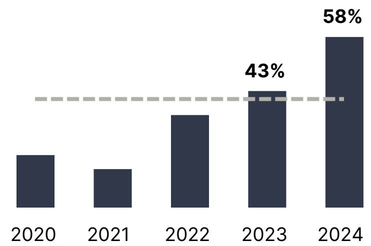
## Our people and communities

**Diversity, inclusion and equality at all levels:**

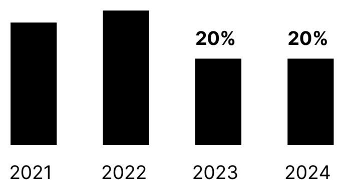
**Female employees**



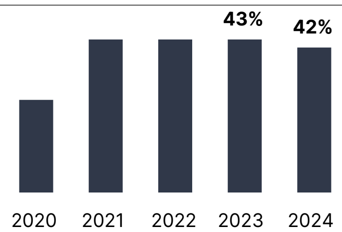

**Female Board representation**
(target of 40%)




**Female top managers***




**People of colour on our Board**




* The decline in 2023 was primarily due to leadership transitions in the UK Wealth business and the appointment of new males of colour. We remain committed to making meaningful progress on the representation of both women and people of colour across Top Management

**Group community spend**
(2023: 1.3%, £10.5mn)

1.1%

£10.0mn in spend as a % of Group operating profit against target of >1%

**Learning and development spend**
(2023: 1.8%, Target >1.5%)

2.1%

Learning and development spend as a % of staff costs

## The environment and climate change

**Coal as a % of loans and advances**

0.08%

Target: Zero thermal coal exposure within Investec Group's loan book by 31 March 2030

**Renewable energy**

100%

Sourced 100% of our Scope 2 electricity consumption through the purchase of renewable energy certificates

**Emissions**

Maintained carbon neutrality

Maintained carbon neutrality in our direct emissions for the sixth year in our Scope 1, 2 and operational Scope 3 emissions

REVISED TARGETS

# Revised medium-term targets to 31 March 2027

## Committed to deliver returns above our cost of capital

Strategic execution over the last five years has resulted in structural improvement in Group performance, leading us to revise our post Rathbones (RAT) combination targets by 200bps

**Current Group targets (RAT adjusted):**

IW&I UK combination with Rathbones results in a c.100bps reduction in Group ROE given an increased equity base, technically adjusting the current **ROE target** of **12%-16%** to **11%-15%**

**Revised Group targets:**

**ROE:**

13%-17%

**ROTE:**

14%-18%

**Cost to income ratio:**

< 57%

partly reflecting the 400bps benefit from IW&I UK deconsolidation

**Credit loss ratio:**

25-45bps

through-the-cycle (TTC) range

**Targets:**

| Targets | Current Group targets | | | Current Group targets (RAT adjusted) | | | Revised Group targets | | |
|---|---|---|---|---|---|---|---|---|---|
| | UK & Other | SA | Group | UK & Other | SA | Group | UK & Other | SA | Group |
| ROE | 11%-15% | 15%-18% | **12%-16%** | 9%-13% | | **11%-15%** | 10%-14% | 16%-20% | **13%-17%** |
| ROTE | | | | | | | 13%-17% | 16%-20% | **14%-18%** |
| Cost to income | < 67% | 50%-55% | **< 63%** | < 60% | | **< 59%** | < 58% | < 55% | **< 57%** |
| TTC credit loss ratio | 30-40bps | 20-30bps | **25-35bps** | | | | 35-55bps | 15-35bps | **25-45bps** |
| Dividend payout | | | **30%-50%** | | | | | | **35%-50%** |

**The impact of Investec Wealth & Investment UK combination with Rathbones (RAT):**
Equity base now includes the revaluation gain on implementation of the transaction. UK ROE impact: c.-2%, Group: c.-1%.
Cost to income ratio: associate investment in Rathbones is equity accounted versus full consolidation of IW&I UK previously.

UK targets calibrated on standardised capital measurement.

PRO-FORMA INCOME STATEMENTS

## Pro-forma income statements

Given the nature of the IW&I UK and IPF transactions, the Group's economic interest remained similar before and after the transactions. To provide information that will be more comparable to the future presentation of returns from the Group's interest in these entities and given their new holding structures, pro-forma information has been prepared as if the transactions had been in effect from the beginning of the period, i.e. IW&I UK has been presented as an equity accounted investment and IPF as an investment at fair value through profit or loss.

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

| **£'000** | For the year to 31 March 2024 | Re-presentation of discontinued operation - IPF | Re-presentation of discontinued operation - Investec Wealth & Investment UK | **For the year to 31 March 2024 Pro-forma** |
|---|---|---|---|---|
| Net interest income | 1 338 693 | — | — | 1 338 693 |
| Net fee and commission income | 416 187 | — | — | 416 187 |
| Investment income | 60 381 | 3 012 | — | 63 393 |
| Share of post-taxation profit of associates and joint venture holdings | 55 949 | — | 35 855 | 91 804 |
| Trading income arising from | | | | |
| – customer flow | 131 712 | — | — | 131 712 |
| – balance sheet management and other trading activities | 41 496 | — | — | 41 496 |
| Other operating loss | 1 961 | — | — | 1 961 |
| **Operating income** | **2 046 379** | **3 012** | **35 855** | **2 085 246** |
| Expected credit loss impairment charges | (79 113) | — | — | (79 113) |
| **Operating income after expected credit loss impairment charges** | **1 967 266** | **3 012** | **35 855** | **2 006 133** |
| Operating costs | (1 120 245) | — | — | (1 120 245) |
| **Operating profit before goodwill and acquired intangibles** | **847 021** | **3 012** | **35 855** | **885 888** |
| Operating profit before strategic actions and non-controlling interests of discontinued operations* | 62 606 | (14 778) | (47 828) | — |
| Taxation on operating profit before goodwill and acquired intangibles | (172 066) | — | — | (172 066) |
| Taxation on operating profit before goodwill and acquired intangibles of discontinued operations* | (11 973) | — | 11 973 | — |
| | **725 588** | **(11 766)** | **—** | **713 822** |
| Profit attributable to other non-controlling interests | (1 382) | — | — | (1 382) |
| Profit attributable to non-controlling interests of discontinued operations | (11 766) | 11 766 | — | — |
| | **712 440** | **—** | **—** | **712 440** |
| Earnings attributable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders) | (49 942) | — | — | (49 942) |
| **Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items** | **662 498** | **—** | **—** | **662 498** |

Refer to page 98 to 100 of Investec Group's 2024 annual financial statements for discontinued operations.

Note: No adjustments have been made to the Group's balance sheet for the purposes of our pro-forma disclosures.

# PRO-FORMA INCOME STATEMENTS
## CONTINUED

| £'000 | Year to 31 March 2023 | Re-presentation of discontinued operation - IPF | Re-presentation of discontinued operation - Investec Wealth & Investment UK | **Year to 31 March 2023 Pro-forma** |
|---|---|---|---|---|
| Net interest income | 1 267 296 | — | — | 1 267 296 |
| Net fee and commission income | 397 355 | — | — | 397 355 |
| Investment income | 29 303 | 50 | — | 29 353 |
| Share of post-taxation profit of associates and joint venture holdings | 30 034 | — | 74 555 | 104 589 |
| Trading income arising from | | | | |
| – customer flow | 169 110 | — | — | 169 110 |
| – balance sheet management and other trading activities | 14 235 | — | — | 14 235 |
| Other operating income | 4 386 | — | — | 4 386 |
| **Operating income** | **1 911 719** | **50** | **74 555** | **1 986 324** |
| Expected credit loss impairment charges | (80 846) | — | — | (80 846) |
| **Operating income after expected credit loss impairment charges** | **1 830 873** | **50** | **74 555** | **1 905 478** |
| Operating costs | (1 085 999) | — | — | (1 085 999) |
| **Operating profit before goodwill and acquired intangibles** | **744 874** | **50** | **74 555** | **819 479** |
| Operating profit before strategic actions and non-controlling interests of discontinued operations* | 103 620 | (11 864) | (91 756) | — |
| Taxation on operating profit before goodwill and acquired intangibles | (163 522) | — | — | (163 522) |
| Taxation on operating profit before goodwill and acquired intangibles of discontinued operations* | (16 182) | — | 17 201 | 1 019 |
| | **668 790** | **(11 814)** | **—** | **656 976** |
| Profit attributable to non-controlling interests | (752) | — | — | (752) |
| Profit attributable to non-controlling interests of discontinued operations | (11 814) | 11 814 | — | — |
| | **656 224** | **—** | **—** | **656 224** |
| Earnings attributable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders) | (41 872) | — | — | (41 872) |
| **Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items** | **614 352** | **—** | **—** | **614 352** |

Refer to page 98 to 100 of Investec Group's 2024 annual financial statements for discontinued operations.

GROUP FINANCE DIRECTOR REPORT

# Strong *delivery* against an uncertain backdrop

## The year in review

The Group continues to deliver a strong financial performance against an uncertain operating environment, generating returns well within our current target range.

During the year we carried out significant strategic actions including the transformational combination of Investec Wealth & Investment UK (IW&I UK) and Rathbones Group plc, the completion of c.R6.8 billion or c.£300 million share buy-back programme and the disposal of our property management companies to Burstone Group Limited. These actions are all in line with the Group's strategy to optimise capital and increase scale and relevance in our chosen markets.

Given the nature of the IW&I UK and IPF transactions, the Group's economic interest remained similar before and after the transactions, the financial information that follows has been prepared and analysed on a pro-forma basis as outlined on page 63.

Our strong balance sheet and successful strategic execution since our 2019 capital markets day have allowed us to support our clients and achieve our FY2024 and medium-term financial targets.

We are pleased to announce new medium-term targets which reflect the structural improvement in Group performance following successful strategic execution since the February 2019 Capital Markets Day.

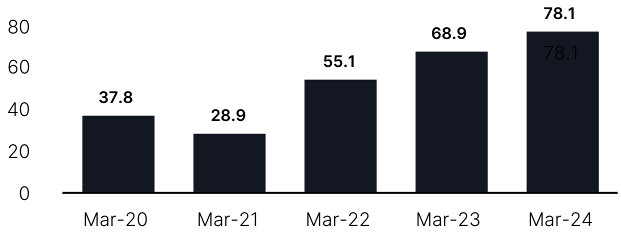
**Nishlan Samujh**
Group Finance Director

# GROUP FINANCE DIRECTOR REPORT
CONTINUED

## Strong financial performance...

Adjusted earnings per share grew by 13.4% to 78.1 pence (2023: 68.9 pence). Basic earnings per share grew 22.5% to 105.3 pence (2023: 85.8 pence), positively impacted by the gain on loss of control of Investec Wealth & Investment UK, partly offset by the net loss on deconsolidation of IPF.

**Adjusted EPS (pence per share)**



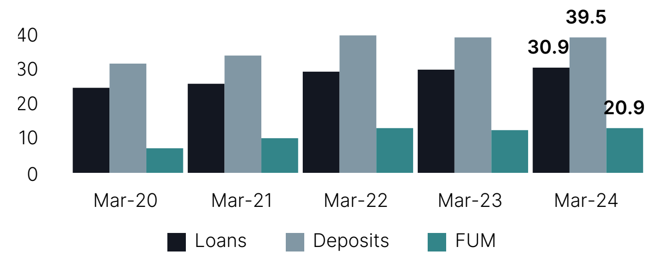

Pre-provision adjusted operating profit increased by 7.1%, supported by the strength and diversity of our client franchises as well as continued success in the Group's strategic execution.

- Revenue growth was underpinned by strong performance from the corporate client franchises in both anchor geographies and Wealth & Investment in South Africa.
- Net interest income benefitted from growth in average lending books and higher average interest rates.
- Non-interest revenue growth was underpinned by continued client acquisition, increased client activity levels and higher trading income. NIR also benefitted from the first-time consolidation of Capitalmind as the Group seeks to extend its footprint into Europe and increase capital-light revenues.
- Revenue growth was negatively impacted by the effect of strategic actions; namely the cessation of equity accounting of Ninety One post distribution of shares in the prior year and Bud Group Holdings post the 2022 restructure, forgone interest income on funds utilised for the share buy-back programme and the deconsolidation of IPF.
- Total operating costs grew 3.2% including a £30 million provision for the industry-wide FCA motor finance review. Fixed costs excluding this provision remained flat. The cost to income ratio improved to 53.8% (2023: 54.7%).
- Impairments amounted to £79.1 million (2023: £80.9 million). Asset quality remained solid with exposures well collateralised.

## ...supported by solid underlying fundamentals

- Net core loans increased to £30.9 billion up by 6.1% in neutral currency, largely driven by corporate lending in both core geographies and private client lending in South Africa.
- Customer deposits increased 4.4% in neutral currency and by 0.1% to £39.5 billion on a reported basis.
- Funds under management (FUM) increased 5.5% to £20.9 billion, reporting discretionary net inflows of R16.6 billion.

**£'billion**



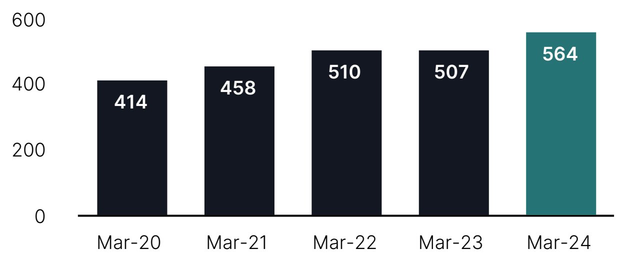

## Well capitalised with strong liquidity

- The Group has maintained strong capital and liquidity positions to support growth, all ahead of internal and Board-approved minimum targets and regulatory requirements.
- The common equity tier (CET) 1 and leverage ratio were 13.6% and 6.2% respectively for Investec Limited (Advanced Internal Ratings Based Approach) and 12.4% and 10.2% for Investec plc (Standardised Approach) at 31 March 2024.
- Cash and near cash was £16.4 billion at 31 March 2024, representing 41.3% of customer deposits.
- The Group comfortably exceeds Basel liquidity requirements. Investec Bank Limited (consolidated Group) reported a LCR of 159% and a NSFR of 115% and Investec plc reported a LCR of 453% and a NSFR of 146% at 31 March 2024.

## Creating long-term shareholder value

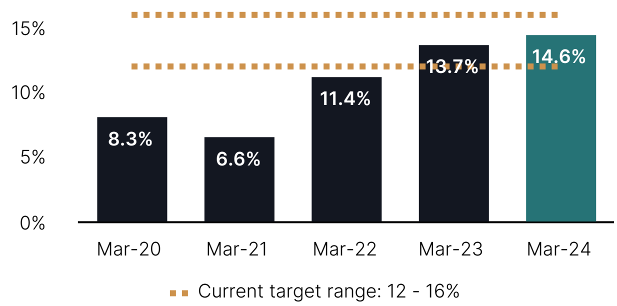
- Net asset value (NAV) per share increased 11.2% to 563.9p reflecting strong earnings generation and the net gain recognised on completion of the Rathbones combination.
- The Board proposed a final dividend of 19.0 pence, resulting in a total dividend of 34.5 pence and a 44.2% payout ratio, within the Group's current 30% to 50% payout policy.

**NAV per share (pence per share)**




- An ROE of 14.6% (2023: 13.7%) is above the midpoint of the Group's 12% to 16% target range, despite the increase in the closing equity base resulting from the net gain recognised on completion of the combination of IW&I UK with Rathbones.
- Return on tangible equity (ROTE) was 16.5% (2023: 14.7%).

**ROE (%)**



GROUP FINANCE DIRECTOR REPORT
CONTINUED

## Unpacking our financial results

### Summarised pro-forma income statement

| £'000 | Year to 31 March 2024 | Year to 31 March 2023 | % change |
|---|---|---|---|
| **Net interest income** | **1 338 693** | **1 267 296** | **5.6 %** |
| **Non-interest revenue** | **746 553** | **719 028** | **3.8 %** |
| Net fee and commission income | 416 187 | 397 355 | 4.7 % |
| Investment income | 63 393 | 29 353 | >100% |
| Share of post taxation profit of associates | 91 804 | 104 589 | (12.2)% |
| Client flow trading income | 131 712 | 169 110 | (22.1)% |
| Balance sheet management & other trading income | 41 496 | 14 235 | >100% |
| Other operating income | 1 961 | 4 386 | (55)% |
| **Total operating income before ECL impairment charges** | **2 085 246** | **1 986 324** | **5.0 %** |
| ECL impairment charges | (79 113) | (80 846) | (2.1)% |
| **Total operating income** | **2 006 133** | **1 905 478** | **5.3 %** |
| Operating costs | (1 120 245) | (1 085 999) | 3.2 % |
| **Operating profit before goodwill, acquired intangibles and strategic actions** | **885 888** | **819 479** | **8.1 %** |
| Profit attributable to other non-controlling interests | (1 382) | (752) | 83.8 % |
| **Adjusted operating profit** | **884 506** | **818 727** | **8.0 %** |
| ROE | 14.6 % | 13.7 % | |
| ROTE | 16.5 % | 14.7 % | |

**Net interest income (NII)**
NII growth of 5.6% was driven by higher average interest earning assets including average loan book growth and higher global interest rates.

**Non-interest revenue (NIR)**
The 3.8% increase in NIR was largely driven by the following:

Net fee and commission income increased 4.7% or 15.0% in neutral currency, reflecting higher fees from UK & Other advisory, an increase in M&A advisory fees with the consolidation of Capitalmind and higher average discretionary FUM from the SA wealth business, as well as moderate growth from the SA specialist bank given the challenging macro backdrop.

Investment income reflects dividends received and realised gains on disposal of investments, partly offset by fair value adjustments on investment portfolios.

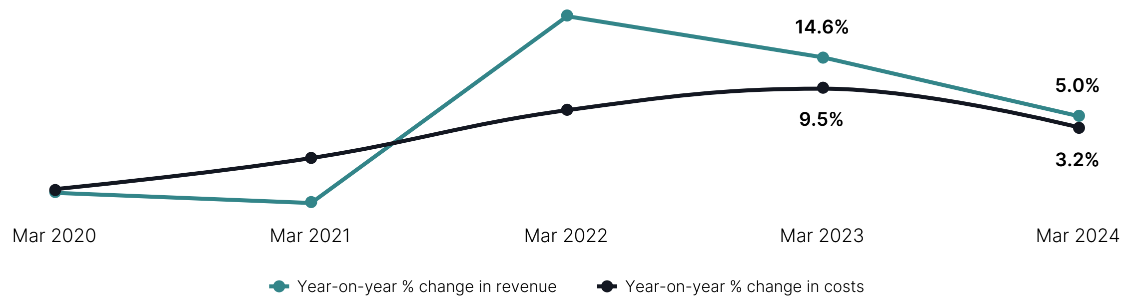
Share of post taxation profit of associates decreased primarily as a result of cessation of equity accounting of Ninety One (post distribution) and IEP (following restructure in 2022), lower earnings from the UK Wealth & Investment division (comprising IW&I UK in 1H 2024 and 41.25% share of Rathbones earnings in 2H 2024), partially offset by higher share of associate earnings in the UK specialist bank.

Trading income declined primarily due to lower trading income in South Africa, partly offset by increased client flows in the UK Treasury Risk Solutions and ECM activities, and positive risk management gains in hedging the remaining financial products run down book in the UK.

**Expected credit loss impairment charges**
Asset quality remains within Group appetite limits, with exposures to a carefully defined target market well covered by collateral. The decrease in the ECL impairment charges was primarily driven by net recoveries from previously written off exposures in South Africa, in-model ECL release due to updated macroeconomic scenarios and model recalibration, as well as release of overlays as anticipated ECLs have occurred. This was partially offset by higher Stage 3 impairments.

**Operating costs**
Fixed costs increased by 4.0%. This includes a £30 million provision for the industry-wide FCA motor finance review. Excluding this provision, fixed costs remained flat in Pound Sterling. In neutral currency fixed costs grew 10.6% reflecting inflationary pressures and continued investment in technology and people. Cost growth primarily reflects annual salary increases and growth in headcount, as well as higher business expenses given increased business activity and higher regulatory costs. Variable remuneration grew in line with business performance.

### Revenue growth ahead of cost growth – resulting in continued positive jaws



# GROUP FINANCE DIRECTOR REPORT
CONTINUED

Strong financial position

| £'million | Year to 31 March 2024 | Year to 31 March 2023 | % change |
|---|---|---|---|
| Loans and advances to customers | 30 901 | 30 381 | 1.7% |
| Customer deposits | 39 508 | 39 556 | (0.1%) |
| Funds under management (FUM) | 20 922 | 19 830 | 5.5% |

Net core loans increased by 1.7%, and by 6.1% in neutral currency.

In South Africa, net core loans grew 5.7% to R343.7 billion (2023: R325.1 billion). Corporate credit portfolios grew by 6.7% due to robust corporate lending demand in various lending specialisations in the first half of the year. Advances to private clients grew 5.6% with strong growth in mortgages partially offset by muted growth in the income producing real estate book.

In the UK, net core loans grew 6.4% to £16.6 billion driven by continued client acquisition and strong demand for corporate lending across diversified areas. The residential mortgage book reported moderate growth of 4.3% as elevated interest rates negatively affected mortgage demand in the UK market.

Customer deposits increased by 4.4% in neutral currency. Investec plc customer deposits increased by 8.7% to £20.8 billion (2023: £19.1 billion). Investec Limited customer deposits increased by 0.4% to R450.4 billion (2023: R448.5 billion).

FUM in the Southern African business (which includes Switzerland) increased by 5.5% to £20.9 billion. South African FUM in Rands increased 13.0% to R450.3 billion driven by discretionary net inflows of R16.6 billion, market levels and FX translation gains on dollar denominated portfolios, partly offset by non-discretionary net outflows of R6.8 billion.
The UK Wealth and Investment FUM is now reported as part of Rathbones Group following the combination in September 2023. Rathbones reported Funds Under Management and Administration (FUMA) of £107.6 billion at 31 March 2024. Investec owns 41.25% of the combined Rathbones Group.

Capital and leverage ratios

| | 2024 | 2023 |
|---|---|---|
| **Investec limited** | | |
| CET1 | 13.6% | 14.7% |
| Leverage ratio | 6.2% | 6.5% |
| **Investec plc** | | |
| CET1 | 12.4% | 12.0% |
| Leverage ratio | 10.2% | 9.4% |

Capital adequacy and leverage ratios

The CET1 and leverage ratio were 13.6% and 6.2% for Investec Limited (increased AIRB scope) and 12.4% and 10.2% for Investec plc (Standardised approach) respectively.

The Group targets a minimum CET1 ratio above 10% for Investec plc and 11.5% to 12.5% for Investec Ltd. Total capital adequacy ratio target range is 14% to 17% for Investec plc, and greater than 15% for Investec Limited, both on a consolidated basis. Investec Limited and Investec plc both target a leverage ratio in excess of 6%.

We are at the early stages in the journey to migrate the UK capital measurement from a standardised to the internal ratings-based approach.

Note: The prior year balance sheet has been restated. Refer to the restatements note in the Group's 2024 annual financial statements for details.

# GROUP FINANCE DIRECTOR REPORT
CONTINUED

## Control environment

We are committed to maintaining a robust control environment and will continuously evaluate it to ensure its effectiveness.

## Medium-term targets - financial year ending March 2027

The Rathbones combination resulted in a reduction of c.100 bps in ROE given the closing equity base adjustment from the transaction which technically adjusted the current ROE target range of 12%-16% to 11%-15%.

Strategic execution over the last five years has resulted in a structural improvement in the Group performance, leading us to revise our post Rathbones combination ROE targets by 200bps. The Group's commitment to generating returns above its cost of capital underwrites our purpose to create enduring worth for all our stakeholders.

#### Group revised medium-term targets

**Group ROE of 13% to 17% and ROTE of 14% to 18%**, with the following geographic targets:

Southern Africa targets ROE/ROTE of 16% to 20%, reflecting the strong returns generated by our client franchises and the optimisation of the SA capital base since the 2019 CMD.

UK & Other targets ROTE of 13% to 17% and ROE of 10% to 14%, reflecting the increasing scale and relevance of our unique corporate mid-market position within the UK and other markets we operate in.

**Cost to income ratio less than 57%**, we continue to invest in the business to achieve operational efficiencies and pursue identified growth initiatives. The impact of the combination with Rathbones resulted in a 400bps technical reduction in the cost to income ratio. Southern Africa targets a cost to income ratio of less than 55%, while UK & Other targets a cost to income ratio of less than 58%.

**Credit loss ratio through-the-cycle (TTC) range** has been revised to 25bps to 45bps reflecting the mix of our books. For Southern Africa, the new TTC range is 15bps to 35bps reflecting our exposures' bias to high-net-worth and high-income private clients, large corporates and secured lending books, and 35bps to 55bps for UK & Other which reflects our distinctive mid-market positioning and secured lending portfolios.

**Dividend payout policy** revised to 35% to 50% of adjusted earnings per share.

## FY2025 guidance

Based on the current macro-economic forecast the Group expects:

- Revenue momentum to continue, underpinned by book growth, stronger client activity levels and success in our client acquisition strategies, partly offset by expected cuts in rates.
- Group ROE and ROTE to be c.14% and c.16% respectively, both well within the revised target ranges
  - The South African business ROE to be c.18.5%
  - UK & Other business ROTE of c.14.0%
- Cost to income to be c.54%
- Credit loss ratio to be within the TTC range of 25bps to 45bps

# Conclusion

The Group's strong financial performance in recent years is a testament to our market-leading client franchises and diversified earnings. This robust performance reflects the impact of our capital optimisation strategies and refined risk management over the last five years.

Looking forward, we have a clear set of scalable opportunities to deliver growth and remain committed to our strategic priority to optimise shareholder returns. In the current year the Group completed the all-share combination of IW&I UK with Rathbones plc, creating the UK's leading discretionary wealth manager. Over time we expect to see the benefit of this long-term strategic partnership, which represents a significant value creation trajectory for both Investec and Rathbones stakeholders.

The Group is well-capitalised and maintains robust liquidity levels. We are well positioned to support our clients amidst the uncertain macro-economic outlook and pursue identified growth opportunities. We are committed to our new medium-term targets and remain focused on creating sustainable long-term value.

**Nishlan Samujh**

Group Finance Director

# Divisional review

# Our *diversified business model* and strong client franchises have helped us achieve consistent growth across our geographies. This section provides a review of our divisional performance.

IN THIS SECTION

PRO-FORMA INCOME STATEMENTS

## Pro-forma income statements

Given the nature of the IW&I UK and IPF transactions, the Group's economic interest remained similar before and after the transactions. To provide information that will be more comparable to the future presentation of returns from the Group's interest in these entities and given their new holding structures, pro-forma information has been prepared as if the transactions had been in effect from the beginning of the period, i.e. IW&I UK has been presented as an equity accounted investment and IPF as an investment at fair value through profit or loss.

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

| **31 March 2024** | UK and Other £'000 | Southern Africa £'000 | **Group £'000** |
|---|---|---|---|
| Net interest income | 802 587 | 536 106 | 1 338 693 |
| Net fee and commission income | 148 585 | 267 602 | 416 187 |
| Investment income | 14 319 | 49 074 | 63 393 |
| Share of post-taxation profit of associates and joint venture holdings | 91 648 | 156 | 91 804 |
| Trading income arising from | | | |
| – customer flow | 101 060 | 30 652 | 131 712 |
| – balance sheet management and other trading activities | 27 761 | 13 735 | 41 496 |
| Other operating income/(loss) | 2 150 | (189) | 1 961 |
| **Operating income** | **1 188 110** | **897 136** | **2 085 246** |
| Expected credit loss impairment charges/(release) | (86 050) | 6 937 | (79 113) |
| **Operating income after expected credit loss impairment charges** | **1 102 060** | **904 073** | **2 006 133** |
| Operating costs | (645 321) | (474 924) | (1 120 245) |
| **Operating profit before goodwill and acquired intangibles** | **456 739** | **429 149** | **885 888** |
| Profit attributable to non-controlling interests | (1 204) | (178) | (1 382) |
| **Adjusted operating profit** | **455 535** | **428 971** | **884 506** |
| | | | |
| Cost to income ratio | 54.4% | 52.9% | 53.8% |

| **31 March 2023** | UK and Other £'000 | Southern Africa £'000 | **Group £'000** |
|---|---|---|---|
| Net interest income | 708 839 | 558 457 | 1 267 296 |
| Net fee and commission income | 108 760 | 288 595 | 397 355 |
| Investment income | 18 215 | 11 138 | 29 353 |
| Share of post-taxation profit of associates and joint venture holdings | 84 399 | 20 190 | 104 589 |
| Trading income arising from | | | |
| – customer flow | 86 114 | 82 996 | 169 110 |
| – balance sheet management and other trading activities | 13 123 | 1 112 | 14 235 |
| Other operating income/(loss) | 6 879 | (2 493) | 4 386 |
| **Operating income** | **1 026 329** | **959 995** | **1 986 324** |
| Expected credit loss impairment charges | (66 712) | (14 134) | (80 846) |
| **Operating income after expected credit loss impairment charges** | **959 617** | **945 861** | **1 905 478** |
| Operating costs | (581 780) | (504 219) | (1 085 999) |
| **Operating profit before goodwill and acquired intangibles** | **377 837** | **441 642** | **819 479** |
| Profit attributable to non-controlling interests | — | (752) | (752) |
| **Adjusted operating profit** | **377 837** | **440 890** | **818 727** |
| | | | |
| Cost to income ratio | 56.7% | 52.6% | 54.7% |

# UK AND OTHER

We provide our clients with an extensive depth and breadth of product and services in the corporate mid market, bespoke solutions to high net worth clients and access to a wealth management offering through our strategic partnership with Rathbones. We leverage our connected client ecosystem to deliver an exceptional client service with an entrepreneurial approach.

## Highlights

We've built our business by working in partnership with our clients, taking the time to understand their unique needs and aspirations. This approach allows us to deliver Out of the Ordinary service to private, institutional and corporate clients alike.

**Rathbones Group - Funds under management and administration***

£107.6bn

**Net core loans**

£16.6bn

(2023: £15.6bn)

**Customer deposits**

£20.8bn

(2023: £19.1bn)

**Adjusted operating profit^**

£455.5mn

(2023: £377.8mn)

**Cost to income^**

54.4%

(2023: 56.7%)

**ROTE post tax**

15.7%

(2023: 14.5%)

## What we do

### Private client offering

**Wealth & Investment**

Access to wealth management services through our long-term strategic partnership with Rathbones

**Private Banking**

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

### Corporate client offering

**Corporate and Investment Banking**

- Lending
- Advice
- Hedging
- Savings
- Equity placement

## Target market

**Private Banking**

High net worth active wealth creators (with >£300k annual income and >£3mn NAV)

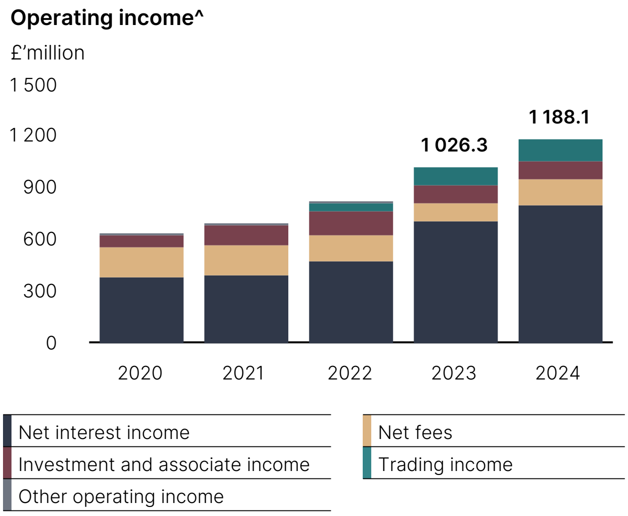
**Corporate and Investment Banking**

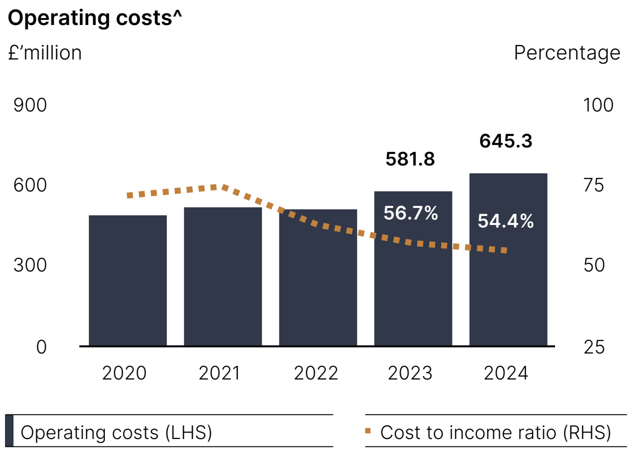
- Corporates
- Private equity
- Institutions
- Intermediaries
- Government

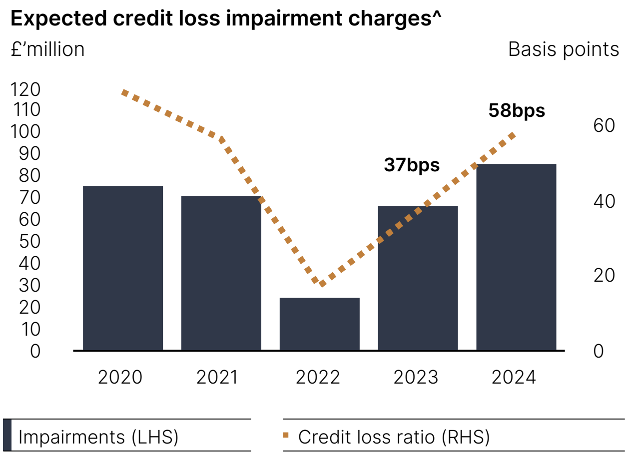
^ This key metric is based on the pro-forma income statements on page 72.

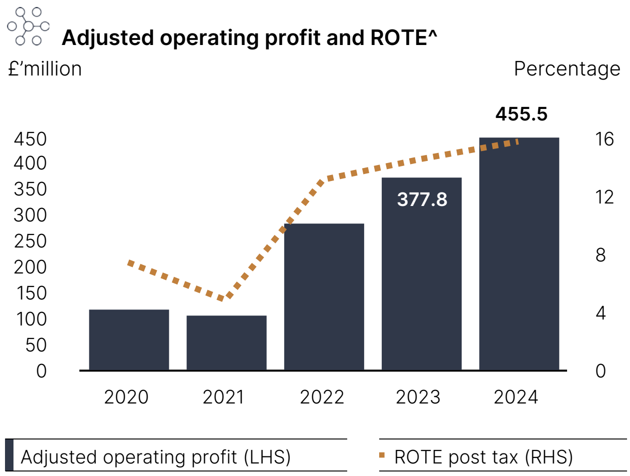
* As at 31 March 2024, Rathbones Group Plc, of which Investec owns a 41.25% economic interest, had funds under management and administration of £107.6bn. ROE for the year is 12.8% (FY2023 12.7%).

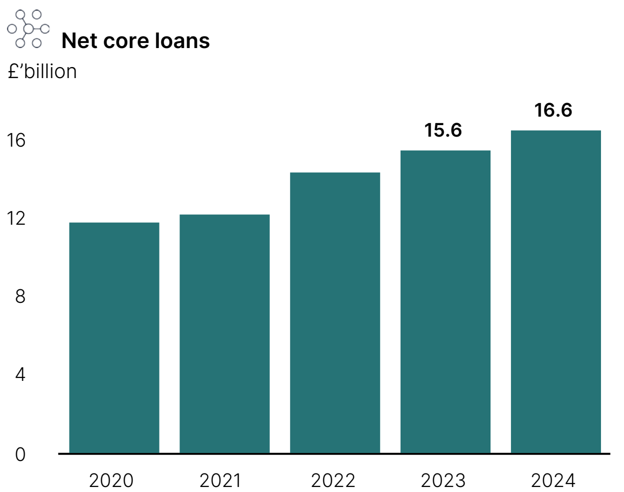
# UK AND OTHER
CONTINUED

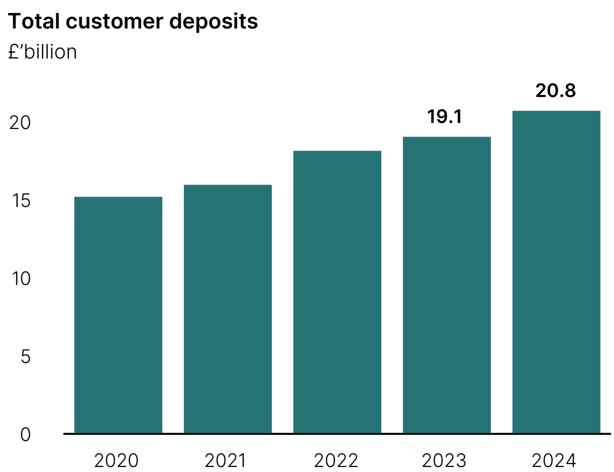



^ The current and prior years have been presented on a pro-forma basis, the current and prior year pro-forma income statements by geography can be found on page 72.

SPECIALIST BANKING

**Business Head**
Ruth Leas

## Awards

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

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

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

## Highlights

**Adjusted operating profit**
£406.2mn
(2023: £303.4mn)

**ROTE post tax**
14.7%
(2023: 12.6%)

**Cost to income**
55.6%
(2023: 60.4%)

**Credit loss ratio**
0.58%
(2023: 0.37%)

## Performance highlights

- Adjusted operating profit increased by 33.9% to £406.2 million (FY2023: £303.4 million), supported by the diversity in our client franchises and geographies and the integrated approach in how we provide solutions for our clients. Revenue growth was strong across our key client franchises as we continued to successfully execute our client acquisition strategies to build scale and relevance in the UK and other markets in which we operate
- Net core loans grew by 6.4% to £16.6 billion driven mainly by 8.6% growth in our Corporate, Investment Banking and Other division as a result of continued client acquisition across diversified areas. The residential mortgage lending book reported moderate growth of 4.3% as the elevated interest rates negatively affected demand for mortgages in the UK market in general
- The Bank maintained strong capital and liquidity levels which allowed us to navigate a challenging macro-economic environment, and support identified growth initiatives
- Operating income growth of 18.8% was underpinned by growth in average book, increased client activity and the positive endowment effect from higher interest rates and strong growth in non-interest revenue
- The cost to income ratio improved to 55.6% (FY2023: 60.4%). Total operating costs increased by 9.3%. Fixed operating costs include a provision for the industry-wide FCA motor finance review of £30 million as well as £8.6 million for the first time consolidation of Capitalmind from 1 July 2023. Excluding these items, the increase in fixed costs of 2.9% was well below the average inflation rate
- ECL impairment charges totalled £86.1 million, resulting in a credit loss ratio of 0.58% (FY2023: 0.37%), which is in line with guidance provided in November 2023. The increase in ECL charges was largely driven by Stage 3 ECL charges on certain exposures. We have seen idiosyncratic client stresses with no evidence of trend deterioration in the overall credit quality of our books
- These results are underpinned by positive momentum in our client franchises and strategic cross-collaboration within the One Investec client ecosystem. See more on this enhanced collaboration in the pages that follow.

## Income statement

| £'000 | 31 March 2024 | 31 March 2023 | Variance | % change |
|---|---|---|---|---|
| Net interest income | 802 587 | 708 839 | 93 748 | 13.2% |
| Net fee and commission income | 148 585 | 108 760 | 39 825 | 36.6% |
| Investment income | 2 598 | 5 005 | (2 407) | (48.1%) |
| Share of post-taxation profit of associates and joint venture holdings | 24 779 | 4 951 | 19 828 | >100.0% |
| Trading income arising from | | | | |
| – customer flow | 101 060 | 86 114 | 14 946 | 17.4% |
| – balance sheet management and other trading activities | 27 761 | 13 123 | 14 638 | >100.0% |
| Other operating income | 2 150 | 6 879 | (4 729) | (68.7%) |
| **Operating income** | **1 109 520** | **933 671** | **175 849** | **18.8%** |
| Expected credit loss impairment charges | (86 050) | (66 712) | (19 338) | 29.0% |
| **Operating income after expected credit loss impairment charges** | **1 023 470** | **866 959** | **156 511** | **18.1%** |
| Operating costs | (616 073) | (563 571) | (52 502) | 9.3% |
| **Operating profit before goodwill, acquired intangibles and strategic actions** | **407 397** | **303 388** | **104 009** | **34.3%** |
| Loss attributable to non-controlling interests | (1 204) | — | (1 204) | >100% |
| **Adjusted operating profit** | **406 193** | **303 388** | **102 805** | **33.9%** |
| ROE post-tax | 14.4% | 12.5% | | |

# SPECIALIST BANKING
CONTINUED

## Enhanced collaboration through integration

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

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

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

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

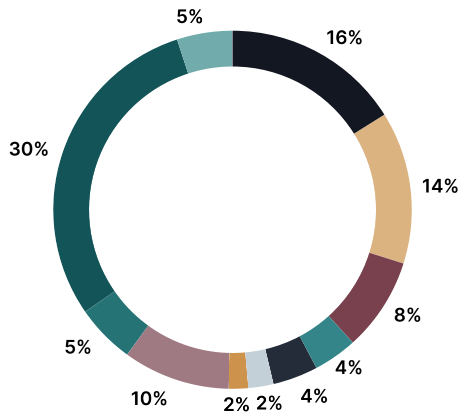
## In 2024

Our focus on connectivity continues to deliver strong results. In line with our stated objective to increase connectivity, there has been a significant drive to increase collaboration between our corporate and private client groups, leading to an increased momentum of referrals. Our corporate client groups referred 220 opportunities to our private clients group, a significant increase from 72 in FY2023.

## Going forward

- As part of the long-term strategic partnership and co-operation agreement between Investec and Rathbones, we will continue to collaborate with Rathbones to enhance the proposition across banking and wealth management services
- Providing our clients with a holistic solution remains a priority.

## Diversified loan book by risk category: Core loans £16.6 billion




| | Mar 24 | Mar 23 |
|---|---|---|
| **Corporate and other lending** | **50%** | **49%** |
| Asset finance | 16% | 15% |
| Corporate and acquisition finance | 14% | 14% |
| Fund finance | 8% | 9% |
| Energy and infrastructure finance | 4% | 4% |
| Other corporate and financial institutions and governments | 4% | 3% |
| Aviation finance | 2% | 2% |
| Asset-based lending | 2% | 2% |
| **Lending collateralised by property** | **15%** | **15%** |
| Commercial real estate | 10% | 10% |
| Residential real estate | 5% | 5% |
| **High net worth and other private client lending** | **35%** | **36%** |
| Mortgages | 30% | 30% |
| Other high net worth lending | 5% | 6% |

### Highlights: Sustainability

- Evolving and developing our Sustainable and Transition Finance Classification Framework has been a primary area of focus and will help to drive existing and future Sustainable and transition finance activity
- We were the Sole Mandated Lead Arranger and Bookrunner on an up to €110 million solar Photovoltaic portfolio financing
- We partnered with an energy company to provide £26 million to help decarbonise the Scotch whisky industry
- We are supporting decarbonisation of country park lodges through ground mounted solar and battery systems
- We provided a €132 million Green Loan to support a world leader in concessions, energy and construction in supporting the German electric vehicle charging network tender
- We also have made progress on improving the quality and accuracy of our scope 3 financed emissions which will help drive conversations with clients and various sectors on how we can help reduce emissions to meet our net-zero aspirations.

### Highlights: Diversity and Inclusion

- We have a female CEO, CFO and COO, and currently have 50% females and 30% minority ethnic representation on the Investec Bank plc Board
- We have been awarded best FTSE 250 strategy award at the INSEAD Alumni Balance in Business Initiative Awards 2024 recognising our commitment to achieving greater gender balance
- We publish both our gender and ethnicity pay gap data annually. As at 5 April 2023, the mean gender pay gap in our UK banking business stood at 22.3%. This is a marked improvement on the prior year of 25.6% and reflects continued progress since 2017 when the gap stood at 35.2%
- We proactively engage with colleagues and clients around diversity and recently held various events such as the International Women's Day interactive discussion, various client events that celebrated and connected influential female leaders, and a discussion on reverse mentoring during Black History Month
- Our Women in Tech network hosted their inaugural Tech Open Day, showcasing the variety of ways that tech can make our lives easier and slicker, with demo booths and topics including careers in tech
- Our flagship two day diversity and inclusion programme, 'Zebra crossing' was attended by 142 colleagues in FY2024.

# PRIVATE BANKING

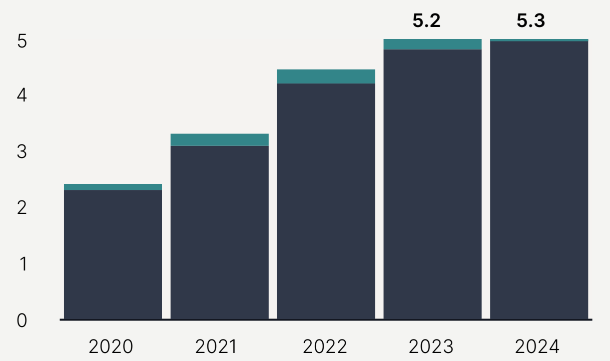
Our Private Banking activities focus on providing bespoke solutions underpinned by in-depth knowledge and understanding of our clients' personal and business aspirations and goals, supported by a broad private banking offering. We understand that every client is an individual, and that they are typically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

## Performance highlights

- Adjusted operating profit was £68.4 million (2023: £70.2 million) with net interest income up whilst cost discipline was maintained
- The residential mortgage lending book reported moderate growth of 4.3% reflecting the lower market demand for mortgages given the high interest rate and uncertain macroeconomic environment.

### Loans and advances to customers

£'billion



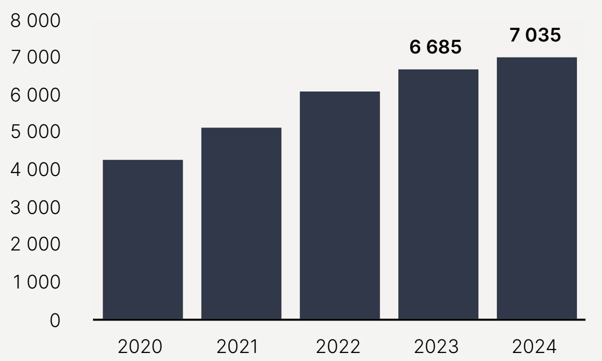

Banking (primarily mortgages) | Private Capital

**Loan book growth:**

- Continued muted book growth for HNW banking and a reduction in book for Private Capital, up 3.2% and down (8.4)% respectively since March 2023, reflecting the high interest rate and the uncertain macroeconomic environment
- Market demand for residential mortgages has not recovered from the sharp drop post mini budget in September 2022. Clients with excess liquidity are paying down their debt leading to elevated redemptions. We have however seen an increase in demand in the last quarter of FY2024 with credit pipeline starting to build
- The Private Capital book reduction was driven by higher redemptions and prepayments due to the higher interest rate environment
- Credit underwriting standards were maintained whilst growing the book notwithstanding a competitive market.

Note: In addition to the loan book shown above, our Channel Islands business had c.£521mn (2023: £520mn) of mortgages as at 31 March 2024.

### UK HNW client acquisition




**Continued success in client acquisition:**

- We continued to acquire new clients through the period in spite of subdued mortgage demand and acquired 793 new clients over the period
- Aligned to our One Investec approach, this offering serves as a valuable client acquisition tool for the wider UK Bank and new strategic partnership with Rathbones Group. Our clients have an average income of £700 000+ and average NAV of £12 million (well above our quantitative criteria)
- HNW mortgage lending is focused on target clients in established areas (London and the South East) with recourse to the individual and high level of cash equity contributions into transactions.

Note: In addition to these client figures, our Channel Islands business has 1 092 HNW clients (31 March 2023: 1 062). This brings our total number of HNW clients to 8 127 (31 March 2023: 7 747).

PRIVATE BANKING
CONTINUED

## Income statement analysis and key income drivers

| £'000 | 31 March 2024 | 31 March 2023 | Variance | % change |
|---|---|---|---|---|
| Net interest income | 132 302 | 128 945 | 3 357 | 2.6% |
| Net fee and commission income | 833 | 1 946 | (1 113) | (57.2%) |
| Investment income | 1 138 | 141 | 997 | >100% |
| Trading income arising from | | | | |
| – customer flow | 4 869 | 4 449 | 420 | 9.4% |
| – balance sheet management and other trading activities | (99) | 13 | (112) | >(100%) |
| **Operating income** | **139 043** | **135 494** | **3 549** | **2.6%** |
| Expected credit loss impairment charges | (13 557) | (6 344) | (7 213) | >100% |
| **Operating income after expected credit loss impairment charges** | **125 486** | **129 150** | **(3 664)** | **(2.8%)** |
| Operating costs | (57 090) | (58 996) | 1 906 | (3.2%) |
| **Adjusted operating profit/(loss)** | **68 396** | **70 154** | **(1 758)** | **(2.5)%** |
| **Key income drivers** | | | | |
| ROE post-tax | 17.3% | 21.9% | | |
| ROTE post-tax | 17.3% | 21.9% | | |
| Cost to income ratio | 41.1% | 43.5% | | |
| Growth in loans and advances to customers | 2.4% | 15.4% | | |
| Growth in risk weighted assets (year on year) | 4.2% | 12.3% | | |

### Other factors driving the performance in the year under review included:

- Growth in net interest income was driven by a higher average loan book and the positive effect of higher interest rates. Net book margin remained relatively stable notwithstanding the increased competition and lower turnover
- ECL impairment charges for the period increased to £13.6 million (FY2023: £6.3 million), primarily due to Stage 3 ECL charges on certain exposures. The credit loss ratio on the private client mortgage book remains low at 7bps (31 March 2023: 4bps). Asset quality remains solid with exposures well covered by collateral, as reflected in the coverage ratios. Refer to the Investec Group Risk and governance report on our website for further information on the Group's asset quality
- Operating costs decreased by £1.9 million or 3.2%, reflecting reduced variable remuneration in line with business performance. Fixed costs have been well contained, up 2.4% since the prior year notwithstanding the continued investment in people and inflationary pressures
- Growth in risk weighted assets of 4.2% has slowed from the prior year reflecting the reduced book growth over the year due to high interest rates and the uncertain macro-economic environment.

### Strategy execution

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

### Looking ahead

- We successfully completed the all-share combination between Rathbones and IW&I UK in September 2023. This also marks the beginning of a strategic partnership that will enhance the client proposition across banking and wealth management services for both Investec Group and the Rathbones Group. During the year, we have successfully generated FUM for IW&I UK and Rathbones from our client base against a challenging market backdrop
- Having established a strong presence in the market over the last five years, our Private Capital business is in growth mode, focused on increasing lending through deepening existing relationships and further client acquisition
- We are focused on maintaining business momentum and generating a stable annuity income stream for the Group, while investing with discipline in the required technology to support our growth to scale
- Investec plc continues its efforts to build Internal Ratings Based (IRB) approach models. Good progress is being made towards the submission of an application to the PRA.

CORPORATE, INVESTMENT BANKING AND OTHER

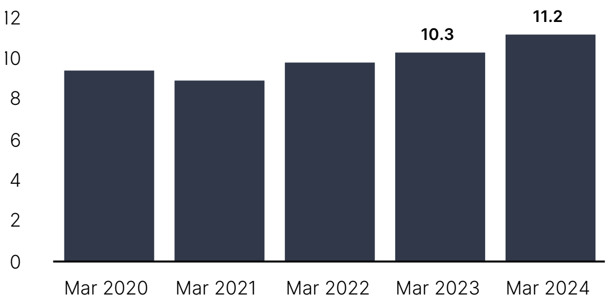
This segment comprises business activities that provide lending, advisory and risk management services to growth-orientated corporate clients in the private companies, private equity and listed companies arenas, including specialist sector-focused expertise. This segment also includes our central treasury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

## Performance highlights

- The results reflect a strong performance, with an adjusted operating profit of £337.8 million or 44.8% ahead of £233.2 million reported in FY2023. We are now firmly in our growth phase and are reaping the benefits of the strategy to simplify and focus the business executed in recent years
- Net interest income increased by £90.4 million (15.6%) to £670.3 million, driven by a higher average loan book and higher interest rates
- Impairment charges increased to £72.5 million (FY2023: £60.4 million). We have seen individual client stresses with no evidence of trend deterioration in the overall credit quality of the book.

### Loans and advances to customers

£'billion




### Loan book growth

- The loan book grew by 8.6% since 31 March 2023 to £11.2 billion
- Lending activity increased across multiple portfolios, supported by new client acquisition as we continue to build scale and relevance in our client franchises, as well as repeat business with existing clients
- We continue to utilise our origination and distribution capability to manage diversity and concentration of our lending portfolios and generate additional ROTE-accretive revenue for the Group.

**Awards won in the past year**

Winner

| | | | | |
|---|---|---|---|---|
| **Lender of the year - Bank**<br>Real Deals Private Equity Awards 2023 | **Best Notice Savings Provider**<br>MoneyComms Top Performers 2024 | **Best Service from an Asset Based Finance Provider**<br>Business Moneyfacts Awards 2023 | **Best Digital Savings Provider**<br>Moneynet Awards 2024 | **Research ranked #1 across nine sector teams**<br>The 2023 Institutional Investor's UK Small & Mid-Cap survey |
| **Best FX Trading Platform**<br>Global Finance | **Best Online Customer Service**<br>MoneyComms Top Performers 2024 | **Best Service from an Invoice Finance Provider**<br>Business Moneyfacts Awards 2023 | **Most Transparent Savings Provider**<br>Moneynet Awards 2024 | **Fund Financing Lender of the Year**<br>The 2023 Drawdown Awards |

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

## Income statement analysis and key income drivers

| £'000 | 31 March 2024 | 31 March 2023 | Variance | % change |
|---|---|---|---|---|
| Net interest income | 670 285 | 579 894 | 90 391 | 15.6% |
| Net fee and commission income | 147 752 | 106 814 | 40 938 | 38.3% |
| Investment income | 1 460 | 4 864 | (3 404) | (70.0%) |
| Share of post-taxation profit of associates and joint venture holdings | 24 779 | 4 951 | 19 828 | >100.0% |
| Trading income arising from | | | | |
| – customer flow | 96 191 | 81 665 | 14 526 | 17.8% |
| – balance sheet management and other trading activities | 27 860 | 13 110 | 14 750 | >100.0% |
| Other operating income | 2 150 | 6 879 | (4 729) | 68.7% |
| **Operating income** | **970 477** | **798 177** | **172 300** | **21.6%** |
| Expected credit loss impairment charges | (72 493) | (60 368) | (12 125) | 20.1% |
| **Operating income after expected credit loss impairment charges** | **897 984** | **737 809** | **160 175** | **21.7%** |
| Operating costs | (558 983) | (504 575) | (54 408) | 10.8% |
| **Operating profit before goodwill, acquired intangibles and strategic actions from continuing operations** | **339 001** | **233 234** | **105 767** | **45.3%** |
| Profit attributable to non-controlling interests | (1 204) | — | (1 204) | — |
| **Adjusted operating profit** | **337 797** | **233 234** | **104 563** | **44.8%** |
| **Key income drivers** | | | | |
| ROE post-tax | 14.0% | 10.9% | | |
| ROTE post-tax | 14.3% | 11.0% | | |
| Cost to income ratio | 57.7% | 63.2% | | |
| Growth in loans and advances to customers | 8.6% | 4.6% | | |
| Growth in risk weighted assets (period on period) | 6.3% | 4.0% | | |

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

- Net interest income increased by 15.6% benefitting from a larger book built over the past four years. Our diversified client lending franchises allow us to continue growth notwithstanding the persistently uncertain operating environment. Our client acquisition strategies are the key underpin to the sustained loan book growth across diversified specialisations. Higher global interest rates also supported the net interest income growth
- Net fee and commission income increased by 38.3% to £147.8 million driven by higher Listed companies' advisory fees in the current year amidst a challenging UK advisory market and the first time consolidation of Capitalmind, increasing our M&A advisory fees. We have also seen higher arrangement fees in certain lending areas. Activity levels in equity capital markets remain muted given the challenging macroeconomic environment
- Trading income from customer flow increased by 17.8% over the year driven by increased facilitation of hedging for clients by our Treasury Risk Solutions area, increased client flow trading income in our ECM activities, as well as positive risk management gains from hedging the significantly reduced financial products rundown book
- Trading income from balance sheet management and other trading activities increased to £27.9 million (FY2023: £13.1 million) from the prior year largely as a result of unwinding certain existing interest rate swap hedges as part of the implementation of the structural interest rate hedging programme
- ECL impairment charges increased to £72.5 million. The increase in ECL charges was largely driven by Stage 3 ECL charges on certain exposures. New defaults reflect individual idiosyncratic client stresses across various portfolios. Further information on the macro-economic scenarios applied and information on the Group's asset quality can be found in the Group's 2024 risk and governance report which is published and available on our website.
- Operating costs increased by 10.8% to £559.0 million. Fixed operating costs include a provision for the industry-wide FCA motor finance review of £30 million as well as £8.6 million for the first time consolidation of Capitalmind from 1 July 2023. Excluding these items, fixed costs were well contained, up 3.0%, well below the UK average inflation rate.

# CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

## Strategy execution

- Our One Investec approach – underpinned by our connected client ecosystem – has supported our ability to provide clients with a holistic solution and generate additional opportunities. Through the successful completion of the combination of our UK Wealth business and Rathbones, we expect to drive further collaboration with Rathbones, ensuring a seamless experience for mutual clients
- The strength of our client franchises has been independently recognised through the numerous awards we have won
- We continue to deepen our mid-market sponsor relevance. Our broad proposition and focused target market is reaping strategic benefits, as our cross-product relevance further strengthens our competitive advantage. For example, we recently started a Private Equity Secondary business in M&A Advisory and extended our integrated Asset Based Lending product suite to Continental Europe and our Fund Finance business to North America. Furthermore, we have integrated Capitalmind effectively into the Group and refocused advisory across all primary sectors
- We continue to generate diversified, capital light earnings by utilising external capital to facilitate our highly successful origination and distribution capability. Investec Alternative Investment Management (“IAIM”), a subsidiary of IBP, houses our fund activities including Private Debt Fund I which commenced in early 2021. We are focused on building external partnerships and raising further fund vehicles to complement our balance sheet lending capabilities. For example, we are currently fundraising Private Debt Fund II as well as looking at discretionary vehicles within our Fund Solutions franchise to meet these objectives and enhance our relevance with borrowers
- We remain committed to digitalisation and innovation to drive scale, efficiency and sustained growth by leveraging cloud technologies. Rebuilding our core platforms and delivering new business capabilities has resulted in improvements to our client offerings in lending, payments, FX and risk management. New products and services are available through our digital savings, private client and corporate online platforms. We are also capitalising on rapid innovation in Generative AI for everyday productivity use cases leveraging the Microsoft Copilot suite
- Investec India strategy is consistent with Group strategy to increase contribution from capital light revenues. Equity Research has c.230 listed Indian companies under coverage and our M&A Advisory business has significant market presence in our target sectors. The private credit business has arranged $5bn+ debt for Indian counterparts and has launched a second fund in Gujarat International Finance Tec-City (GIFT)
- In addition, we are providing services to the broader Investec Group (in particular the UK and SA operations) from India, both client facing and non-client facing functions
- We have continued to enhance our offering to Private Companies. Improvements to our proposition and continued digitisation across key areas including FX and lending has increased client numbers and the number of products used by clients.

## Looking ahead

- We are cautiously optimistic looking ahead as the UK economic position and growth evolves following increased inflation, high interest rates, higher cost of living and energy prices. We are well capitalised, lowly leveraged, and continue to maintain strong liquidity buffers and ratios. We are well placed to manage further volatility should it arise and to take advantage of growth opportunities as they present themselves
- Our One Investec client ecosystem approach remains one of our key strategic differentiators. The Partnership Agreement with Rathbones governs the long-term, strategic partnership and is expected to unlock significant value in the medium to long term
- With respect to sustainability, we are focused on embedding an ESG mindset that is fully integrated in our support for clients. We will continue to grow our sustainability offering to support our clients with renewable energy financing and innovative debt structuring
- In our Private Equity Client Group, we continue to grow market share and see positive growth prospects
- We have located a lending origination team in our office in Zurich to focus on the DACH region and we look forward to the benefits that will flow from the closer proximity to sponsors and borrowers
- We expect our M&A Advisory business to benefit from (1) our recent purchase of a majority shareholding in Capitalmind; (2) the refocusing of our business along sector lines; and (3) the growing contribution from our Coverage and Origination function. Providing an integrated offering across our regions, and via our international partnerships, continues to facilitate an expansion of our cross-border M&A advisory services
- We see significant opportunity to grow market share and drive income as we further develop our offering to Private Companies. Investment in technology and digitalisation will continue to be a priority combined with the passion and expertise of our people
- Investec plc continues its efforts to build Internal Ratings Based (IRB) approach models. Good progress is being made towards the submission of an application to the PRA.

# WEALTH & INVESTMENT

RATHBONES | Incorporating Investec Wealth & Investment (UK)

## UK's leading discretionary wealth manager with c.£107.6bn in FUMA

## Scale and operating efficiencies to power future growth

In prior financial years this divisional review contained the performance review of the previously wholly owned IW&I UK business. The IW&I UK business has consistently been one of the leading private client wealth managers in the UK and a highly respected franchise in the industry, delivering outstanding service to clients and creating value for our shareholders. The business delivered strong growth over the last decade and has been central to Investec's strategy to provide a coordinated banking and wealth management offering.

On 21 September 2023, an all-share combination of IW&I UK and Rathbones was completed, resulting in the Investec Group owning a 41.25% economic interest in the combined Rathbones Group, and creating the UK's leading discretionary wealth manager. Rathbones Group reported FUMA of £107.6 billion as at 31 March 2024.

The combination brought together two reputable UK wealth management businesses with closely aligned cultures and operating models and establishes a long-term, strategic partnership which will enhance the client proposition across banking and wealth management services for both groups. The combination represents a significant value creation trajectory for both Investec and Rathbones stakeholders.

The compelling strategic rationale for the combination includes the creation of scale and efficiency to power future growth, the ability to leverage Rathbones' investment in technology, an enhanced client offering, an expanded network across 23 locations, the ability to attract and retain the best industry talent, increased capital light earnings and a strategic partnership to leverage attractive collaboration opportunities.

In addition, the positive financial impacts of the combination include:

- Significant value creation, with at least £60 million of pre-tax cost and revenue synergies
- Earnings accretion for Investec shareholders
- Material cost saving in respect of IW&I UK's planned technology spend
- Robust combined Rathbones Group capital base, with significant future capital generation supportive of Investec's dividend policy.

The transaction included Investec's wealth and investment businesses in the UK and Channel Islands but excludes Investec Bank (Switzerland) AG (IBSAG) and IW&I SA. Both IBSAG and IW&I SA remain wholly-owned subsidiaries of Investec; commentary on these businesses can be found in the Southern African Wealth and Investment divisional section presented on page 95. Please see page 16 for further details of the transaction.

IW&I UK was 100% consolidated in the prior financial year. In the current financial year IW&I UK was 100% consolidated up until completion of the transaction (i.e. the first six months of FY2024), following which the Group's investment in Rathbones has been equity accounted for and recognised as an associate. The statutory financial statements have been presented in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), the Group's interest in IW&I UK has been presented as a discontinued operation and the income statement for the prior periods have been appropriately re-presented. Refer to the discontinued note in the Group's 2024 annual financial statements published and available on our website for discontinued operations information.

The below tables have been presented on a pro-forma basis, i.e. the 100% consolidated IW&I UK earnings have been presented post tax on the income from associate income statement line in the prior year and for the first six months of FY2024. Refer to page 72 for further detail on pro-forma information.

WEALTH & INVESTMENT
CONTINUED

## Income statement analysis and key income drivers

| £'000 | 31 March 2024 | 31 March 2023 | Variance | % change |
|---|---|---|---|---|
| Share of post-taxation profit of associates and joint venture holdings | 66 869 | 74 555 | (7 686) | (10.3)% |
| **Adjusted operating profit** | **66 869** | **74 555** | **(7 687)** | **(10.3)%** |
| Share of integration costs and amortisation of intangible assets incurred by Rathbones | (16 576) | — | (16 576) | (<100%) |
| **Profit after taxation** | **50 293** | **74 555** | **(24 263)** | **(32.5)%** |
| **Key income drivers** | | | | |
| Post-tax ROE | 21.6% | 27.3% | | |
| Post-tax ROTE | 34.6% | 50.1% | | |

### The financial year under review

As mentioned above, the prior financial year includes 100% of IW&I UK's earnings shown on a pro-forma basis. The current financial year includes six months of 100% of IW&I UK earnings and subsequently six months of our 41.25% equity accounted earnings of the combined Rathbones Group.

In 1H2024 IW&I UK reported operating profit post-tax of £35.9 million (10.8% above the prior period) and an operating margin of 25.2% (23.6% in the prior period) in an uncertain economic and operating environment.

In 2H2024 (1 October 2023 to 31 March 2024), i.e. post combination, the Group's 41.25% economic interest in the combined Rathbones Group has been equity accounted, reporting £31.0 million share of post-taxation profit of associates.

Post completion of the transaction to March 2024, Rathbones realised £10.6 million of the £15 million of run-rate synergies that were planned to be achieved by October 2024. Rathbones reported operating margin of 26.5% for the quarter ended 31 March 2024, in line with the FY2024 guidance provided at year-end results released on 6 March 2024.

# GROUP INVESTMENTS

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

In the UK, Group Investments comprises Investec plc's c.10% (31 March 2023: c.10%) investment in Ninety One (formerly Investec Asset Management).

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

## Portfolio breakdown and ROE

| 31 March 2024 | **Asset analysis £'000** | Income analysis £'000 |
|---|---|---|
| Ninety One plc | 158 889 | 11 721 |
| **Total exposures on balance sheet** | **158 889** | |
| Ordinary shareholders' equity held on investment portfolio – 31 March 2024 | 48 900 | |
| Ordinary shareholders' equity held on investment portfolio – 31 March 2023 | 51 300 | |
| Average ordinary shareholders' equity held on investment portfolio – 31 March 2024 | 50 100 | |
| **Post-tax return on adjusted average ordinary shareholders' equity – 31 March 2024** | | **23.4%** |

| 31 March 2023 | **Asset analysis £'000** | Income analysis £'000 |
|---|---|---|
| Ninety One plc | 172 285 | 18 103 |
| **Total exposures on balance sheet** | **172 285** | |
| Ordinary shareholders' equity held on investment portfolio – 31 March 2023 | 51 300 | |
| Ordinary shareholders' equity held on investment portfolio – 31 March 2022 | 222 278 | |
| Average ordinary shareholders' equity held on investment portfolio – 31 March 2023 | 136 789 | |
| **Post-tax return on adjusted average ordinary shareholders' equity – 31 March 2023** | | **13.2%** |

## Income statement analysis

| £'000 | **31 March 2024** | 31 March 2023 | Variance | % change |
|---|---|---|---|---|
| Investment income | 11 721 | 13 210 | (1 489) | (11.3%) |
| Share of post-taxation profit of associates and joint venture holdings | — | 4 893 | (4 893) | (100.0%) |
| **Adjusted operating profit** | **11 721** | **18 103** | **(6 382)** | **(35.3%)** |

### Factors driving the performance in the period under review included:

- Investment income reflects earnings from the Group's investment in Ninety One. The investment is held at fair value through other comprehensive income
- In the prior year, share of post-taxation profit of associates reflects earnings from the Group's investment in Ninety One for the two months from 1 April 2022 to 31 May 2022
- Lower dividends received from Ninety One.

SOUTHERN AFRICA

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

## Highlights

Best Private Bank and Wealth Manager in South Africa for 11 consecutive years

Recognised by Euromoney and, for the last 11 years, by the Financial Times of London.

**Funds under management**

£20.9bn
(2023: £19.8bn)

**Net core loans**

£14.3bn
(2023: £14.8bn)

**Customer deposits**

£18.7bn
(2023: £20.4bn)

**Adjusted operating profit^***

£429.0mn
(2023: £440.9mn)

**Cost to income^**

52.9%
(2023: 52.6%)

**ROE post tax**

17.3%
(2023: 14.9%)

## What we do

| Private client offering | | Corporate client offering |
|---|---|---|
| **Wealth & Investment** | **Private Banking** | **Corporate and Investment Banking** |
| Wealth management | Transactional banking | Specialised lending |
| Portfolio management | Lending | Import and trade finance |
| Fund management | Property Finance | Treasury and trading solutions |
| Stockbroking | Private Capital | Institutional equity research, sales and trading |
| Local and Swiss custody | Savings | Advisory |
| | Foreign exchange | Debt and Equity Capital Markets |
| | Life assurance and investment products | Fixed income, currency and commodities (FICC) |

## Target market

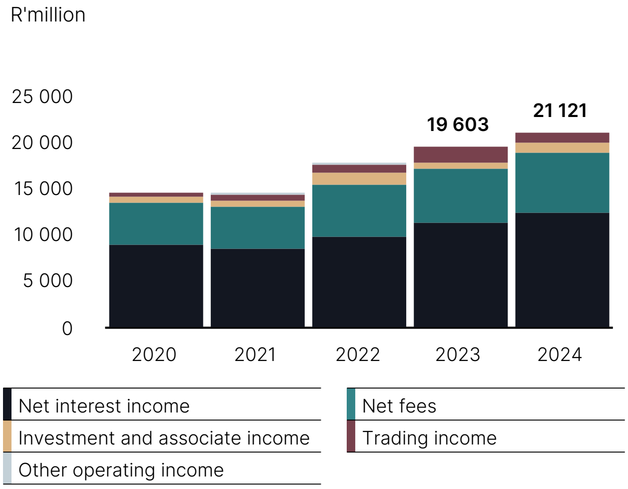
| **Wealth & Investment** | **Private Banking** | **Corporate and Investment Banking** |
|---|---|---|
| Individuals | High net worth individuals | Mid to large size corporates (listed and unlisted) |
| Charities and trusts | High-income professionals | Financial advisers and intermediaries |
| Financial advisers and intermediaries | Sophisticated investors | Government and public sector institutions |
| | Life assurance and investment products | Institutions, including banks and financial services entities |
| | Young professionals across multiple disciplines | |

^ This key metric is based on the pro-forma income statements on page 72.

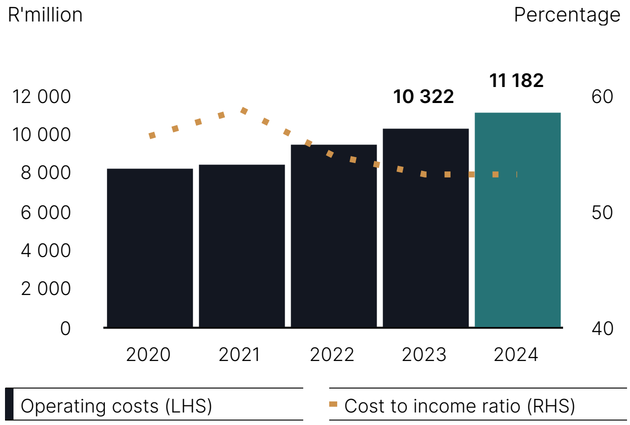
* The decrease in adjusted operating profit is due to a 15.1% depreciation in the average Rand/Pound Sterling exchange rate. On a neutral currency basis, adjusted operating profit increased by 12.8%.

# SOUTHERN AFRICA
CONTINUED

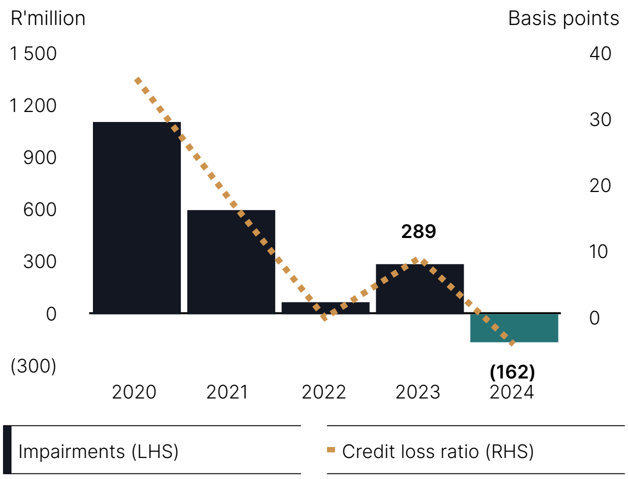
### Operating income^



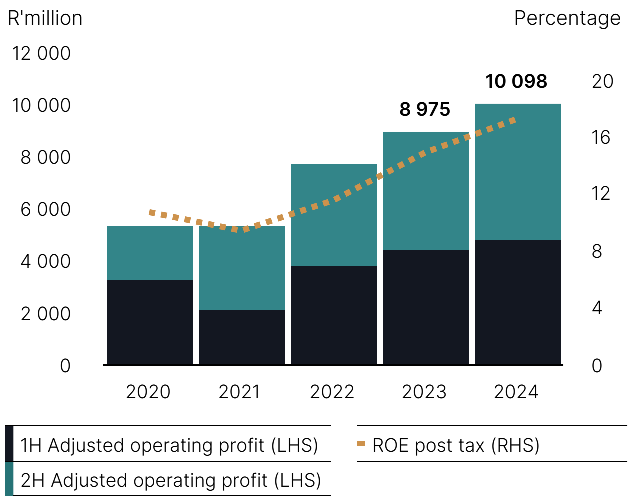

### Operating costs^



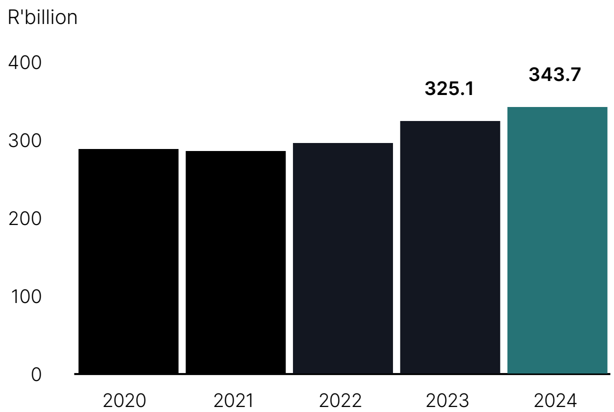

### Expected credit losses/impairment losses



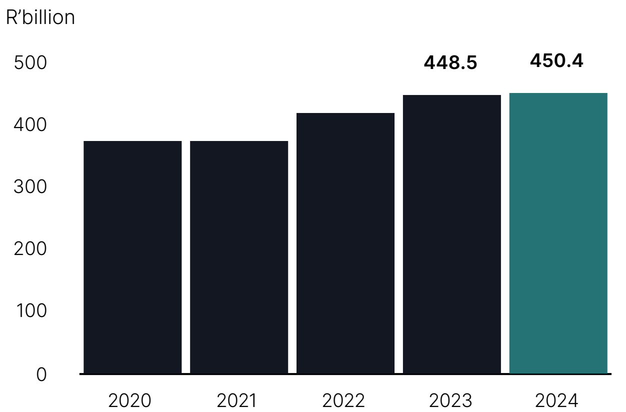

### Adjusted operating profit^ and ROE




### Net core loans




### Total customer deposits




^ The current and prior years have been presented on a pro-forma basis; the pro-forma income statements by geography can be found on page 72.

SPECIALIST BANKING OVERVIEW

**Business Head**
Richard Wainwright

## Awards

**The Banker - Bank of the Year Awards 2023**

'Bank of the Year' - South Africa

**Financial Times of London Global Private Banking Awards 2023**

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

## Highlights

**Adjusted operating profit**

£404.3mn
(2023: £423.8mn)

**ROE post tax**

19.0%
(2023: 17.0%)

**Cost to income**

48.4%
(2023: 47.8%)

**Credit loss ratio**

(0.04)%
(2023: 0.09%)

## Performance highlights (in Rands)

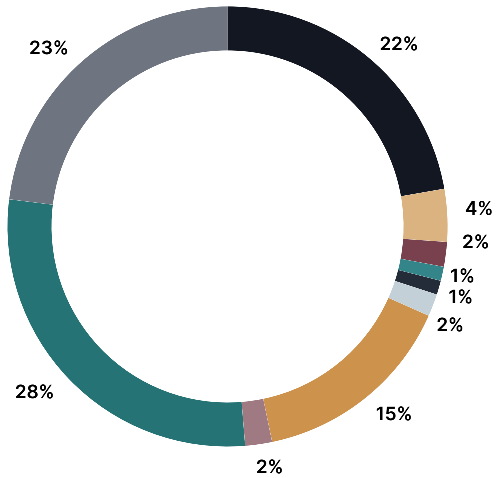
- Adjusted operating profit for the SA specialist bank increased 9.8% (decreased 4.6% in Pounds), driven by strategic growth initiatives and market share gains in core client franchises. Pre-provision adjusted operating profit increased by 4.4%. These results also reflect the effect of the share buy-back and the disposal of the property management businesses
- Revenue grew by 5.7%, as net interest income continued to benefit from higher average interest earning assets and interest rates. The increased client activity and client acquisition led to growth in fee and commission income, however this was partially offset by higher fee and commission expenses
- The cost to income ratio was 48.4% (2023: 47.8%). Operating costs increased 7.2% driven by higher personnel expenses due to inflationary salary increases, higher regulatory costs, and higher variable remuneration in line with performance. Discretionary costs also increased in line with increased business activity
- ECL impairment charges is a net release of R163 million from a R289 million charge in the prior year. The ECL charge was positively impacted by recoveries on previously impaired loans and model driven ECL releases from updated macro-economic scenarios and model recalibration. The credit loss ratio was at a net recovery of 4bps compared to a credit loss ratio of 9bps in the prior year
- Core loans grew by 5.7% to R343.7 billion (31 March 2023: R325.1 billion). Corporate lending portfolios grew by 6.7%, as credit demand increased across our various lending specialisations. Advances to private clients grew 5.6% with strong growth in mortgages partly offset by the effect of muted growth in the income producing real estate book.

## Income statement

| **£'000** | **31 March 2024** | 31 March 2023 | Variance | % change | % change in Rands |
|---|---|---|---|---|---|
| Net interest income | 530 811 | 558 886 | (28 075) | (5.0%) | 9.2% |
| Net fee and commission income | 159 884 | 180 532 | (20 648) | (11.4%) | 2.1% |
| Investment income | 36 716 | 19 574 | 17 142 | 87.6% | >100.0% |
| Share of post-taxation loss of associates and joint venture holdings | 156 | (33) | 189 | >100.0% | >100.0% |
| Trading income arising from | | | | | |
| – customer flow | 28 735 | 81 800 | (53 065) | (64.9%) | (59.6%) |
| – balance sheet management and other trading activities | 14 368 | 713 | 13 655 | >100.0% | >100.0% |
| Other operating (loss)/income | (231) | (2 455) | 2 224 | (90.6%) | (86.4%) |
| **Operating income** | **770 439** | **839 017** | **(68 578)** | **(8.2%)** | **5.7%** |
| Expected credit loss impairment (charges)/release | 6 932 | (14 131) | 21 063 | >100.0% | (>100.0%) |
| **Operating income after expected credit loss impairment (charges)/release** | **777 371** | **824 886** | **(47 515)** | **(5.8%)** | **8.4%** |
| Operating costs | (372 890) | (400 377) | 27 487 | (6.9%) | 7.2% |
| **Operating profit before goodwill, acquired intangibles and strategic actions** | **404 481** | **424 509** | **(20 028)** | **(4.7%)** | **9.6%** |
| Profit attributable to non-controlling interests | (178) | (752) | 574 | (76.3%) | (76.5%) |
| **Adjusted operating profit** | **404 303** | **423 757** | **(19 454)** | **(4.6%)** | **9.8%** |

## SPECIALIST BANKING OVERVIEW
CONTINUED

### Diversified loan book by risk category: Core loans
### March 2024: £14.3 billion




| | Mar 24 | Mar 23 |
|---|---|---|
| **Corporate and other lending** | **32%** | **32%** |
| Corporate and acquisition finance | 22% | 23% |
| Fund finance | 4% | 4% |
| Power and infrastructure finance | 2% | 2% |
| Asset finance | 1% | 1% |
| Aviation finance | 2% | 1% |
| Other corporate and financial institutions and governments | 1% | 1% |
| **Lending collateralised by property** | **17%** | **17%** |
| Commercial real estate | 15% | 15% |
| Residential real estate | 2% | 2% |
| **High net worth and other private client lending** | **51%** | **51%** |
| Mortgages | 28% | 28% |
| HNW and specialised lending* | 23% | 23% |

* Of the 23% in HNW and specialised lending, 13.1% (being 57% of 23%) (31 March 2023: 57%) relates to lending collateralised by property which is supported by high net worth clients.

**Highlights: Sustainability**

- We have invested significant time and effort in addressing the growing significance of sustainable practices, in line with our stakeholders' growing expectations. Consequently, we have elevated our ambition by introducing a comprehensive Sustainable and Transition Finance Classification Framework to serve as a guiding principle for our future business activities, aligning with our commitment to reach net-zero emissions by 2050
- We are currently developing and rigorously testing targets that align with our strategic commitments across all aspects of our business. These targets will be closely aligned with executive key performance indicators (KPIs), showcasing our unwavering commitment to driving sustainable outcomes and ensuring leadership accountability. We aim to finalise and release these targets by the end of 2024, reinforcing our steadfast dedication to achieving our sustainability objectives
- We remain focused in our efforts to enhance the quality and accuracy of our scope 3 financed emissions. While we recognise that this is just the beginning, we acknowledge the need for further progress through active client engagement and advocating for improved data quality and sustainability practices. We remain committed to driving positive change as we continuously seek opportunities to enhance our environmental impact and promote sustainable practices within our industry
- Our Sustainable Solutions team within the Private Bank provides bespoke solutions - including lending products and access to credible partners - to improve business resilience and ensure the uninterrupted supply of energy and water.

**Highlights: Diversity and Inclusion**

- Our diversity and inclusion framework aims to foster a sense of belonging for all our people. We  are dedicated to making Investec a place where it is 'easy to be me'. To support this we continue to build and support our BID networks, the Pride (LGBTQIA+) network, Young Minds and the Employment Equity forum
- Investec places a high value on diversity in its ongoing succession planning. By actively seeking out individuals from diverse backgrounds, we aim to create a more inclusive and equitable environment for all employees. This commitment not only fosters a sense of belonging within the organisation but also ensures that diverse viewpoints and ideas are brought to the table during decision-making processes. We believe that embracing diversity in succession planning leads to stronger leadership teams, and improved overall performance
- Our 'Lessons from History' programme delves into significant moments in our history that have shaped the foundation of our 30-year-old democracy and Constitution. It also explores the current significance of living in South African communities and being a citizen of Investec
- Our reverse mentorship programme provides learning through cross-generational relationships and cultivates leadership whilst exploring how different generations approach their work
- We sponsored 10 employees under the age of 35 to attend the One Young World Summit,  the world's premier global forum for youth leadership, convening young leaders from 190+ countries. The summit is a chance for the individuals who are responsible for shaping the future of our world, to come together to confront humanity's biggest challenges.

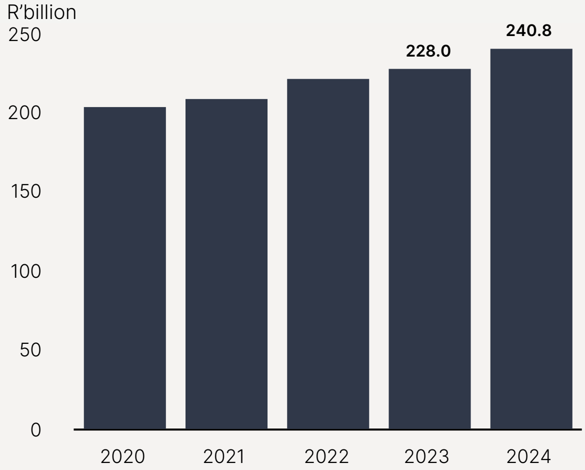
PRIVATE BANKING

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

## Performance highlights

- Private Banking adjusted operating profit decreased by 5.3% to R3 485 million (2023: R3 677 million)
- Point of sale (POS) client activity increased 13.0% from the prior year, driven by client acquisition and growth in client transactional activity
- Our evolving client acquisition strategy continues to underpin the growth in the number of active clients, which surpassed 100k in the period under review.

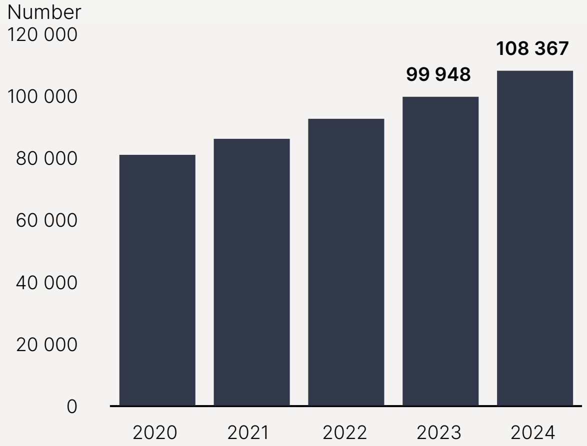
### Loans and advances to customers*




**Increased lending balances:**

- Loan book grew 5.6% since 31 March 2023
- Lending turnover grew 10.3% relative to prior year. This was primarily driven by strong turnover growth in commercial property as well as low single-digit turnover growth in residential mortgages and instalment sales
- Repayment rates remained low relative to history in the income producing real estate portfolio given the high interest rate and challenging economic environment.

### Core client acquisition




**Continued focus on client acquisition:**

- Our core client base increased 8.4% since 31 March 2023
- Strong growth in new accounts underscoring our increased focus on client acquisition and deeper entrenchment.

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

### Awards:

**Financial Times of London Global Private Banking Awards 2023**

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

Best Branding in Private Banking (Africa)

**Financial Times of London Global Private Banking Awards 2022**

Best Private Bank and Wealth Manager for technology use in Africa

**Intellidex Top Private Banks & Wealth Managers South Africa 2023**

People's Choice Private Banking

**Euromoney Global Private Banking Awards 2023**

South Africa's Best Private Bank for Digital

**PWM Wealth Tech Awards**

Best Private Bank for Use of Technology in Africa

PRIVATE BANKING
CONTINUED

## Strategy execution

**Continued focus on acquisition and entrenchment: Ensuring we continue to bring an integrated offering to our clients both locally and internationally**

- We are expanding our HNW private client franchise through strategic collaborations across specialisations to target clients. We continue to enhance coordination and integration of our strategies across our Private Bank and Wealth businesses. We provide our clients with a seamless experience, offering a comprehensive suite of banking and investment services
- We have expanded our footprint within key urban and other areas to further attract potential private clients
- Banking's primary focus remains centered around growth and our service offering, with emphasis on acquisition, entrenchment and operational efficiencies
  - Client acquisition remains a key priority for the business, supported by a multi-channel approach, innovative initiatives and active client engagement, with a focus to new and emerging professionals
  - Traditional client segments remain a source for growth, with a renewed focus and engagement to build and evolve tailored segment strategies with specific focus on the commerce and entrepreneur segments
  - Ongoing penetration for Investec Life and My Investments products into our client base
- Structured Property Finance delivers tailored debt, equity and participation solutions, both locally and internationally, to our niche property clients, leveraging our deep expertise and exceptional service offering. We are acquiring new clients and deepening current relationships.

# Income statement analysis and key income drivers

| £'000 | 31 March 2024 | 31 March 2023 | Variance | % change | % change in Rands |
|---|---|---|---|---|---|
| Net interest income | 259 378 | 299 154 | (39 776) | (13.3%) | (0.4%) |
| Net fee and commission income | 45 048 | 52 283 | (7 235) | (13.8%) | (0.7%) |
| Investment income | 9 127 | 15 000 | (5 873) | (39.2%) | (30.3%) |
| Share of post-taxation loss of associates and joint venture holdings | 113 | (158) | 271 | >100.0% | >100.0% |
| Trading income/(loss) arising from | | | | | |
| – customer flow | — | — | — | —% | —% |
| – balance sheet management and other trading activities | (149) | 50 | (199) | >100.0% | (>100.0%) |
| Other operating income | 4 | 6 | (2) | (33.3%) | —% |
| **Operating income** | **313 521** | **366 335** | **(52 814)** | **(14.4%)** | **(1.7%)** |
| Expected credit loss impairment releases/(charges) | 2 471 | (11 333) | 13 804 | >100.0% | (>100.0%) |
| **Operating income after expected credit loss impairment charges** | **315 992** | **355 002** | **(39 010)** | **(11.0%)** | **2.4%** |
| Operating costs | (167 837) | (175 386) | 7 549 | (4.3%) | 10.3% |
| **Adjusted operating profit** | **148 155** | **179 616** | **(31 461)** | **(17.5%)** | **(5.3%)** |
| **Key income drivers** | | | | | |
| ROE post-tax | 19.0% | 20.0% | | | |
| Cost to income ratio | 53.5% | 47.9% | | | |
| Growth in loans and advances to customers in Rands | 5.6% | 2.6% | | | |
| Growth in risk weighted assets in Rands (period on period) | 7.0% | (23.2%) | | | |

## Overview of financial performance (in Rands)

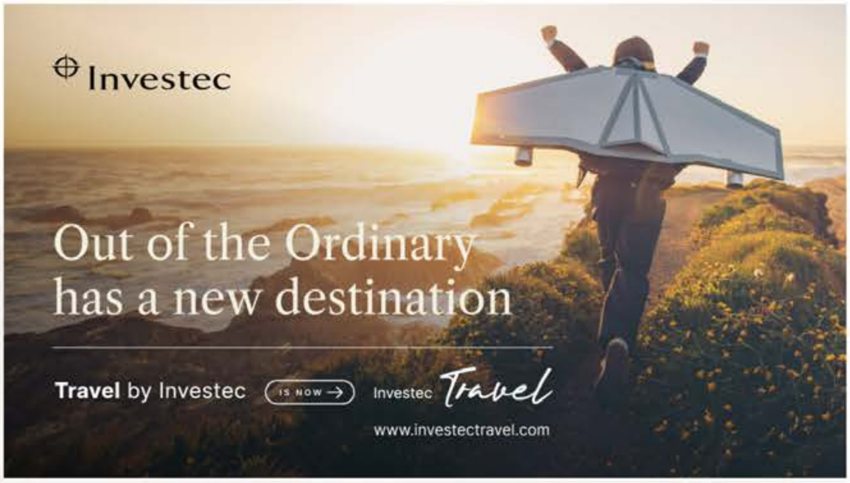
- Net interest income was 0.4% lower in the current year, mainly driven by lower year on year benefit from the rising interest rate. This was partially offset by interest income earned from higher average lending books.
- Net fee and commission income decreased by 0.7% year on year primarily due to lower lending fees and non-repeat of higher upfront fees in the prior period. Higher fees from increased transactional activity was offset by increased associated costs
- Investment income decreased 30.3% due to lower profit share and dividends as well as lower fair value adjustments in the current year
- ECL impairments decreased from a charge of R247 million to a release of R55 million, driven by significant recoveries on previously impaired loans, the in-model releases on portfolio impairments and post-model management overlay releases which were partly offset by additional specific ECL impairment charges. Further information on the Group's asset quality can be found in the Group's 2024 risk and governance report which is published and available on our website
- Operating costs increased 10.3% due to annual salary increases, higher headcount to support growth and inflationary increase in expenses. The cost to income ratio was 53.5% (2023: 47.9%).

INVESTEC TRAVEL

## Looking ahead

- We are building frictionless client journeys and evolving our Private Banking platform to grow, protect and connect clients. By leveraging our deep client relationships, insights and expertise, we are laying the foundation for an integrated ecosystem
- We remain committed to ambitiously grow our client base within our risk appetite, leveraging off our distinctive offering that enables our clients to manage their banking and investments both locally and in the UK, all in One Place™
- We are investing in our digital and technology platforms to enhance client experiences and introduce new capabilities.

Investec Travel




Our travel offering has undergone exciting changes. Travel by Investec is now Investec Travel. Whether clients prefer a hands-on bespoke booking experience or the convenience of booking online, they are still able to redeem Rewards points towards the cost of their travel and access our 24/7 emergency assistance. To complement our team of travel specialists, we have partnered with reputable and trusted travel suppliers to give our clients peace of mind and a consistent high level of service throughout their travel experience. These changes and improvements are part of our lifestyle enablement and entrenchment strategy which reflects our commitment to providing an Out of the Ordinary experience to our Private Banking clients.

**In addition to our current benefits, new features are as follows:**

### Online booking platform for hotels

In addition to our enhanced flights and car rentals online booking platforms, we have expanded our offering to include hotels which makes it quicker than ever to book the perfect place to stay. Clients will have access to competitive pricing for over 900 000 properties worldwide, paid for in ZAR.

### Embedding of Investec Travel within Online Banking and Investec App

Clients can connect to Investec Travel within Investec Online and the Private Client banking app. This enables pre-population of client information into forms when booking flights and car rentals. Additionally, clients can view the Rand value of their Rewards points.

### Signature Journeys

Our new Signature Journey itineraries will take our clients on Out of the Ordinary adventures to exotic locations. We have launched with four unforgettable journeys, and plan to expand our library over time.

### Partner programme

We have partnered with leading international and local providers such as Airlink, Virgin Atlantic, United Airlines, World Leisure Holidays and Beachcomber Tours to bring clients exclusive deals, special benefits, and Investec extras, where applicable.

### Express Lane for easy car rental collection

Clients can sign up for the ‘Express Lane’ service, select the rate during booking, and arrive at the car rental agency to collect the keys without any paperwork or queues.

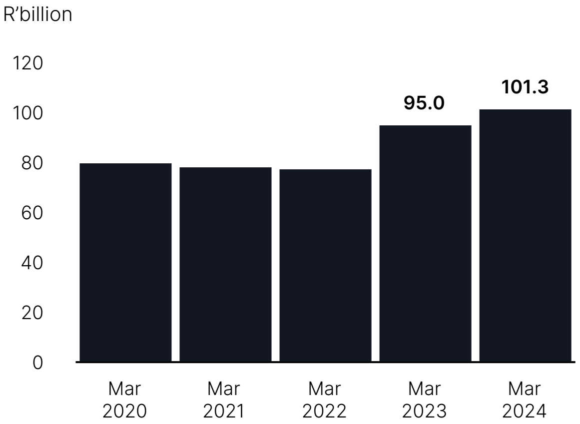
# CORPORATE, INVESTMENT BANKING AND OTHER

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

## Performance highlights:

- Adjusted operating profit increased 20.9% to R6 031 million (2023: R4 989 million) driven by high client activity levels across our franchises and continued market share gains in selected niches
- Revenue increased by 11.4%, benefitting from increased activity levels across the business, higher average lending books and the endowment effect from the higher interest rate environment. The strong revenue performance was broad based across lending related activities
- Pre-provision adjusted operating profit increased by 17.8% as revenue grew well ahead of operating costs, reflecting ongoing strategic execution.

### Loans and advances to customers*




* Net of impairments and deferred fees.

### Lending activity:

- The corporate loan book increased by 6.7% to R101.3 billion
- Growth in the lending book was broad based across our specialist lending areas, in particular Energy & Infrastructure and Aviation Finance
- The strong lending turnover was against elevated repayment rates relative to historical experience
- Our lending in the rest of Africa increased by 10.4% year to date to USD578 million from USD529 million in March 2023.

### Growth initiatives:

**12 729**
31 March 2023: 10 291
Total policies issued to date – Investec Life

**2 230**
31 March 2023: 1 690
Business Transactional Banking clients

**2 533**
31 March 2023: 1 961
Number of clients on Investec Business Online

### Awards won in the past year:

**Airfinance Journal Awards 2022:**
Revolving credit facility deal of the year:
Investec Aviation Finance and ACIA Aero Leasing

**The Digital Banker Global SME Banking Innovation Awards 2024**
Outstanding SME Trade Finance Solution Award

**Dealmakers' Awards 2024**
First by Deal Flow Investment Advisers (General Corporate Finance)
First by Deal Value JSE Sponsors (General Corporate Finance)
Second by Deal Flow JSE Sponsors (General Corporate Finance)

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

## Income statement analysis and key income drivers

| £'000 | 31 March 2024 | 31 March 2023 | Variance | % change | % change in Rands |
|---|---|---|---|---|---|
| Net interest income | 271 433 | 259 732 | 11 701 | 4.5% | 20.4% |
| Net fee and commission income | 114 836 | 128 249 | (13 413) | (10.5%) | 3.3% |
| Investment income/(loss) | 27 589 | 4 574 | 23 015 | >100.0% | >100.0% |
| Share of post-taxation profit/(loss) of associates and joint venture holdings | 43 | 125 | (82) | (65.6%) | (50.0%) |
| Trading income/(loss) arising from | | | | | |
| – customer flow | 28 735 | 81 800 | (53 065) | (64.9%) | (59.6%) |
| – balance sheet management and other trading activities | 14 517 | 663 | 13 854 | >100.0% | >100.0% |
| Other operating (loss)/income | (235) | (2 461) | 2 226 | (90.5%) | (86.4%) |
| **Operating income** | **456 918** | **472 682** | **(15 764)** | **(3.3%)** | **11.4%** |
| Expected credit loss impairment releases/(charges) | 4 461 | (2 798) | 7 259 | >100.0% | >100.0% |
| **Operating income after expected credit loss impairment charges** | **461 379** | **469 884** | **(8 505)** | **(1.8%)** | **13.0%** |
| Operating costs | (205 053) | (224 991) | 19 938 | (8.9%) | 4.8% |
| **Operating profit before goodwill, acquired intangibles and strategic actions** | **256 326** | **244 893** | **11 433** | **4.7%** | **20.6%** |
| Profit attributable to non-controlling interests | (178) | (752) | 574 | >100.0% | >100.0% |
| **Adjusted operating profit** | **256 148** | **244 141** | **12 007** | **4.9%** | **17.5%** |
| **Key income drivers** | | | | | |
| ROE post-tax | 18.9% | 14.8% | | | |
| Cost to income ratio | 44.9% | 47.7% | | | |
| Growth in loans and advances to customers in Rands (period on period) | 6.7% | 30.3% | | | |
| Growth in risk weighted assets in Rands (period on period) | 3.7% | 3.6% | | | |

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

- Net interest income increased 20.4%, driven by higher average interest earning assets, particularly lending books as demand for corporate credit remained strong, and endowment effects from higher interest rates. This was partly offset by effect of the foregone interest income on funds used to execute the Group's c.R6.8 billion share buy-back
- Net fees and commission income was 3.3% ahead of the prior year driven by increased volumes in structured products, higher forex commissions and growth in trade finance. These were partly offset by the lost fees due to disposal of the property management companies to Burstone
- Investment income growth benefitted from higher profit share participation and dividends received
- Trading income from customer flow declined due to lower trading activity. Income from balance sheet management and other trading activities increased due to a reduction in losses from mark-to-market (MTM) movements associated with managing fixed deposit interest rate risk. Recognition of these MTM movements is temporary and reverses over the life of fixed deposits
- Expected credit loss impairment charges was a release of R107 million compared to a charge of R42 million in the prior year due to significant recoveries from previously impaired loans as well as in-model releases on portfolio impairments. This was partly offset by additional specific impairment charges taken in the current year. Further information on the Group’s asset quality can be found in the Group’s 2024 risk and governance report which is published and available on our website
- Operating costs increased 4.8% due to continued investment in people, premises and technology to support growth. Variable remuneration grew in line with improved performance. The cost to income ratio improved to 44.9% (2023: 47.7%).

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

## Strategy execution

### Corporate and Institutional Banking

- Key client franchises are well established and performing well in a challenging environment, focused on improving our client value proposition
- Trading areas continue to operate in volatile market conditions where interest rates remain elevated. Trade volumes in equity markets continue to trend lower. We remain risk conscious and act with discipline
- Corporate Treasury and Balance Sheet Management activities benefit from growth in retail funding, the elevated interest rate environment and improved client activity
- Specialised lending areas experienced strong asset growth, emphasising client growth and market positioning. The Energy and Infrastructure area continues to deliver commendable results
- The Structured Products franchise, with a book size of c.R37 billion, is a market leader, continuing to grow assets under management through its various product offerings
- Our Business Transactional Banking platform shows significant growth in operational deposits and increased client activity, representing a strategic growth opportunity
- Streamlining client processes and utilising data strategically to improve deal execution speed and enhance the client experience
- We maintain discipline in cost management and capital allocation.

### Investment Banking

- Investment Banking remains focused on targeted themes, sectors and clients, to build lasting partnerships in a competitive and dynamic market
- In addition to the domestic South African business, our operations in the UK, Continental Europe (through Investec Capitalmind), India, and our network alliances in Australia and the United States, provide a unique and differentiated offering for clients through our international reach, sector expertise and world-class execution capability
- Our advisory business maintained a market leading position with strong activity levels in a challenging market characterised by muted levels of activity
- Primary and secondary equity capital markets activity remained subdued in the current period. Our dedicated international equity sales and distribution in the US and UK for South African corporates continues to differentiate our equity capital markets capability from our peers. Activity levels within the market context and market positioning remains robust
- Whilst lending activities resulted in book growth, the large corporate market and financial sponsors market has proved highly competitive and well serviced. Focus on targeted sectors and clients has resulted in sustained market positioning with existing clients.

### Investec for Business

- We are positioned to grow our share of the SA business lending market through our high touch differentiated lending offerings
- Amidst tough trading conditions we are steadily driving new client acquisition and entrenching existing client relationships
- With the inherent flexibility in our core products and our proactive management of risk we have already adapted our offerings in response to the market and have leveraged existing capabilities and digitalisation to help drive internal efficiencies to improve the client experience.

## Looking ahead

### Corporate and Institutional Banking

- Our objective is to increase revenue and risk adjusted returns by following these opportunities:
  - We prioritise ESG in our lending activities and are actively positioned to participate across the following key ESG themes:
    - Growth in the Energy and Infrastructure sectors, underpinned by the opportunity arising from the disruption in energy supply and transition to renewable energy as well as bottlenecks in the logistics sector
    - Sovereign lending for the development of social infrastructure, backed by Export Credit Agencies (ECAs)
    - Enhance our trade finance capability to support our clients' growth aspirations in the rest of Africa
  - Deepen and grow our business transactional banking offering, as part of the mid-market corporate proposition
  - Expand investment options within our Fund Initiatives cluster
- We remain committed to investing in our digital platforms and delivering improved client experiences.

### Investment Banking

- In the uncertain outlook, activity and opportunities persist across our investment banking client base. We see growth opportunities in sectors where clients with strong strategic and financial positions seek to capitalise on the market volatility
- In line with our risk-based approach, we anticipate growth in both our financing book and restructuring advisory services amid increased levels of market volatility
- The deployment of equity capital in support of client-led transactions is developing and will deliver value over the medium term.

### Investec for Business

- Market opportunities present, with the dynamic nature of our lending offering enabling us to readily respond and adapt to the changing needs of our clients, ensuring our relevance and the ability to grow alongside emerging themes
- We continue to target above-market book growth with a focus on client acquisition and retention strategies as well as investment in product platforms to enable a tailored client experience.

WEALTH & INVESTMENT

**Business Head**
Joubert Hay

### Awards

**Ranked #1 by Financial Times of London:**

'Best Private Bank and Wealth Manager in SA' for 11 consecutive years (2013 to 2023)

'Best Private Bank and Wealth Manager in Africa for Philanthropy Services' (2022, 2023)

'Best Branding in Private Banking and Wealth Management (Africa)' (2023)

**Raging Bull Awards 2024:**

Best South African Equity General Fund – Straight Performance for over three years

Best South African Equity General Fund Risk-Adjusted Performance over five years

**Citywire:**

Best Fund Manager - Equity for the 2nd consecutive year (2022, 2023)

Wealth & Investment (W&I) manages the wealth of high net worth individuals and families in SA, as well as charities and trusts.

Our award-winning fund range offers investors access to a spectrum of local and international investment opportunities supported by the depth of our investment process.

Our international investment management capabilities have sustainability at their core and extend across asset classes and funds.

This, together with our global and holistic approach to wealth management, enables our clients to navigate the complexities of being global citizens aligned to achieving their wealth and investment management goals.

## Performance highlights

- Adjusted operating profit grew by 12.7% to £37.0 million (2023: £32.8 million) in a challenging operating environment
- The business reported a 5.5% increase in total FUM to £20.9 billion (2023: £19.8 billion) driven by discretionary and annuity net inflows of £704.3 million partly offset by the net impact from foreign currency translation losses. Non-discretionary FUM reported net outflows of £290.6 million in the current period
- Client retention and acquisition remained strong in a competitive market environment.

## Funds under management

| Total - £'million | 31 March 2024 | 31 March 2023 | % change |
|---|---|---|---|
| **South Africa** | **18 792** | **18 155** | **3.5%** |
| Discretionary | 11 662 | 10 151 | 14.9 % |
| Non-discretionary | 7 130 | 8 004 | (10.9%) |
| **Switzerland** | **2 130** | **1 675** | **27.2 %** |
| Discretionary | 855 | 553 | 54.6 % |
| Non-discretionary | 1 275 | 1 122 | 13.6% |
| **Total** | **20 922** | **19 830** | **5.5%** |

| South Africa - R'million | 31 March 2024 | 31 March 2023 | % change |
|---|---|---|---|
| Discretionary and annuity assets* | 279 422 | 222 741 | 25.4 % |
| Non-discretionary | 170 851 | 175 630 | (2.7%) |
| **Total** | **450 273** | **398 371** | **13.0 %** |

* Following the combination between IW&I UK and Rathbones, discretionary FUM of £521.7 million (c. R12.5 billion) which was previously reported in IW&I UK has been included in South Africa and £139.5 million has been included in Switzerland.

## Net flows over the period

| Total - £'million | 31 March 2024 | 31 March 2023 | % change |
|---|---|---|---|
| **South Africa** | **264** | **(231)** | **>100.0%** |
| Discretionary | 623 | 289 | >100.0% |
| Non-discretionary | (359) | (520) | (31.1%) |
| **Switzerland** | **149** | **77** | **93.5 %** |
| Discretionary | 81 | 28 | >100.0% |
| Non-discretionary | 68 | 49 | 38.8% |
| **Total** | **413** | **(154)** | **>100.0%** |

| South Africa - R'million | 31 March 2024 | 31 March 2023 | % change |
|---|---|---|---|
| Discretionary and annuity assets | 14 663 | 5 910 | >100.0% |
| Non-discretionary | (8 444) | (10 643) | (20.7%) |
| **Total** | **6 219** | **(4 733)** | **>100.0%** |

## WEALTH & INVESTMENT
CONTINUED

### FUM variance drivers since 31 March 2023

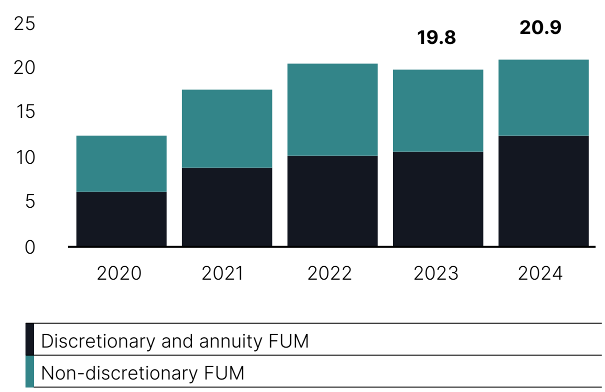
Growth in discretionary and annuity assets of 16.9% is largely driven by:

- Flows into our local and offshore offerings
- The inclusion of £905.6 million FUM which was previously reported in IW&I UK
- Positive market movement
- Offset by the impact from negative foreign currency translation losses

Net outflows in non-discretionary FUM.

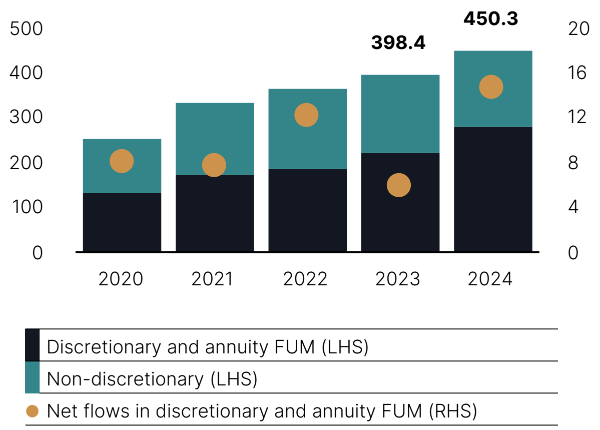
**Total - Funds under management**

£'billion




**Funds under management and net flows - South Africa**

R'billion




## Income statement analysis

| £'000 | 31 March 2024 | 30 March 2023 | Variance | % change | % change in Rands |
|---|---|---|---|---|---|
| Net interest income | 13 902 | 10 172 | 3 730 | 36.7% | |
| Net fee and commission income | 107 721 | 108 063 | (342) | (0.3%) | |
| Investment income | 871 | 382 | 489 | >100.0% | |
| Trading income arising from | | | | | |
| – customer flow | 1 917 | 1 196 | 721 | 60.3% | |
| – balance sheet management and other trading activities | (633) | 399 | (1 032) | (>100.0%) | |
| Other operating income/(loss) | 42 | (38) | 80 | >100.0% | |
| **Operating income** | **123 820** | **120 174** | **3 646** | **3.0%** | |
| Of which: South Africa | 105 864 | 105 926 | (62) | (0.1%) | 14.8% |
| Of which: Switzerland | 17 956 | 14 248 | 3 708 | 26.0% | |
| Expected credit loss impairment charges | 5 | (3) | 8 | (>100.0%) | |
| **Operating income after expected credit loss impairment charges** | **123 825** | **120 171** | **3 654** | **3.0%** | |
| Operating costs | (86 852) | (87 372) | 520 | (0.6%) | |
| Of which: South Africa | (72 675) | (73 090) | 415 | (0.6%) | 14.1% |
| Of which: Switzerland | (14 177) | (14 282) | 105 | (0.7%) | |
| **Adjusted operating profit** | **36 973** | **32 799** | **4 174** | **12.7%** | |
| Of which: South Africa | 33 189 | 32 832 | 357 | 1.1% | 16.5% |
| Of which: Switzerland | 3 784 | (33) | 3 817 | >100.0% | |
| **Key ratios** | | | | | |
| Operating margin | 29.9% | 27.3% | | | |
| Of which: South Africa | 31.4% | 31.0% | | | |
| Net organic growth in discretionary and annuity FUM as a % of opening FUM | 6.6% | 3.1% | | | |
| Average income yield earned on discretionary and annuity FUM* - South Africa | 0.86% | 0.88% | | | |

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

# WEALTH & INVESTMENT
CONTINUED

## Other factors driving the performance under review included:

- Revenue in South Africa grew by 14.8% in Rands (decrease of 0.1% in Pounds) underpinned by inflows into our local and offshore discretionary and annuity portfolios in the current and prior year, supported by foreign translation gains on USD-denominated revenue. Non-discretionary brokerage revenue decreased in the current year due to lower trading volumes
- Revenue in Switzerland grew by 26.0% in Pounds largely due to elevated interest rates
- Operating costs in South Africa increased 14.1% in Rands (decreased 0.6% in Pounds), driven by investment in people for growth, higher technology spend, FX related increases in foreign currency denominated expenses, and higher variable remuneration in line with performance
- The business achieved an operating margin of 29.9% (2023: 27.3%).

## Highlights: Sustainability

- The Investec Global Sustainable Equity fund has continued to grow. The fund received the prestigious '5 globes' sustainability rating from Morningstar, placing it in the top 10% of its peer group in terms of its effective ESG risk management
- We have partnered with an industry expert in responsible investing to upskill our investment management team, to advance our ESG integration and stewardship capabilities
- Representatives from our investment management team attended the UN Principles for Responsible Investment (PRI) conference in Japan in October 2023 with others completing the pilot programme of the CFA UK Certificate in Impact Investing
- We submitted our annual PRI report for the year ended 31 March 2023. The 2024 submission will take place by July 2024
- We are focusing on advancing our capabilities to comply with Sustainable Finance Disclosure Regulation (SFDR) requirements as part of re-domiciling our Protected Cell Company (PCC) funds to UCITS for future growth
- We initiated a Sustainable Finance Community across divisions in SA to enable learning, sharing of insights across business areas and to support the active community of colleagues across the spectrum of sustainable finance.

## Strategy execution

- Focus on our three centres of excellence: 1) Wealth Management, 2) Investment Management and 3) Investment Platform, enabling our international growth objectives
- We continue to enhance our distinctive One Place™ offering to provide seamless local and international banking and wealth management through an integrated private client proposition - utilising our Swiss platform and the Group's international capabilities
- Our comprehensive award-winning local and international investment offering, and globally integrated investment process continue to produce robust performance for our clients
- Alignment with Rathbones regarding the continuation of services for W&I clients.
- Providing our clients access to alternative investment opportunities continues. We have successfully raised assets for the Investec Private Markets opportunity
- Establishing a team within W&I to focus on the 'up to R10 million investible assets' client segment in partnership with Private Bank and Investec Life
- Distribution of R63.5 million from our private client charitable trusts across the Education, Healthcare, Social Justice and Welfare & Humanitarian sectors and a focus on creating impact through partnerships and client participation
- Increased focus on people across learning and development and fostering a stronger sense of belonging and inclusion.

## Looking ahead

- Embedding the Investec Group's purpose and revised values within our business and to clients through our core business activities and through our Philanthropic capabilities
- Driving national acquisition strategies and delivering on objectives aligned to our private client proposition with Investec Bank
- Pursuing strategic growth initiatives in Switzerland and continued integration within SA
- Enhancing our multi-currency, multi-asset class investment platform and focusing on automation across the business to drive business efficiencies
- Implementing a distribution agreement within Latin America to enable the distribution of our investment offering
- Evolving our wealth management philosophy to connect clients' values and goals to their investment solutions as well as refining our international ultra high net worth (UHNW) value proposition.

GROUP INVESTMENTS

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

| Bud Group Holdings Proprietary Limited | Burstone Group Limited | Other unlisted investments |
|---|---|---|
| 36.4% shareholding | 24.3% shareholding | |

## Ninety One DLC (Ninety One)

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

In the prior year, at a DLC Group level, Investec held a 25% shareholding in Ninety One (of which c.15% was held in Investec plc – refer to page 84). Effective 30 May 2022, the Group successfully distributed a 15% holding in Ninety One, retaining a c.10% shareholding entirely held by Investec plc. Investec accounted for its combined 25% investment in Ninety One by applying equity accounting until 30 May 2022. As of 1 June 2022 the c.10% holding held by Investec plc is now accounted for as an investment held at fair value through other comprehensive income as reflected on page 84.

## Bud Group Holdings Proprietary Limited (Bud Group)

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

Bud Group shareholders approved and implemented a restructure in order to facilitate an exit by certain IEP shareholders, including Investec, by way of a share buy-back. The restructure entailed the transfer of certain assets, including an interest in Assupol, a company in the financial services industry, to a Newco (of which Investec has a c.59% economic interest), to facilitate the orderly disposal of those assets.

As a result of the restructure, c.R529m cash proceeds were received by Investec during the reporting period. A material portion of Newco's assets are subject to sales processes, some of which are well advanced. In this respect, Assupol and Sanlam Life Insurance Limited (Sanlam) have announced the proposed disposal of Assupol to Sanlam, which transaction is subject to regulatory approval. Investec's share of Assupol proceeds is estimated to be c.1.75 billion (c.£73 million) (subject to an agreed price adjustment based on the transaction closing date).

Investec ceased equity accounting for its 47.4% stake in Bud Group Holdings on 30 November 2022 and the investment is accounted for at fair value through profit and loss with a value of £179.6 million (R4.3 billion) at 31 March 2024.

## Burstone Group Limited (Burstone)

Burstone (previously Investec Property Fund (IPF)) is a fully integrated international real estate business listed on the JSE since 2011. It has a strong management track record of more than 30 years operating in both South African and international markets.

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

Investec has a 24.3% shareholding in Burstone and had previously consolidated the Fund with a net asset value of £593 million (R13 billion) at 31 March 2023. Subsequent to the disposal of the management companies, Investec's shareholding is now held as an investment at fair value through profit and loss with a fair value of £61.5 million (R1.5 billion).

## Other unlisted investments

Investec holds certain other historical unlisted equity investments to the value of £25.9 million (R622 million).

GROUP INVESTMENTS
CONTINUED

## Portfolio breakdown and ROE

| 31 March 2024 | Asset analysis £'000 | Income analysis £'000 | Asset analysis R'million | Income analysis R'million |
|---|---|---|---|---|
| The Bud Group Holdings | 179 605 | 6 243 | 4 303 | 138 |
| Other unlisted investments^ | 25 947 | (2 314) | 622 | (43) |
| Burstone Group Limited* | 61 482 | 7 559 | 1 473 | 177 |
| **Total exposures on balance sheet** | **267 034** | **11 488** | **6 398** | **272** |
| Debt funded | 81 143 | (8 845) | 1 944 | (209) |
| Equity | 185 891 | | 4 454 | |
| **Total capital resources and funding** | **267 034** | | **6 398** | |
| **Adjusted operating profit** | | **2 643** | | **63** |
| Taxation | | (1 035) | | (24) |
| **Operating profit after taxation** | | **1 608** | | **39** |
| **Risk weighted assets** | **677 536** | | **16 233** | |
| Ordinary shareholders' equity held on investment portfolio – 31 March 2024 | 185 891 | | 4 454 | |
| Ordinary shareholders' equity held on investment portfolio – 31 March 2023 | 252 123 | | 5 532 | |
| Average ordinary shareholders' equity held on investment portfolio – 31 March 2024 | 219 007 | | 4 993 | |
| **Post-tax return on adjusted average ordinary shareholders' equity 31 March 2024** | | **0.7%** | | |

| 31 March 2023 | Asset analysis £'000 | Income analysis £'000 | Asset analysis R'million | Income analysis R'million |
|---|---|---|---|---|
| Ninety One Limited | — | 3 185 | — | 63 |
| The Bud Group Holdings | 213 412 | 8 004 | 4 683 | 140 |
| Other unlisted investments^ | 30 890 | 166 | 678 | 4 |
| Burstone Group Limited** | 141 061 | 50 | 3 090 | (16) |
| **Total exposures on balance sheet** | **385 363** | **11 405** | **8 451** | **191** |
| Debt funded | 133 240 | (11 728) | 2 919 | (240) |
| Equity | 252 123 | | 5 532 | |
| **Total capital resources and funding** | **385 363** | | **8 451** | |
| **Adjusted operating profit** | | **(323)** | | **(49)** |
| Taxation | | (945) | | (18) |
| **Operating profit after taxation** | | **(1 268)** | | **(67)** |
| **Risk weighted assets** | **1 794 033** | | **39 367** | |
| Ordinary shareholders' equity held on investment portfolio – 31 March 2023 | 252 123 | | 5 532 | |
| Ordinary shareholders' equity held on investment portfolio – 31 March 2022 | 338 691 | | 6 514 | |
| Average ordinary shareholders' equity held on investment portfolio – 31 March 2023 | 295 407 | | 6 023 | |
| **Post-tax return on adjusted average ordinary shareholders' equity 31 March 2023** | | **(0.4%)** | | |

^ Does not include equity investments residing in our corporate and private client businesses.
* The Group's investment holding of 24.3% in the Burstone Group Limited at market value at 31 March 2024.
** The Group's investment holding of 24.3% in the Burstone Group Limited at net asset value at 31 March 2023.

GROUP INVESTMENTS
CONTINUED

## Income statement analysis

| £'000 | 31 March 2024 | 31 March 2023 | Variance | % change | % change in Rands |
|---|---|---|---|---|---|
| Net interest expense | (8 607) | (10 601) | 1 994 | 18.8% | 3.8% |
| Net fee and commission expense | (3) | — | (3) | (>100.0%) | (>100.0%) |
| Investment income | 11 487 | (8 818) | 20 305 | (230.3%) | (>100.0%) |
| Share of post-taxation profit of associates and joint venture holdings | — | 20 223 | (20 223) | (100.0%) | (100.0%) |
| **Operating income** | **2 877** | **804** | **2 073** | **(>100.0%)** | **(>100.0%)** |
| Operating costs | (234) | (1 127) | 893 | —% | —% |
| **Adjusted operating (loss)/ profit** | **2 643** | **(323)** | **2 966** | **(>100.0%)** | **(>100.0%)** |
| ROE post-tax | 0.7% | (0.4%) | | | |

### Factors driving the performance in the period under review

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

# Risk

# Our risk management culture ensures we are locally responsive yet globally aware. This section contains our risk disclosures.

IN THIS SECTION

GROUP CHIEF RISK OFFICER REPORT

Our risk management is supported by an embedded risk culture and strong risk governance. The primary aim is to achieve a suitable balance between risk and reward in our business.

**Mark Currie**
Group Chief Risk Officer

## Overview

Despite rising geopolitical tensions and a backdrop of a number of elections in geographies in which we operate, we have continued to grow our business across our core geographies and other chosen markets in a risk conscious manner. The Group remains well capitalised, maintains high levels of liquidity, runs modest levels of market risk and favours lending to clients with predictable income streams that provide sound collateral.

Loans and advances to customers as a percentage of customer deposits remained conservative at 77.4% with both jurisdictions holding significant cash and near cash invested in liquid, short-dated high-quality liquid assets (HQLA) and deposits with central banks.

We have limited reliance on wholesale funding but we maintain access and presence, using wholesale issuance to strategically diversify our funding base and complement the other liability channels by focusing, where appropriate, on tenor and currency as part of a longer term strategic plan.

The Bank of England (BoE) formally notified Investec plc on 28 June 2023 that the preferred resolution strategy will change from bank insolvency procedure to bail-in and as such Investec plc, and IBP as a material subsidiary, will be subject to a revised Minimum Requirements for Own Funds and Eligible Liabilities (MREL) requirement. The MREL transition will commence from 1 January 2026 in a phased manner with end-state MREL applying from 1 January 2032. Any additional MREL requirements will be met over time as part of increasing wholesale market issuance from the existing established base and we will continue to evaluate issuance opportunities in the near term as part of this glide path.

In South Africa, the Financial Sector Laws Amendment Act (FSLAA), promulgated on 28 January 2022, aims to create a new subordinated class of loss-absorbing instruments (referred to as FLAC instruments) to facilitate the application of statutory bail-in power in order to assist with the implementation of the resolution framework for 'designated institutions'.

The South African PA published Draft Prudential Standard RA03 setting out the principles and requirements of FLAC, including the calibration of the Minimum FLAC Requirement (MFR). Designated institutions will be required to meet 60% of the base MFR by 1 January 2028 and 100% by 1 January 2031.

We continue to maintain a structural hedging programme in the UK to reduce sensitivity of earnings to interest rate movements.

We have continued to grow our loan book while ensuring its resilience, despite the challenging macro-economic environment. We are strategically positioned to pursue disciplined growth and have strong levels of capital and liquidity to support such growth. Increased client activity and new client acquisition resulted in an increase in the Group's net core loan book to £30.9 billion or 6.1% growth in neutral currency. Asset quality ratios reflect the current operating environment and although there have been isolated individual client default incidents across multiple asset classes, there are no specific trends evident.

We are encouraged by the resilience demonstrated by our client base in their chosen sectors. The underlying loan portfolios continue to perform well with no evident signs of deteriorating trends in specific sectors. Property lending is undertaken at conservative loan-to-values (LTVs), taking into account a forward-looking view of asset values.

We remain conservative in our approach to liquidity and funding as well as capital and leverage. Investec plc continues its efforts to build Internal Ratings Based (IRB) approach models. Good progress is being made towards the submission of an application to the PRA.

Market risk within our trading portfolio remains modest with value at risk and stress testing scenarios remaining at prudent levels. Trading revenues are driven by client activity.

GROUP CHIEF RISK OFFICER REPORT
CONTINUED

Non-financial risks that arise through the Group's operations remain highly topical and continue to receive a significant amount of management time, particularly in light of the evolving technological landscape and regulatory focus. Operational risk is managed across the business through an internal control environment, with a view to limiting the risk to acceptable residual risks.

The importance of operational resilience to ensure minimal client disruption is paramount. We take a highly disciplined approach to recovery and resolution planning and remain focused on managing conduct, reputational and operational risks.

Keeping abreast of industry-wide trends with respect to artificial intelligence (AI) developments, cyber threats and data management as well as increased reliance on big tech and cloud platforms remains an area of focus and significant time is spent ensuring we have the appropriate expertise to assess potential threats and opportunities.

We remain cognisant of the emerging risks arising from technological advances and continually aim to strengthen and test our systems and controls to mitigate cyber risk and fulfil our moral and regulatory obligations to combat money laundering, fraud and corruption.

We continue to offer access to wealth management through our strategic partnership with Rathbones, following completion of the all-share combination of the UK Wealth & Investment business in September 2023. The Partnership Agreement with Rathbones governs the long-term, strategic partnership and is expected to unlock significant value in the medium to long term. The Group's Southern African wealth management business which includes our Swiss wealth business continues to offer clients access to a wide spectrum of local and international investment opportunities enabling clients to navigate the complexities of being global citizens and meet their wealth and investment management goals.

We have raised a provision of £30 million for the potential financial impact of the recently announced industry-wide Financial Conduct Authority (FCA) review into historical motor finance commission arrangements and sales in the UK. Investec plc began lending in this space in June 2015 and at 31 March 2021, Motor finance totalled £555 million of the Bank's loan book. The Group continues to believe that its historical practices were compliant with the law and regulations in place at the time, and welcomes the FCA intervention through its industry wide review. The provision includes estimates for operational and legal costs, including litigation costs, together with estimates for potential awards, based on various scenarios using a range of assumptions.

We continue to progress in entrenching sustainability across all aspects of our business. Our commitment to human rights and support for internationally recognised principles, guidelines and voluntary ESG standards is tightly integrated into our credit decision-making process which considers the important aspects of each geography we operate in. We have published the Group's enhanced Sustainable and Transition Finance Classification Framework, with targets to be published by 31 March 2025.

## Embedded risk culture

The Group prides itself on its strong embedded risk and capital management culture. Clear risk appetite statements and frameworks for Investec plc and Investec Limited set out the Board's mandated position, determining the acceptable risk profile and setting strict limits and targets across all operating jurisdictions and legal entities. Our 'levels of defence' model entrenches risk consciousness within all areas of the business, ensuring that we pursue our growth strategy within tolerable risk and reward parameters.

Where management or any of the levels of defence identify control deficiencies, immediate actions are taken to strengthen the control environment. This involves redesigning controls and procedures, implementing such and then retesting their effectiveness. This process is seen as ongoing and takes into account the changing complexity of the various new and existing business lines that the Group operates within.

## Risk management

Group risk management operates within an integrated but geographical and divisional structure, such that appropriate processes are applied consistently to address risks across the Group. Risk management units are locally responsive yet globally aware. Specialist divisions in the UK and Southern Africa, along with smaller risk divisions in other regions, are tasked with promoting sound risk management practices. We monitor and control risk exposure through independent credit, market, liquidity, operational, legal, internal audit, capital and compliance teams, and we continually seek new ways to enhance risk management techniques.

## Outlook

Fundamental risk performance during the period has been solid and management remains focused on maintaining the sound underlying balance sheets, notwithstanding the macro-economic pressures we continue to face in our areas of operation. Going forward, we are closely monitoring developments with respect to the global geopolitical outlook, including any potential impact from the outcomes of a number of elections globally, including in the UK and South Africa. We maintain high levels of liquidity and diversified funding, supported by a strong capital base in line with our risk appetite positioning us well to support our clients through the period ahead.

**Mark Currie**

Group Chief Risk Officer

Read more on page 4 of the Investec Group's 2024 risk and governance report

# GROUP CHIEF RISK OFFICER REPORT
CONTINUED

### 2024 salient features

A summary of the key risk indicators is provided in the table below:

| | UK and Other^^ | Southern Africa^^^ | Total Group |
|---|---|---|---|
| | £ | R | £ |
| Net core loans (million) | 16 557 | 343 678 | 30 901 |
| Total assets* (million) | 30 086 | 640 343 | 56 471 |
| Total risk-weighted assets (million) | 18 509 | 292 179 | 30 703^ |
| Total equity (million) | 3 472 | 55 109 | 5 474 |
| Cash and near cash (million) | 9 652 | 160 712 | 16 359 |
| Customer accounts (deposits) (million) | 20 784 | 448 458 | 39 508 |
| Loans and advances to customers as a % of customer deposits | 79.7% | 75.2% | 77.6% |
| Structured credit as a % of total assets* | 2.5% | 0.2% | 1.4% |
| Banking book investment and equity risk exposures as a % of total assets* | 1.6% | 2.1% | 1.8% |
| Traded market risk: 95% one-day value at risk (million) | 0.2 | 6.8 | n/a |
| Core loans to equity ratio (times) | 4.8x | 6.2x | 5.6x |
| Total gearing ratio (times)** | 8.7x | 11.6x | 10.3x |
| Return on average assets# | 1.19% | 1.13% | 1.16% |
| Return on average risk-weighted assets# | 1.91% | 2.51% | 2.16% |
| Stage 3 exposures as a % of gross core loans subject to ECL | 3.3% | 3.5% | 3.4% |
| Stage 3 exposure net of ECL as a % of net core loans subject to ECL | 2.6% | 3.0% | 2.8% |
| Credit loss ratio | 0.58% | (0.04%) | 0.28% |
| Level 3 (fair value assets) as a % of total assets | 8.2% | 1.3% | 5.0% |
| Common Equity Tier 1 ratio## | 12.4% | 13.6% | n/a |
| Tier 1 ratio## | 14.9% | 15.0% | n/a |
| Total Capital ratio## | 18.7% | 17.5% | n/a |
| Leverage ratio | 10.2% | 6.2% | n/a |

* Total assets excluding long-term assurance business attributable to policyholders.
^ The Group number has been 'derived' by adding the Investec plc and Investec Limited (Rand converted into Pound Sterling) numbers together.
# Where return represents adjusted earnings attributable to ordinary shareholders, as defined on page 203. Average balances are calculated on a straight-line average.
## In the UK, the CET1, Tier 1 and total capital adequacy ratios and RWAs are calculated applying the IFRS 9 transitional arrangements.
** Total assets excluding assurance assets to total equity.
^^ The capital adequacy and leverage disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the Group operates. For Investec plc and IBP this does not include the deduction of foreseeable charges and dividends when calculating the CET1 ratio and leverage ratio as required under the Capital Requirements Regulation. The impact of this deduction totalling £56 million (31 March 2023: £55 million) for Investec plc would lower the CET1 ratio by 30bps (31 March 2023: 31bps) and the leverage ratio by21bps (31 March 2023: 22bps) respectively.
^^^ Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET1 ratio would be 111bps (31 March 2023: 117bps) lower. The leverage ratio would be 48bps (31 March 2023: 49bps) lower.

RISK MANAGEMENT

# How we manage our risks

## Investec's philosophy and approach to risk management

The Group's comprehensive risk management process involves identifying, quantifying, managing, monitoring, mitigating and reporting the risks associated with each of the businesses to ensure the risks remain within the stated risk appetite.

The Board ensures that there are appropriate resources to manage the risks arising from running our businesses.

The DLC Board Risk and Capital Committee (DLC BRCC) (comprising both Executive and Non-Executive Directors) is the Board mandated committee to monitor and oversee risk. The DLC BRCC meets at least five times per annum and recommends the overall risk appetite for the Investec Group to the Board for approval.

Group risk management operates within an integrated but geographical and divisional structure, in line with our management approach, ensuring that the appropriate processes are used to address all risks across the Group. There are specialist divisions in the UK and South Africa and smaller risk divisions in other regions tasked with promoting sound risk management practices.

Risk management units are locally responsive yet globally aware. This helps to ensure that all initiatives and businesses operate within our defined risk parameters and objectives. We continually seek new ways to enhance risk management techniques.

We believe that the risk management systems and processes we have in place are adequate to support the Group's strategy and allow the Group to operate within its risk appetite tolerance.

## Risk governance, committees and forums

A number of committees and forums have oversight over or identify and manage risk at Group level. These committees and forums, mandated by the Board, operate together with Group risk management, IBL and IBP Board committees and sub-committees within respective operating jurisdictions. The Boards of IBP and IBL, the UK and South African regulated banking subsidiaries of the Group respectively, and the Board of IW&II (Investec Wealth & Investment International Group), our regulated wealth subsidiary in South Africa, are responsible for the statutory matters and corporate governance for the respective entities, and ensure compliance with the applicable legislation and governance requirements of the jurisdictions within which they operate. The Boards and Board committees of IBP, IBL and IW&II report to the Board and the Board committees of the Group with the interconnection between the respective Board committees supported by the membership or attendance of the Chair of the Group Board committee at the respective subsidiary Board committees.

## Our three lines of defence

- **Level 1** – Business unit management: responsible for identifying and managing risks inherent in the products, activities, processes and systems for which it is accountable and escalating risk events where necessary
- **Level 2** – Independent risk and compliance functions: responsible for building and embedding risk frameworks, challenging the business lines' inputs to, and outputs from, the Group's risk management, risk measurement and reporting activities
- **Level 3** – Independent internal audit: responsible for reviewing and testing the application and effectiveness of risk management procedures and practices.

Risk management objectives:

- Ensure adherence to our risk management culture
- Support the long-term sustainability of the Group by providing an established, independent framework for identifying, evaluating, monitoring and mitigating risk with good customer outcomes
- Set, approve and monitor adherence to underlying risk parameters and limits across the Group and ensure they are implemented and adhered to consistently within the Board-approved risk appetite
- Aggregate and monitor exposure across risk classes
- Coordinate risk management activities across the organisation, covering all legal entities and jurisdictions
- Give the Board reasonable assurance that the risks the Group is exposed to are identified and appropriately managed and controlled
- Resource risk teams suitably and with appropriate expertise and facilitate operating independence
- Establish and convene appropriate risk committees, as mandated by the Board
- Maintain compliance in relation to regulatory requirements.

RISK MANAGEMENT
CONTINUED

## Overall Group risk appetite

The risk appetite frameworks are a function of business strategy, budget and capital processes, our stress testing reviews and the regulatory and economic environment in which the Group is operating. The risk appetite frameworks are reviewed and approved by the Board at least annually or as business needs dictate.

A documented process exists where our risk profile is measured against our risk appetite and this positioning is presented to the Board. In the section that follows, the Group's high-level summary of overall risk appetite and positioning has been detailed against the respective principal risks.

## An overview of the principal risks

The most material and significant risks we face, which the Board and senior management believe could have an impact on our operations, financial performance, viability and prospects are summarised in the pages that follow with further information pertaining to the management and monitoring of these principal risks shown in the references provided.

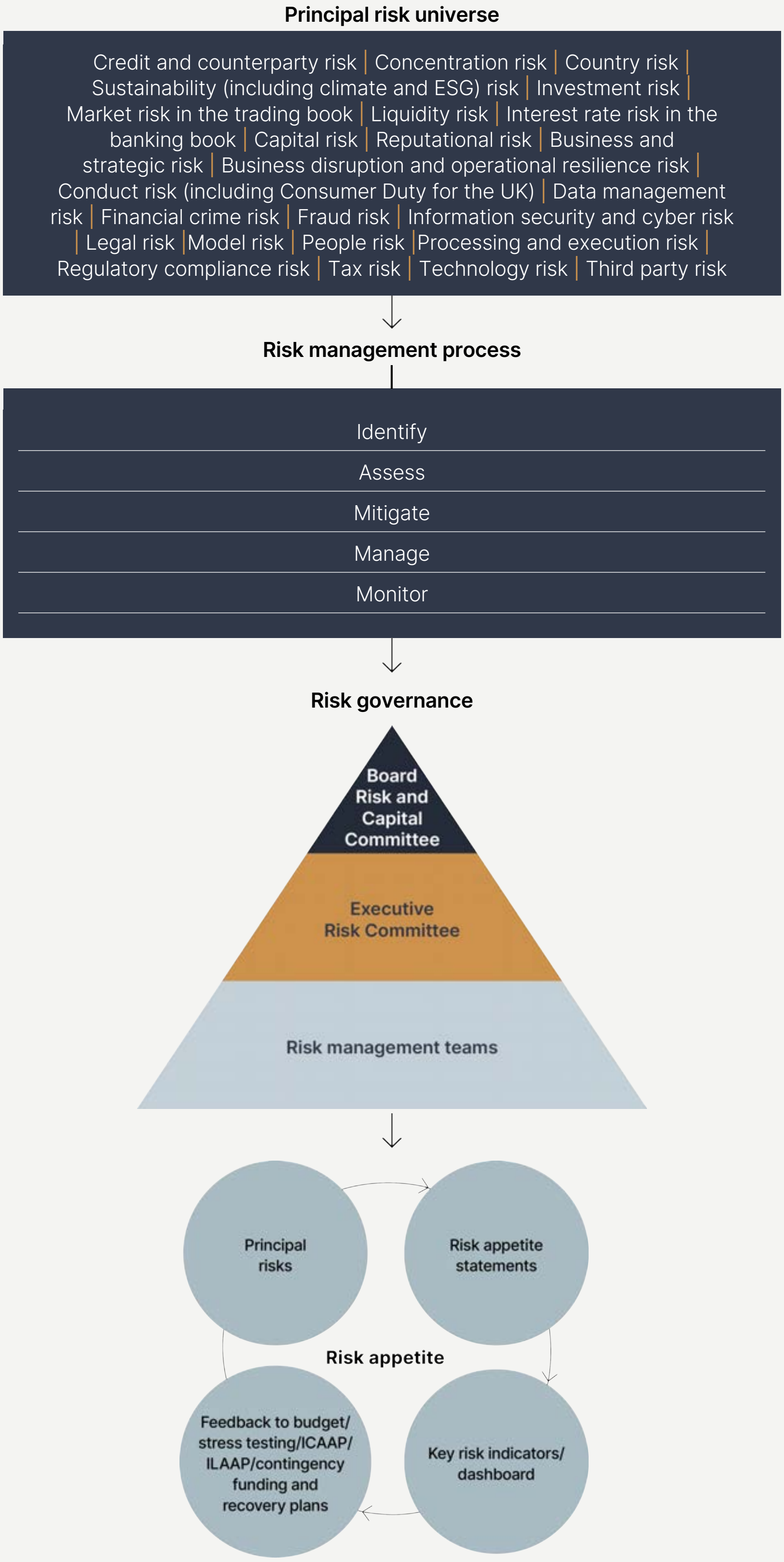
The Board, through its various committees, has performed a robust assessment of these principal risks and regular reporting of these risks is made to the Board.

The Board recognises that, even with sound appetite and judgement, extreme events can happen which are completely outside of the Board's control. It is, however, necessary to assess these events and their impact and how they may be mitigated by considering the risk appetite framework. It is the Group's policy to regularly conduct multiple stress testing scenarios (including reverse stress testing) which, in theory, test extreme but plausible events and from that, assess and plan what can be done to mitigate the potential outcome.

In addition to the principal risks, emerging risks continue to be reviewed and assessed. These emerging risks are evaluated for their inherent risk level and potential impact on the Group's operations, financial performance, viability, and prospects. Mitigation measures are considered to address these risks, taking into account their potential influence on the principal risks.

A number of these risks are beyond the Group's control and are considered in our capital plans, stress testing analyses and budget processes, where applicable.

**Our risk management framework**




Please read more about our risk management framework and risk governance on pages 27 and 28 of the Investec Group's 2024 risk and governance report

PRINCIPAL RISKS

## An overview of the principal risks relating to our operations

**Link to strategy – key**

Connected client ecosystems | Growth initiatives | Optimisation of returns | Entrepreneurial culture | Digitalisation | Strategic use of data

## Credit and counterparty risk

Credit and counterparty risk is defined as the risk arising from an obligor's (typically a client or counterparty) failure to meet the terms of any agreement thereby resulting in a loss to the Group, arising when funds are extended, committed, invested, or otherwise exposed through contractual agreements, whether reflected on- or off-balance sheet

**Link to strategy and opportunities**

**Group committee oversight**

DLC BRCC, DLC Audit Committee, Group ERC

**Link to six capitals**

Intellectual capital

Financial capital

Manufactured capital

**More information**

Read more on pages 29 to 51 of the Investec Group's 2024 risk and governance report.

**Monitoring and mitigation activities**

- Independent credit committees exist in the Group's main operating jurisdictions which also have oversight of regions where we assume credit risk. These committees operate under Board-approved delegated limits, policies and procedures
- There is a high level of executive involvement in decision-making with non-executive review and oversight
- The Group's credit exposures are to a select target market comprising high-income and high net worth individuals, established corporates, small and medium-sized enterprises, financial institutions and sovereigns
- Our risk appetite continues to favour lower risk, income-based lending with exposures well collateralised and credit risk taken over a short to medium term
- Investec has a limited appetite for unsecured debt, thus the credit risk mitigation technique most commonly used is the taking of collateral, with a strong preference for tangible assets
- Portfolio reviews (including stress testing analyses) are undertaken on all material businesses, where the portfolios are analysed to assess any migration in portfolio quality, highlight any vulnerabilities, identify portfolio concentrations and make appropriate recommendations, such as a reduction in risk appetite limits or specific exposures.

**Year in review and changes to risk**

We remain confident that we have a well-diversified portfolio across sectors.

Asset quality ratios reflect the current operating environment and the underlying portfolios remain resilient. The Group reported a credit loss ratio of 0.28% (31 March 2023: 0.23%) which remains within the Group's through-the-cycle range. The UK reported a credit loss ratio of 0.58% at 31 March 2024 (31 March 2023: 0.37%), in line with guidance provided in November 2023, as we adequately provisioned for a small number of new and existing Stage 3 deals to allow for exits in the non-performing portfolio. We expect the UK credit loss ratio to remain elevated between 50bps and 60bps in the short term. In South Africa, the credit loss ratio was a net recovery of (0.04%) at 31 March 2024 (31 March 2023: 0.09%) driven by recoveries, reversal of ECLs on previously impaired loans, model driven releases on Stage 1 and 2 ECLs as a result of updated macro-economic scenarios and model recalibration which were partially offset by Stage 3 ECL charges.

Stage 3 exposures total 3.4% of gross core loans subject to ECL at 31 March 2024 (31 March 2023: 2.5%), driven by isolated individual client default incidents across multiple asset classes with no specific trends evident. Stage 2 exposures have decreased reflecting the continued performance of the overall portfolio in the current conditions.

# PRINCIPAL RISKS
CONTINUED

## Concentration risk

Concentration risk refers to the risk that could arise from a single client or counterparty, group of connected counterparties, or from a particular geography, asset class, supplier or industry. Concentration risk may occur when counterparties are mutually affected by similar economic, legal, regulatory or other factors which could hinder their ability to meet contractual obligations

**Link to strategy and opportunities**

**Group committee oversight**

DLC BRCC, DLC Audit Committee, Group ERC, DLC IT Risk and Governance Committee

**Link to six capitals**

Manufactured capital

Intellectual capital

**More information**

Read more on page 29 of the Investec Group's 2024 risk and governance report.

**Monitoring and mitigation activities**
- As a matter of course, concentration risk is well managed and exposures are well spread across geographies and industries
- We target a diversified funding base, avoiding undue concentrations by investor type, maturity, market source, instrument and currency
- Consideration is given to concentration risk when assessing outsourcing and third parties, both within the business and across the financial sector systemically
- We target a diversified loan portfolio, lending to clients we know and understand. Credit and counterparty risk is always assessed with reference to the aggregate exposure to a single counterparty or group of related parties to manage concentration risk. In order to manage concentration, we will consider a sell-down of exposures to market participants if required
- Concentration risk can also exist where loan maturities are clustered to single periods in time. Loan maturities are monitored on a portfolio and a transaction level
- Third party and outsourcing concentrations are permitted in relation to regulated, systemically important entities, external auditors or specialist global network infrastructures. Where strategic decisions result in concentration risk in third parties outside of these classifications, these decisions are based on considered analysis where the benefits outweigh the risks and appropriate controls have been deployed for managing and monitoring the associated risks.

## Country risk

Country risk refers to the risk of lending to a counterparty operating in a particular country or the risk inherent in a sovereign exposure, i.e. the risk of exposure to loss caused by events in that country. Country risk covers all forms of lending or investment activity whether to/with individuals, corporates, banks or governments

**Link to strategy and opportunities**

**Group committee oversight**

DLC BRCC, Group ERC

**Link to six capitals**

Financial capital

Manufactured capital

Intellectual capital

**More information**

Read more on page 30 of the Investec Group's 2024 risk and governance report.

**Monitoring and mitigation activities**
- Exposures are only to politically stable jurisdictions that we understand and have preferably operated in before
- The legal environment should be tested, have legal precedent in line with the Organisation for Economic Co-operation and Development (OECD) standards and have good corporate governance
- In certain cases, we may make use of political risk insurance to mitigate exposure where deemed necessary.

# PRINCIPAL RISKS
CONTINUED

## Sustainability risk (including climate and ESG)

The risk that our lending and investment activities give rise to unintended climate, environmental, social and economic consequences

**Link to strategy and opportunities**

**Group committee oversight**

DLC BRCC, DLC SEC, Group ERC, Group ESG Executive Committee

**Link to six capitals**

- Manufactured capital
- Intellectual capital
- Human capital
- Social and relationship capital
- Natural capital

**More information**

Read more on pages 122 to 140 and pages 30, 58 and 59 of the of the Investec Group's 2024 risk and governance report and the Investec Group's 2024 sustainability report which is published and available on our website: www.investec.com

**Monitoring and mitigation activities**

- Investec has a holistic approach to sustainability, and supports the precautionary approach to sustainability management, guided by international best practices regarding the responsibilities of the financial sector in financing and investing transactions
- This approach runs beyond recognising the Group's own footprint on the environment and is based on a broader responsibility to the environment and society
- We recognise the complexity and urgency of climate change. We are committed to supporting the transition to a clean and energy efficient world while preserving our planet and the wellbeing of our people
- The Group ESG Executive Committee, mandated by the Group's Executive Directors, reports relevant sustainability-related matters to the DLC SEC and Group ERC. The main objectives of the committee are to coordinate sustainability-related efforts across geographies and businesses
- Accordingly, sustainability risk considerations are considered by the relevant credit committee or investment committee when making lending or investment decisions
- Investec's climate change position statement stems from the belief that one of the greatest socio-economic impacts we can have is to partner with our clients and stakeholders to accelerate a cleaner, more resilient and inclusive world
- Our environmental policy considers the risks and opportunities that climate change and nature degradation present to the global economy
- We have linked sustainability-related metrics and KPIs to Executive Director compensation.

**Year in review and changes to risk**

Our climate change framework takes into account our commitment to a net-zero carbon economy. We have strengthened our climate focus across the Investec Group with risk appetite assessments resulting in a net-zero aligned target set towards zero coal exposure by 31 March 2027 for Investec plc and by 31 March 2030 for Investec Limited. Within our fossil fuel policy we commit to have zero thermal coal exposure in our loan book by 31 March 2030 for the Group. Further, we have published the Group's enhanced Sustainable and Transition Finance Classification Framework, with targets to be published by 31 March 2025.

PRINCIPAL RISKS
CONTINUED

## Investment risk

Investment risk arises where the Group invests in unlisted companies and select property investments, as well as certain listed investments (predominantly relating to Ninety One and the Burstone Group) with risk taken directly on the Group's balance sheet

**Link to strategy and opportunities**

**Group committee oversight**

DLC BRCC, Group ERC

**Link to six capitals**

Financial capital

Manufactured capital

Intellectual capital

**More information**

Read more on pages 60 and 61 of the Investec Group's 2024 risk and governance report.

**Monitoring and mitigation activities**
- Independent credit and investment committees in the UK and South Africa provide oversight of regions where we assume investment risk
- Risk appetite limits and targets are set to limit our exposure to equity and investment risk
- As a matter of course, concentration risk is avoided and investments are well spread across geographies and industries.

**Year in review and changes to risk**
We have substantially managed down our investment portfolio exposure in line with our objective of optimising capital allocation, reducing income volatility and aligning the business with our client franchises. The investment portfolio on the balance sheet, totalled £807 million at 31 March 2024 (31 March 2023: £1 331 million).

The Investec Group retains a c.10% shareholding in Ninety One as an investment, all held within Investec plc.

Bud Group shareholders (previously Investec Equity Partners (IEP)) approved and implemented a restructure in order to facilitate an exit by certain IEP shareholders, including Investec, by way of a share buy-back. At 31 March 2024, Investec Limited held a 36.2% (31 March 2023: 47.4%) stake in the Bud Group.

Investec has a 24.3% shareholding in Burstone (previously Investec Property Fund (IPF)) and had previously consolidated the fund with a net asset value of £593 million (R13 billion) at 31 March 2023. Subsequent to the disposal of the management companies, Investec's shareholding is now held as an investment at fair value through profit and loss with a fair value of £61.5 million (R1.5 billion).

## Market risk in the trading book

Traded market risk is the risk of potential value changes in the trading book as a result of changes in market factors such as interest rates, equity prices, commodity prices, exchange rates, credit spreads and the underlying volatilities where derivatives are traded. The trading book is defined as positions in financial instruments and commodities, including derivative products and other off-balance sheet instruments that are held within the trading businesses

**Link to strategy and opportunities**

**Group committee oversight**

DLC BRCC, Group ERC

**Link to six capitals**

Financial capital

Manufactured capital

Intellectual capital

**More information**

Read more on pages 64 to 68 of the Investec Group's 2024 risk and governance report.

**Monitoring and mitigation activities**
- To identify, measure, monitor and manage market risk, we have independent market risk management teams in our core geographies where we assume market risk
- The focus of our trading activities is primarily to support our clients. Our strategic intent is that proprietary trading should be limited and that trading should be conducted largely to facilitate client flow
- Within our trading activities, we act as principal with clients or the market. Market risk exists where we have taken on principal positions resulting from market making, underwriting and facilitation of client business in the foreign exchange, interest rate, equity, credit and commodity markets
- Measurement techniques used to quantify market risk arising from our trading activities include sensitivity analysis, Value at Risk (VaR), stressed VaR (sVaR), expected shortfall (ES) and extreme value theory (EVT). Stress and scenario analyses are used to add insight to possible outcomes under severe market disruptions.

**Year in review and changes to risk**
Market risk within our trading portfolio remains modest with VaR and stress testing scenarios remaining at prudent levels. Trading revenues are driven by client activity.

# PRINCIPAL RISKS
CONTINUED

## Liquidity risk

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

**Link to strategy and opportunities**

**Group committee oversight**

DLC BRCC, Group ERC

**Link to six capitals**

Financial capital

Manufactured capital

Intellectual capital

**More information**

Read more on pages 69 to 76 of the Investec Group's 2024 risk and governance report.

**Monitoring and mitigation activities**

- Our banking entities in South Africa and the UK are ring-fenced from one another and are required to meet the regulatory liquidity requirements in the jurisdictions in which they operate
- Each banking entity must be self-sufficient from a funding and liquidity standpoint
- Investec plc undertakes an annual Internal Liquidity Adequacy Assessment Process (ILAAP) which documents the approach to liquidity management across the firm, including IBP (solo basis). This document is reviewed and approved by IBP Board Risk and Capital Committee (IBP BRCC), DLC BRCC and by the IBP and DLC Boards
- We maintain a liquidity buffer in the form of unencumbered cash, government or rated securities (typically eligible for repurchase with the central bank and international banks), and near cash well in excess of the regulatory requirements as protection against unexpected disruptions in cash flows. We maintain a prudent approach to the mix of instruments in the liquidity buffer to ensure it is available when and where required, taking into account regulatory, legal and other constraints
- Daily liquidity stress tests are carried out in order to help accurately measure the liquidity profile and ensure that in the absence of market or funding liquidity during periods of stress, we would continue to meet our obligations
- The maintenance of sustainable prudent liquidity resources takes precedence over profitability
- We target a diversified funding base, avoiding undue concentrations by investor type, maturity, market source, instrument and currency
- Our core loans must be fully funded by stable funding
- There is no reliance on committed funding lines for protection against unforeseen interruptions to cash flow
- The balance sheet risk management teams independently monitor key daily funding metrics and liquidity ratios to assess potential risks to the liquidity position, which further act as early warning indicators of potential normal market disruptions
- As part of the broader Financial Sector Laws Amendment Act (FSLAA), South Africa is in the final stages of implementing a deposit insurance scheme aimed at improving the financial system's ability to absorb shocks by improving depositor confidence
- The Group maintains contingency funding and recovery plans designed to protect depositors, creditors and shareholders and maintain market confidence during adverse liquidity conditions.

**Year in review and changes to risk**

In the UK, loans and advances to customers as a percentage of customer deposits remained conservative at 79.7%. Investec plc has a substantial portion of eligible deposits that are covered by Financial Services Compensation Scheme (FSCS) protection. Cash and near cash balances at 31 March 2024 amounted to £9.7 billion. We maintain a high level of readily available, high-quality liquid assets (HQLA), targeting a minimum cash to customer deposit ratio of 25%. Current cash and near cash is equivalent to 46.4% of customer deposits.

In the UK, for Investec plc, the LCR was 453% and the Net Stable Funding ratio (NSFR) was 146%, both metrics well ahead of current minimum regulatory requirements.

In South Africa, funding continues to be raised through a diverse mix of customer type, currency, channel and tenor. Our medium to long term focus remains strengthening the Group's structural funding profile through growing the retail deposit base, optimising the term of our wholesale deposit base and growing our transactional deposit offering. Loans and advances to customers as a percentage of customer deposits remained conservative at 75.2%. Cash and near cash balances at 31 March 2024 amounted to R160.7 billion (31 March 2023: R171.4 billion). Consistent with our liquidity management philosophy, we delivered liquidity ratios well above the regulatory requirements. Investec Bank Limited (consolidated Group) ended the year to 31 March 2024 with the 90-day simple average LCR of 159% and NSFR of 115%.

## PRINCIPAL RISKS
CONTINUED

## Interest rate risk in the banking book (IRRBB)

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

**Link to strategy and opportunities**

**Group committee oversight**

DLC BRCC, Group ERC

**Link to six capitals**

Financial capital

Manufactured capital

Intellectual capital

**More information**

Read more on pages 73 to 76 of the Investec Group's 2024 risk and governance report.

**Monitoring and mitigation activities**
- The daily management of IRRBB is centralised within the Treasury of each banking entity and is subject to local independent risk and local Asset and Liability Committee (ALCO) review
- Together with the business, the treasurers develop strategies regarding changes in the volume, composition, pricing and interest rate characteristics of assets and liabilities to mitigate the interest rate risk and ensure a high degree of net interest margin stability over an interest rate cycle. These are presented, debated and challenged in the Liability Product and Pricing Forum and ALCO
- Each banking entity has its own Board-approved IRRBB policy and risk appetite, which is clearly defined in relation to both income risk and economic value risk
- These policies dictate that long-term (>one year) IRRBB is materially eliminated. Where natural hedges between banking book items do not suffice to reduce the exposure within defined limits, interest rate swaps are used to transform fixed rate assets and liabilities into variable rate items
- IRRBB is measured and analysed by utilising standard tools of traditional interest rate repricing mismatch and net present value (NPV) sensitivity to changes in interest rate risk factors.

**Year in review and changes to risk**

We have limited appetite for IRRBB which is closely monitored and managed.

We continue to maintain a structural hedging programme in the UK to reduce sensitivity of earnings to interest rate movements.

# PRINCIPAL RISKS
CONTINUED

## Capital risk

The risk that we do not have sufficient capital to meet regulatory requirements or that capital is inefficiently deployed across the Group

**Link to strategy and opportunities**

**Group committee oversight**

DLC Audit Committee, DLC Capital Committee, DLC BRCC, Group ERC

**Link to six capitals**

Financial capital

Manufactured capital

Intellectual capital

**More information**

Read more on pages 86 to 94 of the Investec Group's 2024 risk and governance report.

**Monitoring and mitigation activities**

- Both Investec plc and Investec Limited undertake an approach to capital management that utilises both regulatory capital as appropriate to the jurisdiction in which it operates and internal capital, which is an internal risk-based assessment of capital requirements
- A detailed assessment of the regulatory and internal capital position of each Group is undertaken on an annual basis and is documented in the Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP is reviewed by IBL, IBP, PLC and DLC Capital Committees before being recommended for approval to IBL BRCC, IBP BRCC, DLC BRCC and the respective Boards
- The determination of target capital is driven by our risk profile, strategy and risk appetite, taking into account the regulatory and market factors applicable to the Group
- At the most fundamental level, we seek to balance our capital consumption between prudent capitalisation in the context of the Group's risk profile and optimisation of shareholder returns
- Our internal capital framework is designed to manage and achieve this balance
- The framework has been approved by the Board. The DLC Capital Committee (mandated by DLC BRCC) is responsible for the oversight and management of capital and leverage
- The leverage ratio is considered and monitored as part of the capital management framework.

**Year in review and changes to risk**

In the UK, Investec plc maintained a sound capital position, well in excess of minimum regulatory requirements, with a Common Equity Tier 1 (CET1) ratio of 12.4% (31 March 2023: 12.0%) and a leverage ratio of 10.2% (31 March 2023: 9.4%). Investec plc remains on the Standardised Approach and with these metrics comfortably exceeds the target CET1 ratio of greater than 10% and leverage ratio target of greater than 6%. Investec plc continues its efforts to build Internal Ratings Based (IRB) approach models. Good progress is being made towards the submission of an application to the PRA.

In South Africa, Investec Limited maintained a sound capital position, well in excess of minimum regulatory requirements, with a CET1 ratio of 13.6% (31 March 2023: 14.7%) and a leverage ratio of 6.2% (31 March 2023: 6.5%). Investec Limited's target capital ratios remained unchanged, with the minimum CET1 ratio target ranging between 11.5% and 12.5% and leverage target being greater than 6%.

## Reputational risk

Reputational risk is damage to our reputation, name or brand. Reputational risk is often associated with strategic decisions made and also arises as a result of other risks manifesting and not being appropriately mitigated or managed

**Link to strategy and opportunities**

**Group committee oversight**

DLC BRCC, DLC SEC, Group ERC

**Link to six capitals**

Intellectual capital

Human capital

Social and relationship capital

**More information**

Read more on page 80 of the Investec Group's 2024 risk and governance report.

**Monitoring and mitigation activities**

- We have various policies and practices to mitigate and/or manage reputational risk, including strong values that are regularly and proactively reinforced
- Reputational risk is mitigated and/or managed as much as possible through detailed processes and governance/escalation procedures from business units to the Board, and from regular, clear communication with shareholders, customers and all stakeholders
- The Group has a disclosure and market communications policy which is reviewed and approved annually by Group ERC and DLC BRCC.

**Year in review and changes to risk**

We have continued with programmes to entrench and invigorate our values and culture. In addition, we provide continued learning and development given the changing regulatory requirements. Material matters are considered on a case-by-case basis and discussed at the relevant committees.

## PRINCIPAL RISKS
CONTINUED

## Business and strategic risk

Business and strategic risk relates to external market factors that can create income volatility

**Link to strategy and opportunities**

**Group committee oversight**

DLC Audit Committee, DLC Remuneration Committee, DLC BRCC, DLC Capital Committee, Group ERC

**Link to six capitals**

Financial capital

Intellectual capital

Social and relationship capital

**More information**

Read more on pages 8 to 100.

**Monitoring and mitigation activities**

- The risk of loss caused by income volatility is mitigated through diversification of income sources, reducing concentration of income from any one type of business or geography and maintaining a flexible cost base
- Group strategy is directed towards generating and sustaining a diversified income base for the Group
- In the instance where income falls, we retain the flexibility to reduce costs (particularly variable remuneration), thereby maintaining a competitive cost to income ratio.

**Year in review and changes to risk**

The Group has delivered strong financial performance notwithstanding the uncertain operating environment that prevailed throughout the year. Net asset value (NAV) per share increased to 563.9p (31 March 2023: 507.3p), reflecting the strong earnings generation in the current year and the net gain recognised on completion of the IW&I UK combination with Rathbones.
Tangible net asset value (TNAV) per share was 477.5p, increasing from 471.6p at 31 March 2023. TNAV reflects our decision to adjust the carrying value of our strategic investment in the Rathbones Group to reflect our proportionate share of tangible equity in Rathbones, resulting in an intangible net asset value of c.77p per share. ROE of 14.6% (FY2023: 13.7%) is above the midpoint of the Group's 12% to 16% target range, despite the increase in the closing equity base resulting from the net gain recognised on completion of the combination of IW&I UK with Rathbones. Return on tangible equity (ROTE) was 16.5% (FY2023: 14.7%). The cost to income ratio improved to 53.8% (FY2023: 54.7%), in line with our guidance of less than 55% as revenue grew ahead of costs. Total operating costs increased by 3.2%, including the provision of £30 million for the potential financial impact of the recently announced industry-wide Financial Conduct Authority (FCA) review into historical motor finance commission arrangements and sales in the UK. Fixed operating expenditure excluding the motor finance provision remained flat, benefitting from a weaker average Rand/Pound Sterling exchange rate which offset cost increases from inflationary pressures and continued investment in people and technology. Variable remuneration increased in line with business performance.

Strategic execution over the last five years has resulted in a structural improvement in the Group performance, leading us to revise our post Rathbones combination ROE targets by 200bps. The Group's commitment to generating returns above its cost of capital underwrites our purpose to create enduring worth for all our stakeholders. Group revised medium-term targets are as follows:

- Group ROE of 13% - 17% and ROTE of 14% - 18%, with the following geographic targets:
  - Southern Africa targets ROE/ROTE of 16% - 20%, reflecting the strong returns generated by our client franchises and the optimisation of the SA capital base since the 2019 CMD
  - UK & Other targets ROTE of 13% - 17% and ROE of 10%-14%, reflecting the increasing scale and relevance of our unique corporate mid-market position within the UK and other markets we operate in
- Cost to income ratio less than 57%. We continue to invest in the business to achieve operational efficiencies and pursue identified growth initiatives. The deconsolidation of IW&I UK and the equity accounting for the investment in Rathbones resulted in a 400bps technical reduction in cost to income ratio. Southern Africa targets a cost to income ratio of less than 55%, while UK & Other targets a cost to income ratio of less than 58%
- Through-the-cycle (TTC) range for credit loss ratio of 25bps-35bps has been revised to 25bps-45bps, reflecting the mix of our books. For Southern Africa, the new TTC range is 15bps-35bps, reflecting our exposures' bias to high-net-worth and high-income private clients, large corporates and secured lending books; and 35bps-55bps for UK & Other which reflects our distinctive mid-market positioning and secured lending portfolios
- Dividend payout policy revised to 35% to 50% of adjusted earnings per share.

PRINCIPAL RISKS
CONTINUED

## Operational risk

Operational risk is defined as the potential or actual impact to the Group as a result of failures relating to internal processes, people, systems or from external events. The impact can be financial as well as non-financial such as customer detriment, reputational or regulatory consequences

**Link to strategy and opportunities**

**Group committee oversight**

DLC BRCC, DLC IT Risk and Governance Committee, DLC SEC, Group ERC, DLC Audit Committee

**Link to six capitals**

- Financial capital
- Manufactured capital
- Intellectual capital
- Human capital
- Social and relationship capital
- Natural capital

**More information**

Read more on pages 77 to 79 of the Investec Group's 2024 risk and governance report.

**Monitoring and mitigation activities**

- The Group manages operational risk through an embedded operational risk management framework
- Operational risk sub-types which are significant in nature are managed by dedicated specialist teams within the Group. These operational risk sub-types are addressed in specific, detailed risk policies and procedures, but are included within the operational risk management framework and are reported and monitored within the operational risk appetite. These sub-types include:
  - Business disruption and operational resilience risk
  - Conduct risk (including Consumer Duty for the UK)
  - Data management risk
  - Financial crime risk
  - Fraud risk
  - Information security and cyber risk
  - Legal risk
  - Model risk
  - People risk
  - Physical security and safety risk
  - Processing and execution risk
  - Regulatory compliance risk
  - Tax risk
  - Technology risk
  - Third party risk.

**Year in review and changes to risk**

Investec focused on managing key operational risks throughout the year, including business disruption, information security, technology risk, regulatory compliance, third party risk, and processing and execution risk. The Group actively monitored the risk of a blackout scenario in South Africa and engaged with industry bodies to ensure operational resilience. Information security and cyber threats were effectively managed, with no material impact or losses. Enhanced due diligence and risk management practices were implemented for third-party services and cloud providers. Additional measures were taken to minimize processing and execution risks for clients. The Group operates in a legal and regulatory environment that exposes it to litigation risks. As a result, the Group is involved in disputes and legal proceedings which arise in the ordinary course of business. The Group evaluates all facts, the probability of the outcome of legal proceedings and advice from internal and external legal counsel when considering the accounting implications.

## PRINCIPAL RISKS
CONTINUED

| Operational risk subtype | | Link to strategy | Link to six capitals |
|---|---|---|---|
| Business disruption and operational resilience risk | The risk associated with disruptive incidents which may impact important business services and critical functions/resources including processes, premises, staff, equipment, third party services and systems | | |
| Conduct risk | The risk associated with inappropriate behaviours or business activities that may lead to client, counterparty or market detriment, erosion of Investec values, culture and ethical standards expected of its staff, reputational and/or financial damage to the Group | | |
| Data management risk | The risk associated with poor governance in acquiring, processing, storing and protecting data. Issues with data quality, reliability or corruption can adversely impact business decisions, client services and financial reporting | | |
| Financial crime risk | The risk associated with the possibility of handling proceeds of crime, financing of terrorism, proliferation financing, sanctions breaches and bribery or corruption, as well as any related regulatory breaches | | |
| Fraud risk | The risk associated with any kind of criminal conduct arising from fraud, corruption, theft, forgery and misconduct by staff, clients, suppliers or any other internal or external stakeholder | | |
| Information security and cyber risk | The risk associated with unauthorised access, use, disclosure, modification or destruction of information assets, including cyber threats to the Group's operations and data | | |
| Legal risk | The risk associated with losses resulting from any of our rights not being fully enforceable or from our obligations not being properly performed. This includes our rights and obligations under contracts entered into with counterparties. Such risk is especially applicable where the counterparty defaults and the relevant documentation may not support the anticipated rights and remedies in the transaction | | |
| Model risk | The risk associated with the adverse consequences that arise from decisions based on incorrect or misused model outputs (including reports). Material sources of model risk include: credit model risk, liquidity model risk, trading book model risk and IRRBB model risk | | |
| People risk | The risk associated with the inability to recruit, develop, retain and engage diverse talent across the organisation and remain aligned to the Investec culture and values | | |
| Processing and execution risk | The risk associated with the failure to process, manage and execute transactions and/or other processes (such as change) completely, accurately and timeously due to human error or inadequate process design or implementation | | |
| Regulatory compliance risk | The risk associated with changing legislation, regulation, policies, voluntary codes of practice and their interpretation in the markets in which we operate | | |
| Tax risk | The risk associated with inadequate tax planning, transaction execution, tax compliance and reporting failures | | |
| Technology risk | The risk associated with disruption to or malfunction of critical IT infrastructure, systems or applications that support key business processes and client services | | |
| Third party risk | The risk associated with the reliance on and use of external providers of services to the Group | | |

PRINCIPAL RISKS
CONTINUED

# Emerging risks

These emerging risks are highlighted below and should be read in the context of our approach to risk management and our overall Group risk appetite framework.

Additional risks and uncertainties not presently known to us or that we currently deem immaterial may in the future also negatively impact our business operations. Emerging and other risks are factored into the Board's viability assessment on page 168.

## Macro-economic and geopolitical risks

The Group is subject to inherent risks arising from general macro-economic and geopolitical conditions in the countries in which it operates, in particular the UK and South Africa. Political polarisation remains a theme across the world in a year where there are a number of elections in key geographies relevant to the Group. There has also been a marked increase in geopolitical tension as well as wars and terrorist acts that detract from peaceful international relations and contribute to economic instability.

Since 31 March 2024, South Africa held a general election where no political party won an outright majority. This outcome led to the formation of a government of national unity wherein certain political parties have agreed to co-govern. The details of this arrangement are still emerging. It has been considered appropriate, given the severity of the downside scenarios, to include within the ongoing viability assessment of the Group.

Macro-economic risks are closely linked to geopolitical conditions and we remain cognisant of potential changing trends with this in mind. Interest rates remain at elevated levels to offset inflation.

**Links to principal risks**

- Credit and counterparty risk
- Country risk
- Business and strategic risk
- Regulatory compliance risk
- Conduct risk
- Business disruption and operational resilience risk
- Interest rate risk in the banking book
- Fraud risk
- Financial crime risk

**Risk trend since 2023:**

**increased**

**See pages 46 to 51** and pages 56 to 57 of the Investec Group's 2024 risk and governance report

## Developments in the technology landscape

Whilst significant opportunities exist due to the enhancements of the technology landscape, the Group is also required to keep pace with an evolving risk environment and advancements in cybercrime and fraud techniques. The levels of sophistication arising through the use of AI and deep fake technology require ongoing training and awareness to counter the challenges these threats pose. Adequate technology investments, resourcing levels and skills are needed to operate a digital business given the current exponential growth in technological change and speed of take-up of new technologies. This is also important in the context of ongoing operational resilience and data protection. Growing reliance on technology service providers heightens the potential impact of third party disruption, cyber threats and data management. The impact of digitalisation initiatives and cloud adoption is tracked and monitored, with consideration given to key controls related to cyber risk, technology integration and change, data privacy and vendor resiliency.

**Links to principal risks**

- Technology risk
- Third party risk
- Concentration risk
- Information security and cyber risk
- Fraud risk
- Business disruption and operational resilience

**Risk trend since 2023:**

**increased**

**See pages 54 to 57 and pages 77 to 79** of the Investec Group's 2024 risk and governance report

## Fluctuations in exchange rates could have an adverse impact on the Group's results

The Group's reporting currency is Pound Sterling. Certain of our operations are conducted by entities outside the UK. The results of operations and the financial position of individual companies are reported in the local currencies of the countries in which they are domiciled, including Rands, Euros, US Dollars and Swiss Francs. These results are then translated into Pound Sterling at the applicable foreign currency exchange rates for inclusion in the Group's 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. Exchange rates between local currencies and Pound Sterling can fluctuate substantially over the financial year.

**Links to principal risks**

- Business and strategic risk
- Regulatory compliance risk
- Country risk

**Risk trend since 2023:**

**no change**

**See page 30** of the Investec Group's 2024 year-end results booklet

# PRINCIPAL RISKS
CONTINUED

## Credit ratings impact the Group's borrowing costs and its access to debt capital markets

Rating agencies have, in the past, altered their ratings of all or a majority of the participants in a given industry as a result of the risks affecting that industry. The reduction in the Group's respective banking entities' long- or short-term credit ratings could increase their borrowing costs and limit their access to capital markets. Adjustments in the sovereign rating of South Africa will lead to an automatic adjustment in the ratings of the major banks in South Africa, including IBL.The reduction of IBL's long- or short-term credit ratings could increase borrowing costs and limit access to capital markets. We have opportunistically taken advantage of liquidity to strengthen our US dollar balance sheet to counteract this risk.

**Links to principal risks**
- Credit and counterparty risk
- Liquidity risk
- Capital risk
- Business and strategic risk

**Risk trend since 2023:** **increased**

**See page 185** and pages 56 and 57 of the Investec Group's 2024 risk and governance report

## Competition is intense in the financial services industry in which the Group operates

The financial services industry is competitive and the Group faces substantial competition in all aspects of its business. The Group has developed leading positions in many of its core areas of activity, but does not take competition lightly, and our strategic objectives continue to focus on building business depth; providing the best integrated solution to our clients; and leveraging our digitalisation strategy in order to remain competitive.

**Links to principal risks**
- Business and strategic risk
- People risk
- Reputational risk

**Risk trend since 2023:** **increased**

**See pages 46 to 51** and pages 4 to 6 of the Investec Group's 2024 risk and governance report

## Regulatory landscape as the Group grows in scale

The Group has successfully operated in a highly regulated environment for several years following the global financial crisis, both from a prudential and conduct perspective. As the Group's entities grow larger, the level of formal regulation applied to the Group increases and as we have sought to scale the business we are seeing an increased level of regulation applied. In the UK, we are now classified as a category 2 PRA firm. Additionally in both the UK and South Africa, the Group will be required to issue loss-absorbing instruments in line with the relevant regulations applicable in those geographies. These requirements will be phased-in over multiple years.

**Links to principal risks**
- Reputational risk
- Regulatory compliance risk
- Business and strategic risk

**Risk trend since 2023:** **increased**

**See pages 81 to 85** of the Investec Group's 2024 risk and governance report

# Sustainability

# At Investec, sustainability is not a choice but an imperative where our efforts focus not only on reducing adverse effects but also on creating positive impacts. We are working harder than ever *towards a sustainable and equitable world.*

IN THIS SECTION

SUSTAINABILITY

# Sustainability at Investec

The desire to make a meaningful contribution to the world we live in is at the heart of our values at Investec. Making an unselfish contribution to society, nurturing an entrepreneurial spirit, embracing diversity and respecting others. This is underpinned by our long-term pursuit of our purpose to create enduring worth.

Investec's purpose is rooted in the belief that our contribution to society and the planet should be an integral part of our business rather than a peripheral consideration. We recognise that sustainability is becoming increasingly important to all stakeholders, and as a bank, we have a crucial role to play in delivering sustainable finance and inclusion. There is a growing expectation for companies to support and enable better environmental and social impact, and investors are increasingly considering sustainability factors in their investment decisions. With climate-related prudential and regulatory focus, we need to demonstrate progress beyond performance. Therefore, Investec's sustainability strategy is built on the understanding that our business should actively contribute to the betterment of society and our planet.

### Highlights in FY2024


**Reduced inequalities**

58%

Women on the Board at 31 March 2024 (2023: 43%)

49.7%

Female representation of the Group (2023: 49.4%)

1.1%

Group community spend as a % of Group operating profit* against our target of >1% (2023: 1.3%)


**Climate action**

Carbon neutral

for the past six years

0.08%

Coal as a % of loans and advances (2023: 0.11%^)

55.99%

Renewables as a % of our energy lending portfolio (2023: 50.90%^)

**Reasonable assurance**
Reasonable assurance for the year ended 31 March 2024 has been obtained from EY to support various KPIs as reported in this sustainability section.

Refer to EY's report as published in the Investec Group's 2024 sustainability report, available on the Investec website, for further information regarding the scope and the procedures performed.

KPIs covered by the report have been marked by the above icon.

**Relevant material topics**
Material topics as identified by our stakeholders in the double materiality assessment that we conducted during FY2024 to identify and assess our most significant sustainability-related impacts, risks and opportunities as a business.

Read more on page 38.

* Before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests.
^ Restated.

SUSTAINABILITY
CONTINUED

# Our sustainability strategy

Addressing climate change and inequality is critical to the success of our business. Two United Nations Sustainable Development Goals (SDGs) are fundamental to Investec – climate action (SDG 13) and reduced inequalities (SDG 10) – with a further six SDGs which are core to our sustainability strategy. These eight priority SDGs are globally aligned yet locally relevant to our core geographies and also reflect our growth strategy to fund a stable and sustainable economy. Our approach coordinates, assesses and reports on the Group's progress in terms of our contribution to our priority SDGs.

**Our sustainability priorities**
Where we focus our resources and activities

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| **Positively contribute and align to the SDGs** | **Operate responsibly and ethically** | **Partner with our clients and philanthropy partners to maximise positive impact** | **Provide profitable, impactful and sustainable products and services** | **Actively advocate for industry alignment and best practice** |

**Our pillars**
How we structure our reporting and measure our progress

## Sustainable and transition finance

**Commitments**
- Driving sustainable and transition finance activities
- Supporting infrastructure solutions that promote renewable and clean energy
- Managing, monitoring and tracking our Scope 3 financed emissions towards net zero by 2050
- Influencing our clients and suppliers to effectively pursue decarbonisation
- Actively participating in industry initiatives and memberships.

## Environment and climate change

**Commitments**
- Transition to a net-zero carbon economy by 2050
- Committed to carbon neutrality within our direct operations
- Sourcing 100% of our Scope 2 energy from renewables through the purchase of renewable energy certificates
- Meeting our fossil fuel exposure commitments
- Supporting the Paris Agreement's aim of pursuing efforts towards limiting it to a 1.5°C temperature rise compared to pre-industrial levels.

## Our people

**Commitments**
- Talent attraction, development and retention
- Employee engagement
- Employee wellbeing
- Learning and development
- Recognising and rewarding our people
- Belonging, inclusion and diversity
- Job creation and learning opportunities.

## Our communities

**Commitments**
- Creating education and learnership* opportunities within our communities
- Creating jobs for young people through quality work experience placements
- Living sustainably with cognisance of climate and nature-related challenges
- Supporting and encouraging staff participation through volunteering initiatives within our communities.

## Responsible business and governance

**Commitments**
- Sound corporate governance is deeply ingrained in our values, culture, processes, functions and organisational structure
- Upholding integrity at all levels, consistently demonstrating uncompromising moral strength
- Steadfast dedication to ethical behaviour fostering and maintaining trust among out stakeholders.

**Impact SDGs**
The two SDGs most fundamental to our business

| | |
|---|---|
| 10.1 | Reduced income inequalities |
| 10.3 | Ensure equal opportunities and end discrimination |
| 13.2 | Integrate climate change measures into policies and planning |
| 13.3 | Build knowledge and capacity to meet climate change |

**Core SDGs**
The six SDGs core to our sustainability strategy

* Learnerships are vocational education and training programmes in South Africa to facilitate the linkage between structured learning and work experience to obtain a registered qualification.

SUSTAINABILITY
CONTINUED

# Our external context

## Regulatory developments

The increasing focus on climate-related prudential and regulatory matters highlights the need to demonstrate progress beyond financial performance.

We have seen an increase in sustainability-related regulations across all our jurisdictions over the past year. We have taken note of the recommendations published by the South African Prudential Authority in 2023, as well as those in IFRS S1 and S2. We are making good progress towards being able to comply with these recommendations once they become mandatory.

Additionally, we have reviewed the Corporate Sustainability Reporting Directive (CSRD) issued by the European Commission and conducted a double materiality assessment following the CSRD guidelines.


## Reduced inequalities

The Group is dedicated to fostering a purposeful, inclusive culture. As part of our One Investec strategy, we have engaged in culture conversations to unify our employee value proposition. Our belonging, inclusion and diversity spectrum now encompasses neurodivergence, and we have reviewed global trends to shape our strategy and response.

We create education and learnership opportunities in our communities through quality work placements that provide jobs for young people and equip them with the skills needed to succeed. Our commitment to education and job creation has a positive and lasting impact on our communities.


## Climate change and energy transition finance

The following environmental topics were identified during the double materiality assessment as most material for our stakeholders:

- Climate change
- Energy transition
- Financed emissions

We introduced an enhanced Sustainable and Transition Finance Classification Framework to guide our decision-making processes as we actively pursue our 2050 net-zero ambition while being cognisant of the Just Energy Transition. We have established Sustainable Business Forums in both the UK and South Africa that develop and integrate sustainability strategies into our business processes, commercial plays, and incentive frameworks for our Executives and most senior leadership, addressing our own aspirations as well as the expectations of our stakeholders.

With regards to our Scope 3 financed emissions, we have made substantial progress in improving the data quality and processes. This involved implementing rigorous data collection processes to ensure that the data we use is accurate, reliable, and up-to-date. We have dedicated significant resources to automate calculations using the PCAF methodology which improved alignment across our jurisdictions and improved the consistency of the applied methodologies.

SUSTAINABILITY
CONTINUED

# How we are embedding sustainability into our business strategy

Our Sustainable and Transition Finance Classification Framework guides us in our decision-making processes as we actively pursue our 2050 net-zero ambition. In addition, our Sustainable Business Forums in the UK and South Africa integrate sustainability strategies into our business processes, commercial plays, and incentive frameworks.

We are developing targets to be released by the financial year ending 31 March 2025 which will be integrated with executive KPIs, to ensure accountability among our leaders to achieve our sustainability ambitions.

**How we apply our priorities across our business lines**

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| **Positively contribute and align to the SDGs** | **Operate responsibly and ethically** | **Partner with our clients and philanthropy partners to maximise positive impact** | **Provide profitable, impactful and sustainable products and services** | **Actively advocate for industry alignment and best practice** |
| where we believe we can be most impactful by reducing inequalities (SDG 10) and climate action (SDG 13). | within our operations, through our policies, processes, risk practices and reporting. | by offering advice and sustainability products and services that positively contribute to the SDGs, particularly in water, renewables, infrastructure, job creation, clean cities and education. | within our business through our Sustainable and Transition Finance Classification Framework. | through active participation in a number of memberships and industry alliances. |

**Specialist Banking**

Our Specialist Banking businesses use their skills in advisory, lending and investing to support our clients and stakeholders to achieve our joint sustainability ambitions. We also have a strong focus on financing entrepreneurs who are critical in accelerating job creation and supporting sustained economic growth.

**Investec Wealth & Investment International**

We have a responsibility to preserve and grow the wealth that is entrusted to us over the long term. Sustainability is core to our fundamental investment approach. We aim to invest in companies that are able to deliver cost of capital beating returns on a sustainable basis in the long term, while retaining a commitment to all relevant stakeholders.

SUSTAINABLE FINANCE

## Our impact

Investec exists to create enduring worth. Central to this organisational purpose is that sustainability is integral to our business. The time has passed for organisations that make returns without considering the impact this may have on broader society and our planet. Our commercial strategies have a multiple-stakeholder approach from inception. We make conscious choices about the projects we invest in and finance and the impact they may have on society and the environment. As highlighted in our sustainable strategy, we have focused on two key areas where we believe we are best placed to make a lasting impact: reducing inequalities (SDG 10) and climate action (SDG 13).

**Relevant material topics appropriate to our stakeholders**

Energy transition finance

**Link to the Six Capitals**

Financial capital    Natural capital

| What we focus on | What we do |
|---|---|
| Energy transition finance: Providing profitable, impactful and sustainable products and services | Released a comprehensive Sustainable and Transition Finance Classification Framework that will drive commercial activities in sustainable and transition finance. We are developing sustainable finance targets and aim to release these targets to the public by the end of the financial year 31 March 2025 |
| Positively contributing to the SDGs | Introduced a comprehensive Sustainable and Transition Finance Classification Framework that will stimulate commercial activities within sustainable and transition finance aligned to our SDGs |
| Operating responsibly and ethically with cognisance of climate and nature-related challenges | Followed the Ten Principles of the UN Global Compact<br>Complied with the six Principles for Responsible Investment (PRI) |
| Partnering with stakeholders to maximise positive impact | Partnered with a diverse range of stakeholders including clients, communities and suppliers.<br>Our collaborative efforts extend to industry initiatives such as Climate Action 100+ |
| Proactively advocating for industry alignment and best practice. | Participated in industry initiatives and memberships (list of our memberships is available on our website: www.investec.com/sustainability). |

### Highlights in FY2024

**Investec plc**

€110mn

Sole Mandated Lead Arranger and Bookrunner for a solar photovoltaic (PV) portfolio financing

**Investec Limited participated in a**

R4.5bn

Sustainability-linked loan for Pick n Pay with KPIs linked to reducing food waste and greenhouse gas emissions

**Investec Wealth & Investment International**

$54.4mn

raised by Investec Wealth & Investment International at 31 March 2024 through the Global Sustainable Equity Fund

SUSTAINABLE FINANCE
CONTINUED

## Our actions

### Sustainable finance strategy

Our two impact SDGs, namely addressing reducing inequalities (SDG 10) and climate change (SDG 13), are supported by six core SDGs, namely:

- Quality education (SDG 4)
- Clean water and sanitation (SDG 6)
- Affordable and clean energy (SDG 7)
- Decent work and economic growth (SDG 8)
- Industry, innovation and infrastructure (SDG 9)
- Sustainable cities and communities (SDG 11).

### Sustainable and Transition Finance Classification Framework

Significant effort has been given to the enhancement of our Sustainable and Transition Finance Classification Framework which was published in May 2024. This will not only help us achieve our ambition to be net zero by 2050 but also drive commercial activities.

The framework enables the classification of environmentally-sustainable finance, transition finance and social sustainable finance activities. The framework is based on a combination of best practice guidelines and taxonomies, including the harmonised framework for impact reporting released by the International Capital Market Association (ICMA), the Net-Zero Banking Alliance (NZBA) transition finance guidance, the Loan Market Association (LMA) principles, the South African Green Finance Taxonomy, and the EU Taxonomy for sustainable finance activities.

The framework is built on the principles of addressing climate action (SDG 13) and reduced inequalities (SDG 10) being fundamental to the success of our business. The following categories are addressed as part of this framework.

| Environmental | Social |
|---|---|
| Energy | Access to essential services |
| Energy efficiency | Socio-economic advancement and empowerment |
| Water, waste management and pollution control | Employment generation |
| Transport and supporting infrastructure | Food security and sustainable food systems |
| Real estate/ construction | Affordable basic infrastructure |
| Living natural resources and land use | Affordable/ social housing |

## Progress in 2024

- We have implemented a comprehensive Sustainable and Transition Finance Classification Framework to guide our decision-making processes as we actively pursue our net-zero ambition by 2050
- We have established Sustainable Business Forums in both the UK and South Africa. These forums play a crucial role in developing and integrating sustainability strategies into our business processes, commercial plays, and incentive frameworks. By addressing our own aspirations as well as the expectations of our stakeholders, we ensure that sustainability is at the forefront of our operations.
- Our leadership team is dedicated to developing strategies that generate sustainable value for our clients, our people, our communities, and the environment. We hold ourselves accountable to these outcomes. Throughout the year, Investec executives actively participated in various learning programmes and events to stay at the forefront of sustainability challenges. This commitment ensures that we remain relevant, competitive, and conscious in a rapidly changing landscape.

## Key learnings

- Multi-stakeholder engagements are crucial for ensuring a sustainable and transition finance classification framework that is practical, effective and widely adopted
- Flexibility in the framework is crucial to accommodate evolving market practices, technological advancements and changing regulatory requirements
- Access to high quality and reliable data is essential for accurate classification and reporting
- Providing capacity building programmes for our internal stakeholders is essential for widespread adoption and effective implementation.

## Priorities for 2025

- Setting sustainable and transition finance targets before 31 March 2025
- Including climate-related and sustainable finance targets into executive KPIs
- Driving increased sustainable and transition finance activities.

For more information on our commitment to our sustainable finance and investment, refer to the Investec Group's 2024 sustainability report.

ENVIRONMENT AND CLIMATE CHANGE

# Our impact

We recognise the complexity and urgency of climate change, and the consequences on nature and social wellbeing. The Investec Group's environmental policy and climate change statement considers the risks and opportunities that climate change presents to the global economy. In addition, our biodiversity statement considers the impact our activities may have on biodiverse ecosystems.

Our approach is to support the Just Transition towards a cleaner, more energy efficient and sustainable global economy that is conscious of its use of limited natural resources. We realise that this might take time due to socio-economic constraints, and will approach this transition in a just and equitable way.

**Relevant material topics appropriate to our stakeholders**

Climate change

Energy transition finance

**Link to the Six Capitals**

Financial capital

Natural capital

| What we focus on | What we do |
|---|---|
| Understanding and managing our own carbon footprint and maintaining carbon neutrality within our direct operations | Maintained carbon neutrality within our direct Scope 1, 2 and operational Scope 3 activities |
| Tracking our progress in our Scope 3 financed emissions, supporting the Paris Agreement's aim of pursuing efforts towards limiting it to a 1.5°C temperature rise compared to pre-industrial levels | Committed to zero thermal coal exposure in our loan book by 31 March 2030<br>Reduced our Scope 3 financed emissions within our various asset classes<br>Scope 3 financed emissions at 31 March 2023: 2.5mn $tCO_2e$ (2022: 3.3mn $tCO_2e$) |
| Supporting the transition to a net-zero carbon economy while realising that this might take time due to socio-economic constraints. | Renewables as a % of our energy lending portfolio increased to 55.99% from 50.90%** in March 2023. |

## Highlights in FY2024

**Coal exposure**

0.08%

coal as a % of loans and advances (2023: 0.11%**)

**Fossil fuel exposure**

1.98%*

fossil fuels as a % of loans and advances (2023: 1.84%)

**Energy lending**

55.99%

renewables as a % of our energy lending portfolio (2023: 50.90%**)

* The slight increase in oil exposure relates to facilities that have been provided to existing clients in the midstream oil and gas industry that were drawn in the period to 31 March 2024. We have seen natural gas increase in line with the transition pathways towards net zero within our jurisdictions.

** Restated with immaterial impact.

ENVIRONMENT AND CLIMATE CHANGE
CONTINUED

# Our actions

## Our carbon footprint in our own operations

We embrace our responsibility to understand and manage our own carbon footprint. The key focus areas to reduce our operational carbon footprint include:

- Reducing energy consumption
- Reducing water usage
- Reducing overall waste
- Increasing waste recycling rates
- Promoting sustainable procurement
- Promoting sustainable travel
- Promoting responsible consumption.

Acknowledging that we cannot continue consuming natural resources at the current rate, we focus on ways to ensure the security of natural resources in all our operations and draw energy from renewable sources where possible.

We have remained carbon neutral in our Scope 1, Scope 2, and operational Scope 3 emissions for the sixth year.

While there has been in increase in our carbon intensity, this has been expected due to the reduction in our headcount following the W&I UK and Rathbones Combination in September 2023.

## Understanding the impact of our financed emissions

The need to address climate change and limit global warming within a 1.5°C temperature rise has become increasingly urgent, as emphasised by the Paris Agreement and the recent IPCC 6th Assessment Report. In line with this, our focus this year was on improving the process to calculate our financed emissions, while concurrently working on the foundations of new sectors to be included. We have:

- Made significant progress in improving the data quality and processes for our financed emissions. This involved implementing rigorous data collection processes to ensure that the data we use is accurate, reliable, and up-to-date
- Dedicated significant resources to automate the financed emissions calculations using the PCAF methodology which improved alignment across our jurisdictions and improved the consistency of applied methodologies
- Enhanced the process, thereby increasing our data governance and data integrity
- Collaborated with our business partners and stakeholders in obtaining the necessary data points and validating their accuracy to ensure the reliability of data inputs.

As a member of the Net-Zero Banking Alliance, we have embraced specific and measurable targets that challenge us to direct financial flows towards positive outcomes for our planet and society. Our ambition to achieve net zero by 2050 is underpinned by a three-pronged strategy:

- Meeting our fossil fuel exposure commitments
- Driving sustainable and transition finance activities
- Influencing our clients and suppliers to effectively pursue decarbonisation.

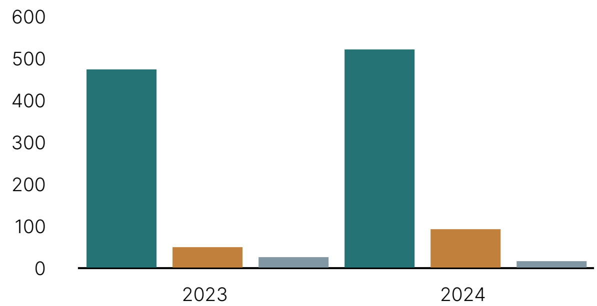
## Our exposure to fossil fuels

We focus on climate resilience as a priority for our businesses, as well as the communities we operate in. Over the past year, we screened all potential fossil fuel transactions and maintained the standards as set out in our fossil fuel policy. We remain committed to having zero thermal coal exposure in our loan book by 31 March 2030 for the Group. While we will continue to finance natural gas and oil up to 2035 in accordance with the transition plans in place in the jurisdictions in which we operate, we have clear intentions to have zero exposure to unabated fossil fuels by 2050.

### Investec Group energy portfolio

| | |
|---|---|
| Renewables | 55.99% |
| Natural gas | 35.47% |
| Oil | 6.85% |
| Coal | 1.69% |

### Fossil fuel exposure at 31 March 2024




| | 2023 | 2024 |
|---|---|---|
| Natural gas | 475 | 498 |
| Oil | 54 | 96 |
| Coal | 35* | 24 |

* Restated.

The small increase in oil exposure relates to facilities that have been provided to existing clients in the midstream oil and gas industry that were drawn in the period to 31 March 2024. We have seen natural gas increase in line with the transition pathways towards net zero within our jurisdictions.

ENVIRONMENT AND CLIMATE CHANGE
CONTINUED

### Maintaining carbon neutrality within our own operations

Acknowledging that we cannot continue consuming natural resources at the current rate, we focus on ways to ensure the security of natural resources in all operations, such as the use of renewable energy through renewable energy certificates. We also make conscious decisions across our supply chain through an ESG screening process.

We maintained carbon neutrality in our direct emissions for the sixth financial year, through ethical, high-quality carbon credits, as part of our commitment to ongoing carbon neutrality in our Scope 1, Scope 2 and operational Scope 3 emissions.

### Managing and monitoring our Scope 3 financed emissions

We have calculated our Scope 3 financed emissions within six asset classes. These emissions amount to 2.52mn $tCO_2e$ (2022: 3.25mn* $tCO_2e$). The decrease year-on-year in our Scope 3 financed emissions relates to an improvement in data quality rather than a strategic change in our business.

*Rebased.

## Progress in 2024

- Successfully automated our Scope 3 financed emissions calculations.
- Sourced higher quality data for financed emissions, resulting in increased accuracy in our Scope 3 financed emissions.
- Contributed to a pilot programme in reporting against the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations, coordinated by FSD Africa.

## Key learnings

- Rebasing of previously reported emissions is necessary due to the acquisition of more accurate data and changes in methodology
- Challenges persist in sourcing accurate and reliable data for calculating Scope 3 financed emissions
- A collaborative approach is crucial to strike a balance between our ambitions and regional regulations and transition plans
- Reductions in Scope 3 financed emissions may not occur annually but rather over time as the business evolves and countries and sectors implement net-zero strategies.

## Priorities for 2025

- Actively engage with clients to promote better data quality and sustainability practices
- Advocate for climate action and actively participate in collaborative approaches
- Emphasise the influence of the client ecosystem and expand the inclusion of asset classes in the calculation of Scope 3 financed emissions.

We remain committed to driving positive change, enhancing our environmental impact, and promoting sustainable practices within our industry and various high-emitting sectors where we may extend financing.

### Group carbon footprint

Our Group carbon footprint has been calculated according to the international Greenhouse Gas (GHG) Protocol's Corporate Accounting and Reporting Standard (revised edition). Our environmental data collection system allows us to track and manage our direct operational impact. This tool imports data from various sources, consolidates the information and calculates our carbon footprint. The implementation of this tool allows us to produce reliable emissions data, accurately build a history of our carbon footprint and assists in setting targets for future emissions.

Every year, we endeavour to improve the accuracy and completeness of our data collection processes. Within each geography, the environmental manager is responsible for monitoring the GHG emissions.

We have seen a decrease in our Scope 2 emissions due to energy efficiency improvements.

Our intensity metrics increased slightly due to a reduction in headcount following the W&I UK and Rathbones Combination in September 2023.

## Assessment parameters

### Coverage

- Refer to Basis of reporting for coverage.

### Independent assurance

- Reasonable assurance provided by EY for the year ended 31 March 2024.

### Consolidation approach

- Operational control.

### Emission factor data source

- DEFRA (2023), International Energy Agency (IEA), eGRID (for New York electricity) and Eskom (for South Africa electricity).

### Intensity ratio

- Emissions per average headcount
- Emissions per office space $m^2$.

ENVIRONMENT AND CLIMATE CHANGE
CONTINUED

# Group carbon footprint

| **Carbon footprint for the Group*** | | Notes | Units | **31 March 2024** | | 31 March 2023 | |
|---|---|---|---|---|---|---|---|
| | | | | **Consumption in unit of measure** | **Tonnes of $CO_2$ equivalent** | Consumption in unit of measure | Tonnes of $CO_2$ equivalent |
| **Scope 1** | | | | | **3 101** | | **2736** |
| Energy | Natural gas | | kWh | 207 713 | 38 | 240 944 | 44 |
| | LPG stationary | | L | 28 737 | 45 | 29 394 | 46 |
| | $CO_2$ purchased | | kg | 147 | – | 58 | – |
| | Diesel | | L | 873 131 | 2 197 | 982 289 | 2 513 |
| Refrigerant | Refrigerant | 1 | kg | 296 | 678 | 35 | 111 |
| Employee travel | Vehicle fleet | 1 | km | 871 912 | 143 | 130 361 | 22 |
| **Scope 2** | | | | | **17 250** | | **23 682** |
| **Location-based** | **Total Electrical energy consumption** | 2,4 | kWh | **21 625 718** | **17 250** | **26 544 542** | **23 682** |
| **Market-based** | **Total Electrical energy consumption** | | kWh | **21 625 718** | **–** | **26 544 542** | **—** |
| | Unspecified Energy consumption | | kWh | 19 254 135 | 16 757 | 26 544 542 | 23 682 |
| | Green-energy consumption | | kWh | 2 371 583 | – | — | — |
| | Renewable Energy Certificates | 2,4,8 | kWh | 19 254 135 | -16 757 | 26 544 542 | -23 682 |
| **Scope 3** | | 2 | | | **16 249** | | **12 283** |
| Paper | Paper consumption | | t | 33 | 30 | 65 | 60 |
| Waste | General waste | 2 | t | 213 | 106 | 329 | 139 |
| Employee travel | Rail travel | | km | 147 499 | 3 | 376 883 | 12 |
| | Road business travel | | km | 1 282 177 | 214 | 1 127 587 | 192 |
| | Taxi | | km | 97 651 | 17 | 57 134 | 10 |
| | Commercial airlines | 2 | km | 39 067 324 | 14 777 | 33 392 273 | 9 137 |
| | Rail travel (spend-based approach) | 6 | £ | 315 232 | 195 | 473 292 | 385 |
| | Commercial airlines (spend-based approach) | 6 | £ | 192 028 | 242 | 442 417 | 736 |
| | Road business travel (spend-based approach) | 6 | £ | 361 926 | 181 | 480 152 | 390 |
| Work-from-home emissions | Electrical energy consumption | 5 | kWh | 283 309 | 59 | 730 451 | 402 |
| | Natural gas | 2, 5 | kWh | 2 325 947 | 425 | 3 960 597 | 723 |
| | LPG stationary | 5 | L | — | — | 62 403 | 97 |
| **Total operational emissions** | Location based | 2 | | | **36 600** | | **38 701** |
| **Total operational emissions** | Market based | 2 | | | **19 350** | | **15 019** |
| **No scope** | | | | | | | |
| Water | | 1 | kl | 95 603 | | 83 008 | |
| Recycled waste | | 1 | t | 406 | | 156 | |
| **Intensity** | | | | | | | |
| Emissions per average headcount | | | | | 4.59 | | 4.45 |
| Emissions per $m^2$ office space | | | | | 0.26 | | 0.26 |
| Emissions per $ revenue | | | | | 0.001% | | 0.002% |
| Water consumption per average headcount | | | kl | | 11.99 | | 9.77 |
| **Intensity excl Scope 2** | | | | | | | |
| Emissions per average headcount | | | | | 2.43 | | 1.77 |
| Emissions per $m^2$ office space | | | | | 0.14 | | 0.1 |
| **Climate change commitments** | | | | | | | |
| Scope 2 renewable energy certificates | | 4, 8 | MWh | 19 254 | 16 757 | 26 544 | 23 682 |
| Carbon credits | | 3, 7 | | | 21 022 | | 14 299 |
| **Total emissions after mitigation** | | | | | **—** | | **—** |

* Reasonable assurance obtained from EY for select metrics. Please refer to EY's assurance report in the Group's 2024 sustainability report, available on our website.

**Notes**

1. As our data collection improves we are continuously adding additional locations to have a more accurate reflection of our operational emissions.
2. We have restated 2023 as an error was corrected.
3. Additional carbon credits purchased to maintain 2023 carbon neutrality.
4. We maintained 100% renewable energy in 2023 due to the purchase of additional RECs.
5. We have not included work-from-home emissions for Investec Limited as we have increased our return to office since 2022.
6. Consumption figures for spend-based approach 2023 changed from $ to £.
7. We are pre-purchasing 5 321 carbon removal credits that will be issued and retired in Q4 of 2024.
8. We have contracted for 19 254MWh of renewable energy certificates that will be issued and retired by 30 June 2024.

OUR PEOPLE

# Our impact

Investec's purpose, to create enduring worth, informs how the organisation builds strategy and delivers value for stakeholders. The Investec Experience positions our culture as the overarching, significant differentiator that guides conduct and relatedness. We enable this proposition through our workplace, how we position the employer brand, communicate with employees, prioritise diversity and inclusion and create meaning at work. Key components of the Investec Experience include employee engagement through process-led dialogue, attraction, development and retention, our high-performance culture, recognition and reward, wellbeing and, diversity and inclusion.

**Relevant material topics appropriate to our stakeholders**

- Recognition and reward
- Employee wellbeing
- Diversity and inclusion
- Employee rights

**Link to the Six Capitals**

Social and relationship capital

| What we focus on | What we do |
|---|---|
| **Recognition and reward**<br>Recognising our people for their contribution with a fixed salary, a variable performance bonus, and participation in our share incentive scheme | In line with our philosophy of employee ownership, all employees across the organisation participate in our staff share awards, and have the opportunity to be part of our long-term growth |
| **Diversity and inclusion**<br>A diversity framework which encourages a sense of belonging for all our people, irrespective of difference | At 31 March 2024 there was 58% representation of women and 42% persons of colour on the Board |
| **Employee wellbeing**<br>A wellbeing programme that encompasses physical, mental, emotional and financial wellbeing. | Continuously enhance our wellbeing offerings, learning and awareness initiatives to ensure that we make it as easy as possible for our employees to make healthy choices. |

## Highlights in FY2024

**Gender**

49.7%

female staff (2023: 49.4%)

**Gender pay gap**

20.8%*

plc mean gender pay gap
(2023: 32.6%)

27.2%

Limited mean gender pay gap
(2023: 28.2%)

**Employee share scheme**

100%

All employees are eligible to participate in the employee share scheme (2023: 100%)

*The 2024 plc figure excludes W&I UK resulting in a reduced gap.

OUR PEOPLE
CONTINUED

## Our actions

### Recognition and reward

Our remuneration approach fosters a high-performance culture that enables an entrepreneurial spirit as well as a strong sense of ownership, whilst operating within our risk appetite.

Our remuneration levers work to provide a sense of security so people feel free to innovate, challenge and influence, and motivate people to deliver out of the ordinary performance. Aligned to our philosophy of employee ownership, all employees across the organisation participate in our staff share awards, and have the opportunity to be part of our long term growth.

Investec is supportive of a minimum living wage.

### Diversity and inclusion

We aim to make Investec a place where it is easy to be yourself. We believe in the importance and benefits of diversity and recognise that a diverse and inclusive workforce is essential to our ability to be an innovative organisation that can adapt and prosper in a fast-changing world. Our workforce aims to reflect the diversity of our client base and the society within which we operate.

We enable belonging and inclusion by:

- Developing leaders to enable belonging
- Engaging with leaders, teams, and consultative forums on how to improve belonging and engagement
- Offering learning programmes that encourage dialogue and celebrate the value of inclusion and diversity
- Ongoing and enhanced, aligned support for diversity networks across the Group as well as creating awareness of intersectionality across networks
- Utilising recruitment strategies that actively seek diversity, engaging with under-represented groups, females and people with disabilities
- Providing disabled employees with a supportive and accommodating working environment
- Delivering research and thought leadership around diversity, equity, inclusion and belonging.

### Employee wellbeing

Our wellbeing strategy is globally aligned and locally relevant. In anchor geographies, employees have access to a comprehensive employee wellbeing programme, which provides personalised interventions provided by a multidisciplinary team of select health and other professionals. We offer several initiatives to raise awareness and entrench the practice of healthy living.

### Employee rights

Investec is committed to being an equal opportunity employer. In accordance with our policies and practices, and relevant International Labour Organisation conventions and legislation, we do not tolerate any form of discrimination based on gender, gender reassignment, race, ethnicity, religion, belief, age, disability, nationality, political opinion, sensitive medical conditions, pregnancy, maternity, civil partnership, and sexual orientation. People with different abilities are an essential part of a diverse talent pool and every effort is made to facilitate an accessible environment for all.

## Progress in 2024

### Diversity and inclusion

In the UK we are signatories to the UK HM Treasury Women in Finance Charter and have committed to 35% female representation in senior leadership by 31 March 2027. As of 31 March 2024 we had 40% female representation on our General Management Forum.

Within South Africa we continue to achieve greater representation at all levels of the business through the effective implementation of our Employment Equity Plan. Representation of people of colour within top management is currently 50%.

### Employee wellbeing

Within the UK, we reviewed our private medical insurance to ensure the best benefits are available to staff and their families. Within SA we enhanced our wellbeing strategy through; (i) the provision of an app focused on the personal safety of our employees and their loved ones and specifically the deployment of emergency assistance directly to the user's location when needed and; (ii) a staff banking programme available to all employees.

In addition to the above we designed a financial awareness and literacy campaign for employees globally.

## Key learnings

- Recognising the importance of self awareness for leaders in adapting to various contexts and environments
- Enhancing participants' ability to engage in courageous conversations needed to build relationships with diverse stakeholders
- A growing recognition of the importance of wellbeing in building resilience amongst our employees.

## Priorities for 2025

- Focus on prioritising the material matters appropriate to our stakeholders that reflect our double materiality assessment
- Provide ongoing and enhanced support for diversity networks across the Group
- Embed the role of the diversity forums in both the UK and South Africa
- Continue to focus on wellbeing with a particular emphasis on financial wellbeing, mental resilience and physical wellness amongst employees
- Upskilling employees on artificial intelligence (AI) to ensure we have the necessary knowledge to effectively leverage AI technologies in the workplace while being mindful of the social and ethical considerations and implementing AI responsibly and in a manner aligned to our values.

For more information on our commitment to our people, refer to the Investec Group's 2024 sustainability report.

OUR COMMUNITIES


An Investec-funded Promaths learner celebrating Promaths achievements

# Our impact

Our vision to create enduring worth depends on a sustainable economy – a key factor in achieving this objective. A thriving economy provides opportunities for businesses to grow and innovate, balancing economic, social and environmental goals with active economic participation. We understand that no single business can address the many socio-economic needs that continue to present everyday challenges for many in the geographies in which we operate, so we have focused on that which we believe is better aligned to our philosophy.
Our approach focuses on three categories of impact: education and learnerships^, entrepreneurship and job creation, and environment and philanthropy. Staff volunteerism is key within our approach.

^ Learnerships are vocational education and training programmes in South Africa to facilitate the linkage between structured learning and work experience to obtain a registered qualification.

**Relevant material topics appropriate to our stakeholders**

Community investment and livelihoods

Financial inclusion

**Link to the Six Capitals**

Social and relationship capital

| What we focus on | What we do |
|---|---|
| **Education and learnerships**<br>Focusing on creating education and learnership opportunities within our communities, contributing to SDG 4 (quality education) | 1.1% Group community spend as a % of group operating profit* against a target of >1% (2023: 1.3%**)<br>Promaths contributed 6% of the country's national distinctions in maths and 7% in science respectively (2022: 5% for both maths and science) |
| **Entrepreneurship and job creation**<br>Aiming to create jobs for young people through quality work experience placements. Through our entrepreneurship and job creation programmes, we contribute to SDG 8 (decent work and economic growth). | 3 671 YES internship placements for young, unemployed youth in South Africa since its inception in March 2018 (2023: 3 100 since inception)<br>2 260 young people supported through Arrival in the UK in the past 15 years (2023: 2 108 learners). |

## Highlights in FY2024

**Community spend**

1.1%

Group community spend as a % of Group operating profit* against our target of >1% (2023: 1.3%**)

**Internships through Youth Employment Services (YES)**

3 671

South African youth provided with Investec internships through YES since inception in March 2018 (2023: 3 100)

**Volunteering hours**

9 399

For Investec Group (2023: 10 510)

* Before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests.
** Restated with immaterial impact.

# OUR COMMUNITIES
CONTINUED

## Our actions

### Education and learnerships
We believe that supporting considered educational initiatives aligned to our corporate social investment (CSI) strategy facilitates meaningful broader societal transformation.

In South Africa, understanding the significance of facilitating access to good education, especially in the areas of maths and science, helps to expand the future possibilities of meaningful active economic participation by our youth. We made education one of the key pillars of our CSI strategy.

In the UK, we aim to empower young people to achieve their goals in life through the education projects we support. While we recognise the value of academic study, our community partners also focus on employability, as well as life and interpersonal skills.

### Entrepreneurship and job creation
Investec is deeply rooted in entrepreneurship, fostering it from an early age to support emerging business leaders. Through quality work experience placements, we are committed to creating job opportunities for young individuals. Our entrepreneurship and job creation initiatives align with SDG 8, empowering people to cultivate an entrepreneurial mindset for economic independence and sustainability.

In South Africa, our CSI strategy aims to enable as many people, especially the youth, to become active economic participants in society. Active economic participation has a positive impact on individuals, communities and society as a whole. We recognise the importance of providing people with such opportunities, particularly through entrepreneurship, one of the focus areas in our CSI strategy.

In the UK, we help launch new social enterprises. These enterprises address a variety of social matters such as youth unemployment, social exclusion, food poverty, homelessness, upcycling plastics and more. Many of the entrepreneurs are female, and from ethnic minority groups.

In addition, we support the philanthropic endeavours of our clients through long-term sustainable initiatives in South Africa.

**Spend on community initiatives by category**
(%)

| | 2024 | 2023* |
|---|---|---|
| Education and learnerships | 49.2% | 47.7% |
| Entrepreneurship and job creation | 25.8% | 29.0% |
| Environment and other philanthropy | 25.0% | 23.3% |

*Restated

## Progress in 2024

### Investec Limited
- Our Promaths learners continued to achieve exceptional results in maths and science contributing 6% and 7% in maths and science respectively to South Africa's national distinctions
- We awarded high school bursaries to financially needy grade 10–12 learners who show exceptional academic potential. In 2023 we had a cohort of 78 learners (2022: 75 learners), 48 of whom were in grade 12, their final year of school
- We have more than 22 000 registered users on our Career Xplora app offering career guidance (2022: 15 336)
- We offered 93 full-cost university bursaries to individuals with great academic potential and financial need (2022: 73 university bursaries).

### Investec plc
- We continued to invest in Arrival, helping young people from lower socio-economic backgrounds and minority ethnic groups. We have supported 2 260 learners through Arrival since inception
- We continued to be the sole funder for the Bromley by Bow Centre's social incubation programme, Investec Beyond Business and contributed to 62 social enterprises launched since inception
- Staff volunteerism increased to 545 volunteers with 3 477 volunteering hours (2023: 503 volunteers, 3 336 hours)

## Key learnings
In South Africa, we identified an opportunity for further focus on our CSI strategy going forward. There can be greater leverage across our various initiatives, people, and other parts of the business to create greater impact. The increasing number of unsolicited requests and associated pressure on our team to respond has necessitated us to relook at our usage of human resources and technology to manage the volumes.

In the UK, challenges facing our communities continue to persist. High inflation has resulted in a higher cost of living and increased reliance on foodbanks. Austerity measures have also impacted our community partners, making it difficult for them to provide essential services. This reinforces the ongoing need for the programmes we support at the Bromley by Bow Centre and with Arrival.

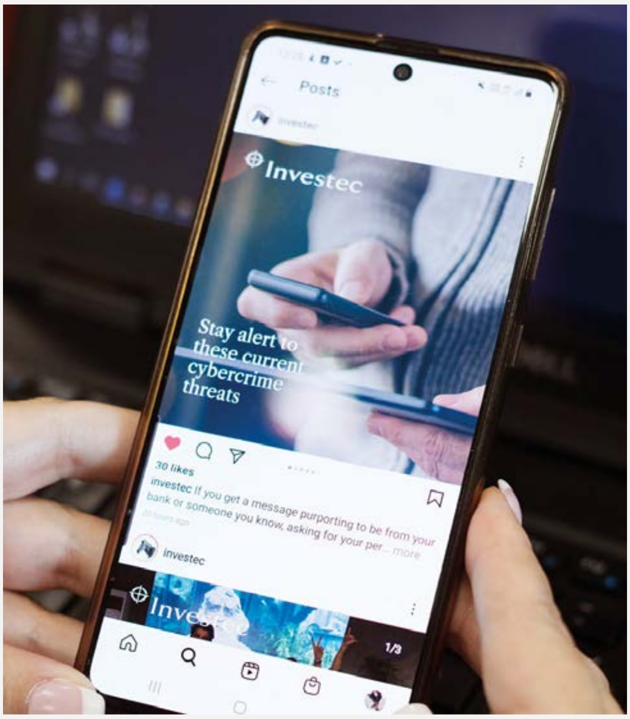
## Priorities for 2025

### Investec Limited
- Championing improved leverage and synergy across our initiatives for greater impact.
- Promote Promaths as a key partnership opportunity for potential partners to expand the number of Promaths sites across the country, benefiting more learners
- Expand the Promaths Bursary Fund to support more financially needy and academically deserving students
- Focus efforts on growing our staff volunteerism levels

### Investec plc
- Increase and drive our staff volunteering with new partnerships and more impactful opportunities for colleagues to contribute
- Evolve our education and employability offering through a new programme with Arrival
- Strengthen awareness of climate and nature through our renewed environmental partnerships.

For more information on our commitment to our communities, refer to the Investec Group's 2024 sustainability report.

RESPONSIBLE BUSINESS AND GOVERNANCE




# Our impact

Sound corporate governance is implicit in our values, culture, processes and organisational structure. Our values require that Executives, senior management and employees behave with integrity, displaying consistent and uncompromised moral strength to promote and maintain trust.

**Relevant material topics appropriate to our stakeholders**

- Regulatory and legal compliance
- Transparency and disclosures
- Data privacy and cybersecurity
- Client engagement and marketing
- Ethical business conduct

**Link to the Six Capitals**

Intellectual capital

| What we focus on | What we do |
| --- | --- |
| Upholding high standards of honesty, transparency and ethical behaviour including as it pertains to technology and AI. Social, environmental and ethical risk considerations are fundamental to our values, culture and code of conduct | The Board, DLC SEC and DLC ESG Executive Committee are committed to ethical business conduct. We have implemented Board-approved policies and practices in support of our commitment to the UN Global Compact and the UK Modern Slavery Act. Such policies and practices are reviewed and monitored on an on-going basis. One such practice adopted by the Group is the Management of Conflict-of-Interest policy |
| Regulatory and legal compliance, and transparency and disclosures are crucial for our business to build trust | Kept a watchful eye on regulatory developments around sustainability disclosures, including the recently published recommendations by the South African Prudential Authority during 2023 and those in IFRS S1 and S2. The Group expects to be able to comply with these recommendations when they become mandatory |
| Recognising the importance of comprehensive information and cyber security training in mitigating risks associated with the ever-evolving cyber threat landscape | The Board of Directors regularly oversees the technology and cyber security strategies. There are governance structures in place that meet regularly to review how technology and security risks are managed and reported back to the Board with relevant updates. To maintain a state of vigilance among our staff, we prioritise ongoing security training activities |
| Recognising that leadership accountability is essential for driving sustainability in our business. We expect our leaders to integrate environmental and social considerations into their strategies, setting and adhering to sustainability goals. This not only ensures the wellbeing of future generations but also enhances our market position by building resilience and a strong reputation. | Selected appropriate sustainability-related key performance indicators (KPIs) for the 2024 remuneration policy, which will be presented to shareholders in August 2024 at our AGM. |

## Highlights in FY2024

**Data privacy and cyber security**

99%

of all staff globally completed our annual information security awareness training (2023: 90%)

**Anti-Money Laundering training**

97%

of the Group's employees enrolled in Anti-Money Laundering training passed with 80% or above during the course of the financial year

**Sustainability experience on the Board**

83%

Ten of the 12 Board members have sustainability-related experience

RESPONSIBLE BUSINESS AND GOVERNANCE
CONTINUED

## Our actions

### Board oversight for sustainability

The Board has the ultimate accountability to monitor the operations of the Group as a responsible corporate. The Board oversees Investec's response to sustainability, climate and nature-related matters and is supported by the various management teams to manage the associated risks and opportunities. At the highest governance level, the Board establishes the purpose of the Group, incorporates sustainability, climate and nature-related matters when reviewing and guiding strategy and strategic objectives, and monitors and oversees progress against sustainability-related targets and ambitions. All members have a strong awareness around sustainability matters.

The DLC SEC is a Board-appointed Committee with a direct reporting line to the DLC Board. The DLC SEC takes responsibility for monitoring the non-financial elements of sustainability and monitoring the Group's performance in terms of sustainability, climate and nature-related matters. The DLC SEC Chair reports to the Board after each meeting on the nature and content of its discussion, recommendations and actions. The DLC SEC also makes appropriate recommendations to the Board on further actions or where improvement is required.

## Progress of the DLC SEC in 2024

- Reviewed progress made following our commitment to achieving net-zero carbon emissions by 2050
- Reviewed and approved the enhanced Sustainable and Transition Finance Classification Framework
- Approved the Group Modern Slavery statement and the Group fossil fuel statement
- Reviewed our sustainability strategy framework and policy
- Received an update on the business initiatives designed to support our clients in their participation in the transition
- Reviewed our reporting readiness with the increased sustainability reporting developments internationally
- Reviewed the outcomes of the double materiality assessment
- Reviewed transactions that were of high concern from a sustainability risk perspective and confirmed management alignment to the outcomes
- Reviewed the progress towards employment equity plans
- The SA political party funding policy
- Reviewed the  progress made on purpose and values within the organisation
- Reviewed our wellbeing offering to employee
- Reviewed the continuous work regarding culture
- Reviewed the progress with respect to gender and diversity targets

## Priorities for the DLC SEC 2025

- Contribute to the setting of a sustainable finance target for the Group by 31 March 2025
- Monitor the response to the double materiality assessment completed in 2024
- Monitor the progress in managing the Group's Scope 3 emissions from their lending and investing activities
- Monitor the setting of the new Employment Equity targets and belonging, inclusion and diversity initiatives across the Group
- Monitor the establishment of the Group's approach to communities to enable the Group to leverage its involvement for maximum impact.

### Other Board-appointed committees

In addition to the DLC SEC, various Board appointed committees have oversight on sustainability-related matters:

- The DLC Remuneration Committee review and approved the executive remuneration framework regarding sustainability-related KPIs
- The DLC BRCC reviews the physical and transition risks that the Group might be exposed to as well as any high risk transactions (as classified per the International Finance Corporation (IFC) guidelines) in our loan book
- The DLC Audit Committee reviewed the assurance provided for KPIs relating to the Group's fossil fuel exposure, carbon footprint, Scope 3 financed emissions for the mortgage asset class. In addition the appropriateness and completeness of the sustainability and climate disclosures provided in the Investec Group's 2024 integrated and strategic annual report was reviewed.

### Sustainability through an integrated approach

We are guided by our climate change and biodiversity statements and policies on environmental and social risk. Climate and nature-related risk considerations are integrated into a multidisciplinary, company-wide management process throughout the Group. The various Investec executive forums and Boards actively engage on numerous sustainability activities and opportunities.

| | |
|---|---|
| **Board level** | • DLC Board (Investec plc and Investec Limited)<br>• DLC Social and Ethics Committee (DLC SEC)<br>• DLC Board Risk and Capital Committee (DLC BRCC)<br>• Investec Bank plc (IBP) BRCC<br>• Investec Bank Limited (IBL) BRCC<br>• DLC Audit Committee<br>• DLC Remuneration Committee |
| **Executive level** | • Chief Strategy and Sustainability Officer<br>• Group ESG Executive Committee<br>• Group Executive Risk Committee (ERC) |
| **Management level** | • Investec Limited Sustainable Business Forum<br>• Investec plc Sustainable Business Forum<br>• Investec Wealth & Investment International Responsible Investment Committee |
| **Business and employees** | • Investec Group sustainability team<br>• Investec Limited sustainability team<br>• Investec plc sustainability team<br>• Investec Wealth & Investment International sustainability team |

MEMBERSHIPS AND PARTICIPATION

# Memberships and participation

Our commitment to sustainability and climate change is reinforced by the many organisations that we support and engage with as shown below*.

**Ratings and rankings in the sustainability indices**

S&P Global

Top 4%
in the global diversified financial services sector (inclusion since 2006)

SUSTAINALYTICS a Morningstar company RATED

Top 7%
of global diversified banks and included in the Global Sustainability Leader Index

MSCI ESG RATINGS AAA

Top 2%
in the financial services sector in the MSCI Global Sustainability Index

CDP DISCLOSURE INSIGHT ACTION

Score A-
against an industry average of B

Corporate ESG Performance Prime RATED BY ISS ESG

Rated Prime: best in class

GLOBAL100

Top 100
Global Sustainable Companies - Corporate Knights

FTSE4Good

Included in the FTSE4Good Index

JSE FTSE Russell

Top 30
in the FTSE/JSE Responsible Investment Index

* Ratings may change from year to year as these methodologies mature.

AFRICAN NATURAL CAPITAL ALLIANCE

## TNFD pilot in partnership with FSD Africa

The African Natural Capital Alliance (ANCA), actively engages its members and stakeholders through a range of tailored initiatives to influence Africa's nature agenda. These initiatives include working groups, roadshows, webinars, publications, and newsletters.

In 2023, Investec joined ANCA to collaborate with other African businesses in adopting the Task Force on Nature-related Financial Disclosures (TNFD). The discussions within ANCA primarily focus on reporting on the TNFD, implementing the LEAP (Locate, Evaluate, Assess and Prepare) approach, and quantifying biodiversity impacts and dependencies. To ensure effective participation, two to three members of Investec's Group Sustainability team attend the monthly working group meetings with various financial institutions and other businesses.

Additionally, ANCA offers capacity building for its members through the TNFD pilot, partnering with FSD Africa to help enhance the capacity of ANCA members.

PBAF Partnership for Biodiversity Accounting Financials

## Partnership for Biodiversity Accounting Financials (PBAF)

Investec has actively participated in the PBAF working group, along with other global financial services organisations. PBAF focuses on highlighting the importance of biodiversity in relation to finances and how it can impact economic growth.

As part of this engagement, Investec attended various PBAF webinars, including one that discussed biodiversity credits and their implementation. In June 2023, PBAF released a standard for financial institutions to measure the impact of loans and investments on biodiversity. This standard aligns with the Global Biodiversity Framework (GBF), ensuring that when target setting is reached, it is in line with global frameworks and standards.

Investec actively contributed to PBAF's efforts by participating in a questionnaire and interview, assisting in identifying gaps in assessing biodiversity impacts and dependencies within the financial services sector.

CLIMATE-RELATED DISCLOSURES

# Climate-related disclosures

Our climate-related disclosures as at the end of 31 March 2024 are in accordance with sections 414CA and 414CB of the Companies Act 2006 which outline requirements for non-financial reporting. The table on page 190 is intended to provide our stakeholders with the content they need to understand our development, performance, position and the impact of our activities with regards to non-financial and sustainability matters.

Further information on these matters is included within the non-financial reporting section on page 190 and on our website.

We believe that our widest and most positive influence is realised when our businesses use their specialist skills in advisory, lending and investing to support our clients and stakeholders to move as quickly and smoothly as possible towards a zero-carbon economy.

## 01 Maintaining carbon neutral status within our global operations

**Highlights**

- We are incorporating environmental values into our culture and decision making
- We have maintained carbon neutral status for the sixth consecutive year
- Our direct operational carbon footprint decreased by 5% compared to March 2023. While we endeavour to continue to make reductions and increase efficiencies, some of these reductions in the past financial year are due to the W&I UK and Rathbones Combination in September 2023
- We have procured 100% global electricity from renewable sources using green tariffs and renewable electricity certificates where feasible
- We have committed to net-zero in our Scope 3 financed emissions by 2050.

## 02 Financing a resilient economy and partnering with our clients

**Highlights**

- We introduced an enhanced Sustainable and Transition Finance Classification Framework to guide our decision-making processes as we actively pursue our 2050 net-zero ambition
- We are developing and rigorously testing targets to be released by 31 March 2025. These targets will be integrated with executive KPIs, ensuring that leaders are held accountable for achieving our sustainability ambitions.
- We have established Sustainable Business Forums in both the UK and South Africa that develop and integrate sustainability strategies into our business processes, commercial plays, and incentive frameworks, addressing our own aspirations as well as the expectations of our stakeholders.

## 03 Managing and steering our portfolios towards a net-zero world

**Highlights**

- We have committed to zero thermal coal exposures in our loan book by 31 March 2030
- We are monitoring and managing our exposures to fossil fuels and other high-emitting sectors
- We have made significant progress in improving the data quality and processes. This involved implementing rigorous data collection processes to ensure that the data we use is accurate, reliable, and up-to-date
- We have dedicated significant resources to automate the financed emissions calculations using the PCAF methodology which improved alignment across our jurisdictions and improved the consistency of applied methodologies.

## 04 Continuing our participation in advocacy and collaboration

**Highlights**

- Our commitment to sustainability is evident from the many organisations with whom we engage and support
- Active collaboration and participation in sustainable initiatives can direct capital towards environmentally and socially responsible projects
- Actively working with regulators allows us to stay informed around regulatory changes and ensure compliance with evolving sustainability frameworks. Furthermore, participation and engagement can help shape policies and standards that promote sustainability within the industry.

CLIMATE AND NATURE FRAMEWORK

# Climate and nature framework

## Transitioning to a zero-carbon economy

## Governance

**Board of Directors**

At the highest governance level, the Board has the ultimate accountability to monitor how well the Group is operating as a responsible organisation.

This includes considerations around climate and nature-related risks and opportunities when reviewing the Group strategy.

**Board-appointed committees**

The Board is supported by various Board-appointed committees, with each contributing its specialised capability around climate- and nature-related risks and opportunities.

These include:

- DLC SEC
- DLC BRCC
- DLC Audit Committee
- DLC Remuneration Committee.

**Executive responsibility**

For climate and nature-related risks and opportunities, our CE, Fani Titi, takes ultimate executive accountability.

The CE is supported by the:

- Group ESG Executive Committee that reports relevant sustainability matters to the DLC SEC and Group Executive Risk Committee (ERC)
- Executive responsibility within the Specialist Banks
- Executive responsibility within Wealth & Investment International.

**Management responsibility**

- We have established Sustainable Business Forums in both the UK and South Africa that develop and integrate sustainability strategies into our business processes, commercial plays, and incentive frameworks, addressing our own aspirations as well as the expectations of our stakeholders
- Within Wealth & Investment International, the Responsible Investment Committee integrate sustainability-related matters across their business.

**Publicly available policies and statements**

- Environmental policy and climate change statement
- Operational resilience statement
- Fossil fuel policy
- Biodiversity policy
- The way we do business policy
- Sustainable and Transition Finance Classification Framework.

## Strategy

We see climate change as both a business opportunity and a risk, therefore our strategy is based on the following:

- Supporting the Paris Climate Agreement and acknowledging the urgency of climate change
- Minimising our direct negative carbon impacts and committing to ongoing carbon neutrality
- Reducing our fossil fuel exposure with definitive deadlines
- Driving sustainability and transition finance activities through products and services that help accelerate the transition
- Influencing our clients and suppliers to effectively pursue decarbonisation
- Actively participating in industry discussions to ensure an aligned and comprehensive approach.

## Risk management

**Compliance and screening**

- We identify climate and nature-related risks by integrating sustainability considerations into our day-to-day operations.

**Business opportunities**

- We use our specialist skills in advisory, lending and investing to support clients' sustainability ambitions
- We use our expertise to focus on financing infrastructure solutions that promote renewable and clean energy, and green buildings
- Through our approach to the SDGs, we can accelerate sustainable and transition finance that supports the transition towards a low-carbon economy.

**Environmental management**

- We have an environmental management system that manages and tracks our direct carbon impact.

**Climate and nature-related risks**

- Our climate change framework takes into account our commitment towards a net-zero carbon economy. In addition, our biodiversity statement strengthens our commitment to protecting our natural environment. As such, we adopt a precautionary approach towards managing climate and nature-related risks in all our decision-making processes.

## Measurement

- We have committed to ongoing carbon neutrality in our direct operations
- We follow the recommendations set out by the TCFD and the regulatory guidance in our two core jurisdictions
- We disclose our full energy lending portfolio including fossil fuel exposures across the Investec Group
- We include non-financial and sustainability-related targets within executive remuneration
- Investec plc has committed to zero coal in its loan book by 31 March 2027
- Investec Limited and Investec Group have committed to zero thermal coal in their loan books by 31 March 2030.

For more information, refer to the Investec Group's 2024 sustainability report and the Investec Group's 2024 climate and nature-related financial disclosures report.

# Governance

06

IN THIS SECTION

CHAIR'S INTRODUCTION

# Continued execution of our growth strategy with a focus on optimising shareholder returns while creating enduring worth for all our stakeholders

**Philip Hourquebie**
Chair

The Board is responsible for the governance and performance of the Group and setting the strategic direction, guided by the Group's purpose and values. Throughout the year, the Board focused on the continued implementation of strategic actions to further the Group's growth strategy while supporting resilient financial performance.

Investec has achieved solid financial results, notwithstanding the challenging macroeconomic environment within which the Group operated. With the COVID-19 years leaving a legacy of high inflation globally, it is encouraging to note that the past financial year saw inflation moderate, resulting in an end to the interest rate hike cycle that had firmly gripped both the UK and SA, as well as other key jurisdictions.

Economic growth had weakened in both SA, where there were infrastructure related constraints particularly in the electricity, freight and water sectors, and the UK, with the cost-of-living crisis, low consumer confidence and reduced economic activity. From a global perspective, geo-political tensions, particularly the war in the Ukraine and the conflict in the Middle East, and bank failures in the United States and Europe had resulted in market disruption and an increased risk environment for the Group and our stakeholders.

General elections will be held in a number of jurisdictions where the Group operates and this is likely to amplify policy and political uncertainty. In South Africa, investor sentiment was dampened by uncertainty surrounding the nature of a coalition government, following the national election in May 2024 which was declared free and fair on 2 June 2024. President Ramaphosa announced the formation of a Government of National Unity (GNU) in order to provide a governing structure for the country. The establishment of the GNU was pursuant to the ANC's inability to retain majority support for the first time since the dawn of democracy and the party's decision to join other centre-leaning and moderate parties. The establishment of a new government has proceeded peacefully, with the first sitting of parliament having taken place on 14 June 2024. The sitting has allowed for the structures of parliament to be formed and President Ramaphosa to be sworn in for his second term.

We continue to maintain a robust risk management framework, which includes monitoring and ensuring an appropriate response to developments in our operating environments, including the capturing of potential opportunities and the management of disruptive effects on the Group.

The Group maintained strong capital and liquidity levels, allowing us to navigate the current volatile and uncertain environment, support our clients and build to scale our identified growth opportunities.

## People and culture

Our people continue to be at the heart of our business and the Board recognises that culture is a key differentiator for Investec and one that drives behaviour and enables us to fulfil our purpose. Our culture continues to evolve and regular reviews are conducted to understand and monitor the progression of our One Employee Value Proposition. Both executive management and the designated Non-Executive Director for workforce engagement, alongside the People & Organisation function, undertook Group-wide townhalls, diversity and inclusion workshops as well as culture workshops during the year. Regular reports on these activities were provided to the Board.

More details of the approach to diversity and workforce engagement can be found on pages 132 to 133 and page 162 respectively.

## Strategy

The Board has continued to oversee and monitor progress on the Group's strategy. Central to the strategy, is the Group's focus on growth and the strengthening of Investec's position within our key jurisdictions following the successful simplification of the business. A number of strategic actions had been executed throughout the year, including the all-share combination of Investec Wealth & Investment (IW&I) UK with Rathbones Group plc (Rathbones).

CHAIR'S INTRODUCTION
CONTINUED

The combination is reflective of the industry trend of consolidation and Investec's shareholding is indicative of its strategic long-term commitment to Rathbones. The all-share combination was considered and challenged by the Board throughout the year, particularly in terms of viability, the impact on stakeholders and execution risk. A Group Investment Committee comprising of Non-Executive and Executive Directors was established and mandated to analyse the transaction and review relevant terms before recommending the conclusion for approval to the Board.

More details on the transaction and the activities can be found on pages 16 to 17.

Other key strategic actions included the disposal of the property management companies to Burstone Group Limited (formerly known as Investec Property Fund) and the reduction in the Group investment portfolio predominantly following the restructure of The Bud Group holdings (formerly known as IEP) in the prior year to facilitate Investec's orderly exit and the successful share buy-back.

The actions taken throughout the year demonstrate the Group's commitment to its strategic priority to optimise shareholder returns while creating enduring worth for all our stakeholders.

Our success in executing our strategy so far can also be seen in the notable awards won within the Group which can be found on pages 75 to 97.

## Financial performance

The Group's diversified revenue streams and the success of our client acquisition strategies across our client franchises have continued to underpin a solid performance, notwithstanding the uncertain macroeconomic environment, including the impact of higher interest rates, and persistent market volatility that prevailed. The Group has maintained focus on the disciplined execution of our strategy and ensuring financial and operational resilience.

Read more on our financial performance on pages 65 to 69.

## Stakeholder engagement

The Board recognises the importance of establishing and maintaining good relationships with all stakeholders. We work hard to understand the particular needs of each stakeholder and determine the most effective way to engage with them.

Read more in our section 172(1) statement on pages 24 to 34 which includes the recent consultation with shareholders inviting them to provide input into the DLC Executive Directors' Remuneration Policy and details of the interaction with our regulators.

## Board effectiveness

A key component of governance is ensuring the Board's efficacy in exercising its responsibilities. This year the Board participated in an internally facilitated evaluation process overseen by the DLC Nominations and Directors' Affairs Committee. The findings of this review indicated that the Board and its committees were operating effectively.

More detail of the findings and progress against these findings can be found on page 165.

## Board composition and succession planning

As indicated in last year's annual report, one of the focus areas for the financial year was to oversee the succession plan for the Board and senior management. As a result of the Board choosing to simplify its structure, Richard Wainwright and Ciaran Whelan did not stand for re-election at the 2023 AGM. In addition to this, and as part of orderly succession planning, Richard Wainwright also stepped down as CEO of Investec Bank Limited (IBL) with effect from 1 April 2024. I would like to offer my sincere thanks to Richard, who has been with Investec since 1995 in various capacities and was CEO of IBL for eight years, playing an integral role in the success of Investec. I would additionally like to congratulate Cumesh Moodliar, who succeeded Richard, on his appointment as IBL's new CEO effective 01 April 2024. Further details of this appointment can be found in the annual report of IBL.

As previously indicated, Zarina Bassa will not be standing for re-election at the 2024 AGM as she has reached her nine years of service with the Group and will accordingly step down from the Boards of the Group, IBL and IBP and subsidiaries in August 2024.

Philisiwe Sibiya has indicated that she too will not be seeking re-election at the 2024 AGM as she is looking to focus on her own business and other boards.

On behalf of the Board, I would like to express my gratitude to Zarina and Philisiwe for their service, dedication and commitment throughout their tenure as Non-Executive Directors. I would also like to extend my gratitude to Zarina for her diligence in fulfilling her role as a Senior Independent Director of the Group and Chair of the Group Audit Committee.

Diane Radley was appointed as a Non-Executive Director of the Group and IBL on 06 March 2024 and will succeed Zarina as Chair of the Group Audit Committee. On behalf of the Board, I would like to wish Diane a warm welcome to Investec and look forward to working with her over the next few years. Further details of the selection process can be found in the DLC Nomination and Directors' Affairs Committee on page 97 to 100 of the 2024 Investec Group risk and governance report.

The DLC Nomination and Directors' Affairs Committee also worked alongside the IBP Nominations Committee to identify the successor for Brian Stevenson as Chair of Investec Bank plc. Following an extensive process, John Reizenstein was appointed as a non-executive of Investec Bank plc on 2 April 2024, to succeed Brian as Chair of IBP. Further details of the selection process can be found in the IBP annual report and accounts.

Succession planning is a key component of good governance as it ensures that there is an appropriate mix of skills, knowledge, experience and diversity on the Board and at a senior manager level.

Further details of the composition of the board and our approach to succession planning can be found on page 159 and 97 to 100 of the 2024 Investec Group risk and governance report.

CHAIR'S INTRODUCTION
CONTINUED

## Sustainability

In furthering our aim to live in society and not off it, we have continually challenged ourselves to meet our sustainability goals and have, accordingly, implemented various initiatives to advance our position. Throughout the year, progress was made to develop Investec Group's Sustainable and Transition Finance Classification Framework. The framework has been developed to shift the Group's commercial strategies towards more sustainable and transition finance transactions, in support of Investec's commitment to achieving net zero emissions by 2050. We remain resolute in our commitment and endeavour to create enduring worth through transformational growth for our people, clients, shareholders, communities and planet.

Further details can be found in the Investec Group's 2024 sustainability report which is published and available on the Investec website.

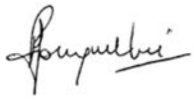
## Corporate governance .

The Group's statements of compliance with the UK Corporate Governance Code 2018 and King IV™ can be found on pages 150 and 151.

## In conclusion

The Group's performance validates the previous need for simplification and the success of our growth strategy so far. The performance also testifies to the robustness and flexibility of our people, systems and controls. As we move forward, and in order to continue delivering strong results, we are looking to continue implementing strategic actions to optimise Investec's returns, further develop connected client eco-systems across our businesses and beyond, scale new growth initiatives through continuous digitalisation and the strategic use of data.

Finally, I would like to thank our clients, for their continued support, our people for their commitment and drive to deliver strong results and my fellow Board members for their diligence and dedication.



**Philip Hourquebie**
Chair
24 June 2024

DIRECTOR BIOGRAPHIES

# Who we are

Biographies of our Directors are outlined on the following pages, including their relevant skills and experience, key external appointments and any appointments to Board committees.

**Committee membership key**

| | |
|---|---|
| B | DLC BRCC |
| N | DLC Nomdac |
| R | DLC Remuneration Committee |
| A | DLC Audit Committee |
| S | DLC SEC |
| ■ | Denotes Committee Chair |

## Philip Hourquebie

Chair

B N R

**Age**
71

**Nationality**
British

**Qualifications**
BAcc, BCom (Hons), CA (SA)

**Date of appointment**
August 2017 (Board),
August 2021 (Chair)

**Independent**
On appointment

**Relevant skills and experience**
Philip has substantial international and advisory experience, gained through a long career at Ernst & Young, where he held various positions, including Managing Partner for the sub-Saharan Africa and later, Central and South East Europe regions. This career experience, in conjunction with his time as Chair of the South African Institute of Chartered Accountants, brings deep finance, strategic, leadership and operational experience.

**External appointments**
Aveng Ltd and Burstone Group Ltd (formerly known as Investec Property Fund Ltd)

## Zarina Bassa

Senior Independent Director

B N R A

**Age**
60

**Nationality**
South African

**Qualifications**
BAcc, DipAcc, CA (SA)

**Date of appointment**
November 2014 (Board),
April 2018 (SID)

**Independent**
Yes

**Relevant skills and experience**
Zarina's previous appointments include partner of Ernst & Young, Executive Director of Absa Bank, Chair of the South African Public Accountants' and Auditors' Board and the South African Auditing Standards Board. She has also been a member of the Accounting Standards Board, and a Non-Executive Director of the Financial Services Board, the South African Institute of Chartered Accountants, Kumba Iron Ore Limited, Mediclinic International, Sun International Limited, Mercedes South Africa, Oceana Group, Vodacom South Africa Proprietary Limited, YeboYethu Limited and Woolworths Holdings Limited. This background affords significant audit and risk experience, and financial, leadership, banking and regulatory reporting skills.

**External appointments**
JSE Ltd

# DIRECTOR BIOGRAPHIES
CONTINUED

B N R

**Age**
53

**Nationality**
British

**Qualifications**
BSc (Hons)

**Date of appointment**
August 2019

**Independent**
Yes

## Henrietta Baldock
Independent Non-Executive Director

**Relevant skills and experience**
Henrietta has extensive knowledge of the financial services sector, through her 25 years' experience in investment banking, most recently as Chair of the European Financial Institutions team at Bank of America Merrill Lynch, where she advised many boards on a number of significant transactions. In 2021, Henrietta was appointed Chair of Investec Wealth & Investment (UK), a position she held until the completion of the all-share combination with Rathbones in September 2023. Following this, Henrietta was appointed to the Rathbones Group plc Board. Henrietta's industry experience demonstrates her valuable strategic and transformation advisory skills.

**External appointments**
Legal and General Assurance Society Ltd, Legal and General Group plc and Rathbones Group plc

B S R

**Age**
57

**Nationality**
South African

**Qualifications**
BA, LLB, LLM, LLD

**Date of appointment**
May 2021

**Independent**
Yes

## Nicky Newton-King
Independent Non-Executive Director

**Relevant skills and experience**
Nicky is a lawyer by training. She was a senior Executive with the JSE for 23 years, and the CEO from 2012 to 2019. In her tenure at the JSE, Nicky was responsible for repositioning it as a modern securities exchange and as a thought leader amongst global exchanges around ESG. Nicky remains involved in a number of initiatives focused on education and social cohesion. This background affords her significant regulatory and business expertise, and knowledge of ESG matters.

**External appointments**
MTN Group Ltd and Stellenbosch University

B

**Age**
72

**Nationality**
South African

**Qualifications**
BComm, CA (SA), MBA, H Dip BDP, Hon DCom

**Date of appointment**
September 2020

**Independent**
No

## Stephen Koseff
Non-Executive Director

**Relevant skills and experience**
Stephen was with Investec for 39 years in various capacities and the Group CEO from 1996 to 2018. In 2017, Stephen was awarded an Honorary Doctor of Commerce Degree by the University of the Witwatersrand. He was a former member of Business Leadership South Africa, the Financial Markets Advisory Board, chairman and member of the South African Banking Association and Independent Bankers Association, and former director of the JSE and Bidvest Group. Stephen is Chair of Innovation Africa SA NPC and Co-Chair of the Youth Employment Service (YES). Stephen brings strong commercial, finance, risk and industry expertise to the Board.

**External appointments**
Bid Corporation Limited, Bravo Transport Holdings Ltd, Bud Group (Pty) Ltd, IEP Group (Pty) Ltd, Irongate Group Holdings (Pty) Ltd and ArrowPoint Capital

B S

**Age**
51

**Nationality**
South African

**Qualifications**
BSc, MBA

**Date of appointment**
May 2021

**Independent**
Yes

## Jasandra Nyker
Independent Non-Executive Director

**Relevant skills and experience**
Jasandra is a seasoned investor and developer in the energy transition industry having previously led the buildout of two successful renewable energy independent power producers. She has been CEO for 11 years of her career and has done business globally in most geographies in Africa, South-east Asia, Europe, USA and Latin America. This background demonstrates her extensive knowledge of and experience in building businesses, private equity investing and energy transition.

**External appointments**
Emira Property Fund Ltd

# DIRECTOR BIOGRAPHIES
CONTINUED

## Vanessa Olver

Independent Non-Executive Director

B N A

**Age**
50

**Nationality**
South African

**Qualifications**
BCom, HDipAcc, HDipTax, CA (SA), CPA (USA)

**Date of appointment**
May 2022

**Independent**
Yes

**Relevant skills and experience**
Vanessa is a chartered accountant, who has substantial strategic, risk, finance, governance, and technology related experience, having held a number of senior executive roles, including previously serving as Chief Enablement Officer (Rest of Africa) at Absa Group, Deputy Chief Executive Officer at Business Connexion Group and finance director of Stanbic Bank after having spent 7 years abroad at Deloitte US and Aviva plc.

Vanessa is also the Founder of Quantum Change, an advisory and recruitment firm which focuses on enabling clients' business strategies through precision execution.

**External appointments**
None

## Philisiwe Sibiya

Independent Non-Executive Director

B A

**Age**
47

**Nationality**
South African

**Qualifications**
BAcc, DIP Acc, CA (SA)

**Date of appointment**
August 2019

**Independent**
Yes

**Relevant skills and experience**
Philisiwe is the founder and CEO of the Shingai Group. She was in the telecommunications and media sector for 15 years, with 12 years spent at MTN Group where she held various roles including as Group Finance Executive of MTN Group, CFO of MTN South Africa and the CEO of MTN Cameroon. Prior to this she was with Arthur Andersen. Philisiwe has strong commercial and finance experience, further supporting the Board with her audit and risk management skills.

**External appointments**
AECI Ltd, Goldfields Ltd and Shingai Group (Pty) Ltd

## Diane Radley

Independent Non-Executive Director

B A

**Age**
58

**Nationality**
South African

**Qualifications**
BComm, BCompt (Hons), CA (SA), MBA (WBS), AMP (Harvard)

**Date of appointment**
March 2024

**Independent**
Yes

**Relevant skills and experience**
Diane's previous appointments include partner in charge of Transaction Services at PricewaterhouseCoopers, Group CFO of Allied Electronics Ltd, Group FD of Old Mutual South Africa Ltd and CEO of Old Mutual Investment Group Pty Ltd. She has also been a non-executive director of Omnia Holdings Ltd, WIPHold Ltd, Murray & Roberts Ltd, Bytes Technology Group Ltd and Allied Technologies Ltd. This background affords significant audit and risk experience, financial, leadership, banking, long term insurance, fintech, wealth, savings and investment and regulatory reporting skills.

**External appointments**
Network International plc, Redefine Properties Ltd, Base Resources Ltd, Transaction Capital Ltd

## Brian Stevenson

Independent Non-Executive Director

B N

**Age**
70

**Nationality**
British

**Qualifications**
MBA, ACIB, FCBI

**Date of appointment**
May 2021

**Independent**
Yes

**Relevant skills and experience**
Brian is the Chair of Investec Bank plc. He has substantial strategic, governance and financial services experience, having held a number of senior executive roles, including CEO and Chair of Royal Bank of Scotland's global transaction services division and as Head of Global Banking Division Asia Pacific at Deutsche Bank, as well as various non-executive positions including Agricultural Bank of China and Deutsche Bank Nederland and Westpac Europe Ltd. Brian was also an Advisory Board member of Lysis Financial and a Board Mentor at Critical Eye.

**External appointments**
None

# DIRECTOR BIOGRAPHIES
CONTINUED

**Committee membership key**

| | |
|---|---|
| B | DLC BRCC |
| N | DLC Nomdac |
| R | DLC Remuneration Committee |
| A | DLC Audit Committee |
| S | DLC SEC |
| ■ | Denotes Committee Chair |

## Fani Titi
Chief Executive

B S

**Age**
61

**Nationality**
South African

**Qualifications**
BSc Hons (cum laude), MA, MBA

**Date of appointment**
January 2004 (Board),
November 2011 (Chair),
May 2018 (Chief Executive)

**Independent**
No

**Relevant skills and experience**
Fani was appointed joint CEO of Investec Group on 1st April 2019, and sole Group Chief Executive on 16th March 2020. Prior to that Fani chaired the Investec Group Board between November 2011 and May 2018, and was a member of the Group Board since January 2004. Prior to joining Investec, Fani was a private equity professional with the private equity groups the Tiso group and Kagiso Trust Investments. Fani brings extensive banking and commercial expertise to the Board.

**External appointments**
IEP Group (Pty) Ltd

## Nishlan Samujh
Group Finance Director

B

**Age**
50

**Nationality**
South African

**Qualifications**
BAcc, HDipAcc, HDipTax, CA (SA)

**Date of appointment**
April 2019

**Independent**
No

**Relevant skills and experience**
Nishlan started his career at KPMG Inc. He joined Investec in 2000 as a technical accountant in the financial reporting team. In 2010 he took on the full responsibility for the finance function in South Africa, which later developed into the Global Head of Finance. He was then appointed Group Finance Director in 2019. This background affords significant financial expertise, and regulatory reporting skills.

**External appointments**
None

# COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

The UK Corporate Governance Code 2018 applied to the Group for the financial year ended 31 March 2024. The Board confirms that the Group applied the principles, the application of which are evidenced throughout this report.

The table below is designed to help shareholders evaluate how this has been achieved. The Board also considers that compliance has been achieved with the provisions throughout the year.

## Board leadership and company purpose

**A.** An effective entrepreneurial Board, which is collectively accountable for the long-term sustainable success of the Group, generating value for shareholders and contributing to the wider society (read more on pages 144 to 146).

**B.** Purpose, values and strategy are aligned with culture, which is promoted by the Board (read more on page 8).

**C.** Resources allow the Group to meet its objectives and measure performance. A framework of controls enables assessment and management of risk (read more on pages 103 and 107).

**D.** Engagement with the Group's stakeholders is effective and encourages their participation (read more on pages 24 to 34).

**E.** Workforce policies and practices are consistent with the Group's purpose and values, and overseen by the Board (read more on page 162). The workforce is able to raise matters of concern, with the responsibility for whistleblowing arrangements being assigned to the subsidiary Audit Committees of the Group, in accordance with their regulatory obligations.

## Division of responsibilities

**F.** The Chair has overall responsibility for the leadership of the Board and for ensuring its effectiveness in all aspects of its operations (read more on page 153).

**G.** The Board comprises an appropriate combination of Non-Executive and Executive Directors (read more on pages 146 to 149).

**H.** Non-Executive Directors are advised of time commitments prior to appointment. The time commitments of the directors are considered by the Board on appointment, and annually thereafter. External appointments, which may affect existing time commitments, must be agreed with the Chair, and prior approval must be obtained before taking on any new external appointments.

**I.** The company secretaries and the correct policies, processes, information, time and resources support the functioning of the Board.

## Composition, succession and evaluation

**J.** There is a procedure for Board appointments and succession plans for Board and senior management which recognises merit and promotes diversity (read more on page 97 of the Investec Group's 2024 risk and governance report).

**K.** There is a combination of skills, experience and knowledge across the Board and the Board committees. Independence, tenure and membership are regularly considered (read more on pages 156 to 159).

**L.** The annual effectiveness review of the Board and the individual directors considers overall composition, diversity, effectiveness and contribution (read more on page 165).

## Audit, risks and internal controls

**M.** Policies and procedures have been established to ensure the independence and effectiveness of the internal and external audit functions. The Board satisfies itself of the integrity of the Group's financial and narrative statements (read more on pages 106 to 118 of the Investec Group's 2024 risk and governance report).

**N.** The Board presents a fair, balanced and understandable assessment of the Group's position and prospects (read more on page 114 of the Investec Group's 2024 risk and governance report).

**O.** Procedures are in place to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Group is willing to take in order to achieve its long-term strategic objectives (read more on pages 119 to 124 of the Investec Group's 2024 risk and governance report).

## Remuneration

**P.** The Group is committed to offering all employees a reward package that is competitive, performance-driven and fair. Our policies are designed to support the Group's strategy and to promote its long-term sustainable success, with executive remuneration aligned to our purpose, values and strategic objectives and delivery (read more on pages 179 to 183).

**Q.** A transparent and formal procedure is used to develop policy and agree executive and senior management remuneration (read more on pages 179 to 183).

**R.** The remuneration policy seeks to ensure all remuneration decisions made by directors fully consider the wider circumstances as appropriate, including, but not limited to, individual performance (read more on pages 179 to 182).

# COMPLIANCE WITH THE KING IV CODE

The King IV™ Corporate Governance Code (King IV™) applied to the Group for the financial year ended 31 March 2024. The Board confirms that the Group has complied with the principles, the application of which are evidenced throughout this report.

The table below is designed to help shareholders evaluate how this has been achieved. The Board considers compliance has been achieved throughout the year. Regarding application of these principles refer to the King IV Compliance Statement as available on www.investec.com.

## Leadership, Ethics and Corporate Citizenship

**A.** Investec's values are embodied in a written statement of values, which serves as our code of ethics. The Becoming Acquainted with Investec (BAWI) policy is the overarching reference which governs or guides management in implementing Investec's overall core values, ethics and standards.

## Strategy, Performance and Reporting

**B.** This report covers all our activities across the various geographies in which we operate and has been structured to provide stakeholders with relevant financial and non-financial information (read more on pages 6 to 13 and 44 to 100).

## Governance Structures and Delegation

**C.** The Board sets the tone from the top in the way it conducts itself and oversees the structures and the framework for corporate governance. The Board Charter details the Board's role, matters specifically reserved for the Board, delegation to the Group Chief Executive, membership requirements and procedural conduct at Board meetings, amongst other matters.

**D.** The composition of the Board and its committees are in line with the King IV™ Code and there is a clear balance of power to ensure that no individual has undue decision-making powers.

**E.** Specific matters reserved for decision-making by the Board are disclosed in the Board Charter. The terms of reference of the various Board committees are in place and are covered by the formal Board evaluation process. The meeting schedule for Boards and committees is confirmed more than a year in advance and several Board members serve on more than one committee to ensure collaboration. The DLC Nomdac reviews the knowledge, skills, experience and capacity of all committee members on an ongoing basis.

**F.** The Board continues to be committed to regularly evaluating its own effectiveness and that of its committees. To this end, the Board undertakes an annual evaluation of its performance and that of its committees and individual directors, which is independently lead by an external specialist every third year.

**G.** The Board appoints the Chief Executive and has specifically authorised him to have the necessary powers and mandate to manage the Group and conduct the affairs of the Group in his discretion and as he deems fit, save for matters reserved for the Board.

## Governance Functional Areas

**H.** The Board assumes responsibility through the Information and Technology Management Charter (Charter) and the Technology Governance framework. This includes, at an executive level, the DLC IT Risk and Governance Committee, which enables the setting of direction for technology and information. A set of IT and Information Risk policies are defined for the Group. The Board delegates responsibility to management as defined in the Charter and monitors progress through the DLC IT Risk and Governance Committee.

**I.** The Board ensures that the Group complies with applicable laws and regulations, as well as adopted non-binding rules, codes and standards. The Group has identified the laws, codes and standards that impact its operations.

**J.** The DLC Audit Committee is the delegated governing body which meet at least four times a year, together with the Investec Limited and Investec plc Audit Committees which meet at least four times per year. It includes representatives from external audit, internal audit, compliance, and operational risk. A detailed report covering the Group in each of the above mentioned areas of speciality is tabled at each meeting.

**K.** The Directors' remuneration report sets out our remuneration policies and implementation thereof.

**L.** Refer to the DLC Audit Committee report as contained on pages 106 to 121 of the Investec Group's 2024 risk and governance report.

## Stakeholder Relationships

**M.** This report covers the period 1 April 2023 to 31 March 2024 and includes material issues up to the date of Board approval on 24 June 2024. The report covers all our activities across the various geographies in which we operate and has been structured to provide stakeholders with relevant financial and non-financial information.

# GOVERNANCE FRAMEWORK

Investec operates under a DLC structure and considers the corporate governance principles and regulations of both the UK and South Africa before adopting the most appropriate standard for the Group, and complies with the requirements in both jurisdictions.

From a legal perspective, the DLC comprises:

- Investec plc – a public company incorporated in the UK and listed on the London Stock Exchange (LSE), with secondary listings on the Johannesburg Stock Exchange (JSE) and A2X
- Investec Limited – a public company incorporated in South Africa and listed on the JSE, with secondary listings on A2X, the Namibia Stock Exchange (NSX) and the Botswana Stock Exchange (BSE).

The Boards of Investec plc and Investec Limited are identical in terms of their composition and Board meetings are held jointly. The committee structure has been derived from the requirements of the UK Corporate Governance Code and the King IV™ Code, as well as the activities of the Group.

Our governance activities are aligned with, and we accordingly comply with, the South African Companies Act, No. 71 of 2008, as amended (the South African Companies Act), the JSE Listings Requirements, the King IV™ Code, the South African Banks Act 94 of 1990 (South African Banks Act), the Investec Limited Memorandum of Incorporation, the UK Companies Act 2006 (UK Companies Act), the listing rules of the Financial Conduct Authority (FCA), the UK Corporate Governance Code 2018 and the Investec plc Articles of Association.

The Boards of Investec Bank plc and Investec Bank Limited, the UK and South African regulated banking subsidiaries of the Group respectively, and the Board of Investec Wealth & Investment (SA), the Group's wealth subsidiary, are responsible for the statutory matters and corporate governance for the respective entities. They ensure compliance with the applicable legislation and governance requirements of the jurisdictions within which they operate.

The subsidiary Boards and Board Committees report to the Board and the respective Board Committees of the Group. Interconnectivity between the respective Boards and Board Committees is further supported by:

- The membership or attendance of the Chair of the Group Committee at the respective subsidiary Committees
- The chairs of the subsidiary Boards being members of the Group Board
- The attendance of the Chair of the Group Board at the subsidiary Boards.

Throughout the current financial year, the Board has maintained its commitment to strengthening the interconnectivity between the Group Board and the Boards of our Specialist Banking and Wealth & Investment business. This effort has been characterised by the harmonisation of work plans and key governance processes to ensure a cohesive governance structure throughout the Group.

Further details as to the improvements made to our governance structure during the year may be found starting on page 95 of the Investec Group's 2024 risk and governance report.

The governance framework from a Group perspective is detailed below:

**Investec Limited and Investec plc Board**

| Our strategy | Our principal risks | s172(1) statement | Board activities | Sustainability |
|---|---|---|---|---|
| Pages 54 to 57 | Pages 108 to 119 | Pages 24 to 34 | Pages 160 to 161 | Pages 120 to 140 |

↑

| DLC Audit Committee | DLC Remuneration Committee | DLC Nominations and Directors' Affairs Committee | DLC Board Risk and Capital Committee | DLC Social and Ethics Committee |
|---|---|---|---|---|
| Page 155 | Page 155 | Page 154 | Page 154 | Page 155 |

↑

**Executive committees**

The Group executive committee is accountable to the Executive Directors for the implementation of the agreed strategy. This is achieved through the management of the Group's businesses, oversight of Group-wide performance and operational governance on a day-to-day basis. It is in turn supported by an executive/management committee structure.

↑

**Supporting committees**

# BOARD AND EXECUTIVE ROLES

The key governance roles and responsibilities of the Board and the Company Secretaries are outlined below:

## Chair

- Leads the effective operation and governance of the Board
- Sets agendas which support efficient and balanced decision-making
- Ensures effective Board relationships and a culture that supports constructive discussion, challenge and debate
- Leads the development of and monitors the effective implementation of policies and procedures for the induction, training and professional development of all Board members
- Oversees the evaluation of the performance of the Board collectively, Non-Executive Board members individually and contributes to the evaluation of the performance of the Executive Directors
- Ensures that the Board sets the tone from the top, with regards to culture
- Serves as the primary interface with regulators and other stakeholders on behalf of the Board.

## Chief Executive

- Leads and manages the Group within the authorities delegated by the Board
- Develops and recommends business plans, policies, strategies and objectives for consideration by the Board, taking into consideration business, economic and political trends that may affect the operations of the Group
- Proposes and directs the delivery of strategy as agreed by the Board
- Oversees the overall risk environment of the Group, ensuring robust risk management frameworks and controls are in place to identify, mitigate, and manage risks effectively
- Ensures the Group's culture is embedded and perpetuated across the organisation
- Develops and supports the growth of all the Group's businesses
- Develops and recommends our sustainability plans, policies and strategy
- Monitors and manages the operational requirements and administration of the Group.

## Finance Director / Chief Financial Officer

- Leads and manages the Group finance functions
- Provides the Board with updates on the Group's financial performance
- Provides strategic and financial guidance to ensure that the Group's financial objectives and commitments are met
- Oversees the financial management of the Group including financial planning, capital, cash flow and management reporting
- Develops all necessary policies and procedures to ensure the sound financial management and control of the Group's business.

## Senior Independent Director

- Acts as a sounding board for the Chair
- Leads the Board in the assessment of the effectiveness of the Chair
- Acts as a trusted intermediary for Non-Executive Directors, if required, to assist them in challenging and contributing effectively to the Board
- Addresses any concerns of shareholders and other stakeholders that are unable to be resolved through normal channels, or if contact through these channels is deemed inappropriate.

## Non-Executive Director

- Brings unique perspectives to the boardroom to facilitate constructive dialogue on proposals
- Constructively challenges and contributes to assist in developing the Group's strategy
- Monitors the performance of management against agreed strategic goals
- Oversees the effectiveness of internal controls and the integrity of financial reporting
- Reviews succession planning for the Board, Executives and senior management
- Oversees the management of risk and capital, as set out in the risk and capital management frameworks
- Monitors the Group's progress with regards to our sustainability strategy
- Oversees the remuneration of the Executives and the Group's employees.

## Company Secretaries

- Maintains the flow of information to the Board and its committees and ensures compliance with Board procedures
- Ensures and keeps the Board updated on corporate governance developments
- Facilitates a programme for the induction and ongoing development of directors
- Provides advice, services and support to all directors as and when required.

# Summary of Board committees

The following pages provide a summary of the mandate, composition and key matters considered in the year by the Board committees. Further details may be found in the Investec Group's 2024 risk and governance report and remuneration report.

## DLC Board Risk and Capital Committee

**Chair**
Vanessa Olver

**Members**
Henrietta Baldock
Zarina Bassa
Fani Titi
Philip Hourquebie
Stephen Koseff
Nicky Newton-King
Jasandra Nyker
Nishlan Samujh
Philisiwe Sibiya
Brian Stevenson
Diane Radley

**Number of meetings**

5

**Mandate**
The Committee is mandated by the Board to have oversight over the risk and capital management framework of the Group and its subsidiaries and to assist the Board in its responsibilities to ensure that the Group maintains effective systems and processes for the management and control of risk and capital exposures. The Committee's responsibilities extend across all of the Group's activities.

**Key matters dealt with in the year**

- Monitored global headwinds including the ongoing war in the Ukraine, the geopolitical tension in the Middle East, the strained relationship between China and Taiwan, challenges in the Chinese economy
- Monitored the inflation and interest rate environment locally and globally
- Focussed on Technology, Innovation including cyber security risks
- Focussed on climate, nature and energy
- Closely monitored credit books given the macro's and potential for an increase in defaults
- Monitored liquidity and capital at all times considering UK and US banking failures and global and local headwinds.

Read more on pages 119 to 124 of the Investec Group's 2024 risk and governance report.

## DLC Nominations and Directors' Affairs Committee

**Chair**
Philip Hourquebie

**Members**
Henrietta Baldock
Zarina Bassa
Vanessa Olver
Brian Stevenson
Nicky Newton-King

**Number of meetings**

6

**Mandate**
The Committee is mandated by the Board to have oversight of and give assurance to the Board on matters relating to governance and, in particular, the composition of the Boards and Board committees of the Group.

**Key matters dealt with in the year**

- Considered and had oversight of the succession plans for the Board and senior management
- Review of the ongoing implementation of the Investec Reserved Matters
- Recruitment of a new Non-Executive Director
- Considered the 2023/24 annual Board effectiveness review, and the actions arising from the internally facilitated review.

Read more on pages 97 to 100 of the Investec Group's 2024 risk and governance report.

# SUMMARY OF BOARD COMMITTEES
CONTINUED

## DLC Remuneration Committee

**Chair**
Henrietta Baldock

**Members**
Zarina Bassa
Philip Hourquebie
Nicky Newton-King

**Number of meetings**
7

**Mandate**
The Committee is tasked by the Board to provide effective oversight of the Group's remuneration processes and arrangements. It ensures the implementation of remuneration policies and practices that align with and support the Group's strategy, fostering long-term sustainable success. These policies aim to fairly reward individuals and establish a clear link between corporate and individual performance.

**Key matters dealt with in the year**

- Developed new three-year Directors Remuneration Policy to be tabled at the AGM for shareholders approval in August 2024
- Engaged extensively with our key shareholders and key shareholder bodies in the development of the proposed new Directors' Remuneration Policy. This includes amendments due to the removal of the "bonus cap" in the UK, and incorporated feedback from shareholders and shareholder bodies
- Spent extensive time on the development of new ESG performance measures to be incorporated in the revised Directors' Remuneration Policy
- Drove further alignment of the remuneration structure of the Group Executive Team and business unit executives to the Executive Directors Remuneration Policy.

Read more on pages 27 to 52 of the Investec DLC Remuneration report.

## DLC Audit Committee

**Chair**
Zarina Bassa

**Members**
Vanessa Olver
Diane Radley
Philisiwe Sibiya

**Number of meetings**
11

**Mandate**
The DLC Audit Committee is mandated by the Board to perform the statutory duties of an Audit Committee as per the UK and SA legislation, in respect of the financial reporting environment, the consolidated financial report and financial statements for the DLC Group.

**Key matters dealt with in the year**

- Challenged the level of ECL, model and methodology and assumptions applied to calculate the ECL provisions held by the Group
- Considered potential legal and uncertain tax matters with a view to ensuring appropriate accounting treatment in the financial statements
- Evaluated the appropriateness of the accounting treatment of the discontinued operations of IW&I UK and the Investec Property Fund, and the accounting treatment of the investments in Rathbones, IEP and the Burstone Group
- Concluded a comprehensive tender process in respect of the rotation of the second joint audit firm of Investec Ltd and the audit firm for Investec plc
- Oversaw the commencement of the shadow audit process by Deloitte & Touche Inc. and Deloitte LLP for the audit of the Group.

Read more on pages 106 to 118 of the Investec Group's 2024 risk and governance report.

## DLC Social and Ethics Committee

**Chair**
Nicky Newton-King

**Members**
Morris Mthombeni
Jasandra Nyker
Fani Titi

**Number of meetings**
4

**Mandate**
The Committee is mandated by the Board to have oversight of and to report on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships for the Group.

**Key matters dealt with in the year**

- Supported and monitored the advancement of the Group's Purpose driven initiatives
- Supported the advancement of the Group's belonging, inclusion and diversity initiatives
- Monitored the Group's climate-related targets and progress in respect of these targets.
- Oversaw initiatives to ensure alignment with our net-zero ambitions to the Paris Agreement
- Supported the Group DLC Remuneration Committee in selecting the appropriate sustainability linked Key Performance Indicators for the 2024 remuneration policy.

Read more on pages 101 to 105 of the Investec Group's 2024 risk and governance report.

BOARD COMPOSITION

# An experienced and diverse team

## Board composition

The composition of the Board has been designed to ensure that we have the appropriate mix of knowledge, skills, experience, independence and diversity. These qualities are the foundation for the range of perspectives, insights and challenge needed to drive good decision-making in order to support the delivery of the Group's strategic objectives.

**Membership**

At the date of this annual report, the Board comprised two Executive Directors and ten Non-Executive Directors, including the Chair.

The changes to the composition of the Board during the year, following the year end as well as those forthcoming, are detailed on page 144.

The names of the Directors during the year, and the dates of their appointments are set out on pages 146 to 149.

**Independence**

The Board considers the guidance set out in the UK Corporate Governance Code, the King IV™ Code, and directive 4/2018 as issued by the South African Prudential Authority, when considering the independence of members of the Board.

The Board is of the view that the Chair, Philip Hourquebie, was independent on appointment. Prior to becoming Chair, Philip was an independent Non-Executive Director.

Throughout the year ended 31 March 2024, the Board was compliant with the UK Corporate Governance Code and the King IV™ Code, in that the majority of the Board, excluding the Chair, comprised independent Non-Executive Directors.

The Board considers all relevant circumstances, in ensuring that the Directors demonstrate independence of character and judgement, and provide challenge to the Executive Board members in the boardroom.

The Board believes that it functions effectively and that the Non-Executive Directors are independent of management and promote the interests of stakeholders.

The Board's deliberation on the independence of the Non-Executive Directors included the consideration of the following relationships and associations in regards to specific Directors:

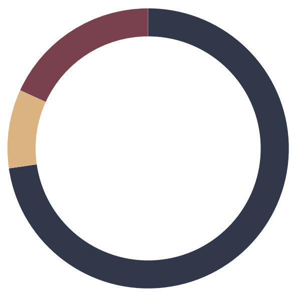
- The nine-year anniversary of the appointment of Zarina Bassa to the Board was on 1 November 2023. In accordance with directive 4/2018, as issued by the South African Prudential Authority, the Board has obtained permission for Zarina to remain as an independent Non-Executive Director until the 2024 AGM. This arrangement will allow for a more measured Board succession and support the continued transition of Non-Executive Directors.
- Stephen Koseff was the former CEO of the Group. Given the independence guidance provided in the UK Corporate Governance Code and the King IV™ Code and noting that Stephen stepped down as an Executive Director in August 2019, the Board concluded that Stephen could not be considered independent.
- Prior to her appointment to the Board, Diane Radley was a partner at PricewaterhouseCoopers from 1987 to 2001. The Board has concluded that, notwithstanding her previous role at PricewaterhouseCoopers, Diane maintains independence of judgement in her Board position at Investec Limited. This conclusion is based on the fact that Diane was never designated as the auditor nor relationship partner for Investec Limited, nor was she involved with the Investec account during her tenure at PricewaterhouseCoopers. Additionally, the significant length of time since her association with PricewaterhouseCoopers further supports her independence. As part of her commitment to maintaining independence and focusing on her role at Investec Limited, Diane is currently engaged in a carefully structured programme to gradually reduce her external directorships.

## Tenure

The Board also considers tenure when examining independence, and when discussing the composition of the Board as a whole. The Board is mindful that there needs to be a balance resulting from the benefits brought by new independent directors, versus retaining individuals with the appropriate skills, knowledge and experience, and an understanding of Investec's unique culture.

The Board does not believe that the tenure of any of the identified independent Non-Executive Directors standing for re-election at the AGM in August 2024 interferes with their independence of judgement or their ability to act in the Group's best interest.

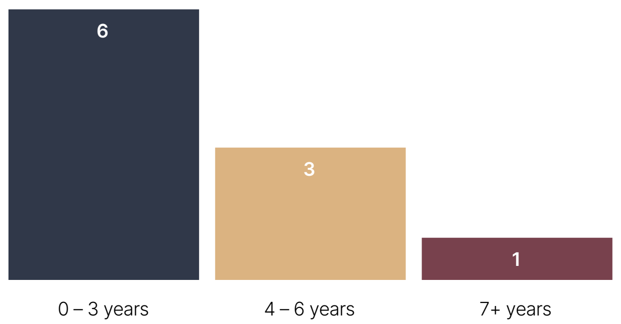
**Independence**
excluding the Chair



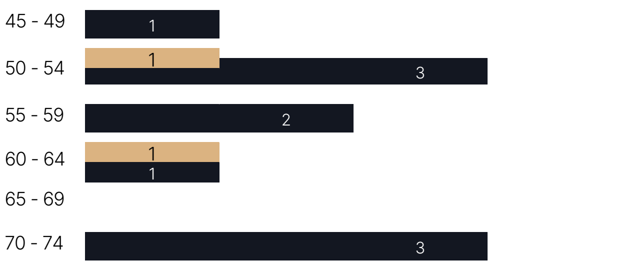
| | |
|---|---|
| Independent Non-Executive Directors | 8 |
| Non-Executive Directors | 1 |
| Executive Directors | 2 |

# BOARD COMPOSITION
CONTINUED

**Non-Executive Director tenure**




**Age on 21 June 2024**
years




Non-Executive Directors
Executive Directors

### Diversity

The Board places great emphasis on ensuring that its membership reflects diversity in its broadest sense. Consideration is given to the combination of demographics, skills, experience, race, ethnicity, religion, age, gender, educational and professional background and other relevant personal attributes. The aim is to provide the range of perspectives, insights and challenge needed to support good decision-making by the Board.

New appointments are made on merit, taking into account the specific skills, experience, independence and knowledge needed to ensure a well-rounded Board and the diverse benefits each candidate can bring to the overall Board composition.

The Board is targeting at least 40% female representation on the Board.

The gender balance of those in Executive and senior management roles and their direct reports, and further information on the Group's broader approach to inclusion and diversity can be found on pages 132 and 133 in the 2024 Group sustainability report.

In accordance with the requirements of the South African Financial Sector Code, the Board has two further internal objectives:

- A minimum of 25% of the Board members who are ordinarily resident in South Africa should be black women
- A minimum of 50% of the Board members who are ordinarily resident in South Africa should be black people.

As at 21 June 2024:

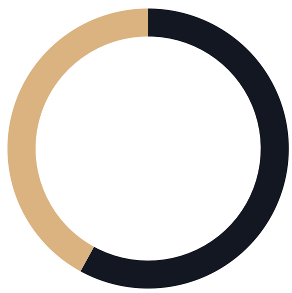
- 58% of the Board members are female
- 42% of the Board members are from a minority ethnic background (as defined by the UK Listing Rules)
- 29% of the Board members ordinarily resident in South Africa are black women
- 57% of the Board members ordinarily resident in South Africa are black people.

The Board aims that over time its composition will achieve these goals, and diversity is therefore a key consideration when planning for succession and deliberating on potential Board appointments.

**Gender diversity**

| | |
|---|---|
| Male | 5 |
| Female | 7 |

**Ethnic diversity**



| | |
|---|---|
| White | 7 |
| Black | 5 |

# BOARD COMPOSITION
CONTINUED

## Board and executive management diversity[1]

at 21 June 2024

| Sex | Number of Board members | Percentage of the Board | Number of senior positions on the Board (CEO, CFO, SID and Chair) | Number in executive management[2] | Percentage of executive management |
|---|---|---|---|---|---|
| Men | 5 | 42% | 3 | 10 | 77% |
| Women | 7 | 58% | 1 | 3 | 23% |
| Not specified / prefer not to say | — | — | — | — | — |

| Ethnic background | Number of Board members | Percentage of the Board | Number of senior positions on the Board (CEO, CFO, SID and Chair) | Number in executive management[2] | Percentage of executive management |
|---|---|---|---|---|---|
| White British or other White (including minority-white groups) | 7 | 58% | 1 | 8 | 62% |
| Mixed / multiple ethnic groups | — | — | — | — | — |
| Asian / Asian British | 2 | 17% | 2 | 3 | 23% |
| Black / African / Caribbean / Black British | 3 | 25% | 1 | 2 | 15% |
| Other ethnic group, including Arab | — | — | — | | |
| Not specified / prefer not to say | — | — | — | — | — |

1. These tables detail our disclosure in respect of UK Listing Rule 9.8.6R. As at 21 June 2024, we had met the targets set out under LR 9.8.6R (9), in that at least 40% of the individuals on the Board are women and that at least one of the Chair, CEO, CFO or SID is female. The data in these tables was gathered through individual communication with the members of the Board and executive management.
2. This is the executive committee below the Board (the Group Executive Team) and the two Company Secretaries. We exclude Board Members from this group.

# BOARD COMPOSITION
CONTINUED

## Skills

The Board considers the collective skills, knowledge and experience of the Directors, when assessing the overall composition and suitability of the Board. In addition to a range of skills, the Board also values the innate difference in approach and thinking styles, which results from the varied backgrounds and experiences of our Directors. This is covered more fully in the individual biographies across pages 146 to 149.

The skills matrix captures the key skills of our Directors, and is used by the DLC Nomdac in its annual assessment of the individual suitability of each Director and the collective suitability of the Board. During the year, the DLC Nomdac, on conducting its assessment, confirmed that it was satisfied that each of the individual Directors and the Board collectively were suitable.

The Board and DLC Nomdac also consider the skills matrix when reviewing the succession plans for the Board and believe that the Board's skills are appropriate.

**Skills**
(Number of Board members with respective skill)


## Attendance

| Members | Investec plc | Investec Limited | DLC Nominations and Directors' Affairs Committee | DLC Social and Ethics Committee | DLC Audit Committee | DLC Board Risk and Capital Committee |
|---|---|---|---|---|---|---|
| Philip Hourquebie (Chair) | 6/6 | 6/6 | 6/6 (Chair) | – | – | 5/5 |
| Fani Titi (Chief Executive) | 6/6 | 6/6 | – | 3/4 | – | 5/5 |
| Henrietta Baldock | 6/6 | 6/6 | 5/6 | – | – | 5/5 |
| Zarina Bassa | 6/6 | 6/6 | 6/6 | – | 11/11 (Chair) | 5/5 |
| Diane Radley[1] | 1/1 | 1/1 | – | – | 1/1 | 1/1 |
| Stephen Koseff | 6/6 | 6/6 | – | – | – | 5/5 |
| Nicky Newton-King | 6/6 | 6/6 | 3/3 | 4/4 (Chair) | – | 5/5 |
| Jasandra Nyker | 6/6 | 6/6 | – | 4/4 | – | 5/5 |
| Vanessa Olver | 6/6 | 6/6 | 6/6 | – | 11/11 | 5/5 (Chair) |
| Nishlan Samujh | 6/6 | 6/6 | – | – | – | 5/5 |
| Philisiwe Sibiya | 6/6 | 6/6 | – | – | 11/11 | 5/5 |
| Khumo Shuenyane[2] | 3/3 | 3/3 | 2/2 | 1/1 (Chair) | – | 2/2 |
| Brian Stevenson | 6/6 | 6/6 | 6/6 | – | – | 5/5 |
| Richard Wainwright[3] | 3/3 | 3/3 | – | – | – | 2/2 |
| Ciaran Whelan[4] | 3/3 | 3/3 | – | – | – | 2/2 |
| Morris Mthombeni | – | – | – | 3/4 | – | – |

1. Diane Radley was appointed to the Board on 6 March 2024.
2. Khumo Shuenyane stepped down from the Board on 3 August 2023 and was succeeded by Nicky Newton-King as chair of the SEC.
3. Richard Wainwright stepped down from the Board on 3 August 2023.
4. Ciaran Whelan stepped down from the Board on 3 August 2023.
5. Where a Director is unable to attend a meeting, they receive papers in advance and have the opportunity to provide comments to the Chair.
6. During the year, there were six meetings of the Board, a Board strategy session, a separate Investec plc Board meeting, a separate Investec Limited Board meeting and separate sessions held to discuss key strategic initiatives.

BOARD ACTIVITIES

# What we did in the year

The following pages outline the key topics reviewed, monitored, considered, and debated by the Board in 2023/24. The Board's discussions were structured using a carefully tailored agenda agreed in advance by the Chair, in conjunction with the Chief Executive and the Company Secretaries.

## Strategic initiatives

### Rathbones
Link to strategy

The Board oversaw the separation of IW&I (UK) from the Group and its subsequent integration with Rathbones, marking the establishment of a long-term strategic partnership.

### Capitalmind
Link to strategy

The Board deliberated and approved the acquisition of the Capitalmind Group, enhancing Investec's M&A advisory presence in Continental Europe.

### Share purchase programme
Link to strategy

The Board approved a share buyback programme of up to ZAR7 billion of the Group's shares, as part of our capital optimisation strategy.

### Sale of IPF Management Companies

The Board managed the divestment of the Investec Property Fund (IPF) management companies, leading to the deconsolidation of the Group's approximately 24.3% stake in IPF.

## Financial performance and dividends

### Results

The Board reviewed and approved financial results for the financial year ended 31 March 2023 and for the half-year ended 30 September 2023.

### Dividend
Link to strategy

The Board declared a final dividend of 17.5p per ordinary share (May 2023) and an interim dividend of 15.5p per ordinary share (November 2023).

### Going concern and viability statement

The Board reviewed and approved the going concern and viability statement.

## Governance

### Board effectiveness review

The Board discussed the outcomes of the annual Board effectiveness review and agreed on targeted improvement actions. The Board also monitored the progress of implementing actions from the 2022/2023 reviews.

### Board composition review

The Board evaluated the performance of the Chair and Non-Executive Directors. The collective suitability of the Board members were verified against the Group's Policy for Assessing the Suitability of Board Members and Key Function Holders.

### Matters reserved for the board

The Board performed their annual review of Reserved Matters for the Boards of the Group, IBL, IBP, and IW&II and updated them accordingly, ensuring responsive governance to evolving business needs.

### Committee reporting

The Board received written Committee reports from the Chairs of the Board Committees on the proceedings of those meetings, including the key discussion points and particular matters to bring to the Board's attention, to ensure strategic oversight across all areas of governance.

**Link to strategy – key**

Connected client ecosystems | Growth initiatives | Optimisation of returns | Entrepreneurial culture | Digitalisation | Strategic use of data

BOARD ACTIVITIES
CONTINUED

## People strategy, leadership and organisational development

### Executive succession planning

Link to strategy

The Board considered the Executive succession plan for the Group and its principal operating subsidiaries and examined the executive talent pipeline. The Board managed the stepping down of Richard Wainwright and Ciaran Whelan as Executive Directors of the Group. The transition from Richard Wainwright to Cumesh Moodliar as CEO of IBL and as a Group executive was also overseen, along with the formal process of identifying his successor as head of Private Bank SA.

### Board succession plan

The Board managed the arrangements for Board succession planning which included overseeing KL Shuenyane's retirement from the Investec DLC and IBL Boards as well as D Radley's appointment to the Investec DLC Boards.

### Culture and values

Link to strategy

The Board discussed the updated values communicated to shareholders and oversaw the activation campaign to embed the refreshed values across the Group.

### Executive remuneration

After consultation with external remuneration advisors, the Board reviewed and endorsed the executive remuneration outcomes, acknowledging that they correspond with the Group's improved performance and share price gains. The Board also contributed insights to refine the design of the next iteration of the DLC Executive Director Remuneration Policy, ensuring it supports sustainable performance and discourages excessive risk-taking.

## Risk management and assurance

### Risk Management

The Board reviewed and approved various Risk Management statements, frameworks, policies and documents and provided independent oversight and challenge of all risk reports. The Board also considered whether risk resources had the requisite skill for effectively managing the risk and capital functions.

The Board reviewed and debated the overall risk profile of the Group, including Concentration Risk and Trading Risk.

### Audit process

Link to strategy

The Board received updates on the Mandatory Audit Firm Rotation process and the performance of the external auditors. The Board also reviewed the risk management systems, including material financial, operating and compliance controls and reviewed the effectiveness of the Group's internal control systems.

The Board applied the solvency and liquidity test in accordance with the South African Companies Act 71, 2008, and confirmed the company's compliance prior to endorsing any distributions.

### Approval of Annual Reports

The Board reviewed and approved the Investec Annual Reports which were distributed to shareholders on June 30, 2023.

BOARD ACTIVITIES
CONTINUED

# How the Board engages with our people

## Investec values all of its people for their contributions and celebrates who they are.

Our culture is one that encourages open dialogue, empowering everyone to voice their opinions, challenge conventional thinking, and ensure that their views are considered. Investec supports a flat organisational structure that enhances the accessibility of our Executives and senior management to all employees.

The Board continually monitors the mechanisms by which we engage employees to ensure they remain effective, give a meaningful understanding of the views of the workforce, and encourage dialogue between the Board and our people.

**Workforce engagement programme**

The Group's workforce engagement programme, administered by our People and Organisation consulting teams, seeks to understand how people experience the organisation, and the extent to which they are aligned to our purpose, values and culture. The mechanisms through which we do this include:

- Regular staff updates and dialogues hosted by the executive leadership of the Group aimed at keeping employees up to date with strategic priorities and performance and enabling employees to engage directly with the executive
- Ongoing messaging from the executive leadership including via email updates and digital channels
- An induction programme for new employees which seeks to embed our culture, led by the purpose and values as well as strategic intent, hosted by the Chief Executive and senior leaders
- Continuous learning, leadership development and diversity programmes offered to all employees
- Culture dialogues that include all employees, which are facilitated by the executive, with the intention of understanding the lived experience of all employees at Investec, measuring progress against our espoused culture and, where relevant, informing future interventions
- Ongoing open and honest performance dialogues and direct feedback, centred on individual, team and organisational performance
- A global employee app called Investec Spaces that provides employees with mobile access to our digital workplace
- Comprehensive wellbeing programmes in anchor geographies.

**Board oversight**

Given the different requirements in South Africa and the UK, the Board has developed an appropriate reporting framework to enable it to consider the arrangements for workforce engagement across our geographies.

There is a designated Non-Executive Director responsible for workforce engagement for Investec Bank plc and a designated Non-Executive Director who oversees workforce engagement for the broader Group across its multiple jurisdictions.

David Germain acts as the designated Non-Executive Director for Investec Bank plc while Henrietta Baldock, Chair of the DLC Remuneration Committee, acts as the designated Non-Executive Director for the broader Group.

A workforce engagement report is presented to the Board twice annually and comprises a summary of the Board and management's employee engagement activities, the key issues raised by employees, and the actions undertaken to address those issues. This report informs Board discussions and decisions.

Management also provides an update at each Board meeting on the key matters related to our people.

### FY2023/24 highlights

Renewed our commitment to our purpose and values and reinforced our culture through culture dialogues facilitated by senior leaders and by activating our purpose throughout the organisation

The communication of our revised strategy after the Rathbones transaction

The transition of new leadership teams across the business

Diversity forums with the Chair of the forum having a seat on the Executive Team - this has long been a feature of our South African operations and this model is being replicated in the United Kingdom

Ongoing and enhanced, aligned support for belonging, inclusion and diversity networks across the Group

The launch of Investec Spaces, a global employee app that provides employees with mobile access to our digital workplace, and that has been continually enhanced throughout the year

Having conducted global research on wellbeing – both physical and mental health – in the aftermath of the pandemic we have:

- Reviewed our Private Medical Insurance provider in the UK to ensure the best of benefits available to staff and their families.
- Enhanced our wellbeing strategy in South Africa through; (i) the provision of an app focused on the personal safety of our employees and their loved ones and specifically the deployment of emergency assistance straight to the user's location when needed and; (ii) a staff banking programme available to all employees.
- Designed a financial awareness and literacy campaign for employees globally.

A focus on the implications of artificial intelligence in the workplace and the design of learning pieces around both AI and sustainability

BOARD ACTIVITIES
CONTINUED

# How the Board encourages an environment for innovation

The Board is responsible for fostering an environment for innovation throughout the organisation, recognising that it is essential for driving sustainable growth and maintaining a competitive edge. This responsibility is woven into the fabric of our business philosophy and governance frameworks, ensuring that innovation is not only supported but is a strategic imperative.

Our distinctive innovation framework is structured into five key categories, ensuring the executive are empowered to drive continuous advancement to exploit our existing capabilities, and explore new ideas.

**1. Catalysing Internal Research and Development:**

Investec's purpose, culture and values, deeply rooted in the pursuit of creating enduring worth for our clients and all other stakeholders, fuels our internal research and development efforts. This drives the enhancement of existing products and services, extending them to new markets, or the introduction of new offerings within current markets. Our commitment to innovation ensures we consistently seek to create enduring worth for our stakeholders.

This approach has resulted in the launch of brand-new propositions like our fully Digital Retail Savings proposition in the UK, the successful deployment of AI powered chat assistants to enhance the productivity of our colleagues, as well as automating the generation of important deal-related documentation.

**2. Incremental Innovation in Daily Operations:**

We prioritise continuous improvement across all business activities by leveraging the expertise of our internal subject matter experts. This approach enables those most knowledgeable to drive incremental innovation, enhancing our existing operations and processes.

Examples of this includes the streamlining of our Client Lifecycle Management processes across all business units, the revamp of our Mortgage Origination Processes in the UK enhancing the productivity of our Private Bankers, and optimisation of our Capital Calculation Batch runs in SA to significantly reduce the time it takes to produce updated ratings.

**3. Harnessing Data and Market Insights:**

Utilising the power of data, expert market insights, and ideation platforms, we confidently incubate new businesses that either complement our core operations or represent entirely new ventures. This strategic approach allows us to explore adjacent markets and innovate beyond our traditional boundaries.

We have successfully incubated various businesses including Travel by Investec, Investec Alternative Investments, Investec Life, Investec My Investments, and Clarity by Investec through this approach.

# BOARD ACTIVITIES
CONTINUED

**4. Engagement with External Ecosystems:**

By tapping into the vast external innovation within the Financial Services and Technology sectors, we enhance our own capabilities and stay at the forefront of industry advancements. Investec actively participates in think tanks dedicated to the development of future regulatory frameworks. We play a key role in shaping industry policy responses and are involved in regulatory sandboxes for Digital Identity, Central Bank Digital Currencies (CBDCs) and practical applications for blockchain technology.

Our strategic partnerships are pivotal to our rapid innovation. Collaboration with leading global entities, such as Microsoft, provide us with unparalleled access to cutting-edge technologies. Additionally, our alliance with venture capital funds accelerates our innovation pipeline through strategic partnerships, enabling us to stay ahead in the competitive landscape.

**5. Sustainable Innovation:**

Sustainable innovation is essential for driving growth, creating enduring worth for our stakeholders, and addressing the challenges of a rapidly changing world. To support this, we empower our colleagues to explore new ideas and develop innovative solutions that have a positive impact on society and the environment. To that end, we have enhanced our Sustainable and Transition Finance Classification Framework to drive activities that will support our commitment to achieving net zero by 2050.

Additional detail can be found on page 127.

Additionally, we have established an academy aimed at upskilling young professionals with the necessary competencies for careers in technology and innovation. This initiative has already benefited us and numerous South African companies by fostering a skilled workforce equipped to meet the demands of the evolving tech industry.

Through these efforts, we aim to position Investec as a leader in sustainable finance, drive positive change in the industries we operate in, and embrace our purpose of creating enduring worth.

**Board Engagement and Governance**

The Board of Directors is integral to our innovation framework, participating actively through our governance structures including dedicated Director Development Learning sessions. This engagement includes exposure to comprehensive market scans, emerging technologies, and regulatory frameworks relating to disruptive technologies. Such involvement empowers the Board to support and oversee the innovation processes effectively, ensuring that our strategic objectives are met and sustained.

This structured and multifaceted approach to innovation underscores our commitment to maintaining a competitive edge and delivering exceptional value to our clients and stakeholders.

BOARD EFFECTIVENESS

# Board effectiveness

Our annual effectiveness review enables the Board to continue to enhance its own performance. The review provides an opportunity for reflection, and to consider ways of identifying greater efficiencies, maximising strengths and highlighting potential areas of further development.

**The evaluation process**

| YEAR 1 – FY2022 | YEAR 2 – FY2023 | YEAR 3 – FY2024 |
|---|---|---|
| External evaluation | Internal evaluation | Internal evaluation |
| Detailed evaluation by external facilitator, Fidelio Partners | Internal evaluation with particular focus on the action plan resulting from the external evaluation | Questionnaire-based internal evaluation |

**Board effectiveness review process**

The Board's commitment to enhancing Board effectiveness is characterised by an adaptive approach, with each annual review building upon the insights of the preceding one.

The 2022 Board effectiveness review was conducted by Fidelio Partners, an independent, external corporate governance advisory firm. A key theme for the review, was how the current governance framework was working at both a DLC and a subsidiary level.

In 2023, The Board conducted an internal Board effectiveness evaluation. It focused on the implementation of the action plan derived from the external evaluation, ensuring that the Board's activities and behaviours aligned with the recommendations.

The 2024 Board effectiveness review was also internally facilitated by the Company Secretarial Team, and took the form of an internal questionnaire, followed by one-on-one meetings between the Chair and each of the directors. The questionnaire served as a benchmarking tool, helping the Board to track improvements and identify areas that require ongoing attention.

The Board was kept abreast of governance best practices through regular Governance reports prepared by the Company Secretarial Team, ensuring that the Board's practices consistently reflect the leading standards in the industry. Additionally, the Board also performed their annual review of Reserved Matters for the Boards of the Group, IBL and IBP and updated them accordingly.

The Board places great emphasis on ensuring that its membership reflects diversity in its broadest sense and will continue to focus on ensuring that it meets the diversity objectives that it has set.

**Insights from the 2024 Board Effectiveness Review**

A report was prepared by Company Secretarial, based on the results of the questionnaires and the matters raised in the meetings with the Chair. The final report was then circulated to the members, and became a discussion tool for the DLC Nominations and Directors' Affairs (Nomdac) and the Board, helping them to devise the action plan for the year ahead. The main points highlighted are summarised below:

Strategy

The Board acknowledged improvements in strategic discussions but recognised the need for better coordination across the Group. A holistic approach to strategy, including comprehensive regional strategies, was highlighted as an area for improvement.

Board oversight

Enhancing oversight of purpose, values, culture, and remuneration matters emerged as key areas for further development. The Board also expressed a desire for deeper engagement with complex issues addressed by the Social and Ethics Committee.

Stakeholder relations

The Board sought to improve visibility over the quality of client relationships and supply chain aspects, including risk management and ethical considerations.

Board composition

Satisfaction with Board composition was generally high, though variances in workload distribution among Board members were noted.

Board effectiveness

Improvements in director's development were noted. However, concerns were raised about the allocation of time for critical discussions at Board meetings, the length of the board cycle, and the timeliness and quality of pre-read materials.

## Board action plan 2024

- Improve oversight of the Group's strategy, with a focus on holistic regional strategies and cultural alignment
- Streamline Board processes, enhance the quality and timeliness of meeting materials, and ensure Committees maintain a strategic focus
- Establish clearer visibility for the Board over client relationships, supply chain integrity, and community initiatives, aligning them with the Group's overall strategy
- Regularly review governance structures and succession plans, fostering agility and responsiveness to emerging risks and opportunities.

**Conclusion**

Overall, the Board, Board committees, and the individual directors, were considered to be performing effectively.

DIRECTORS' REPORT

The Directors' report for the year ended 31 March 2024 comprises pages 166 to 173 of this report, together with the sections of the annual report incorporated by reference.

The Directors' report references the combined consolidated Investec Group, comprising the legal entities Investec plc and Investec Limited.

As permitted by Section 414C(11) of the UK Companies Act, some of the matters required to be included in the Directors' report have instead been included in the strategic report on pages 46 to 100, as the Board considers them to be of strategic importance. Specifically, these are:

- Future business developments (throughout the strategic report)
- Risk management on pages 103 to 119
- Information on how the directors have had regard to the Group's stakeholders, from page 24.

The strategic report and the Directors' report together form the management report for the purposes of Disclosure Guidance and Transparency Rules (DTR) 4.1.8R.

Information relating to the use of financial instruments by the Group can be found in Note 17 on page 108 of the Investec Group's 2024 annual financial statements and is incorporated by reference.

Information relating to the Group's carbon footprint and Greenhouse Gas (GHG) emissions are encompassed within our climate-related disclosures starting on page 191 and are incorporated here by reference.

Additional information for shareholders of Investec plc is detailed in schedule A to the Directors' report on pages 174 and 175.

Other information to be disclosed in the Directors' report is given in this section.

The Directors' report fulfils the requirements of the corporate governance statement for the purposes of DTR 7.2.3R.

## Directors

The Directors' biographies are provided on pages 146 to 149.

Changes to the composition of the Board during the year and up to the date of this report are shown in the table below:

| | Role | Effective date of departure/appointment |
|---|---|---|
| **Departures** | | |
| Khumo Shuenyane | Non-Executive Director | 3 August 2023 |
| Richard Wainwright | Executive Director | 3 August 2023 |
| Ciaran Whelan | Executive Director | 3 August 2023 |
| **Appointments** | | |
| Diane Radley | Non-Executive Director | 6 March 2024 |

In accordance with the UK Corporate Governance Code, all of the directors will retire and those willing to serve again will submit themselves for re-election at the AGM. Zarina Bassa, who reached nine years of service with the Group, and Philisiwe Sibiya who wishes to focus on her own businesses, will not stand for re-election at the 2024 AGM.

## Company Secretaries

The Company Secretary of Investec plc is David Miller and the Company Secretary of Investec Limited is Niki van Wyk.

The Company Secretaries are professionally qualified and have gained experience over many years. Their performance is evaluated by Board members during the annual Board evaluation process. They are responsible for the flow of information to the Board and its Committees and for ensuring compliance with Board procedures. All directors have access to the advice and services of the Company Secretaries, whose appointment and removal are a Board matter.

In compliance with the UK Corporate Governance Code, the UK Companies Act, the King IV™, the South African Companies Act and the JSE Listings Requirements, the Board has considered and is satisfied that each of the Company Secretaries is competent, and has the relevant qualifications and experience.

## Debt Officer

Laurence Adams currently serves as the Debt Officer of Investec Limited with effect from 27 November 2020.
In compliance with the JSE Debt Listings Requirements, the Board of Investec Limited has considered and is satisfied with the competence, qualifications and experience of the Debt Officer.

## Induction, training and development

The Chair leads the training and development of directors and the Board generally.

A comprehensive development programme operates throughout the year, and comprises both formal and informal training and information sessions.

On appointment to the Board, all directors benefit from a comprehensive induction which is tailored to the new director's individual requirements. The induction schedule is designed to provide the new director with an understanding of how the Group works and the key issues that it faces. The Company Secretaries consult the Chair when designing an induction schedule, giving consideration to the particular needs of the new director. When a director joins a Board Committee, the schedule includes an induction to the operations of that Committee.

## Directors and their interests

The directors' shareholdings and options to acquire shares are detailed in the Investec Group's 2024 remuneration report.

DIRECTORS' REPORT
CONTINUED

## Directors' conflicts of interest

The Group has procedures in place for managing conflicts of interest. Should a director become aware that they, or any of their connected parties, have an interest or a potential interest in an existing or proposed transaction with the Group, they are required to notify the Board immediately or at the next Board meeting. Internal controls are in place to ensure that any related party transactions involving directors, or their connected parties, are conducted on an arm's length basis. Directors have a continuing duty to update any changes to their declarations.

## Directors' and officers' liability insurance

The Group maintains directors' and officers' liability insurance which provides appropriate cover for any potential legal action brought against its directors.

## Change of control

The Articles of Association of Investec plc and the Memorandum of Incorporation of Investec Limited ensure that a person cannot make an offer for one company without having made an equivalent offer to the shareholders of both companies on equivalent terms.

Pursuant to the terms of the agreements establishing the DLC structure, if either Investec plc or Investec Limited serves written notice on the other at any time after either party becomes a subsidiary of a third party, or after both Investec plc and Investec Limited become subsidiaries of a third party, the agreements establishing the DLC structure will terminate.

All of the Group's share plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable on a change of control and, where applicable, subject to the satisfaction of any performance conditions at that time.

## Powers of directors

The Board manages the business of the Group under the powers set out in the Articles of Association of Investec plc and the Memorandum of Incorporation of Investec Limited, which include the ability of directors to issue or buy back shares. Directors were granted authority to issue and allot shares and to buy back shares at the 2023 AGM. Shareholders will be asked to renew these authorities at the 2024 AGM and further details will be provided in the AGM notice.

## Contracts

Details of contracts with directors can be found on pages 22 and 23 of the Investec Group's 2024 remuneration report.

## Authorised and issued share capital

### Investec plc and Investec Limited

Details of the share capital are set out from page 141 of the Investec Group 2024 annual financial statements in Notes 45 to 48.

**Investec plc**

Investec plc did not issue any ordinary shares during the financial year ended 31 March 2024.

Investec plc did not repurchase any of its ordinary shares during the financial year ended 31 March 2024.

Investec Limited purchased 8 434 679 of Investec plc's ordinary shares during the financial year ended 31 March 2024 representing 1.2% of the issued share capital. These shares are being held exclusive of voting and dividend rights as treasury shares.

At 31 March 2024, Investec plc held 53 401 625 shares in treasury (2023: 49 720 148), for allotment under share plans. The maximum number of shares held in treasury by Investec plc during the period under review was 53 623 501 shares.

**Investec Limited**

Investec Limited repurchased 3 888 309 (2023: 11 393 755) of its ordinary shares during the financial year ended 31 March 2024 representing 1.30% (2023: 3.67%) of the issued share capital. These shares were cancelled. The ordinary shares remaining in issue following these repurchases amounts to 295 125 806 (2023: 299 014 115).

Investec Limited made no repurchases of non-redeemable non-cumulative non-participating preference shares during the 2024 financial year (2023: 4 382 795). The preference shares remaining in issue are 24 835 843 (2023: 24 835 843) shares.

At 31 March 2024, Investec Limited held 42 678 825 (2023: 50 689 788) shares in treasury, for allotment under share plans. The maximum number of shares held in treasury by Investec Limited during the period under review was 50 675 354 (2023: 52 282 935) shares.

## Ordinary dividends

### Investec plc

An interim dividend of 15.5p per ordinary share (2022: 13.5p) was paid on 22 December 2023, as follows:

- 15.5p per ordinary share to non-South African resident shareholders registered on 22 December 2023, and
- To South African resident shareholders registered on 22 December 2023, through a dividend paid by Investec Limited on the SA DAS share, equivalent to 15.5p per ordinary share.

The directors have proposed a final dividend to shareholders registered on 23 August 2024, of 19p (2023: 17.5p) per ordinary share, subject to the approval of the members of Investec plc at the AGM which is scheduled to take place on 8 August 2024. If approved, this will be paid on 6 September 2024, as follows:

- 19p per ordinary share to non-South African resident shareholders registered on 23 August 2024, and
- To South African resident shareholders registered on 23 August 2024, through a dividend paid by Investec Limited on the SA DAS share, equivalent to 19p per ordinary share.

DIRECTORS' REPORT
CONTINUED

### Investec Limited

An interim dividend of 352 cents (2022: 278 cents) per ordinary share was declared to shareholders registered on 8 December 2023 and was paid on 22 December 2023.

The directors have proposed a final dividend to shareholders registered on 23 August 2024, of 444 cents (2023: 423 cents) per ordinary share, which is subject to the approval by the members of Investec Limited at the AGM that is scheduled to take place on 8 August 2024; if approved, this will be paid on 6 September 2024.

## Preference dividends

### Investec plc

**Non-redeemable, non-cumulative, non-participating preference shares**

Preference dividend number 35 for the period 1 April 2023 to 30 September 2023, amounting to 29.08904p per share, was declared to members holding preference shares registered on 1 December 2023 and was paid on 12 December 2023.

Preference dividend number 36 for the period 1 October 2023 to 31 March 2024, amounting to 31.33562p per share, was declared to members holding preference shares registered on 14 June 2024 payable on 28 June 2024.

**Rand-denominated non-redeemable, non-cumulative, non-participating preference shares**

Preference dividend number 25 for the period 1 April 2023 to 30 September 2023, amounting to 552.49657 cents per share, was declared to members holding Rand-denominated non-redeemable, non-cumulative, non-participating preference shares registered on 1 December 2023 and was paid on 12 December 2023.

Preference dividend number 26 for the period 1 October 2023 to 31 March 2024, amounting to 559.65411 cents per share, was declared to members holding Rand-denominated non-redeemable, non-cumulative, non-participating preference shares registered on 14 June 2024 and payable on 28 June 2024.

### Investec Limited

**Non-redeemable, non-cumulative, non-participating preference shares**

Preference dividend number 38 for the period 1 April 2023 to 30 September 2023, amounting to 452.29114 cents per share (2023: 329.08429), was declared to shareholders holding preference shares registered on 1 December 2023 and was paid on 12 December 2023.

Preference dividend number 39 for the period 1 October 2023 to 31 March 2024, amounting to 455.64697 cents per share (2023: 401.90045), was declared to shareholders holding preference shares registered on 14 June 2024 and payable on 28 June 2024.

**Redeemable cumulative preference shares**

Dividends amounting to R312 657 917.90 (2023: R177 236 534.87) were paid on the redeemable cumulative preference shares.

## Viability statement

In accordance with the UK Corporate Governance Code, in addition to providing a going concern statement (disclosed on page 171), the Board is required to make a statement with respect to the Group's viability (i.e. its ability to continue in operation and meet its liabilities). This is required to take into account the Board's assessment of the current position of the Group, its prospects and the principal risks it faces, including the period of time for which the Board has made the assessment and why that period is considered appropriate.

The Board has used a three-year assessment period as this is aligned to the Group's medium-term capital plans which incorporate profitability, leverage and capital adequacy projections and include impact assessments from a number of stress scenarios. Detailed management information therefore exists to provide senior management and the Board sufficient and realistic visibility of the Group's viability over the three years to 31 March 2027.

Following confirmation by the DLC BRCC (comprising a majority of Non-Executive Directors, which includes members of the Audit Committees), the Audit Committee recommended the viability statement for Board approval.

The Board has identified the principal and emerging risks facing the Group and these are highlighted on pages 108 to 119 of the Investec Group's 2024 risk and governance report.

Through its various committees, notably the Audit Committees and the DLC BRCC and its sub-committee, the DLC Capital Committee, the Board regularly carries out a robust assessment of these principal risks and their potential impact on the performance, liquidity, solvency, capital and operational resilience of the Group. The activities of these Board sub-committees and the issues considered by them are described in the Investec Group's 2024 risk and governance report.

Taking these risks into account, together with the Group's strategic objectives and the prevailing market environment, the Board approved the overall mandated risk appetite frameworks for Investec plc and Investec Limited. The risk appetite frameworks set parameters relating to the Board's expectations around performance, business stability and risk management.

The Board considers that prudential risk management is paramount in all it does. Protection of depositors, customers' interests, capital adequacy and shareholder returns are key drivers. The Bank, in keeping with sound governance practices, has defined roles and responsibilities for the management of risk in accordance with the three lines of defence model, i.e. business line management, an independent operational risk function and an independent internal audit function. In addition, to manage the Group's risk appetite, there are a number of detailed statements, frameworks, policies and governance structures in place. The Board ensures that there are appropriate resources in place to manage the risks arising from running the business by having independent Risk Management, Compliance, and Financial Control functions. These are supplemented by an Internal Audit function that reports independently to the non-executive Audit Committee Chair.

The Board believes that the risk management systems and processes, supported by the conclusions of the Internal Audit function and the results of their combined assurance coverage through each assurance function, are adequate to support the Group's strategy and allow the Group to operate within its risk appetite framework. A review of the Group's performance/

DIRECTORS' REPORT
CONTINUED

measurement against its risk appetite framework is provided at each DLC BRCC meeting and at the main Board meetings.

In terms of the South African Prudential Authority (South African PA), the FCA and PRA requirements, the Group is also required to meet regulatory standards with respect to capital and liquidity. In terms of these requirements, the Group is required to stress its capital and liquidity positions under a number of severe stress conditions. Investec's stress testing framework is well embedded in its operations and is designed to identify and regularly test the Group's key 'vulnerabilities under stress'.

In order to manage liquidity risk, liquidity stress testing is performed for a range of scenarios, each representing a different set of assumptions. These include market-wide, firm-specific, and combined scenarios (combination of the market-wide and firm-specific stresses). The Group manages its liquidity risk appetite in relation to combined stress parameters which represent extreme but plausible circumstances. The objective is to have sufficient liquidity under a combined stress scenario to continue to operate for a minimum period as detailed in the Board-approved risk appetite framework. In addition to these stress scenarios, the Group's risk appetite also requires it to maintain specified minimum levels for both the liquidity coverage ratio and net stable funding ratio, which are well in excess of the regulatory minimums of 100% respectively; a minimum cash and near cash to customer deposit ratio of 25%; and to maintain low reliance on wholesale funding to fund core asset growth. Investec plc undertakes an annual Internal Liquidity Adequacy Assessment Process (ILAAP) which documents the approach to liquidity management across the firm. This document is reviewed and approved by IBP Board Risk and Capital Committee (IBP BRCC), DLC BRCC and by the IBP, plc and DLC Boards. Each banking entity within the Group is required to be fully self-funded. The Group currently has £16.4 billion in cash and near cash assets, representing 41.3% of customer deposits.

The Group develops annual capital plans (refreshed after six months), that look forward over a three-year period. The capital plans are refreshed on an ad hoc basis if a material event occurs or is likely to occur. These plans are designed to assess the capital adequacy of the Group's respective banking entities under a range of economic and internal conditions, with the impact on earnings, asset growth, risk appetite and liquidity considered. The output of capital planning allows senior management and the Board to make decisions to ensure that the Group continues to hold sufficient capital to meet internal and regulatory capital targets over the medium term (i.e. three years). The Group targets a CET1 ratio in excess of 10% for Investec plc and between 11.5% and 12.5% for Investec Limited, a tier 1 ratio greater than 11% for Investec plc and greater than 12.5% for Investec Limited, a minimum capital adequacy ratio of between 14% to 17% for Investec plc and greater than 15% for Investec Limited. Investec Limited and Investec plc both target a leverage ratio in excess of 6%.

The parameters used in the capital and liquidity stresses are reviewed regularly, taking into account the principal and emerging risks facing the Group, changes in the business environments and inputs from business units. Scenarios are designed considering macro-economic downside risks, portfolio-specific risk factors and business model vulnerabilities. Multiple scenarios are considered to account for the uncertain forward-looking macro-economic environment. The scenarios below were as at 31 March 2024, since which South Africa held a general election where no political party won an outright majority. This outcome led to the formation of a government of national unity wherein certain political parties have agreed to co-govern. The details of this arrangement are still emerging. Nevertheless, the scenarios are still considered appropriate to assess the ongoing viability of the Group given the severity of the downside scenarios.

As the Group's banking entities are regulated separately and ring-fenced from one another, different stress scenarios apply across the respective banking entities and jurisdictions.

**Investec Limited:**

- Base case: Economic growth is modest but lifts towards 2% by the end of the prolonged period with sufficient domestic policy support measures to support this acceleration in growth (but still limited somewhat by load shedding and freight constraints), while global financial market risk sentiment is neutral to positive. South Africa remains in the BB credit rating category bracket as fiscal consolidation (debt to GDP stabilisation) occurs leading to some positive outlooks. The Rand stabilises, then strengthens somewhat and inflation is impacted by the course of weather patterns via food price inflation. A modest transition to renewable energy and a slow move away from fossil fuel usage occurs and measures to alleviate the impact of climate change on the economy are modestly implemented. Little expropriation without compensation occurs and has no negative effect on economy. The Russian/Ukraine war persists but does not exacerbate, nor do Middle East tensions. The greylisting is temporary.
- Lite down case: The international environment (including global financial market risk sentiment) is that of the base case, but the domestic environment differs. South Africa's GDP growth is weak, business confidence is depressed, with significant loadshedding, weak investment growth, very weak rail and port capacity, civil and political unrest, and a recession. Substantial Rand weakness drives high inflation, along with unfavourable weather conditions. Little transition to renewable energy is apparent, while there is increased pressure on government finances from disaster relief due to unfavourable weather conditions driven by climate change. Expropriation of private sector property is very limited and has a modestly negative impact on the economy. The greylisting is prolonged. Government debt and debt projections fail to stabilise, and South Africa drops into the single B credit ratings from all three of the key credit rating agencies for local and foreign currency sovereign debt but avoids C grades on eventual fiscal consolidation.
- Severe down case: There is a lengthy recession in South Africa. Deteriorating government finances see the state borrowing from increasingly wider sources as it sinks deeper into a debt trap. South Africa's credit ratings fall into the C grades, with an increased risk of default. There is a lengthy global recession and/or global financial crisis, with insufficient monetary and other policy support measures. Severe Rand weakness is a feature as well as very high domestic inflation, which is also affected by severely unfavourable weather conditions. There is a failure to transition to renewable energy and to implement sufficient measures to alleviate the impact of climate change on the economy. Full implementation of expropriation without compensation occurs (particularly for land held for speculative purposes), with a significant negative impact on the economy, along with widespread loadshedding, strike action and civil unrest. The Russian/Ukraine war widens into neighbouring (NATO) countries and the Middle East tensions worsen. SA is blacklisted in this scenario.

# DIRECTORS' REPORT
CONTINUED

**Investec plc:**

- Base case: Following a technical recession over H2 of 2023 calendar year, a recovery is expected over the course of 2024, firmly taking hold over the second half of the year. This recovery in 2024 and beyond is supported by a strengthening in household real incomes, an easing in monetary policy and looser fiscal policy too. The baseline view anticipates the Bank rate to fall to 4.50% by the end of 2024, driven by a continued easing in inflation pressures, with CPI expected to reach 1.6% in Q3 2024. Over the three-year horizon Bank rate is assumed to fall to 3.00%. More broadly, areas of the economy which have felt the pressure of high interest rates most intensely, such as the housing market, are also expected to recover, with the recent fall in prices expected to be recovered by the end of 2025. Commercial real estate is also expected to recover, although structural issues are expected to remain a headwind. The global economic backdrop can be characterised in a similar vein to the UK with growth strengthening, inflation moderating and central banks loosening policy from the current restrictive stance.

In assessing stress scenarios for the 2024 capital planning exercise, consideration was given to the outlook for interest rates given the baseline view that policy rates had peaked in 2023 and were expected to fall in 2024. As such it was proposed and approved that Investec would run two global economic downturn scenarios, both being triggered by the same hypothetical economic shock, but the path and severity of the scenarios differ due to the assumed differences in central bank policy reactions. These are defined below:

- Aggressive Easing, Moderate Recession: As is the typical case with a macroeconomic shock the Bank of England is assumed to react aggressively and expediently to a downturn in the economy driven by a global tail event. This sees the Bank rate cut 500bps, hitting the low of 0.25% in Q3 2025. This helps alleviate the downside pressures on the economy and whilst a recession still ensues, the depth and longevity is limited to a 2.2% fall in GDP and a recession lasting three quarters. Under such a scenario inflation falls below 1%, whilst asset values, both residential real estate and commercial fall by 9% and 14% peak to trough. However, given the monetary policy response an economic recovery is assumed to take hold from Q2 2025 onwards. In the medium-term, policy rates are assumed to begin rising again as economic growth returns to trend. Given the global nature of the shock, the same aggressive easing and GDP trends are seen amongst the major advanced market economies. For example, US and Euro area GDP is assumed to fall 2.2% and 2.3% respectively. The respective policy rates are cut to 0.50% and 0.25%.
- Cautious Easing, Severe Recession: In contrast to the 'Aggressive Easing, Moderate Recession' stress, this scenario envisages a more cautious approach to monetary policy easing given residual inflation worries and still present upside risks to price pressures. As such, whilst the Bank of England does loosen policy in response to the economic shock it does so at a more moderate pace, with rates only falling 225bps to 2.00% by Q1 2026. The consequence is a recession which is deeper and longer, the peak to trough fall in GDP totalling 4.3%. Amidst the downturn in the economy and tighter financing conditions, the real estate market faces a deeper contraction with residential prices falling 15% and commercial prices falling 18%. A recovery is seen through the latter half of the scenario, beginning in Q2 2026, but this is insufficient to see GDP return to its pre-stress peak. In terms of the global picture these same macroeconomic characteristics are assumed to apply.

The Group implements regulatory scenarios when they are published by regulators (SA PA biennial scenario and UK BoE Annual Cyclical Scenario). Investec Limited participated in the Common Scenario Stress Test (CSST) coordinated by the South African Reserve Bank (SARB). The results of the CSST were published in the November 2023 Financial Stability Review.

For 2024 the BoE will not be publishing a new ACS given it launched its System-wide exploratory scenario (SWES) in June 2023. Hence, at this point Investec Plc will not be running a regulatory scenario in its stress testing programme.

The Board has assessed the Group's viability in its 'base case' and stress scenarios. In assessing the Group's viability, a number of assumptions are built into its capital and liquidity plans. In the stress scenarios these include, for example, foregoing or reducing dividend payments and asset growth being curtailed.

We also carry out 'reverse stress tests', i.e. scenarios that cause the business model to fail. Reverse stress testing scenarios are developed thematically and their impact is assessed in qualitative and quantitative terms with respect to regulatory capital and liquidity threshold conditions, taking into account the loss absorbing effects of the bank's capital stack. Escalating losses may expose the business model to unacceptable levels of risk well before regulatory threshold conditions are breached, and mitigation actions are identified with the aim to prevent the failure of the Group. Reverse scenarios are extreme tail events and are considered remote, and mainly serve the purpose of identifying and addressing potential weaknesses that may not be identified through the ongoing risk management and stress testing processes.

Investec Limited continues to make progress in quantifying the impact of climate related stresses. In addition to internal initiatives, Investec Limited will participate in the SARB's Climate Risk Stress Test (CRST) planned for 2024. The objective of the 2024 CRST is to assess the resilience of banks to climate risk. The CRST will utilise a set of common severe, yet plausible, macroeconomic and climate stressed scenarios.

In addition, Investec plc performs climate scenario analysis and risk assessments in line with the requirements stipulated by Supervisory Statement SS3/19 'Enhancing banks' and insurers' approaches to managing the financial risks from climate change', on a proportionate basis for the size and complexity of the firm. To date, findings indicate that transition and physical risk is low and Investec plc has sufficient capital and liquidity to continue as a going concern and meet regulatory capital and liquidity requirements.

Furthermore, the Group is required to have a contingency funding and recovery plan for both Investec Limited and Investec plc as well as a resolution pack for Investec plc. The recovery plans document how the Board and senior management will ensure that the Group recovers from extreme financial stress to avoid liquidity and capital difficulties in its separately regulated companies. Following the introduction of the resolution regime in South Africa from 1 June 2023, the South African Reserve Bank has been designated as the Resolution Authority and has an obligation to develop resolution plans for all designated institutions including Investec Limited.

DIRECTORS' REPORT
CONTINUED

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

The Group maintains an operational resilience framework that defines important business services, impact tolerances and plans to respond effectively to a disruption. This not only ensures continuity of business operations but also safeguards the interests of key stakeholders including clients and regulators, as well as maintaining our reputation, brand and value-creating activities.

The capital and liquidity plans, stress scenarios, contingency funding and recovery plans, resolution pack and the risk appetite statements are reviewed at least annually by the respective Capital, Risk, and Board Committees. In times of severe economic distress and if applicable, stress scenarios are reviewed more regularly; for example, as was the case with the COVID-19 pandemic. In addition, senior management hosts an annual risk appetite process at which the Group's risk appetite frameworks are reviewed and modified to take into account risk experience and changes in the environment. Furthermore, strategic budget processes take place within each business division at least annually. These focus on, amongst other things: the business and competitive landscape; opportunities and challenges including the use of new and emerging technologies and operational risks relating to technology, resilience, and cyber security; and financial projections. A summary of these divisional budgets, together with a consolidated Group budget, is presented to the Board during its strategic review process annually.

In assessing the Group's viability, the Board has taken all of the above-mentioned factors, documents and processes into consideration. The directors can confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due over the next three years.

The viability statement should be read in conjunction with the following sections in the annual reports, all of which have informed the Board's assessment of the Group's viability:

- Pages 8 to 100 which show a strategic and financial overview of the business
- Pages 107 to 119 which provide detail on the principal and emerging risks the Group faces and the processes in place to assist the Group in mitigating its principal risks
- Page 107 which provides information on the overall Group's risk appetite
- Pages 27 to 28 of the Investec Group's 2024 risk and governance report, which provide an overview of the Group's approach to risk management
- Pages 8, 30, 64 to 66 and 89 of the Investec Group's 2024 risk and governance report which highlight information on the Group's various stress testing processes
- Pages 69 to 76 of the Investec Group's 2024 risk and governance report which specifically focus on the Group's philosophy and approach to liquidity management
- Page 85 of the Investec Group's 2024 risk and governance report which provides detail on the recovery and resolution planning for Investec plc and Investec Limited
- Pages 86 to 89 of the Investec Group's 2024 risk and governance report which explain the Group's capital management framework.

This forward-looking viability statement made by the Board is based on information and knowledge of the Group at 24 June 2024. There could be a number of risks and uncertainties arising from (but not limited to) domestic and global economic and business conditions, including the development of new technologies, beyond the Group's control that could cause the Group's actual results, performance or achievements in the markets in which it operates to differ from those anticipated.

## Going concern

In adopting the going concern basis for preparing the consolidated financial statements, the directors have considered the Group's business activities, objectives and strategy, principal risks and uncertainties in achieving its objectives, and performance that are set out on pages 8 through 100. The directors have performed a robust assessment of the Group's financial forecasts across a range of scenarios over a 12-month period from the date the financial statements are authorised for issue. Based on these, the directors confirm that they have a reasonable expectation that the Group, as a whole, has adequate resources to continue in operational existence for the 12 months from the date the financial statements are authorised for issue. Therefore, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the accompanying consolidated financial statements.

## Audit Committees

The DLC, Investec Limited and Investec plc Audit Committees comprising independent Non-Executive Directors meet regularly with senior management, the external auditors, operational risk, internal audit, compliance and the finance division to consider the integrity of financial reporting, the nature and scope of the internal and external audit reviews and the effectiveness of our risk and control systems, taking note of the key deliberations of the subsidiary Audit Committees as part of the process.

Further details on the role and responsibility of the Audit Committees are set out on pages 106 to 118 of the Investec Group's 2024 risk and governance report.

DIRECTORS' REPORT
CONTINUED

## Independent auditor and audit information

Each director, at the date of approval of this report, confirms that, so far as the director is aware, there is no relevant audit information of which the Group's auditor is unaware and that each director has taken all steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information. This confirmation is given pursuant to Section 418 of the UK Companies Act and should be interpreted in accordance with and subject to those provisions.

The appointment of Deloitte. in a shadow capacity, for the financial year starting 1 April 2023, was recommended and approved by ordinary shareholders at the AGM held in August 2023. A formal transition process commenced during 2023, whereby Deloitte. shadowed the full 2024 audit cycle performed by the incumbent joint external auditors. The purpose of the shadow period was for Deloitte. to obtain sufficient information about the Group, the financial control environment and the audit process to ensure a smooth transition as external auditor in the following financial year i.e. ending 31 March 2025. Non-audit services provided by Deloitte were reviewed and considered in advance of their appointment as external auditors to ensure their continued independence.

In terms of the South African Banks Act, Investec Limited has to appoint joint auditors. PwC Inc. were appointed as the joint auditor for Investec Limited for the financial year commencing on 1 April 2023 and have indicated their willingness to continue in office as joint auditor of Investec Limited. Deloitte have indicated their willingness to act as joint auditor of Investec Limited and auditor of Investec plc for the year commencing 1 April 2024. The Board having satisfied itself as to their independence and effectiveness, has proposed a resolution to reappoint PwC Inc as joint auditor of Investec Limited, and to appoint Deloitte & Touche as joint auditor of Investec Limited and Deloitte LLP as auditor of Investec plc, at the AGM scheduled to take place on 8 August 2024. Deloitte & Touche will be the lead auditor following their appointment.

## Major shareholders

The largest shareholders of Investec plc and Investec Limited are shown on page 187.

## Special resolutions

### Investec plc

At the AGM held on 3 August 2023, the following special resolutions were passed in terms of which:

- A renewable authority was granted to Investec plc to acquire its own ordinary shares in accordance with the terms of Section 701 of the UK Companies Act
- A renewable authority was granted to Investec plc to acquire its own preference shares in accordance with the terms of Section 701 of the UK Companies Act.

### Investec Limited

At the AGM held on 3 August 2023, the following special resolutions were passed in terms of which:

- A renewable authority was granted to Investec Limited and any of its subsidiaries to acquire its own ordinary shares in terms of the provisions of the South African Companies Act No. 71 of 2008, as amended (the South African Companies Act)
- A renewable authority was granted to Investec Limited and any of its subsidiaries to acquire its own preference shares in terms of the provisions of the South African Companies Act
- A renewable authority was granted to Investec Limited to provide financial assistance in order to comply with the provisions of Sections 44 and 45 of the South African Companies Act
- A renewable authority was granted to Investec Limited to approve the directors' remuneration in order to comply with the provisions of Sections 65(11)(h), 66(8) and 66(9) of the South African Companies Act.

## AGM update statement

At the AGM on 3 August 2023, resolution 34 (political donations), passed with a less than 80% majority.

As stated in the notices to the AGMs, Investec plc does not give any money for political purposes in the UK nor does it make any donations to UK political organisations or incur UK political expenditure. However, the definitions of political donations and political expenditure used in the UK Companies Act are very wide. In line with UK market practice, the authority is therefore requested only as a precautionary measure to ensure that Investec plc and any company which is or becomes a subsidiary of Investec plc does not inadvertently breach the relevant provisions of the UK Companies Act.

## Diversity and inclusion

Our diversity and inclusion framework has a sense of belonging for all our people, irrespective of difference, as its goal. We aim to make Investec a place where it is easy to be yourself. It is a responsibility we all share and is integral to our purpose and values as an organisation. We recognise that a diverse and inclusive workforce is essential to our ability to be an innovative organisation that can adapt and prosper in a fast-changing world.

Investec's approach is to recruit and develop based on aptitude and attitude, with the deliberate intention to build a diverse workforce, which represents the population of the relevant jurisdiction and reflects its clients. Our recruitment strategies actively seek difference, engaging with minority groups, females and people with disabilities. Investec is committed to being an equal opportunity employer. In accordance with our policies and practices, and relevant International Labour Organisation (ILO) conventions and legislation, we do not tolerate any form of discrimination based on gender, gender reassignment, race, ethnicity, religion, belief, age, disability, nationality, political opinion, sensitive medical conditions, pregnancy, maternity, civil partnership and sexual orientation. People with different abilities are an essential part of a diverse talent pool and every effort is made to facilitate an accessible environment for all.

DIRECTORS' REPORT
CONTINUED

## Empowerment and transformation

Investec recognises that economic growth and societal transformation is vital to creating a sustainable future for all the communities in which it operates, and that as a financial services provider, it plays a critical role in enabling this.

Further information on Investec's Broad-Based Black Economic Empowerment scorecard is provided in the Investec Group's 2024 sustainability report.

## Research and development

In the ordinary course of business, the Group develops new products and services in each of its business divisions.

## Political donations and expenditure

The DLC Social & Ethics Committee discussed the appropriate positioning of political party funding by the Group. While there is no political party funding in the UK, in SA the Group supports non-aligned institutions which advance the democratic process. The Group did not make any political donations in the financial year ended 31 March 2024 (2023: Nil).

## Subsidiary and associated undertakings

Details of principal subsidiary and associated companies are reflected on pages 159 of the Investec Group's 2024 annual financial statements.

## Contingent liabilities, legal matters, and provisions

The Board considered contingent liabilities, legal matters and provisions with a view to ensuring appropriate accounting treatment in the financial statements.

Refer to Note 54 of the annual financial statements on page 151.

## Significant Transactions

During the year, the Group had two significant strategic actions. The effective date of the combination of Investec Wealth & Investment Limited and Rathbones Group plc was 21 September 2023, at which point the Group deconsolidated its 100% holding in Investec Wealth & Investment Limited and in return acquired a 41.25% interest in Rathbones Group plc, which is accounted for as an equity investment. The completion date of the sale of the Burstone Group Limited (previously Investec Property Fund) (Burstone) management companies was 6 July 2023 at which point the Group deconsolidated its existing c.24.3% investment in Burstone. The Investec Wealth & Investment business and Burstone have been disclosed as discontinued operations. The Wealth and Investment business was disclosed in the Wealth & Investment segment in the UK and other geography and the Burstone business was disclosed in the Group investments segment in the Southern Africa geography.

## Restatements

Refer to Note 62 on page 168 of the annual financial statements.

## Events after the reporting date

Refer to Note 63 of the annual financial statements on page 173.

Signed on behalf of the Boards of Investec plc and Investec Limited

**Philip Hourquebie**
Group Chair
24 June 2024

**Fani Titi**
Group Chief Executive
24 June 2024

SCHEDULE A TO THE DIRECTORS' REPORT

## Additional information for shareholders

Set out below is a summary of certain provisions of Investec plc's current Articles of Association (the Articles) and applicable English law concerning companies (the UK Companies Act). This is a summary only and the relevant provisions of the Articles or the UK Companies Act should be consulted if further information is required.

### Share capital

The issued share capital of Investec plc at 31 March 2024 consists of 696 082 618 ordinary shares of £0.0002 each, 2 754 587 non-redeemable, non-cumulative, non-participating preference shares of £0.01 each, 131 447 ZAR non-redeemable, non-cumulative, non-participating preference shares of R0.001 each, 295,278,453 special converting shares of £0.0002 each, the special voting share of £0.001, the UK DAN share of £0.001 and the UK DAS share of £0.001 (each class as defined in the Articles).

### Purchase of own shares

Subject to the provisions of the Articles, the UK Companies Act, the UK Uncertificated Securities Regulations 2001 and every other statute for the time being in force concerning companies and affecting Investec plc, the approval of shareholders as provided in the Articles, and without prejudice to any relevant special rights attached to any class of shares, Investec plc may purchase, or may enter into a contract under which it will or may purchase any of its own shares of any class, including without limitation any redeemable shares, in any way and at any price (whether at par or above or below par).

### Dividends and distributions

Subject to the provisions of the UK Companies Act, Investec plc may by ordinary resolution from time to time declare dividends not exceeding the amount recommended by the Board. The Board may pay interim dividends whenever the financial position of Investec plc, in the opinion of the Board, justifies such payment.

The Board may withhold payment of all or any part of any dividends or other monies payable in respect of Investec plc's shares from a person with a 0.25% or more interest in the nominal value of the issued shares if such a person has been served with a notice after failure to provide Investec plc with information concerning interests in those shares required to be provided under the UK Companies Act.

### Voting rights

Subject to any special rights or restrictions attaching to any class of shares, at a general meeting, every member present in person has, upon a show of hands, one vote and, on a poll, every member who is present in person or by proxy has one vote for each share. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the share. Under the UK Companies Act, members are entitled to appoint a proxy, who need not be a member of Investec plc, to exercise all or any of their rights to attend and vote on their behalf at a general meeting or class meeting. A member may appoint more than one proxy in relation to a general meeting or class meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A member that is a corporation may appoint an individual to act on its behalf at a general meeting or class meeting as a corporate representative. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of Investec plc.

### Restrictions on voting

No member shall be entitled to vote either in person or by proxy at any general meeting or class meeting in respect of any shares held by them if any call or other sum then payable by them in respect of that share remains unpaid. In addition, no member shall be entitled to vote if they have been served with a notice after failure to provide Investec plc with information concerning interests in those shares required to be provided under the UK Companies Act.

### Deadlines for exercising voting rights

Votes are exercisable at a general meeting of Investec plc in respect of which the business being voted upon is being heard. Votes may be exercised in person, by proxy, or in relation to corporate members, by corporate representatives. The Articles provide a deadline for submission of proxy forms of not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting.

### Variation of rights

Subject to the UK Companies Act, the Articles specify that rights attached to any class of shares may be varied with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking pari passu with them. Where, under the Company's share incentive plan, participants receiving forfeitable award types are the beneficial owners of the shares, however, are not the registered owners. The participants are entitled to exercise their voting rights prior to the shares being released to the participants. Participants receiving conditional awards do not receive any voting rights until the release date.

### Transfer of shares

All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the directors. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. Transfers of shares which are in uncertificated form are effected by means of the CREST system. The directors may, in the case of shares in certificated form, in their absolute discretion and without assigning any reason, refuse to register any transfer of shares (not being fully paid shares), provided that such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The directors may also refuse to register an allotment or transfer of shares (whether fully paid or not) in favour of more than four persons jointly. The directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and, when submitted for registration, is accompanied by the relevant share certificates and such other evidence as the directors may reasonably require. Subject to the UK Companies Act and

SCHEDULE A TO THE DIRECTORS' REPORT
CONTINUED

regulations and applicable CREST rules, the directors may determine that any class of shares may be held in uncertificated form and that title to such shares may be transferred by means of the CREST system or that shares of any class should cease to be so held and transferred.

All the Company's employee share plans include restrictions on transfer of shares while the shares are subject to the plans.

### Investec plc preference shares

The following are the rights and privileges which attach to the Investec plc preference shares:

- On a return of capital, whether or not on a winding up (but not on a redemption or purchase of any shares by Investec plc) or otherwise, the plc preference shares will rank, pari passu inter se and with the most senior ranking preference shares of Investec plc in issue (if any) from time-to-time and with any other shares of Investec plc that are expressed to rank pari passu herewith as regards to participation in the capital, and otherwise in priority to any other class of shares of Investec plc
- Investec plc may, at its option, redeem all or any of the plc preference shares for the time being issued and outstanding on the first call date or any dividend payment date thereafter
- Holders of plc preference shares will not be entitled to attend and vote at general meetings of Investec plc. Holders will be entitled to attend and vote at a class meeting of holders of plc preference shares.

### Non-redeemable, non-cumulative, non-participating preference shares

The following are the rights and privileges which attach to the perpetual preference shares:

- Each perpetual preference share will rank as regards to dividends and a repayment of capital on the winding up of Investec plc prior to the ordinary shares, the plc special converting shares, the UK DAN share, the UK DAS share, but pari passu with the plc preference shares. The perpetual preference shares shall confer on the holders, on a per perpetual preference share and equal basis, the right to a return of capital on the winding up of Investec plc of an amount equal to the aggregate of the nominal value and premiums in respect of perpetual preference shares issued, divided by the number of perpetual preference shares in issue
- Each perpetual preference share may confer upon the holder thereof the right to receive out of the profits of Investec plc which it shall determine to distribute, in priority to the ordinary shares, the plc special converting shares, the UK DAN share and the UK DAS share, but pari passu with the plc preference shares, the preference dividend calculated in accordance with the Articles
- The holders of the perpetual preference shares shall be entitled to receive notice of and be present but not to vote, either in person or by proxy, at any meeting of Investec plc, by virtue of or in respect of the perpetual preference shares, unless either or both of the following circumstances prevail at the date of the meeting:
  - The preference dividend or any part thereof remains in arrears and unpaid as determined in accordance with the Articles after six months from the due date thereof; and/or
  - A resolution of Investec plc is proposed which directly affects the rights attached to the perpetual preference shares or the interests of the holders thereof, or a resolution of Investec plc is proposed to wind up or in relation to the winding up of Investec plc or for the reduction of its capital in which event the preference shareholders shall be entitled to vote only on such resolution.

### Rand-denominated non-redeemable, non-cumulative, non-participating perpetual preference shares (the ZAR perpetual preference shares)

The ZAR perpetual preference shares are subject to substantially similar terms and conditions as the existing Pound Sterling non-redeemable, non-cumulative, non-participating preference shares, as outlined above, save that they are denominated in South African Rands.

### Shares required for the DLC structure

Investec SSC (UK) Limited, a UK trust company, specially formed for the purpose of the DLC structure, holds the plc special voting share, the plc special converting shares, the UK DAN share and the UK DAS share. These shares can only be transferred to another UK trust company, in limited circumstances.

The plc special voting shares are specially created shares so that shareholders of both Investec plc and Investec Limited effectively vote together as a single decision-making body on matters affecting shareholders of both companies in similar ways, as set out in the Articles.

Prior to a change of control, approval of termination of the sharing agreement (which regulates the DLC), liquidation or insolvency of Investec plc, the plc special converting shares have no voting rights, except in relation to a resolution proposing the:

(i) Variation of the rights attaching to the shares or
(ii) Winding up, and they have no rights to dividends. The special converting shares are held on trust for the Investec Limited ordinary shareholders. Investec plc and Investec Limited have established dividend access trust arrangements as part of the DLC.

Investec plc has issued two dividend access shares, the UK DAS share and UK DAN share which enables Investec plc to pay dividends to the shareholders of Investec Limited. This facility may be used by the Board to address imbalances in the distributable reserves of Investec plc and Investec Limited and/or to address the effects of South African exchange controls and/or if they otherwise consider it necessary or desirable.

# Remuneration

# The Group has delivered a strong performance and the remuneration reflects this performance. This section contains the annual statement from the Remuneration Committee Chair

IN THIS SECTION

ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR

# Annual statement from the Remuneration Committee Chair

**Henrietta Baldock**
**24 June 2024**

| | Eligible to attend | Attended |
|---|---|---|
| Henrietta Baldock (Chair) | 8 | 8 |
| Nicky Newton-King | 8 | 8 |
| Philip Hourquebie | 8 | 8 |
| Zarina Bassa | 8 | 8 |

### Key achievements in FY 2024

- Engaged extensively with our key shareholders and key shareholder bodies in the development of the proposed new Directors' Remuneration Policy. This includes amendments taking into account the removal of the "bonus cap" in the UK and feedback from the shareholders and shareholder bodies
- Extensive time spent on the development of new sustainability performance measures to be incorporated in the revised Directors' Remuneration Policy
- Embedded further alignment of the remuneration structure of the Group Executive Team and business unit executives to the Directors' Remuneration Policy

### Areas of focus in FY 2025

- Continue to support further rigour in the approach to performance and the implications for reward throughout the organisation
- Implement further alignment of the remuneration structure of senior employees throughout the organisation with the Directors' Remuneration Policy
- Ensure our remuneration policy supports key people initiatives including succession planning, mobility and belonging, inclusion and diversity
- Continue to develop and enhance our Sustainability framework
- Continue to consider initiatives to support our employees under the banner "Power of Purpose"

### In this section



## Dear shareholders

On behalf of the Board and as Chair of the Remuneration Committee (the "Committee"), I am pleased to introduce the Directors' remuneration report for the year, the full report can be found within the Investec Group remuneration report 2024 which is published separately. We appreciate the constructive engagements we had with our shareholders and executives during the year.

### Performance in the year

The Group has continued to deliver a strong financial performance notwithstanding the uncertain operating environment that prevailed throughout the financial year. This performance demonstrates the continued success in our client acquisition strategies which underpinned the increased client activity and loan book growth, supported by the tailwind from the higher interest rate environment. We achieved 8% adjusted operating profit growth to £884.5 million and a Return on Equity (RoE) of 14.6%.

Revenue growth was underpinned by the strong performance from the corporate client franchises in both geographies and Investec Wealth & Investment (IW&I) in South Africa.The strong revenue performance was supported by continued client acquisition, growth in average lending books, higher average interest rates, higher trading income and increased client activity. Revenue growth was impacted by the IFRS accounting implications of the strategic actions.

We continue to maintain strong capital and liquidity levels while striving to provide improved shareholder returns, including dividends.

Full details of our performance for the year can be found in the section 'Our Performance' of this report.

### Remuneration overview for the year

In August 2021 shareholders approved a revised Directors' Remuneration Policy that we believe is aligned with our strategy to simplify and focus the business for growth, through three strategic objectives:

- Connected client ecosystems;
- Growth initiatives; and
- Optimisation of returns.

Enabled by:

- Speed of Execution;
- Digitalisation; and
- Strategic use of data.

# ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR
CONTINUED

**Performance against targets:**

Below we cover the salient features of the 2024 remuneration achievements, illustrated through the lens of the Group Chief Executive remuneration outcomes.

- Short-term incentive (STI) overall achievement against both the financial and non-financial measures was between on-target and stretch
- Long-term Incentive (LTI) achievement against the financial measures achieved stretch level and between on-target and stretch for the non-financial measures.

| Remuneration Awarded – Group Chief Executive | 2023 (£'000) | 2024 (£'000) | % change |
|---|---|---|---|
| Fixed Remuneration | 1 040 | 1 087 | 4.5 % |
| Personal Security Benefit[1] | 89 | 46 | (48.3)% |
| STI | 1 568 | 1 441 | (8.1)% |
| LTI[2] | 832 | 869 | 4.5 % |
| **Total Remuneration** | **3 529** | **3 443** | **(2.4)%** |

Fixed remuneration increased by 4.5% which was below the general employee population increase of approximately 6% and the UK inflation level of 7.9% in June of 2023.

STI reduced by 8.1% year-on-year; the outcomes were assessed at between on-target and stretch against increased targets. Year-on-year EPS growth of 13.4% and total shareholder return of 27%.

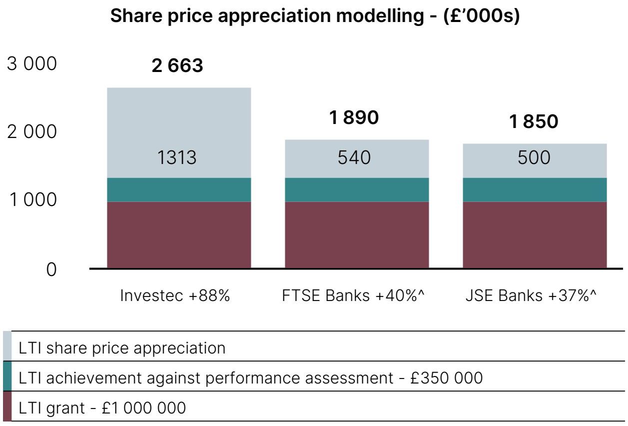
| Single Figure of Remuneration – Group Chief Executive | 2023 (£'000) | 2024 (£'000) | % change |
|---|---|---|---|
| Fixed Remuneration | 1 040 | 1 087 | 4.5 % |
| Personal Security Benefit[1] | 89 | 46 | (48.3)% |
| STI | 1 568 | 1 441 | (8.1)% |
| LTI[3] | 4 804 | 2 663 | (44.6)% |
| **Total Remuneration** | **7 501** | **5 237** | **(30.2)%** |

1. The value of this benefit is not included in variable remuneration calculations.
2. The 2024 LTI Grant is conditional on performance measures over a three-year period ending 31 March 2027.
3. The 2021 LTI award is assessed over a 3 year period, in line with UK regulatory requirements. The award vests in equal proportions over the five-year period commencing on 28 May 2024 with an additional 12 months retention post vesting.

The Committee believes that the Executive Directors have performed very well against increased targets. The targets were technically adjusted to reflect the impact of the increased equity post the conclusion of the Rathbones combination.

The remuneration outcomes are reflective of the overall financial and non-financial performance for the one- and three-year periods, and are also aligned to the experience of our shareholders and employees. The one- and three-year total shareholder returns for Investec plc were 27% and 211%, respectively, excluding the distribution of the 15% shareholding in Ninety One.

**Share price outperformance against peer group in both the UK and SA over the three-year period positively influenced the 2021 LTI award**




^ Share price appreciation % increase modelled with the performance of the respective indices during the same three-year period from grant date to vesting date of the 2021 LTI award.
Share price on first available day of vesting was £5.405 for Investec plc and £1.717 for Ninety One shares.

## Executive Director outcomes

### 2024 STI performance assessment

- Group Profit Before Tax (PBT), Group Return-on-Equity (RoE) and the Group Cost to Income ratio outcomes all exceeded on-target;
- The Group Cost Growth metric did not achieve the threshold level set;
- Strategic objectives achieved the stretch targets set;
- Culture and values exceeded the on-target level;
- ESG related measures achieved the on-target levels.

The overall STI achievement was 66.3% of the maximum opportunity for Fani Titi, Nishlan Samujh and Ciaran Whelan (pro-rata for Ciaran's service as a Group Executive Director). The overall STI achievement was 66.4% of the maximum opportunity for Richard Wainwright (pro-rata for Richard's service as a Group Executive Director). The outcome for Richard Wainwright is slightly different due to 50% of his financial targets being based on the performance of the South African business.

- The PBT and RoE ratios for the South African business exceeded on-target, Cost to Income ratio was at-target, while the Cost Growth metric exceeded threshold.

Full details of the financial and non-financial performance measures and outcomes are outlined in the Investec Group remuneration report 2024

ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR
CONTINUED

**2021 LTI performance assessment**

- The growth in Tangible Net Asset Value (TNAV) over the three-year period was above stretch; this was positively influenced by the distribution of the 15% shareholding in Ninety One;
- The average Return On Risk-Weighted Assets (RoRWA) was above stretch;
- The Committee assessed culture and values and governance and regulatory relationships at on-target, whilst franchise development and employee relationship development were assessed at stretch;

The overall LTI achievement was 154.5% of on-target (100% of maximum opportunity), however this was capped at 135% of on-target in line with the policy.

Full details of the financial and non-financial performance measures and outcomes are outlined in the Investec Group remuneration report 2024.

## Exercise of discretion

The Committee considered exercising its discretion in relation to the 2024 STI outcomes, the 2021 LTI vesting and the grant level of the 2024 LTI. The Committee was comfortable that the overall remuneration outcomes were aligned with performance and therefore did not exercise any discretion.

## Malus and clawback

The Committee duly and carefully considered, against pre-established criteria, whether malus and/or clawback should be applied to any unvested or vested variable remuneration awards, respectively. The Committee considered significant losses, write-downs and risk events during the year, where applicable and considered whether due governance and process had been adhered to. None of the malus and clawback thresholds were triggered and no application of these mechanisms was needed.

## Group-wide employee remuneration

Our remuneration approach is designed to foster a high performance culture that enables an entrepreneurial spirit as well as a strong sense of ownership. We reward our people for the contribution that they make through payment of fixed pay, variable performance bonus, and ownership through a share incentive scheme. We strive to provide a working environment that stimulates extraordinary performance within our risk appetite and prudential limits so that Executive Directors and employees may be positive contributors to clients, our communities and the Group.

Risk consciousness and management is embedded in the organisational culture, from the initiation of transactional activity through to the monitoring of adherence to mandates and limits and throughout everything we do.

The fixed pay comprises salary, role based allowances in certain circumstances, and certain other benefits.

Fixed pay and total reward is generally aligned with local market practice. The general employee pension contribution is funded by the company in addition to the salary and allowances. For the Executive Directors, the pension contribution is deducted from the fixed pay.

Therefore on a net basis the Executive Directors are not in a preferential position in relation to pension contributions when compared to the general employee population.

All employees are generally eligible for an annual bonus and/or short-term incentive based on a mix of financial and non-financial measures. Non-financial performance is more heavily weighted for non-revenue generating employees when determining their bonus.

In principle, all employees are eligible for, and the majority receive, long-term share incentives; this is designed to give our people a sense of ownership, so they feel invested in the organisation.

The Committee considered whether any performance adjustments, in the form of malus and/or clawback were applicable and should have been applied.

## Proposed Directors' Remuneration Policy

We are proposing a new three-year remuneration policy, for the year commencing 1 April 2024, which we believe is aligned to our strategy through three strategic objectives:

- Connected client ecosystems;
- Growth initiatives; and
- Optimisation of returns.

Enabled by:

- Speed of Execution;
- Digitalisation; and
- Strategic use of data.

The current Directors' Remuneration Policy was approved by Investec shareholders at the AGM held on 5 August 2021, and amended at the AGM held on 4 August 2022. It received 91.6% of votes in favour at the most recent AGM in August 2023.

Our principles for executive remuneration are as follows:

- Align with the higher of UK or South African regulations and market best practice;
- Greater alignment with shareholder expectations over the medium to long term;
- Clearly link executive remuneration to long-term performance;
- A material proportion of remuneration is at risk;
- Flexibility to amend targets (only prospectively on award) during the policy period in measures such as Sustainability and other performance measures to reflect changing context, business objectives and strategy; and
- Cascade the executive remuneration principles into the organisation where appropriate.

We engaged in an extensive consultation exercise with our major shareholders and other key stakeholders including the Investment Association and Institutional Shareholder Services (ISS) in the development of our proposed Directors' Remuneration Policy. These engagements were extremely helpful and we amended our proposed policy to incorporate some of the feedback. The policy incorporates the flexibility provided by the UK PRA and FCA's decision with effect from October 2023 to permit firms, including Investec, to set maximum ratios between variable and fixed pay for Material Risk Takers (MRTs) as they consider to be appropriate, no longer limited to a ratio of 2:1*.

* Since 2014, UK (and EU) regulations required certain firms, including Investec, to limit the ratio of variable to fixed pay for Remuneration Code Staff or Material Risk Takers (MRTs), being employees whose professional activities are deemed to have a material impact on the firm's risk profile, to 1:1 or 2:1 if shareholders approved it (as Investec shareholders did in 2014). EU regulations on this provision continue to apply so MRTs of any of Investec's EU entities or branches will remain subject to the ratio of 2:1 for so long as the relevant EU regulations continue to be in place.

## ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR
CONTINUED

The new ratio for Executive Directors, set by the DLC Remuneration Committee, is set out within the proposed DLC Directors' Remuneration Policy.

The key proposed changes to the policy are:

- Reduce fixed pay by one third, £375,000 for the Chief Executive, from the current proposed of £1,125,000 to £750,000;
- Convert the reduced fixed pay of £375,000 into long-term shares subject to performance conditions, with an increase in variable remuneration of £675,000 for on-target performance (a 1.8x "swap ratio");
- Reduce the Short-Term Incentive (STI) by £75,000 for the Chief Executive for on-target performance and pay 35.0% in cash, although the overall proportion of total remuneration granted in shares will not be reduced;
- The Long-term incentive (LTI) will increase to 48.0% of on-target remuneration compared to 29% in the current policy for on-target performance;
- Total Variable Remuneration will be 78% of on-target total remuneration compared to 64% in the current scheme;
- Total on-target remuneration at grant increases to £3,450,000 from £3,150,000 a 9.5% increase;
- Total maximum remuneration at grant increases to £4,500,000 from £3,940,000 a 14% increase. The current variable to fixed pay ratio regulatory cap of 2x on grant (effectively 2.5x) will be replaced by a new internal cap of 5x the new lower level of fixed pay;
- Mandatory shareholding requirement increased from 200% to 300% of fixed pay; the pound value remains unchanged; and
- The weighting of the Sustainability measures has increased within the non-financial measures in both the STI and LTI.

In the period since 2014 when, under CRDIV the 2:1 bonus cap was introduced, both the fixed pay and variable remuneration opportunity have reduced significantly. As an example, in the 2020 Remuneration Policy, both fixed pay and total remuneration opportunity were reduced by approximately 25% for Executive Directors. As a result of these adjustments since that period the Committee are comfortable the proposed variable to fixed pay ratio is appropriate.

The Committee believes that the Policy is fit for purpose, is aligned with the strategy of the Group and the interests of shareholders, and provides appropriate levels of reward in the context of pre-set targets and performance for the Executive Directors.

The Committee also believes the policy is more closely aligned to market practice and peers in both the UK and SA market:

- The fixed and variable pay opportunities align more closely to the SA market given the 2:1 variable to fixed pay cap has been removed; and
- Increased weighting on Sustainability measures within the non-financial metrics is more common in the UK market.

Full details of the proposed Proposed Directors' Remuneration Policy outlined in the Investec Group remuneration report 2024.

The new variable to fixed pay maximum ratio(s) for UK Material Risk Takers (MRTs ) who are not Executive Directors will be set by the DLC Remuneration Committee consulting with the IBP Remuneration Committee from time to time taking into account market practice, applicable rules and guidance from UK PRA and FCA, enabling Investec to reduce fixed pay costs over time and increase the amount of pay subject to performance. MRTs of Investec's EU entities or branches will remain subject to the ratio of 2:1 for as long as the relevant EU regulations continue to be in place.

### Compliance and governance statement

The remuneration report complies with the provisions of Schedule 8 of the Large- and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the UK Corporate Governance Code, the UK Companies Act 2006, the Rules of the UK Listing Authority, the UK Financial Conduct Authority rules, the UK PRA and FCA Remuneration Code, the South African King IV Code of Corporate Practice and Conduct, the South African Companies Act 2008, the JSE Limited Listings Requirements and the South African Notice on the Governance and Risk Management Framework for Insurers, 2014.

Pillar 3 disclosures can be found in the Group Pillar 3 annual disclosure report 2024.

### Response to shareholder feedback

We undertook extensive consultation with our key shareholders in the year, focusing on our new proposed remuneration policy. As a result of this engagement there were a number of amendments to the policy design including a reduction in variable remuneration opportunity compared with the original proposal. The proposed policy will be taken to the 2024 AGM for shareholder approval.

We look forward to consulting further with our key shareholders and other relevant bodies in the run up to the AGM, as we normally do.

### Revised Group medium-term targets

**(to 31 March 2027)**

The Group is committed to deliver returns above our cost of capital. Strategic execution over the last five years has resulted in structural improvement in Group performance, leading us to revise our post Rathbones combination (RAT adjusted) targets by 200bps.

**Current Group targets (RAT adjusted):**

IW&I UK combination with Rathbones results in a c.100bps reduction in Group ROE given an increased equity base, technically adjusting the current ROE target of **12%-16%** to **11%-15%**

**Revised Group targets:**

| | |
|---|---|
| ROE:<br>13%-17% | ROTE:<br>14%-18% |
| Cost to income ratio:<br>< 57%<br>partly reflecting the 400bps benefit from IW&I UK deconsolidation | Credit loss ratio:<br>25-45bps<br>through-the-cycle (TTC) range |

Further information on the Group's revised targets can be found on page 62.

# ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR
CONTINUED

### Forward-looking performance targets

| 2024 LTI: targets | Threshold | Target | Stretch |
|---|---|---|---|
| 3-yr TNAV growth - 2024 grant | 20.0 % | 35.0 % | 50.0 % |
| 3-yr TNAV growth - 2023 grant | 18.0 % | 33.0 % | 52.0 % |
| 3-yr ave. RoE - 2024 grant[1] | 13.5 % | 14.0 % | 14.5 % |
| 3-yr ave. RoE - 2023 grant | 14.0 % | 15.0 % | 16.0 % |

Relative TSR targets remain unchanged.

| 2025 STI: targets | Threshold | Target | Stretch |
|---|---|---|---|
| RoE - 2025[1] | 13.0 % | 13.5 % | 14.0 % |
| RoE - 2024[2] | 12.4 % | 13.4 % | 14.9 % |
| Cost: Income ratio - 2025[1] | 57.0 % | 54.0 % | 51.0 % |
| Cost: Income ratio - 2024[2] | 56.6 % | 54.6 % | 51.6 % |

PBT targets have been set prospectively and will be disclosed in the 2025 Annual Report due to commercial sensitivity.

1. The targets have been technically adjusted to reflect the impact of the increased equity post the conclusion of the Rathbones combination
2. The targets were technically adjusted to reflect the part year impact of the increased equity post the conclusion of the Rathbones combination

## Non-Executive Director fees

The full review of the fee structure for Non-Executive Directors was undertaken during the year, taking into account external benchmarking, the specific level of accountability, risk, complexity, time commitment and responsibilities for each role.

A default increase of 4%, in line with the average UK employee increase, is proposed. However, other specific adjustments were made for certain roles, where appropriate, based on internal and external factors.

The full details of the proposed fees for 2025 are detailed within the Investec Group remuneration report 2024.

## Looking ahead

Our proposed approach to executive remuneration is designed to incentivise exceptional long-term performance from our executives, adherence to our strategy and to ensure that all stakeholders, including shareholders and employees, are rewarded appropriately.

We are committed to ensuring that we have remuneration structures that support the Group's strategy and align with all stakeholder interests (as appropriate), allowing the Group to deliver strong performance and returns.

## Approvals

We are seeking shareholder approval at the 2024 AGM for:

- A binding vote (per the UK Companies Act 2006) on our proposed Directors' Remuneration Policy;
- Our Non-Executive Directors' remuneration Policy; and
- Our Annual Report on Remuneration for the year ended 31 March 2024.

For further information refer to the Investec Group remuneration report 2024 that is published separately.

## Signed on behalf of the Board

H. C. Baldock

**Henrietta Baldock**

Chair, DLC Remuneration Committee

**24 June 2024**

# Annexures

08

IN THIS SECTION

# OUR CREDIT RATINGS

In terms of our DLC structure, creditors are ring-fenced to either Investec Limited or Investec plc as there are no cross-guarantees between the companies. Capital and liquidity are prohibited from flowing between the two entities and thus capital and liquidity are not fungible. As a result, the rating agencies have assigned separate ratings to the significant banking entities within the Group, namely Investec Bank plc (IBP) and Investec Bank Limited (IBL). Rating agencies have also assigned ratings to the holding companies, namely, Investec plc and Investec Limited. In South Africa, adjustments in the sovereign rating lead to an automatic adjustment in the ratings of the major banks in the country, as it is generally accepted that a bank cannot have a higher rating than the sovereign of the country in which it operates. Our ratings at 24 June 2024 were as follows:

| Rating agency | Investec Limited | IBL A subsidiary of Investec Limited | Investec plc | IBP A subsidiary of Investec plc |
|---|---|---|---|---|
| **Fitch** | | | | |
| **Long-term ratings** | | | | |
| Foreign currency | BB- | BB- | | BBB+ |
| National | AA+(zaf) | AA+(zaf) | | |
| **Short-term ratings** | | | | |
| Foreign currency | B | B | | F2 |
| National | F1+(zaf) | F1+(zaf) | | |
| **Outlook** | Stable | Stable | | Stable |
| **Moody’s** | | | | |
| **Long-term ratings** | | | | |
| Foreign currency | | Baa3 | Baa1 | A1 |
| National | | Aaa.za | | |
| **Short-term ratings** | | | | |
| Foreign currency | | P-3 | P-2 | P-1 |
| National | | P-1.(za) | | |
| **Outlook** | | Stable | Stable | Stable |
| **S&P** | | | | |
| **Long-term ratings** | | | | |
| Foreign currency | | BB- | | |
| National | | za.AA | | |
| **Short-term ratings** | | | | |
| Foreign currency | | B | | |
| National | | za.A-1+ | | |
| **Outlook** | | Positive | | |

Further information on our credit ratings may be found on our website.

SHAREHOLDER ANALYSIS

## Investec ordinary shares

As at 31 March 2024, Investec plc and Investec Limited had 696.1 million and 295.1 million ordinary shares in issue respectively.

### Spread of ordinary shareholders as at 31 March 2024

#### Investec plc ordinary shares in issue

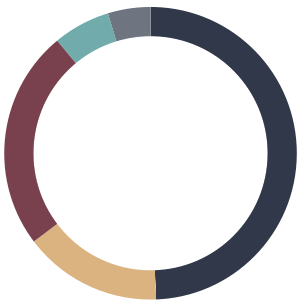
| Number of shareholders | Holdings | % of total shareholders | Number of shares in issue | % of issued share capital |
|---|---|---|---|---|
| 14 454 | 1 – 500 | 61.5% | 1 917 671 | 0.3% |
| 2 874 | 501 – 1 000 | 12.2% | 2 193 260 | 0.3% |
| 3 564 | 1 001 – 5 000 | 15.2% | 8 057 246 | 1.2% |
| 659 | 5 001 – 10 000 | 2.8% | 4 820 942 | 0.7% |
| 951 | 10 001 – 50 000 | 4.1% | 22 621 992 | 3.2% |
| 314 | 50 001 – 100 000 | 1.3% | 22 486 207 | 3.2% |
| 679 | 100 001 and over | 2.9% | 633 985 300 | 91.1% |
| **23 495** | | **100.0%** | **696 082 618** | **100.0%** |

#### Investec Limited ordinary shares in issue

| Number of shareholders | Holdings | % of total shareholders | Number of shares in issue | % of issued share capital |
|---|---|---|---|---|
| 8 820 | 1 – 500 | 65.3% | 785 762 | 0.3% |
| 1 199 | 501 – 1 000 | 8.9% | 918 689 | 0.3% |
| 1 859 | 1 001 – 5 000 | 13.7% | 4 250 742 | 1.4% |
| 459 | 5 001 – 10 000 | 3.4% | 3 351 694 | 1.1% |
| 693 | 10 001 – 50 000 | 5.1% | 16 372 153 | 5.6% |
| 172 | 50 001 – 100 000 | 1.3% | 12 405 889 | 4.2% |
| 311 | 100 001 and over | 2.3% | 257 040 877 | 87.1% |
| **13 513** | | **100.0%** | **295 125 806** | **100.0%** |

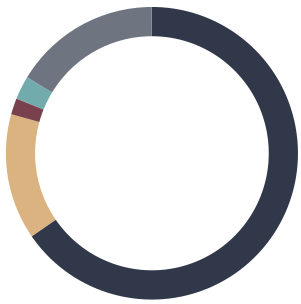
### Geographical holding by beneficial ordinary shareholder as at 31 March 2024

#### Investec plc



| | |
|---|---|
| South Africa | 49.4% |
| UK | 15.3% |
| USA and Canada | 24.3% |
| Rest of Europe | 6.3% |
| Rest of World | 4.7% |

#### Investec Limited



| | |
|---|---|
| South Africa | 65.4% |
| UK | 13.9% |
| USA and Canada | 1.8% |
| Rest of Europe | 2.6% |
| Rest of World | 16.3% |

SHAREHOLDER ANALYSIS
CONTINUED

## Largest ordinary shareholders as at 31 March 2024

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

### Investec plc

| Shareholder analysis by manager group | | Number of shares | % holding |
|---|---|---|---|
| 1. | Public Investment Corporation (ZA) | 94 476 972 | 13.6% |
| 2. | Investec Staff Share Scheme (UK & ZA) | 58 724 358 | 8.4% |
| 3. | M&G Investments (UK & ZA) | 46 852 885 | 6.7% |
| 4. | BlackRock Inc (UK & USA) | 44 963 750 | 6.5% |
| 5. | Ninety One (UK & ZA) | 33 702 289 | 4.8% |
| 6. | Vanguard Group Holdings (UK & USA) | 30 952 347 | 4.4% |
| 7. | BrightSphere Investment Group (US & UK) | 22 328 918 | 3.2% |
| 8. | Allan Gray (ZA) | 14 287 549 | 2.1% |
| 9. | Legal & General Group (UK) | 12 261 314 | 1.8% |
| 10. | T. Rowe Price Group (UK) | 11 726 938 | 1.7% |
| | **Cumulative total** | **370 277 320** | **53.2%** |

The top 10 shareholders account for 53.2% of the total shareholding in Investec plc. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

### Investec Limited

| Shareholder analysis by manager group | | Number of shares | % holding |
|---|---|---|---|
| 1. | Public Investment Corporation (ZA) | 45 858 653 | 15.5% |
| 2. | IGL Share Scheme (UK & ZA) | 24 055 976 | 8.1% |
| 3. | Investec Staff Share Scheme (UK & ZA) | 22 465 955 | 7.6% |
| 4. | Allan Gray (ZA) | 20 823 668 | 7.0% |
| 5. | Sanlam Group (ZA) | 13 479 346 | 4.6% |
| 6. | Truffle Asset Management (ZA) | 11 677 087 | 4.0% |
| 7. | Old Mutual Investment Group (ZA) | 10 976 597 | 3.7% |
| 8. | Vanguard Group Holdings (UK & USA) | 10 509 105 | 3.6% |
| 9. | M&G Investments (UK & ZA) | 7 848 178 | 2.7% |
| 10. | BrightSphere Investment Group (UK & UKSA) | 6 556 866 | 2.2% |
| | **Cumulative total** | **174 251 431** | **59.0%** |

The top 10 shareholders account for 59.0% of the total shareholding in Investec Limited. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

SHAREHOLDER ANALYSIS
CONTINUED

## Share statistics

| For the year ended | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Price earnings ratio[1] | 6.8 | 6.5 |
| Dividend payout ratio (%) | 44.2 | 45.0 |
| Dividend yield (%) | 6.5 | 6.9 |
| Earnings yield (%)[1] | 14.7 | 15.3 |

### Investec plc

| For the year ended | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Daily average volumes of shares traded ('000) | 1 151 | 1 534 |
| Closing market price per share (Pound Sterling) | 5.32 | 4.50 |
| Number of ordinary shares in issue (million) | 696.1 | 696.1 |
| Market capitalisation (£'million)[2] | 3 419 | 2 906 |

### Investec Limited

| For the year ended | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Daily average volumes of shares traded ('000) | 631 | 895 |
| Closing market price per share (Rands) | 124.93 | 98.12 |
| Number of ordinary shares in issue (million) | 295.1 | 299.0 |
| Market capitalisation (R'million)[2] | 111 828 | 87 787 |
| Market capitalisation (£'million)[2] | 4 762 | 4 023 |

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

SHAREHOLDER ANALYSIS
CONTINUED

## Investec preference shares

Investec plc and Investec Limited have issued preference shares.

### Spread of preference shareholders as at 31 March 2024

#### Investec plc preference shareholders

| Number of shareholders | Holdings | % of total shareholders | Number of preference shares in issue | % of issued preference share capital |
|---|---|---|---|---|
| 37 | 1 – 500 | 17.0% | 5 800 | 0.2% |
| 19 | 501 – 1 000 | 8.7% | 13 673 | 0.5% |
| 94 | 1 001 – 5 000 | 43.1% | 189 347 | 6.9% |
| 23 | 5 001 – 10 000 | 10.6% | 175 447 | 6.4% |
| 29 | 10 001 – 50 000 | 13.3% | 708 944 | 25.7% |
| 11 | 50 001 – 100 000 | 5.0% | 762 187 | 27.7% |
| 5 | 100 001 and over | 2.3% | 899 189 | 32.6% |
| **218** | | **100.0%** | **2 754 587** | **100.0%** |

#### Investec plc (Rand-denominated) perpetual preference shareholders

| Number of shareholders | Holdings | % of total shareholders | Number of preference shares in issue | % of issued preference share capital |
|---|---|---|---|---|
| 25 | 1 – 500 | 39.1% | 4 288 | 3.3% |
| 11 | 501 – 1 000 | 17.2% | 9 192 | 7.0% |
| 20 | 1 001 – 5 000 | 31.2% | 51 520 | 39.1% |
| 5 | 5 001 – 10 000 | 7.8% | 31 791 | 24.2% |
| 3 | 10 001 – 50 000 | 4.7% | 34 656 | 26.4% |
| — | 50 001 – 100 000 | —% | — | —% |
| — | 100 001 and over | —% | — | —% |
| **64** | | **100.0%** | **131 447** | **100.0%** |

#### Investec Limited perpetual preference shareholders

| Number of shareholders | Holdings | % of total shareholders | Number of preference shares in issue | % of issued preference share capital |
|---|---|---|---|---|
| 821 | 1 – 500 | 18.7% | 171 961 | 0.7% |
| 775 | 501 – 1 000 | 17.7% | 650 388 | 2.6% |
| 1 870 | 1 001 – 5 000 | 42.7% | 4 584 898 | 18.5% |
| 422 | 5 001 – 10 000 | 9.6% | 3 034 895 | 12.2% |
| 429 | 10 001 – 50 000 | 9.8% | 8 538 863 | 34.4% |
| 34 | 50 001 – 100 000 | 0.8% | 2 405 742 | 9.7% |
| 29 | 100 001 and over | 0.7% | 5 449 096 | 21.9% |
| **4 380** | | **100.0%** | **24 835 843** | **100.0%** |

## Largest preference shareholders as at 31 March 2024

Shareholders holding beneficial interests in excess of 5.0% of the issued preference shares are as follows:

### Investec plc perpetual preference shares

HSBC Global Custody Nominee (UK) 13.6%
Rock (Nominees) Limited 5.3%
Nortrust Nominees Limited 5.2%

### Investec plc (Rand-denominated) perpetual preference shares

Private individual 9.9%
Private individual 8.4%
Morris Orlin Outfitters Pty Ltd 8.1%
Private individual 7.6%

### Investec Limited perpetual preference shares

There were no shareholders holding beneficial interests in excess of 5.0% of the issued preference shares in Investec Limited as at 31 March 2024.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

## Non-financial and sustainability information statement

This table sets out where shareholders and stakeholders can find information relating to key non-financial matters in our reporting suite. This is in compliance with the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006

Further disclosures are available on our integrated reporting page on our website: www.investec.com

| Reporting requirement | Where to find more information in this report about our policies and impact including risks, due diligence processes and outcomes | Reporting suite | Page |
|---|---|---|---|
| **Description of business model** | Business model | Integrated and strategic report | 20 |
| | Our strategy | Integrated and strategic report | 54 |
| **Principal risks and uncertainties** | Group Chief Risk Officer report | Integrated and strategic report | 103-104 |
| | Risk management | Integrated and strategic report | 106-107 |
| | Principal risks | Integrated and strategic report | 108-116 |
| **Environmental matters** | Our operations | Integrated and strategic report | 131 |
| | Our suppliers | Sustainability report | 119 |
| | Our clients - reducing our financed emissions | Integrated and strategic report | 201 |
| **Employees** | Employees | Integrated and strategic report | 132-133 |
| | Employee policies and engagement | Sustainability report | 29, 130-131 |
| | Health, safety and wellbeing | Sustainability report | 32, 34 |
| **Human Rights** | Suppliers | Sustainability report | 106-107 |
| | Respecting human rights | Sustainability report | 106-107 |
| **Social matters** | Society | Integrated and strategic report | 132-135 |
| | Drive social impact through our clients and communities | Integrated and strategic report | 134-135 |
| **Anti-corruption and bribery** | Code of conduct and ethics | Integrated and strategic report | 136-137 |
| | Fighting financial crime | Risk and governance report | 20 |
| | Political donations | Integrated and strategic report | 173 |
| **Non-financial KPIs** | Supplementary people information | Sustainability report | 27-41 |
| | Supplementary sustainability information | Sustainability report | 1-133 |
| | 2025 sustainability aspirations | Integrated and strategic report | 120-137 |

CLIMATE-RELATED DISCLOSURES OVERVIEW

# Climate-related disclosures overview

The following complies with the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022. Additionally, we have prepared a comprehensive Climate Report that provides a more detailed and tailored perspective for our stakeholders, as required by the Financial Conduct Authority (FCA) Listing Rule 9.8.6R(8). The information provided, along with our extensive Climate Report available on our website, demonstrates our recognition and alignment with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. These disclosures outline how we integrate climate-related risks and opportunities into our governance, strategy, risk management, metrics, targets, and our approach to meeting stakeholder expectations.

Investec publicly committed to support the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2019 and we released our first stand-alone TCFD report in 2019. During the year ended 31 March 2024, we have made progress in improving the data quality and processes for our financed emissions. In addition, we dedicated significant resources to automate the financed emissions calculations using the PCAF methodology which improved alignment across our jurisdictions and improved the consistency of applied methodologies.

Please refer to the Investec Group's 2024 climate and nature-related financial disclosures report for further detail.

## Governance

### The Board's oversight of climate and nature-related risks and opportunities

**Frameworks:** Climate-related financial disclosures: **CFD-a**. TCFD: **G-a**

### Board

**Responsibility**
At the highest governance level, the Board establishes the purpose of the Group, incorporates sustainability, climate and nature-related matters when reviewing and guiding strategy and strategic objectives, and monitors progress against sustainability-related targets and ambitions. Furthermore, they track the progress of goals and targets, including overseeing major capital expenditures, acquisitions, and divestitures. In addition, the Board is responsible for overseeing Investec's response to climate change and the prevention of nature loss. They receive support from Group executive forums and management teams in managing climate and nature-related risks and identifying opportunities.

**Board meetings**
The composition of the Board has been designed to ensure that we have the appropriate mix of knowledge, skills, experience, independence and diversity. The Board considers the collective skills, knowledge and experience of the directors when assessing the overall composition and suitability of the Board. In addition to a range of skills and experience, the Board also values the innate difference in approach and thinking styles, which results from the varied backgrounds and experiences of our directors.The skills and experience of the members of the Board are detailed on pages 156 to 159.

All members have a strong awareness of climate-related and sustainability matters. The Board met six times during which climate-related and sustainability matters were presented. 86% of the Board members have sustainability-related experience.

**Information and escalation channels**
The DLC SEC Chair reports to the Board after each meeting on the nature and content of its discussions, recommendations, and action to be taken, and makes recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed. In addition, climate-related and sustainability risk matters are escalated to the Board through the DLC BRCC and the Group ESG Executive Committee, with documented feedback provided at every meeting.

**Monitoring and oversight**
Our climate-related goals and targets are set at an operational level with the overarching commitment to remain carbon neutral within our operations (Scope 1 and 2 and operational Scope 3). This has resulted in us being carbon neutral for the sixth consecutive year. Additionally, the Board has provided oversight for our enhanced climate impact roadmap, which outlines our strategy for sustainable finance and our pathway to achieving net zero carbon emissions by 2050. We will establish sustainable finance targets by end of March 2025 that will be overseen by the Board. The Board has received regular updates throughout the financial year, both written and verbal.

**Key achievements for the year ending FY24**
- The concept of double materiality - in which we understand the impacts of climate change and biodiversity loss on our business, and the impact of our activities on the natural environment/biodiversity and climate change has been a key focus for the Board
- The Board approved the enhanced Sustainable and Transition Finance Classification framework
- The Board noted the emerging sustainability disclosure regulations, specifically the ISSBs IFRS S1 and IFRS S2 recommendations, the recommendations published by the Prudential Authority and the CSRD
- The Board was upskilled in climate-related matters, specifically in sustainable and transition finance as a result of our enhanced Sustainable and Transition Finance Classification Framework.

**Focus areas for the year ending FY25**
- Oversee progress of establishing sustainable finance targets for the Group
- Monitor sustainable and transition finance initiatives across the Group
- Oversee the developments regarding the inclusion of additional asset classes in the calculations of our Scope 3 financed emissions
- Further enhancements of skills in climate and sustainability-related matters.

CLIMATE-RELATED DISCLOSURES OVERVIEW

## Governance continued

### The Board's oversight of climate and nature-related risks and opportunities continued

**Frameworks:** Climate-related financial disclosures: **CFD-a**. TCFD: **G-a** continued

### DLC Social and Ethics Committee (DLC SEC)

**Responsibility**
The DLC SEC is a Board-appointed Committee with a direct reporting line to the DLC Board. The DLC SEC has accountability for monitoring the non-financial elements of sustainability and monitors the Group's performance in terms of sustainability, climate and nature-related matters. Furthermore, it is accountable for monitoring the Group's activities with regard to any relevant legislation, other legal requirements, or prevailing codes of best practice. The responsibilities of the DLC SEC is documented on page 101 of the 2024 Group risk and governance report.

**Committee meetings**
The DLC SEC consists of four independent Non-Executive Directors and the Group Chief Executive. The Committee met four times during the year ended 31 March 2024 where climate and sustainability-related matters were discussed at every meeting.

The committee is confident that they have a strong and diverse team of directors who will continue to oversee the sustainability of the Group's business and the interests of the Group's stakeholders. See page 101 to 103 of the 2024 Group risk and governance report.

**Information and escalation channels**
The DLC SEC receives feedback on the latest climate and nature-related matters through a standing agenda item.

The Chief Strategy and Sustainability Officer escalates any sustainability-related matters raised by the Group ESG Executive Forum either verbally or in written format to the DLC SEC. During FY2024, the DLC SEC climate-related discussion points for the Group included:

- An update on the business initiatives designed to support our clients in their participation in the transition to net zero by 2050
- A discussion on our enhanced Sustainable and Transition Finance Classification Framework and the linkage of a sustainable finance target to executive remuneration.

**Monitoring and oversight**
The DLC SEC monitors and oversees progress against climate and sustainability-related goals and targets through ongoing communication to the Committee through a standing agenda item.

Key points that are overseen and monitored include:

- Sustainability strategy, framework and policies
- Alternatives to link ESG metrics and KPIs to Executive Directors' compensation
- Scope 3 financed emissions
- ESG transactions that are deemed of high concern
- ESG ratings and rankings.

**Key achievements for the year ending FY24**
- A review of our progress following the commitment made to achieving net-zero carbon emissions by 2050 and processes to enhance our Scope 3 financed emissions calculations with refined assumptions and systems automation
- Acknowledgement of the enhanced Sustainable and Transition Finance Classification Framework
- Noted our reporting readiness with the increased sustainability reporting developments internationally
- Acknowledgement of the outcomes of the double materiality assessment disclosed in the Investec Group's 2024 integrated and strategic annual report.

**Focus areas for the year ending FY25**
- Contribute to the setting of a sustainable finance target for the Group and monitoring performance against the set target
- Monitor the response to the double materiality assessment completed in 2024
- Monitor the progress in managing the Group's Scope 3 emissions from our lending and investing activities.

### DLC Board Risk and Capital Committee (DLC BRCC)

**Responsibility**
The role of the Committee is to provide independent challenge and oversight of the Group's risk and capital frameworks, management and governance structures. They ensure that effective risk and capital frameworks, plans, policies, processes and systems are in place to ensure current and emerging risks are adequately assessed and appropriately addressed within a reasonable timeframe.

The DLC BRCC oversees and signs off on the Group's risk management policies. The Committee is also responsible for managing the principal risks of the Group, of which climate-related risk is explicitly listed.

**Committee meetings**
The Committee comprises Executive and Non-Executive members, with the composition designed to provide the breadth of risk expertise and commercial acumen to fulfil their responsibilities.

All members have a strong awareness of climate and sustainability-related matters.

The Committee met five times during the financial year ended 31 March 2024 where members were informed of climate and sustainability-related matters on an ad-hoc basis.

**Information and escalation channels**
The DLC BRCC receives feedback through Committee meetings and interactions with the Group Chief Risk Officer, the IBP Chief Risk Officer, the IBL Chief Risk Officer (who are all members of the DLC ESG Executive Committee) and Heads of Risk of the various subsidiaries. Furthermore, the DLC BRCC receives feedback from the IBL BRCC and IBP BRCC where the risks of the banks are addressed, which includes risks relating to sustainability-related matters.

CLIMATE-RELATED DISCLOSURES OVERVIEW

## Governance continued

### The Board's oversight of climate and nature-related risks and opportunities continued

**Frameworks:** Climate-related financial disclosures: **CFD-a**. TCFD: **G-a** continued

### DLC Board Risk and Capital Committee (DLC BRCC) continued

**Monitoring and oversight**
The Group's exposure to fossil fuels was considered. The Committee was kept updated on the improvement actions being taken from a sustainability and climate risk perspective. These included assessing core loans and advances as well as reviewing the risk classifications per the International Finance Corporation (IFC) guidelines. The Committee received confirmation from management that credit decisions considered financial risks from climate change and that these decisions were being documented.

**Key achievements for the year ending FY24**
The DLC SEC and the Committee reviewed all the ESG related policies. The Group also conducted a double materiality assessment the findings of which are included in the Investec Group's 2024 integrated and strategic annual report.

**Focus areas for the year ending FY25**
- Stronger focus on climate, nature and energy security.
- Monitor the increased reporting requirements from stakeholders, monitor our fossil fuel exposures and our exposure to high-emitting industries.
- Increase engagement on climate and nature-related goals and targets.
- Regular feedback from the various sustainability committees on climate and nature-related goals and targets.
- Development and upskilling of DLC BRCC members on climate and nature-related matters.

### DLC Audit Committee

**Responsibility**
The role of the Committee is to consider the appropriateness of financial and non-financial disclosures and provide oversight on compliance to climate-related reporting regulations. The Committee also considers the level of assurance provided by external audit on sustainability and climate disclosures made in the annual report.

**Committee meetings**
The Audit Committee met 11 times during the financial year ended 31 March 2024, where regulations, specifically the BIS Pillar 3 requirements and the ISSB's disclosure guidance on IFRS S1 and IFRS S2, were discussed.

**Information and escalation channels**
The Committee receives regular updates from Group Sustainability, Group Finance and from External Audit on the latest regulatory and disclosure requirements.

Significant judgments and estimates were discussed, including the inherent risks posed by climate-related matters.

**Key achievements for the year ending FY24**
The DLC Audit Committee reviewed the assurance provided for KPIs relating to:
- Fossil fuel exposure
- Carbon footprint
- Limited assurance on the mortgage asset class with regards to Scope 3 financed emissions
- Appropriateness and completeness of the ESG and climate disclosures provided in the Investec Group's 2024 integrated and strategic annual report.

**Focus areas for the year ending FY25**
Development and upskilling of members on climate and nature-related matters.

The implications of ESG risk in measuring the sustainability and societal impact of an investment in a company or business, together with ESG accounting disclosures and assurance processes.

### DLC Remuneration (REM) Committee

**Responsibility**
The DLC REM Committee establishes performance-related targets in respect of sustainability measures, which incorporate climate-related aspects.

**Committee meetings**
The DLC REM Committee met seven times during the financial year ended 31 March 2024 and considered climate-related matters at three of those meetings.

**Information and escalation channels**
The DLC REM Committee gets informed on climate-related targets when the Executive remuneration framework is reviewed. The DLC REM Committee will then assess the performance of the Executive against these targets.

Refer to the 2024 Group Remuneration report page 11 for executive remuneration.

**Key achievements for the year ending FY24**
Approved the executive remuneration framework regarding sustainability targets (including climate-related aspects).

Refer to the 2024 Group Remuneration report page 4.

**Focus areas for the year ending FY25**
Approve the executive remuneration framework regarding sustainability targets (including climate-related aspects).

Refer to the 2024 Group Remuneration report page 4.

CLIMATE-RELATED DISCLOSURES OVERVIEW

## Governance continued

### Management's role in assessing and managing climate and nature-related risks and opportunities

**Frameworks:** Climate-related financial disclosures: **BEIS (a)**. TCFD: **G-b**

### Chief Executive (CE) responsibility

**Responsibility**
The CE, Fani Titi, takes ultimate executive responsibility for all sustainability, climate and nature-related matters. He is also on the board of the UN Global Compact network in South Africa.

**Information and escalation channels**
The CE is informed of sustainability, climate and nature-related risks and opportunities through the Chief Strategy and Sustainability Officer, the Group ESG Executive Committee and the DLC SEC, of which he is also a member. He also receives written feedback through the Board reports.

**Monitoring and oversight**
The CE is part of the DLC SEC and DLC BRCC, which monitor and oversee sustainability and climate-related goals and targets.

**Key achievements for the year ending FY24**
- Approved the enhanced Sustainable and Transition Finance Classification Framework.
- Endorsed the double materiality assessment conducted according to the guidelines provided by the CSRD.
- Received recognition for the second year in a row by Corporate Knights as one of the top 100 most sustainable companies in the world.

**Focus areas for the year ending FY25**
- Monitor progress on setting a sustainable finance target and incorporating this target into Executive remuneration.
- Advocate industry participation, in particular engagement with the UN Global Compact network in South Africa.
- Monitor progress on the Group's net-zero ambitions.
- Inform the strategic direction for climate and nature initiatives and alignment with the Group strategy.

### Group ESG Executive Committee

**Responsibility**
The Group CE is supported by the Group ESG Executive Committee to help align and coordinate ESG strategy and governance efforts across geographies and businesses. The Group ESG Executive Committee, mandated by the Group's Executive Directors, reports relevant sustainability, climate and nature-related matters to the DLC SEC and Group ERC.

**Information and escalation channels**
Key sustainability, climate and nature-related matters raised by the business and forums mentioned below are escalated to the Chief Strategy and Sustainability Officer who presents these matters verbally and in written format at each Group ESG Executive Committee meeting.

**The forums include:**
- The Group sustainability team
- Investec Limited Sustainable Business Forum
- Investec plc Sustainable Business Forum
- W&I Responsible Investment Committee
- Group ERC
- IBL ERC
- IBP ERC.

**Monitoring and oversight**
Receives updates on sustainability, climate and nature-related matters at each meeting in a verbal or presentation format.

Reviews Investec Group's ESG ratings (in particular Sustainalytics, MSCI, CDP, CSA Dow Jones and ISS), assessing and engaging on suggested actions to improve ratings and performance of climate and nature-related goals and targets.

Discusses and approves actions towards carbon neutrality to meet our net-zero ambitions.

The committee met six times during FY2024 where sustainability, climate and nature-related matters were discussed at every meeting.

**Key achievements for the year ending FY24**
- Initiated a collaborative process to enhance the Sustainable and Transition Finance Classification Framework, which will serve as the foundation for establishing sustainable finance targets
- Endorsed the automation of the Scope 3 financed emissions, aiming to enhance accuracy and efficiency
- Reviewed and discussed the emerging sustainability regulations from the Prudential Authority, the ISSB's recommendations specifically relating to IFRS S1 and IFRS S2, and the CSRD
- Reviewed the double materiality assessment conducted in accordance with the requirements of the CSRD
- Reviewed the sustainability strategy of the Group, with a particular focus on our net-zero pathway
- Provided capacity building for frontline staff on the application of sustainable finance in commercial activities.

**Focus areas for the year ending FY25**
- Engage actively in the process of establishing sustainable finance targets for the Group
- Track sustainable and transition finance initiatives across the Group
- Review decarbonisation efforts
- Monitor the developments regarding the inclusion of additional asset classes in the calculations of our Scope 3 financed emissions
- Monitor new product offerings, with a strict focus on identifying greenwashing practices and staying informed about emerging anti-greenwashing regulations
- Oversee the development of sustainability competencies across all global business units.

CLIMATE-RELATED DISCLOSURES OVERVIEW

## Governance continued

### Management's role in assessing and managing climate and nature-related risks and opportunities continued

**Frameworks:** Climate-related financial disclosures: **BEIS (a)**. TCFD: **G-b** continued

**Executive responsibility within the Specialist Bank**
The Board assigned executive responsibility to Marc Kahn (Chief Strategy and Sustainability Officer) to drive the sustainability agenda across the Group. Mark Currie, our Group Chief Risk Officer as well as Kevin McKenna, our UK Chief Risk Officer are members of the Group ESG Executive Committee. Kevin McKenna is also the Senior Management Function (SMF) for climate risk for Investec Bank plc. Nick Riley takes responsibility for climate-related risk for Investec Limited who is also a member of the ESG Executive Committee.

**Executive responsibility within Wealth & Investment**
Joubert Hay as the Chief Executive Officer of Investec Wealth & Investment International has executive responsibility for sustainability and climate-related matters. The implementation has been assigned to key members of the Wealth & Investment Responsible Investment Committee who coordinate the integration of the sustainability, climate and nature-related matters in our Wealth & Investment International business.

**Chief Strategy and Sustainability Officer**

The Chief Strategy and Sustainability Officer, has a direct reporting line to the Group Chief Executive, Fani Titi. Any sustainability, climate and nature-related matters are reported to the CE verbally as and when they arise.

The Chief Strategy and Sustainability Officer is the Chair of the Group ESG Executive Committee and collaborates with a range of directors, executives and senior leaders on sustainability matters. The sustainability teams within each of our jurisdictions report directly to the Chief Strategy and Sustainability Officer.

## Strategy

### Climate and nature-related risks and opportunities identified over the short, medium and long term

**Frameworks:** Climate-related financial disclosures: **BEIS (d1) (d2)**. TCFD: **S-a**

**Time horizons:** Our time horizons are shown below and defined according to the average maturity of our portfolio:

- Short-term (0 – 1 year): Sectors already experiencing some risk implications as a result of transition or physical risk
- Medium-term (1 – 5 years): Sectors with exposure to transition or physical risk that is broadly manageable
- Long-term (5 – 40 years): Modest sector-wide exposure to transition or physical risk or where the consequences are not likely to be material to credit quality

### Transition risks

| Risk | Drivers | Potential impacts | Expected time horizon | Mitigation actions |
|---|---|---|---|---|
| **Policy and legal risk** | • Efforts to remain carbon neutral<br>• Carbon tax<br>• Climate and nature-related reporting regulations<br>• Litigation actions<br>• Potential risk of regulatory breaches from existing climate-related regulation | • Increased operating costs<br>• Potential write offs due to early retirement of assets<br>• Changes in asset valuations | • Short term<br>• Medium term<br>• Long term | • Apply a balanced approach towards meeting stakeholder demands through active stakeholder engagement<br>• Participating in industry initiatives to test and develop climate and nature-related reporting |
| **Technology risk** | • New technologies favoured due to lower carbon footprint<br>• Investment in new technologies | • Costs associated with the substitution of technology to cleaner alternatives<br>• Write off or early retirement of technology assets<br>• Research and development expenses towards newer and greener technologies | • Short term<br>• Medium-term | • Reduce environmental footprint through operational efficiencies<br>• Adoption of cloud services and reduction of the reliance of on-premise data centres<br>• Research on new and innovative technologies to mitigate cost issues |
| **Market risk** | • Competitor entrance with innovative sustainable finance product offerings<br>• Change in consumer behaviour toward low carbon products<br>• Increased costs and volatility in prices for carbon heavy products | • Scaling costs associated with implementing sustainable finance product offerings<br>• Research and development costs for new product offerings<br>• Operational costs associated with increased client engagements | • Medium term<br>• Long term | • Increase sustainable finance offerings in line with client and market demand<br>• Manage exposures to high emitting industries (e.g. fossil fuels) |

CLIMATE-RELATED DISCLOSURES OVERVIEW

## Strategy continued

### Climate and nature-related risks and opportunities identified over the short, medium and long term continued

**Frameworks:** Climate-related financial disclosures: **BEIS (d1) (d2)**. TCFD: **S-a** continued

#### Transition risks continued

| Risk | Drivers | Potential impacts | Expected time horizon | Mitigation actions |
|---|---|---|---|---|
| **Reputational risk** | • Risk of greenwashing in product offerings and disclosure<br>• Increased stakeholder concern and pressure on emission reduction strategies | • Increased costs relating to penalties associated with greenwashing<br>• Potential increase in costs relating to additional reporting requirements | • Short term<br>• Medium term | • Transparent disclosures<br>• Targeted stakeholder engagement |

#### Physical risks

| Risk | Drivers | Potential impacts | Expected time horizon | Mitigation actions |
|---|---|---|---|---|
| **Acute risk** | • Damage to fixed assets, infrastructure and supply chain due to extreme climate events | • Supply chain disruption due to impacted production capacity<br>• Disruption in operations due to extreme climate events<br>• Costs associated with geospatial analysis of assets<br>• Increased impairments for assets that are impacted severely by acute climate events<br>• Forgone returns from riskier property assets | • Short term<br>• Medium term<br>• Long term | • Ensure resilience of operations to acute climate events (business continuity)<br>• Identification and assessment of assets impacted by climate-related physical risks within our loan book<br>• Evaluate our supply chain for potential exposure to physical climate risks<br>• Ensure resilience through acute physical risk scenario analysis<br>• Given the (relative) short-term nature of our loan book, we may be able to realign our loan book relatively frequently to pivot away from assets that may be at risk for acute physical events |
| **Chronic risk** | • Change in average temperature and precipitation patterns<br>• Increase in sea level rise | • Cost associated with geospatial analysis of physical assets<br>• Cost relating to adaptation measures within our own buildings | • Medium term<br>• Long term | • Evaluate asset classes that may be exposed to chronic physical risks<br>• Ensure resilience through chronic physical risk scenario analysis<br>• Evaluate risks in supply chain that might be exposed to chronic physical risks |

#### Opportunities

Within our business, we contribute to climate action and protecting nature through our financing activities. We actively support climate action by addressing critical environmental concerns, reducing greenhouse gas emissions, and fostering resilient communities. Through our investments, we promote a sustainable future where climate change impacts and biodiversity loss are mitigated, clean energy is accessible to all, and cities are environmentally friendly and adaptable.

| Opportunity | Time horizon |
|---|---|
| **Renewable energy**<br>Financing renewable energy projects not only helps to decarbonise the energy sector but also contributes to energy access, security and affordability, especially in underserved communities. In addition, these financing activities can accelerate the transition towards a low-carbon economy and foster climate resilience. | • Short term |
| **Water solutions and infrastructure**<br>Financing water projects that enhance water infrastructure, promote water conservation, and improve sanitation systems. Through these projects we contribute to mitigating the adverse effects of climate change and building resilient communities. | • Medium term |
| **Urban planning, green infrastructure and transportation**<br>Financing projects that enhance urban planning, promote green infrastructure, and invest in public transportation systems contribute to reducing carbon emissions from transportation and buildings. By building sustainable cities that prioritise energy efficiency, renewable energy integration, and resilient infrastructure, we address the risks posed by climate change and promote sustainable development. | • Short term |

CLIMATE-RELATED DISCLOSURES OVERVIEW

## Strategy continued

### The impact of climate and nature-related risks and opportunities on our businesses, strategy and financial planning

**Frameworks:** Climate-related financial disclosures: **BEIS (e)**. TCFD: **S-b**

**Products and services**
- Climate and nature-related risk has led to an enhanced ESG screening process, with transactions that fall within high-risk industries subject to even further due diligence. More detail on our ESG screening criteria is shown on page 50 of the 2024 Group climate and nature-related disclosures report
- We have committed to zero thermal coal exposures within our loan book by 31 March 2030
- There are numerous opportunities presented by climate change to move towards lower carbon product offerings. Refer to page 126 and 127.

**Adaptation and mitigation activities:** To date our activities largely focused on financing mitigation activities. These include:
- Offering various sustainability-linked loans
- Financing renewable energy solutions and water infrastructure (adaptation)
- Launching a sustainable solutions offering for our Private Banking clients in South Africa that focuses on solar solutions

**Investment in research and development:** We have invested in research and development through the following:
- Co-chairing the production of International Chamber of Commerce (ICC) Export Finance Sustainability White Paper: Global Trade Review (GTR), a leading publication in the trade and export finance market
- Member in a network to transform industry ESG practices: Investec is part of a membership network, Sustainable Trading, that launched a non-profit membership to transform ESG practices within the financial markets trading industry.

**Operations**
- Within our operations, we manage our own carbon footprint and source 100% of our Scope 2 energy from renewables, through the purchase of renewable energy certificates.
- Our Sandton office has a 5-star GBCSA certification
- In the UK, Investec's Corporate Estate Facilities Management upheld its commitment to environmental stewardship and energy efficiency by maintaining the certification of our integrated Environmental and Energy Management Systems. This system adheres to the internationally recognised ISO 14001 standard, and is implemented across nine of our offices in the UK and the Channel Islands. We continued to meet the rigorous requirements of the ISO 50001 standard, which was first achieved in 2018, across ten of our UK, Ireland and Channel Island locations.

**Supply chain**
Our Investec Group procurement statement acknowledges the potential for our procurement and supply chain practices to be agents of change for different aspects of sustainability. As such, where possible, we commit to local sourcing in South Africa. Our supply chain statement incorporates standards on human rights, labour rights and environmental and anti-corruption principles, as set out in the UN Global Compact. All suppliers undergo a rigorous online screening and ESG due-diligence process before they are onboarded. With regards to environment- and climate-related conditions, we aim to only engage with suppliers who:
- Operate in compliance with all applicable environmental laws and regulations of the countries in which they operate, manufacture or conduct business
- Maintain an effective environmental policy and/or environmental management system that supports environmental protection.

### The resilience of our strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

**Frameworks:** Climate-related financial disclosures: **BEIS (f)**. TCFD: **S-c**

**Within Investec Limited:** The South African Reserve Bank (SARB) conducts a common scenario stress test (CSST) every two years to assess the banking system. The most recent test, conducted in 2023, showed that banks designated as systemically important financial institutions are adequately capitalised and able to withstand severe economic disruptions. Investec Bank Limited is actively quantifying the impact of climate-related stresses, including estimating Probability of Defaults (PDs) and Loss Given Defaults (LGDs) based on climate-specific economic scenarios. The Financial Stability Department of the South African Reserve Bank is performing an industry-wide climate-related stress test in 2024. Additionally, the Prudential Authority (PA) has released guidance notes to strengthen climate-related risk management and disclosure practices across the industry. Investec Bank Limited has sufficient capital and liquidity to meet regulatory requirements and continue operating.

**Within Investec plc:** Climate change-related financial risks are becoming increasingly significant for firms and the financial system. During April 2024, the Bank of England released their expectations for Banks regarding climate change. This included an expectation for banks to further advance and demonstrate the development and integration of processes to identify, measure, manage, and mitigate climate-related financial risks, based on our previous feedback. In addition, banks should also consider incorporating relevant and ambitious stress scenarios to enhance their assessment of the impact of climate change on their business resilience. Furthermore, they have started to initiate work to update the supervisory statement SS3/19, which will include effective practices and developments in broader regulatory thinking. Investec Bank plc performed climate scenario analysis and risk assessments in line with the requirements stipulated by Supervisory Statement SS3/19 'Enhancing banks' and insurers' approaches to managing the financial risks from climate change', on a proportionate basis for the size and complexity of the firm. The Bank of England's '2021 Climate Biennial Exploratory Scenario' has been used as the framework for scenario analysis.
Short-term transition and physical risk are low and Investec plc has sufficient capital and liquidity to continue as a going concern and meet regulatory capital and liquidity requirements.

CLIMATE-RELATED DISCLOSURES OVERVIEW

## Risk management

### Our processes for identifying and assessing climate and nature-related risks

**Frameworks:** Climate-related financial disclosures: **BEIS (b)**. TCFD: **R-a**

**Credit risk:** Credit risk increases if climate risk drivers reduce a borrowers' ability to repay and service debt (income effect) or the banks' ability to fully recover the value of a loan in the event of default (wealth effect).

- Investec supports international best practice regarding the responsibility of the financial sector in financing and investing in transactions. Social, environmental and ethical risk considerations are implicit in our values, culture and code of conduct, and are applied as part of our risk frameworks
- Our approach to managing the risks from climate change is continually evolving as we improve our understanding of this complex and interconnected risk. We are also aware of the enormity of the challenge of navigating through continuously changing methodologies
- Climate risk was incorporated into the Investec Group's risk frameworks as a principle risk in 2018
- Environmental, nature, climate-related and broader sustainability considerations are implicit in our values, culture and code of conduct and are applied as part of our environmental, nature and climate-related risk frameworks. We assess sustainability risk as part of the credit committee and investment committee's evaluation of lending and investment decisions. This includes additional due diligence for transactions that fall into the high-risk ESG category (as defined by the IFC), which involves a comprehensive review by the Group sustainability team. This review identifies any potential risks relating to:
  - Social injustice (including human rights, diversity, inclusion and modern slavery, community displacement and health and safety risk) to support SDG 10
  - Environmental impacts (including climate, nature degradation and animal welfare) so support SDG 13
  - Governance matters (including corruption, fraud and controversies)
  - Macro-economic impacts (including poverty, growth, and unemployment) to support SDG 13 and SDG 10.
- We consider double materiality as a critical factor to inform our decisions. We take a cautious approach to industries known to have an adverse effects on the environment, biodiversity and climate
- If the Group sustainability team flags a transaction as a high concern issue, it will be escalated to a IBL, IBP, or Group ERC before any credit or investment decision is made. Moreover, the DLC SEC is informed of any transaction identified as high concern issues.

Potential risks include:

- Stranded assets where these assets are seen to be carbon intensive. This is particularly the case in fossil fuel assets
- Lower earnings resulting from carbon intensive assets could lead to a need for higher capital expenditure to adapt to the changing market or higher operational expenditure due to fines and taxes imposed on these activities
- Decrease in the value of collateral for high carbon intensive assets, leading to higher loss given defaults (LGDs)
- Concentration risk in GHG-intensive sectors may arise, as many banks are aiming to divest from carbon intensive exposures.

**Market risk:** Market risks may occur due to shifts in supply and demand for certain commodities, products, and services as climate-related risks and opportunities are increasingly taken into account.

- New competitors may emerge with product offerings with greener credentials. This could impact market share and potentially lead to a loss of customers
- Consumer behaviours may change as they become more conscious of their carbon footprint and actively seek out lower carbon-intensive products and greener alternatives. This may lead to a decline in demand for non-green product offerings
- The transition to a low-carbon economy can have an impact on equities, bonds, and derivatives. If we are not aligning our operations and strategies with market expectations for sustainability, financial instruments may be at risk of devaluation or becoming less attractive to investors.

**Liquidity risk:** Access to stable sources of funding could be reduced as market conditions change. Climate risk drivers may cause counterparties to draw down deposits and credit.

- We may face challenges in obtaining funding from retail and corporate clients, or may pay substantially higher costs if we are perceived as not transitioning in line with market expectations. This could result in a loss of business opportunities and limited access to capital
- We may face higher borrowing costs as lenders may perceive us as higher risk if we are lagging behind in the transition to a more sustainable business model.

**Operational risk:** Risk associated with disruptive incidents which can impact premises, staff, equipment, systems, and key business processes.

- We may have an increased likelihood and impact of business disruption events due to physical climate risks.

**Reputational risk:** Increasing reputational risk as a result of changing market or consumer sentiment.

- We may face reputational damage due to an association with clients who are perceived to be negatively affected by climate change or other risks. A link to clients that are viewed unfavourably by the market, could harm our reputation and undermine stakeholder confidence
- Changing customer and community perceptions regarding a detraction from the transition to a lower-carbon economy could lead to a loss of trust and potentially impact client or investor sentiment

CLIMATE-RELATED DISCLOSURES OVERVIEW

## Risk management continued

### Our processes for identifying and assessing climate and nature-related risks continued

Frameworks: Climate-related financial disclosures: **BEIS (b)**. TCFD: **R-a** continued

**Regulatory and compliance risk:** Changing legislation, regulation, policies, voluntary codes of practice and their interpretation in the markets in which we operate can have an impact on the Group's operations, business prospects, costs, liquidity and capital requirements.

- As governments and regulatory bodies continue to address climate change, we may need to adapt to new requirements and comply with evolving standards. This can lead to increased legal and regulatory compliance risks, particularly in relation to climate-sensitive investments and businesses
- Maintaining carbon neutrality is crucial for Investec, as any failure to do so may result in additional cost implications for our operations. We may incur expenses to reduce our carbon footprint or offset emissions to maintain carbon-neutral status
- We may face the potential for increased claims in the form of environmental liability exposures. As awareness of environmental issues grows, stakeholders may hold Investec accountable for any negative environmental impacts resulting from our activities or investments
- We may face increased costs due to the pricing of emissions or the imposition of carbon taxes.
- Non-adherence to new requirements can result in fines or penalties.
- We may face the potential for litigation as a means to drive increased climate change mitigation activity across various sectors.

To address these risks, we incorporate sustainable practices, diversify product offerings with greener alternatives where feasible, and monitor market trends. We prioritise sustainability and communicate our commitment to responsible business practices. Where possible we align our operations with market expectations and engage with our clients and stakeholders on environmental issues. In addition, we monitor and adapt to changing regulations, proactively manage our environmental impact, and ensure compliance with evolving standards.

### Our processes for managing climate and nature-related risks

Frameworks: Climate-related financial disclosures: **BEIS (b)**. TCFD: **R-b**

Investec has a holistic approach to sustainability, and support the precautionary approach to sustainability management, guided by international best practices regarding the responsibilities of the financial sector in financing and investing transactions. This approach runs beyond recognising the Group's own footprint on the environment and is based on a broader responsibility to the environment and society.

We recognise the complexity and urgency of climate change. We are committed to supporting the transition to a clean and energy efficient world while preserving our planet and the wellbeing of our people.

The Group ESG Executive Committee mandated by the Group's Executive Directors reports relevant sustainability-related matters to the DLC SEC and Group ERC. The main objectives of the committee are to coordinate sustainability-related efforts across geographies and businesses

Accordingly, sustainability risk considerations are considered by the relevant credit committee or investment committee when making lending or investment decisions.

Investec's climate change position statement stems from the belief that one of the greatest socio-economic impacts we can have is to partner with our clients and stakeholders to accelerate a cleaner, more resilient and inclusive world.

Our environmental policy considers the risks and opportunities that climate change and nature degradation present to the global economy.

We have linked sustainability-related metrics and KPIs to Executive Directors compensation.

Refer to page 21 of the Group climate and nature-related disclosure report.

CLIMATE-RELATED DISCLOSURES OVERVIEW

## Risk management continued

### How our processes for identifying, assessing, and managing climate and nature-related risks are integrated into overall risk management

Frameworks: Climate-related financial disclosures: **BEIS (c)**. TCFD: **R-c**

We assess sustainability risks as part of the credit committee or investment committee's evaluation of lending or investment decisions. This includes additional due diligence for transactions that fall into the high-risk ESG category (as defined by the IFC), which involves a comprehensive review by the Group sustainability team.

We continuously support and adhere to international best practices regarding the responsibilities of the financial sector in financing and investing in transactions. We adopt a precautionary approach to environmental, nature, climate-related, and broader sustainability matters. These risk considerations are integrated into multidisciplinary, company-wide management processes throughout the Group and are effectively managed within our lending and investment portfolios. We have established an environmental policy, climate change statement, biodiversity statement, and a fossil fuel policy.

We conduct screening to identify possible adverse climate and nature-related impacts in both our lending and investment activities, as well as in our deposit-taking activities. We have a strict policy of not onboarding clients who do not comply with our Group environmental policy, climate change statement, biodiversity statement, or fossil fuel policy.

Regular training is provided to business units to identify any potential high-risk transactions as classified by the IFC.

High risk transactions are escalated to the Group sustainability team who will conduct screening and additional due-diligence. In the case where the Group sustainability team flag a transaction as high concern, the transaction will be escalated to IBL, IBP, or Group ERC before any credit or investment decision is made. Additionally, the ESG Executive Committee and the DLC SEC are informed at every meeting regarding the number of transactions screened, high risk transactions identified, and high concern transactions escalated.

**Credit risk:**

We continue to enhance our screening process across all our business activities. The identification of high-risk industries has been automated within Investec plc. We continue to work on automating this process within Investec Limited. Transactions are classified according to the World Bank IFC guidelines into high, medium and low risk.

- **High risk:** Proposed funding or investment is likely to have significant adverse social or environmental impacts that are diverse, irreversible, or unprecedented
- **Medium risk:** Proposed funding or investment is likely to have limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.
- **Low risk:** Proposed funding or investment is likely to have minimal or no social or environmental impacts. This largely relates to services, consulting, training and education, trading, retail sales, etc.

Once a transaction has been identified as being in a high-risk industry, these activities go through a comprehensive due diligence process performed by the Group ESG team. In depth analysis is done by the team to:

- Assess the alignment of the transaction with our climate-related and sustainability (including ESG) policies
- Ensure there is no contravention of our ESG screening requirements or zero-tolerance activities (refer to page 51 of the 2024 Group climate and nature-related disclosure report)
- Assess the client's ambitions towards net-zero pathways
- Assess ESG ratings by globally accredited bodies (e.g. CDP, Sustainalytics)
- Assess public reporting on climate-related and sustainability (including ESG) matters and impacts
- Assess disclosures in line with the GRI and TCFD
- Assess alignment with the UN SDGs
- Assess any other publicly available information around their contribution to, and positive/negative impact on ESG aspects
- Investigate any media controversies or reputational issues facing the client involved.

For each high-risk transaction, an ESG opinion is provided by the Group ESG team for consideration by our credit committees.

**Operational risk:**

We reviewed our exposure to physical risk within Investec Limited and Investec plc operations. Our operational risk systems incorporate climate change in their risk assessments. Our business units complete a climate-related risk impact assessment annually. In addition, we perform ESG due diligence on all suppliers when they are onboarded.

**Litigation / liability:**

Where required our legal documentation includes ESG and climate-related terms and conditions.

CLIMATE-RELATED DISCLOSURES OVERVIEW

## Metrics and targets

### The metrics used to assess climate-related risks and opportunities in line with our strategy and risk management process

Frameworks: Climate-related financial disclosures: **BEIS (g)**. TCFD: M-**a**

For the year ending 31 March 2024 we have reported on a range of metrics to measure progress against our climate ambitions.

| Measure | | Target |
|---|---|---|
| **Carbon footprint:** Refer to page 131 for more detail and to the Basis of Reporting on our website. | | |
| **Scope 1:** This includes natural gas, LPG stationary, $CO_2$ purchased, diesel, refrigerant and vehicle fleet (measured in km and converted to $tCO_2e$). | 3 101$tCO_2e$<br>(2023: 2 736$tCO_2e$)<br>The increase relates to more KPIs in 2024* | Our target is to remain carbon neutral for our Scope 1, Scope 2 and operational Scope 3 emissions, through the use of renewable energy certificates and carbon offsets for unavoidable residual emissions. |
| **Scope 2**: This includes emissions from electricity and district heating and cooling used in Investec Group premises. These emissions are evaluated based on market-based and location-based factors. Measured in kWh and converted to $tCO_2e$. | 17 250$tCO_2e$<br>(2023: 23 682**$tCO_2e$) | |
| **Scope 3:**<br>Category 1: Purchased goods and services (paper)<br>Category 5: Waste generated in our operations<br>Category 6: Business travel (includes rail travel, road travel, taxi and commercial airlines)<br>Category 7: Work from home emissions. | 16 249$tCO_2e$<br>(2023: 12 283**$tCO_2e$) | |
| **Total operational footprint: location based** | **36 600$tCO_2e$**<br>**(2023: 38 701**$tCO_2e$)** | |
| **Total operational footprint: market based** | **19 350$tCO_2e$**<br>**(2023: 15 019**$tCO_2e$** | |
| **Fossil fuels**<br>• Fossil fuels as a % of core loans and advances 1.98% (2023: 1.84%)<br>• Coal as a % of core loans and advances 0.08% (2023: 0.11%)<br>• Coal exposure as a % of total energy lending portfolio 1.69% (2023: 3.02%)<br>• Renewables exposure as a % of total energy lending portfolio 55.99% (2023: 50.90%). | | We have set the following targets:<br>• Investec plc to have zero coal exposure in their loan book by 31 March 2027<br>• Investec Limited to have zero thermal coal exposure in their loan book by 31 March 2030<br>• Investec Group to have zero thermal coal exposure in their loan book by 31 March 2030<br>• To cease financing of new oil and gas, exploration, extraction or production projects directly, regardless of jurisdiction, from 1 January 2035. |
| **High-risk industries in our loan book (as defined by the IFC)**<br>• 8.0% of our loan book is within high-risk industries (as defined by the IFC). | | We have not explicitly set a target for high-risk industries, however we remain under the IFC targets being 5% towards one particular industry. Our high risk transactions across all industries account for only 8% of our loans and advances. |
| **Financed emissions within our loans and investments**<br>• 2 519 640$tCO_2e$ (March 2023: 3 251 913$tCO_2e$). | | Efforts to influence our client ecosystem have focused on improving the quality and accuracy of our Scope 3 financed emissions rather than expanding the scope of asset classes included in these calculations. While we acknowledge that this is just the beginning, we recognise the importance of active client engagement and advocating for better quality data and sustainability practices.<br><br>Although we have not set sector targets yet, we endeavour to do this in the next two years, however, our target remains to be net zero by 2050 through our commitment to the Net-Zero Banking Alliance. |

* The increase is due to the improved data available for Scope 1 refrigerants, LPG stationary and vehicle fleet reported in Investec plc.

** Restated, the information in this report includes estimates or other information that are subject to uncertainties, which may include the methodology, collection and verification of data, various estimates and assumptions, and/or underlying data that is obtained from third parties. As a result, we expect that certain disclosures made in this report may be amended, updated, recalculated and restated in the future as the quality and completeness of our data and methodologies continue to improve.

CLIMATE-RELATED DISCLOSURES OVERVIEW

## Metrics and targets continued

### The metrics used to assess climate-related risks and opportunities in line with our strategy and risk management process continued

Frameworks: Climate-related financial disclosures: **BEIS (g)**. TCFD: **M-a** continued

| Measure | Target |
|---|---|
| **Sustainable and transition finance** (refer to page 127 for a description around our Sustainable and Transition Finance Classification Framework). We have done several sustainable and transition finance activities, some of which are mentioned on page 126 of this integrated report. We are in the process of establishing our baseline for these activities and will release a target by the end of March 2025. | In the year under review, we introduced an enhanced Sustainable and Transition Finance Classification Framework to guide our decision-making processes as we actively pursue our 2050 net-zero ambition. We have established Sustainable Business Forums in both the UK and South Africa that develop and integrate sustainability strategies into our business processes, commercial plays, and incentive frameworks, addressing our own aspirations as well as the expectations of our stakeholders.<br><br>We are developing and rigorously testing targets to be released in FY2025 and integrated with Executive KPIs, ensuring that leaders are held accountable for achieving our sustainability ambitions. |

### Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

Frameworks: Climate-related financial disclosures: **BEIS (h)**. TCFD: **M-b**

- Our operational footprint declined by 5% compared to March 2023. Every year, we endeavour to improve the accuracy and completeness of our data collection processes. Within each geography, the environmental manager is responsible for monitoring the GHG emissions. There has been a reduction in our carbon footprint, and while we endeavour to continue to make reductions and increase efficiencies, some of these reductions in the past financial year are due to reduced headcount following the integration of W&I UK with Rathbones in September 2023. We will continue to pursue further decarbonisation in line with our net-zero ambition for 2050, as outlined in our Climate transition plan. We maintained carbon neutrality in our direct emissions for the sixth financial year as part of our commitment to ongoing carbon neutrality in our Scope 1, Scope 2 and operational Scope 3 emissions. We continue to source 100% of our Scope 2 emissions from renewable sources through the purchase of renewable energy certificates. Refer to page 63 of the 2024 Investec plc annual report for the SECR disclosures.
- In line with our ambition to be net-zero by 2050, our focus this year was on improving the process to calculate our financed emissions, while concurrently working on the foundations of new sectors to be included. We have made substantial progress in improving the quality of our data inputs. This involved implementing rigorous data collection processes to ensure that the data we use is accurate, reliable, and up-to-date. We have dedicated significant resources to automate the financed emissions calculations using the PCAF methodology which improved alignment across our jurisdictions and improved the consistency of applied methodologies. We have enhanced the process thereby increasing our data governance and data integrity. As a result, we have analysed 78% of our loans and investment exposure as of 31 March 2023. For information on related risks and limitations, please see page 64 to 81 of our 2024 Climate and nature-related disclosures report.

### The targets used by the organisation to manage climate and nature-related risks and opportunities and performance against targets

Frameworks: Climate-related financial disclosures: **BEIS (h)**. TCFD: **M-c**

Progress is monitored through climate-related targets and ambitions across the following:

- As of 31 March 2023, Investec Group stopped all project financing to new thermal coal mines, regardless of jurisdiction
- Investec Group committed not to finance any new oil and gas extraction, exploration, or production from 1 January 2035
- Investec Group commitment to zero thermal coal exposure in their loan book by 31 March 2030
- Investec plc committed to zero coal exposure in their loan book by 31 March 2027
- Investec Limited commitment to zero thermal coal exposure in their loan book by 31 March 2030
- Continue our efforts in financing climate solutions
- Embedding climate into our culture and decision-making.

# ALTERNATIVE PERFORMANCE MEASURES

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

Alternative performance measures are not measures within the scope of IFRS and are not a substitute for IFRS financial measures. Alternative performance measures constitute pro-forma financial information. The pro-forma financial information is the responsibility of the Board of Directors and is presented for illustrative purposes only and because of its nature may not fairly present the Group's financial position, changes in equity, and results of operations or cash flows. The external auditors performed a review of the pro-forma financial information and the opinion is available for inspection at the registered office of Investec upon request.

| | |
|---|---|
| Adjusted earnings attributable to ordinary shareholders | Earnings attributable to shareholders adjusted to remove goodwill, acquired intangibles, strategic actions, and earnings attributable to perpetual preference shareholders and Other Additional Tier 1 security holders<br>Refer to page 93 of the Investec Group's 2024 annual financial statements for the reconciliation of earnings attributable to shareholders to adjusted earnings attributable to ordinary shareholders. |
| Adjusted earnings per share | Adjusted earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year<br>Refer to page 93 of the Investec Group's 2024 annual financial statements for calculation. |
| Adjusted operating profit | Refer to the calculation in the table below: |

| £'000 | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Operating profit before goodwill, acquired intangibles and strategic actions | 885 888 | 819 479 |
| Less: Profit attributable to other non-controlling interests | (1 382) | (752) |
| **Adjusted operating profit^** | **884 506** | **818 727** |

^ This key metric is based on the pro-forma income statements on page 72.

| | |
|---|---|
| Adjusted operating profit per employee | Adjusted operating profit divided by average total employees including permanent and temporary employees |
| Annuity income | Net interest income plus net annuity fees and commissions<br>Refer to note 2 on pages 75 and 76 and note 3 on page 77 of the Investec Group's 2024 annual financial statements |
| Core loans | The table below describes the differences between 'loans and advances to customers' as per the balance sheet and gross core loans |

| | UK and Other | | Southern Africa | | Total Group | |
|---|---|---|---|---|---|---|
| £'million | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023* | 31 March 2024 | 31 March 2023* |
| Loans and advances to customers per the balance sheet | 16 570 | 15 568 | 14 075 | 14 545 | 30 645 | 30 113 |
| *Add:* Own originated loans and advances to customers per the balance sheet | — | — | 269 | 273 | 269 | 273 |
| *Add:* ECL held against FVOCI loans | (13) | (5) | — | — | (13) | (5) |
| **Net core loans** | **16 557** | **15 563** | **14 344** | **14 818** | **30 901** | **30 381** |
| *of which subject to ECL#* | 15 916 | 15 012 | 14 280 | 14 743 | 30 196 | 29 755 |
| Net core loans at amortised cost and FVOCI | 15 916 | 15 012 | 13 669 | 14 104 | 29 585 | 29 116 |
| Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes)^ | — | — | 611 | 639 | 611 | 639 |
| *of which FVPL (excluding fixed rate loans above)* | 641 | 551 | 64 | 75 | 705 | 626 |
| *Add: ECL* | 187 | 146 | 116 | 150 | 303 | 296 |
| **Gross core loans** | **16 744** | **15 709** | **14 460** | **14 968** | **31 204** | **30 677** |
| *of which subject to ECL#* | 16 103 | 15 158 | 14 396 | 14 893 | 30 499 | 30 051 |
| *of which FVPL (excluding fixed rate loans above)* | 641 | 551 | 64 | 75 | 705 | 626 |

^ These are fixed rate loans which have passed the solely payments of principal and interest (SPPI) test and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. £0.6 billion of the drawn exposure falls into Stage 1 (31 March 2023: £0.6 billion), £1 million in Stage 2 (31 March 2023: £1 million) and the remaining £42 million in Stage 3 (31 March 2023: £44 million). The ECL on the Stage 1 portfolio is £1 million (31 March 2023: £2 million), ECL on the Stage 2 portfolio is £nil (31 March 2023: £nil) and ECL on the Stage 3 portfolio is £5 million (31 March 2023: £11 million).

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

* Restated as a result of change in classification between non-sovereign and non-bank cash placements and loans and advances to customers as detailed on page 168 of the Investec Group's 2024 annual financial statements

## ALTERNATIVE PERFORMANCE MEASURES
CONTINUED

| | |
|---|---|
| Core loans to equity ratio | Net core loans divided by total shareholders' equity per the balance sheet |
| Cost to income ratio | Refer to calculation in the table below: |

| **£'000** | **31 March 2024** | 31 March 2023 |
|---|---|---|
| Operating costs (A) | 1 120 245 | 1 085 999 |
| Total operating income before expected credit losses | 2 085 246 | 1 986 324 |
| Less: Profit attributable to non-controlling interests | (1 382) | (752) |
| Total (B) | 2 083 864 | 1 985 572 |
| **Cost to income ratio (A/B)^** | **53.8%** | **54.7%** |

^ This key metric is based on the pro-forma income statements on page 72.

| | |
|---|---|
| Coverage ratio | ECL as a percentage of gross core loans subject to ECL |
| Credit loss ratio | ECL impairment charges on core loans as a percentage of average gross core loans subject to ECL |
| Dividend payout ratio | Ordinary dividend per share divided by adjusted earnings per share |
| Gearing ratio | Total assets excluding assurance assets divided by total equity |
| Loans and advances to customers as a percentage of customer deposits | Loans and advances to customers as a percentage of customer accounts (deposits) |
| Net tangible asset value per share | Tangible ordinary shareholders' equity (which excludes goodwill and other acquired intangible assets) divided by the number of shares in issue<br>Refer to calculation on page 81 of the Investec Group's 2024 year-end results booklet |
| Net interest margin | Interest income net of interest expense, divided by average interest-earning assets<br>Refer to calculation on pages 75 to 76 of the Investec Group's 2024 annual financial statements. |
| Return on average assets | Adjusted earnings attributable to ordinary shareholders divided by average total assets excluding assurance assets |
| Return on average ordinary shareholders' equity (ROE) | Adjusted earnings attributable to ordinary shareholders divided by average ordinary shareholders' equity<br>Refer to calculation on pages 82 to 85 of the Investec Group's 2024 year-end results booklet. |
| Return on average tangible ordinary shareholders' equity (ROTE) | Adjusted earnings attributable to ordinary shareholders divided by average tangible ordinary shareholders' equity<br>Refer to calculation on pages 82 to 85 of the Investec Group's 2024 year-end results booklet. |
| Return on risk weighted assets | Adjusted earnings attributable to ordinary shareholders divided by average risk weighted assets, where risk weighted assets is calculated as the sum of risk weighted assets for Investec plc and Investec Limited (converted into Pound Sterling) |
| Staff compensation to operating income ratio | All staff compensation costs expressed as a percentage of operating income before ECL (net of operating profits or losses attributable to other non-controlling interests) |

## Profit Forecast

The following matters highlighted in the Group Finance Director report contain forward-looking statements:

Revenue momentum is expected to continue, underpinned by book growth, stronger client activity levels and success in our client acquisition strategies, partly offset by expected cuts in interest rates

The Group currently expects:

- Group ROE to be c.14% and ROTE to be c.16%. Investec Limited is expected to report ROE of c.18.5%, and Investec plc is expected to report ROTE of c.13%
- Overall costs to be well managed in the context of inflationary pressures and continued investment in the business, with cost to income ratio expected to be c.54.0%

ALTERNATIVE PERFORMANCE MEASURES
CONTINUED

- The credit loss ratio to be within the through-the-cycle (TTC) range of 25bps to 45bps. Investec Limited is expected to be close to the lower end of the TTC range of 15bps to 35bps. Investec plc credit loss ratio is expected to remain elevated at 50bps to 60bps range in the short-term.

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 24 June 2024.

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 2024 unaudited preliminary financial statements, which are in accordance with UK adopted international accounting standards which comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Board (IASB) and with IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

At 31 March 2024, UK adopted IAS are identical in all material respects to current IFRS applicable to the Group, with differences only in the effective dates of certain standards.

## 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 and US Dollar/Pound Sterling exchange rates and the tax rates remain materially unchanged from the prevailing rates at 31 March 2024
- 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 the private equity, direct investments portfolios and embedded derivatives. Key valuation inputs are based on the most relevant observable market inputs, adjusted where necessary for factors that specifically apply to the individual investments and recognising market volatility
- The determination of ECL against assets that are carried at amortised cost and ECL relating to debt instruments at fair value through other comprehensive income (FVOCI) involves the assessment of future cash flows which is judgmental in nature
- 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
- There will be no business disruption that will have a significant impact on the Group’s operations, whether for the economic effects of increased geopolitical tensions or otherwise.

# GLOSSARY

| Abbreviation | Meaning |
|---|---|
| A2X | A2X Markets stock exchange (South Africa) |
| AATE | The Academy of Accelerated Technology Education |
| AFS | Available for sale |
| AGM | Annual general meeting |
| AI | Artificial Intelligence |
| AIRB | Advanced Internal Ratings-Based |
| ALCO | Asset and Liability Committee |
| AOP | Adjusted operating profit |
| AT1 | Additional Tier 1 |
| BaaS | Banking-as-a-Service |
| BASA | Banking Association of South Africa |
| BBLS | Bounce Back Loan Scheme |
| BCBS | Basel Committee of Banking Supervision |
| BID | Belonging, Inclusion and Diversity |
| BIS | Bank for International Settlements |
| BoE | Bank of England |
| BOM | Bank of Mauritius |
| BRCC | Board Risk and Capital Committee |
| BSE | Botswana Stock Exchange |
| CA | Chartered Accountant |
| CAM | Combined Assurance Matrix |
| CBILS | Coronavirus Business Interruption Loan Scheme |
| CDO | Collateralised debt obligation |
| CE | Chief Executive |
| CET1 | Common Equity Tier 1 |
| CFO | Chief Financial Officer |
| CFP | Contingency Funding Plan |
| CFRP | Contingency Funding and Recovery Plan |
| CLBILS | Coronavirus Large Business Interruption Loan Scheme |
| CLF | Committed liquidity facility |
| CLO | Collateralised loan obligation |
| CLR | Credit loss ratio |
| CMD | Capital Markets Day |
| COO | Chief Operating Officer |
| CPI | Consumer Price Index |
| CPR | Conditional prepayment rate |
| CRDIV (BASEL III) | Capital Requirements Directive IV |
| CRO | Chief Risk Officer |
| CSI | Corporate Social Investment |
| CSRD | Corporate Social Responsibility Directive |
| CVA | Credit value adjustment |
| DCF | Discounted cash flow |
| DLC | Dual-listed companies |

| Abbreviation | Meaning |
|---|---|
| DLC BRCC | DLC Board Risk and Capital Committee |
| DLC Nomdac | DLC Nominations and Directors Affairs Committee |
| DLC Remco | DLC Remuneration Committee |
| DLC SEC | DLC Social and Ethics Committee |
| DMRE | Department of Mineral Resources and Energy |
| EAD | Exposure at default |
| EBA | European Banking Authority |
| EBITDA | Earnings before interest, taxes, depreciation and amortisation |
| ECB | European central bank |
| ECL | Expected credit losses |
| ECM | Equity capital markets |
| EDT | Entrepreneurship Development Trust |
| EE | Employment equity |
| EP | Equator Principles |
| EPS | Earnings per share |
| ERRP | Economic Reconstruction and Recovery Plan |
| ERV | Expected rental value |
| ESG | Environmental, social and governance |
| ESRS | European Sustainability Reporting Standards |
| EU | European Union |
| EQAR | Engagement Quality Assurance Review |
| FATF | Financial Action Task Force |
| FCA | Financial Conduct Authority |
| FIRB | Foundation Internal Ratings-Based |
| FOMC | Federal Open Market Committee |
| FRC | Financial Reporting Council |
| FRTB | Fundamental Review of the Trading Book |
| FTA | Foreign Trade Agreement |
| FSB | Financial Services Board |
| FSC | Financial Sector Code |
| FSCS | Financial Services Compensation Scheme |
| FSLAB | Financial Sector Law Amendment Bill |
| FUM | Funds under management |
| FVOCI | Fair value through other comprehensive income |
| FVPL | Fair value through profit and loss |
| GBV | Gender-based violence |
| GCCE | Gross credit and counterparty exposure |
| GDP | Gross Domestic Product |
| GDPR | General Data Protection Plan |
| GFC | Global Financial Crisis |
| GHG | Greenhouse Gas |
| GRI | Global Reporting Initiative |
| HNW | High net worth |

# GLOSSARY
CONTINUED

| Abbreviation | Meaning |
|---|---|
| HR | Human resources |
| HVCRE | High Volatility Commercial Real Estate |
| IAM | Investec Asset Management |
| IAPF | Investec Australia Property Fund |
| IAS | International Accounting Standards |
| IASB | International Accounting Standards Board |
| IBL | Investec Bank Limited |
| IBL BRCC | IBL Board Risk and Capital Committee |
| IBL ERC | IBL Executive Risk Committee |
| IBM | Investec Bank Mauritius |
| IBP | Investec Bank plc |
| IBP BRCC | IBP Board Risk and Capital Committee |
| IBP ERC | IBP Executive Risk Committee |
| IBSAG | Investec Bank Switzerland AG |
| ICAAP | Internal Capital Adequacy Assessment Process |
| IFRIC | International Financial Reporting Interpretations Committee |
| IFRS | International Financial Reporting Standard |
| IFWG | Intergovernmental Fintech Working Group |
| IIA | Institute of Internal Auditors |
| IIF | Institute of International Finance |
| ILAAP | Internal Liquidity Adequacy Assessment Process |
| IPF | Investec Property Fund |
| IPRE | Income Producing Real Estate |
| IRB | Internal rating's-based approach |
| IRBA | International Regulatory Board for Auditors |
| ISAs (UK) | International Standards on Auditing (UK) |
| IT | Information technology |
| ITGR | Information Technology Risk and Governance |
| IWT | Illegal wildlife trade |
| IW&I | Investec Wealth & Investment |
| JSE | Johannesburg Stock Exchange |
| KPIs | Key Performance Indicators |
| L&D | Learning and development |
| LCR | Liquidity Coverage ratio |
| LGD | Loss given default |
| LHS | Left hand side |
| LIBOR | London Inter-Bank Offered Rate |
| LSE | London Stock Exchange |
| LTI | Long-term incentive |
| MAFR | Mandatory Audit Firm Rotation |
| MD | Managing Director |
| MER | Mutual Evaluation Report |
| MiFID | Markets in Financial Instruments Directive |

| Abbreviation | Meaning |
|---|---|
| MLRO | Money Laundering Reporting Officer |
| MW | Megawatt |
| NAV | Net asset value |
| NBFI | Non-Banking Financial Institution |
| NCI | Non-controlling interests |
| NGO | Non-governmental organisation |
| NIR | Non-interest revenue |
| NPA | National Prosecuting Authority |
| NPO | Non-profit organisation |
| NSFR | Net Stable Funding ratio |
| NSX | Namibian Stock Exchange |
| OCI | Other comprehensive income |
| OTC | Over the counter |
| PBT | Profit before tax |
| PCAF | Partnership for Carbon Accounting Financials |
| PD | Probability of default |
| PPE | Personal Protective Equipment |
| PRA | Prudential Regulation Authority |
| PwC Inc. | PricewaterhouseCoopers Incorporated |
| Rathbones | Rathbones Group plc |
| RDARR | Risk Data Aggregation and Risk Reporting |
| REIT | Real Estate Investment Trust |
| RHS | Right hand side |
| RLS | Recovery Loan Scheme |
| RMIPPP | Risk Mitigation Independent Power Producer Procurement Programme |
| ROE | Return on equity |
| RORWA | Return on risk-weighted assets |
| ROTE | Return on tangible equity |
| ROU | Right of use asset |
| RPI | Retail Price Index |
| RRP | Recovery Resolution Plan |
| RWA | Risk Weighted Assets |
| S&P | Standard & Poor's |
| SA | South Africa |
| SAMLIT | South African Anti-Money Laundering Integrated Task Force |
| SARS | South African Revenue Service |
| SDGs | Sustainable Development Goals |
| SICR | Significant increase in credit risk |
| SID | Senior Independent Director |
| SIDSSA | Sustainable Infrastructure Development Symposium South Africa |
| SME | Small and Medium-sized Enterprises |
| SMMEs | Small, Medium & Micro Enterprises |
| SOE | State-Owned Enterprise |

## GLOSSARY
CONTINUED

| **Abbreviation** | **Meaning** |
|---|---|
| South African PA | South African Prudential Authority (previously known as the Banking Supervision Division of the South African Reserve Bank) |
| SPPI | Solely payments of principal and interest |
| STI | Short-term incentive |
| TAS | Targeted Attack Simulation |
| TCFD | Task Force on Climate-related Financial Disclosures |
| $tCO_2e$ | Tonnes of $CO_2$ emissions |
| TDI | Tolerance and Diversity Institute |
| TNAV | Tangible net asset value |
| TSR | Total shareholder return |
| UK | United Kingdom |
| UKLA | United Kingdom Listing Authority |
| UN | United Nations |
| UN GISD | United Nations Global Investment for Sustainable Development |
| UNEP FI | United Nations Environment Programme Finance Initiative |
| UNGC | United Nations Global Compact |
| UNPRB | United Nations Principles for Responsible Banking |
| UNPRI | United Nations Principles for Responsible Investment |
| US | United States |
| WACC | Weighted average cost of capital |
| WANOS | Weighted average number of shares in issue |
| YES | Youth Employment Service |

# DEFINITIONS

### Cash and near cash

Includes cash, near cash (other 'monetisable assets') and central bank cash placements and guaranteed liquidity.

### Diluted earnings per share

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

Refer to page 93 of the Investec Group's 2024 annual financial statements for the calculation of diluted earnings per share.

### Earnings per share

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

Refer to page 93 of the Investec Group's 2024 annual financial statements for the calculation of earnings per share.

### Effective operational tax rate

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

### Funds under management

Consists of funds managed by the Wealth & Investment business and by the Property business (which forms part of the Specialist Bank).

### Headline earnings per share

Headline earnings is calculated in accordance with the JSE listing requirements and in terms of circular 1/2019 issued by the South African Institute of Chartered Accountants. Headline earnings per share calculated by dividing the Group's headline earnings by the average number of shares which it had in issue during the accounting period.

Refer to page 93 of the Investec Group's 2024 annual financial statements for the calculation of headline earnings per share.

### Interest-bearing liabilities

Deposits by banks, debt securities in issue, repurchase agreements and cash collateral on securities lent, customer accounts (deposits), subordinated liabilities, liabilities arising on securitisation of own originated loans and advances, and finance lease liabilities. Refer to page 75 of the Investec Group's 2024 annual financial statements for the calculation.

### Interest-earning assets

Cash and near cash, bank debt securities, sovereign debt securities, core loans, other debt securities, other loans and advances, other securitised assets, and finance lease receivables. Refer to page 75 of the Investec Group's 2024 annual financial statements for the calculation.

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

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

### Market capitalisation

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

### Net-zero

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

### Ninety One and Ninety One group

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

### Ongoing basis

Ongoing information, as separately disclosed from 2014 to 2018, excludes Legacy assets (refer to definition), as well as the following businesses sold in previous years: Investec Bank (Australia) Limited, Kensington Group plc and Start Mortgage Holdings Limited.

### Strategic actions

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

### Structured credit

Reflects the gross exposure of rated and unrated structured credit classified within other debt securities and other loans and advances on the balance sheet. Refer to page 62 of the Investec Group's 2024 risk and governance report for detail.

### Subject to ECL

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

### Total Group

Total Group represents the Group's results including the results of discontinued operations in the prior period.

### Weighted number of ordinary shares in issue

The number of ordinary shares in issue at the beginning of the year increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the Group less treasury shares. Refer to the calculation on page 93 of the Investec Group's 2024 annual financial statements.

CORPORATE INFORMATION

# Investec plc and Investec Limited

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## Registration number

**Investec plc**

Registration number 3633621

**Investec Limited**

Registration number 1925/002833/06

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Investec Limited
Ernst & Young Inc.
PricewaterhouseCoopers Inc.

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## Directorate as at 24 June 2024

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

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

# Contact details

Contact details for all our offices can be found on the Group's website at: www.investec.com

# For queries regarding information in this document

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