OUT OF THE ORDINARY

Investec

Built on strong foundations

Investec group

Q and A fact sheet
November 2021

OVERVIEW OF INVESTEC

Investec (comprising Investec Limited and Investec plc) partners with private, institutional and corporate clients, offering international banking, investments and wealth management services in two principal markets, South Africa and the UK, as well as certain other countries.

We are a domestically relevant, internationally connected banking and wealth & investment group.

Our purpose is to create enduring worth – living in, not off, society.

The group was established in 1974 and currently has approximately

8 200+ employees.

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

Our journey so far

1974
Founded as a leasing company in Johannesburg

1980
We acquired a banking licence

1986
We were listed on the JSE Limited South Africa

2002
In July 2002, we implemented a dual listed companies (DLC) structure with linked companies listed in London and Johannesburg

2003
We concluded a significant empowerment transaction in which our empowerment partners collectively acquired a 25.1% stake in the issued share capital of Investec Limited

2020
We successfully completed the demerger of Investec Asset Management which separately listed as Ninety One in March 2020

2021
Today, we have an efficient, integrated international business platform, offering all our core activities in the UK and South Africa

OVERVIEW OF INVESTEC
CONTINUED

Overall group performance for the six months ended 30 September 2021

Investec released its interim results on 18 November 2021.

Highlights for 30 September 2021 (1H2022) compared to 30 September 2020 (1H2021)

- Revenue grew 30.5% supported by the strength of our client franchises and improved market conditions.
- Adjusted earnings per share increased 134.8% to 26.3p (1H2021: 11.2p), ahead of comparable pre-COVID levels (September 2019).
- Wealth & Investment funds under management (FUM) increased 8.6% to £63.0 billion (31 March 2021: £58.0 billion) underpinned by net inflows of £1.5 billion, market recovery and good investment performance.
- Loan books within Specialist Banking grew 7.2% to £28.3 billion (31 March 2021: £26.4 billion) given increased activity levels and continued client acquisition in both geographies.
- The cost to income ratio improved to 64.0% (1H2021: 72.0%), with operating costs increasing 11.7%. Fixed operating expenditure increased 3.3% reflecting continued cost discipline.
- Pre-provision adjusted operating profit increased 61.2% to £336.0 million (1H2021: £208.5 million), 9.3% ahead of September 2019.
- Expected credit loss (ECL) impairment charges were 84.5% lower, resulting in a credit loss ratio (CLR) of 7bps (31 March 2021: 35bps; 1H2021: 47bps), reflecting strong asset quality and higher recoveries.
- Return on equity (ROE) was 11.2% for the period (1H2021: 5.3%) and return on tangible equity (ROTE) was 12.1% (1H2021: 5.8%).
- Tangible net asset value (TNAV) per share increased 10.2% (annualised) to 445.2p (31 March 2021: 423.6p). Net asset value (NAV) per share increased 9.3% (annualised) to 479.2p (31 March 2021: 458.0p).
- Maintained strong capital, funding, and liquidity positions.
- The Board has proposed an interim dividend of 11.0p (1H2021: 5.5p) resulting in a payout ratio of 41.8%.
- The Board has further resolved to distribute a 15% holding in Ninety One to shareholders.

Updated guidance for 31 March 2022 (FY2022)

- Updated FY2022 adjusted earnings per share guidance of between 48p and 53p (Range guided in May 2021: 36p – 41p).

Fani Titi, Group Chief Executive commented:
“The group delivered a strong first half result, underpinned by resilient client franchises, strong revenue momentum and sound asset quality – resulting in adjusted earnings per share of 26.3p, ahead of comparable pre-COVID levels.

I am pleased to share that the Board has proposed an interim dividend of 11.0p relative to 5.5p in 1H2021.

Further, in line with our strategy to optimise the allocation of capital, the Board has resolved to distribute a 15% holding in Ninety One to our shareholders.

I am grateful for the hard work and commitment of my colleagues, which has enabled us to deliver this solid result.

The strength of the relationships we have built with our clients is reflected in the trust they have continued to place in our people and our organisation. The changes made to simplify and focus the group are bearing fruit, positioning us well for the future. Our resilient business model and strong balance sheet will support our drive to achieve sustainable long-term value and growth for our colleagues, clients, shareholders, and societies in which we live."

Dividend
The Board has proposed an interim dividend of 11.0p (1H2021: 5.5p), translating to a 41.8% payout ratio, within the group’s 30% to 50% payout range.

Distribution of 15% holding in Ninety One
Given the group’s strong capital generation; capital optimisation strategy; and in line with previous communication that 15% of Ninety One is surplus to our capital requirements, the Board has resolved to distribute the 15% holding to shareholders whilst retaining an approximate 10% interest.

The distribution will be subject to regulatory, shareholder and other approvals.

Announcements will be made in due course updating shareholders on the distribution terms and process.

Outlook
Based on the group’s performance to date, we have updated our FY2022 adjusted earnings per share guidance to between 48p - 53p (Range guided in May 2021: 36p – 41p). We will provide further guidance in our March 2022 pre-close briefing.

The macro-economic environment is improving; however, global recovery remains uneven. Underlying consumer and business confidence in our core markets will continue to be tested by the ongoing presence of COVID-19, along with the consequences of Brexit in the UK and the slow progress in implementing economic reforms in South Africa.

FINANCIAL INFORMATION

Exchange rates between local currencies and Pounds Sterling have fluctuated over the period. The most significant impact arises from the volatility of the Rand. The average Rand: Pound Sterling exchange rate over the period has appreciated by 9.6% against the comparative six-month period ended 30 September 2020, and the closing rate has appreciated by 0.3% since 31 March 2021. The following tables provide an analysis of the impact of the Rand on our reported numbers.

	Results in Pounds Sterling					**Results in Rands**		
	Six months to 30 Sept 2021	Six months to 30 Sept 2020	% change	**Neutral currency^ Six months to 30 Sept 2021**	Neutral currency % change	**Six months to 30 Sept 2021**	Six months to 30 Sept 2020	% change
Adjusted operating profit before taxation (million)	£326	£142	128.6%	£308	116.9%	R6 496	R3 143	106.7%
Earnings attributable to shareholders (million)	£250	£109	129.4%	£236	117.4%	R4 977	R2 405	106.9%
Adjusted earnings attributable to shareholders (million)	£242	£104	132.2%	£230	121.2%	R4 832	R2 309	109.3%
Adjusted earnings per share	26.3p	11.2p	134.8%	25.0p	123.2%	524c	248c	111.3%
Basic earnings per share	25.0p	9.6p	160.4%	23.7p	146.9%	499c	212c	135.4%
Headline earnings per share	24.7p	9.2p	168.5%	23.4p	154.3%	494c	213c	131.9%

	Results in Pounds Sterling					**Results in Rands**		
	At 30 Sept 2021	At 31 March 2021	% change	**Neutral currency^^ At 30 Sept 2021**	Neutral currency % change	**At 30 Sept 2021**	At 31 March 2021	% change
Net asset value per share	479.2p	458.0p	4.6%	477.9p	4.3%	9 723c	9 326c	4.3%
Tangible net asset value per share	445.2p	423.6p	5.1%	443.9p	4.8%	9 033c	8 624c	4.7%
Total equity (million)	£5 514	£5 312	3.8%	£5 503	3.6%	R111 880	R108 161	3.4%
Total assets (million)	£53 454	£51 512	3.8%	£53 356	3.6%	R1 084 593	R1 048 867	3.4%
Core loans (million)	£28 336	£26 438	7.2%	£28 284	7.0%	R574 951	R538 320	6.8%
Cash and near cash balances (million)	£13 949	£13 229	5.4%	£13 926	5.3%	R283 028	R269 364	5.1%
Customer accounts (deposits) (million)	£36 353	£34 449	5.5%	£36 284	5.3%	R737 610	R701 446	5.2%
Funds under management (million)	£63 419	£58 436	8.5%	£63 352	8.4%	R1 286 775	R1 189 872	8.1%

^ For income statement items we have used the average Rand: Pound Sterling exchange rate that was applied in the prior period, i.e. 22.05.
^^ For balance sheet items we have assumed that the Rand: Pound Sterling closing exchange rate has remained neutral since 31 March 2021.

Neutral currency information is considered as pro-forma financial information as per the JSE Listings Requirements and is therefore the responsibility of the group's board of directors. Pro-forma financial information was prepared for illustrative purposes and because of its nature may not fairly present the issuer's financial position, changes in equity, or results of operations. The external auditors issued a limited assurance report in respect of the neutral currency information. The report is available for inspection at the registered office of Investec upon request.

FINANCIAL INFORMATION
CONTINUED

Funding and liquidity

Customer deposits grew 5.5% to £36.4 billion (31 March 2021: £34.5 billion). Cash and near cash of £13.9 billion (£7.3 billion in Investec plc and R134.6 billion in Investec Limited) at 30 September 2021 represents 38.4% of customer deposits.

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

- Investec Bank Limited (consolidated group) ended the period to 30 September 2021 with the three-month average of its LCR at 158.0% and an NSFR of 110.6%.
- For Investec plc, the LCR and NSFR are calculated using the relevant EU regulation, applying our own interpretations where required. The LCR reported to the PRA at 30 September 2021 was 284% and the internally calculated NSFR was 127% at 30 September 2021.

Capital adequacy and leverage ratios

Capital and leverage ratios remain sound, ahead of Board-approved minimum targets and regulatory requirements. The CET1 and leverage ratio were 13.9% and 7.6% for Investec Limited (partial AIRB) and 11.1% and 7.8% for Investec plc (standardised approach) respectively.

The group targets a minimum CET1 ratio above 10%, a tier 1 ratio above 11% and a total capital adequacy ratio range of 14% to 17% on a consolidated basis for each of Investec plc and Investec Limited, respectively.

A summary of capital adequacy and leverage ratios

	Standardised		**Increased AIRB scope°°**		**Standardised**		**FIRB**		**Increased AIRB scope°°**	
	Investec plc° * #	IBP° * #	**Investec Limited* ^**	IBL* ^	**Investec plc° ***	IBP° *	**Investec Limited* ^**	IBL* ^	**Investec Limited* ^**	IBL* ^
	30 September 2021				**31 March 2021**					
Common Equity Tier 1 ratio**	11.2%	12.0%	12.2%	13.3%	11.2%	12.0%	12.2%	13.3%	12.8%	14.0%
Common Equity Tier 1 ratio (fully loaded)***	10.7%	11.5%	12.2%	13.3%	10.7%	11.5%	12.2%	13.3%	12.8%	14.0%
Tier 1 ratio**	12.8%	13.6%	12.8%	13.7%	12.8%	13.6%	12.8%	13.7%	13.4%	14.4%
Total capital ratio** / Pro-forma#	14.8%/ 16.9%	16.2%/ 18.4%	16.0%	17.8%	15.1%/ n/a	16.6%/ n/a	16.0%/ n/a	17.8%/ n/a	16.6%/ n/a	18.6%/ n/a
Risk-weighted assets (£'million)**	16 332	15 789	351 125	329 366	16 332	15 789	351 125	329 366	336 629	314 843
Leverage exposure measure (£'million)	26 675	26 351	593 944	555 992	26 675	26 351	593 944	555 992	594 059	556 110
Leverage ratio^^	7.9%	8.1%	7.6%	8.1%	7.9%	8.1%	7.6%	8.1%	7.6%	8.1%
Leverage ratio (fully loaded)***	7.5%	7.8%	7.5%	8.1%	7.5%	7.8%	7.5%	8.1%	7.5%	8.1%
Leverage ratio (UK leverage ratio framework)^^^	9.2%	9.5%	n/a	n/a	9.2%	9.5%	n/a	n/a	n/a	n/a

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

** The CET1, Tier 1, total capital ratios and RWAs are calculated applying the IFRS 9 transitional arrangements.

*** The CET1 ratio (fully loaded) and the leverage ratio (fully loaded) assumes full adoption of IFRS 9 and full adoption of all CRD IV rules or South African Prudential Authority regulations. As a result of the adoption of IFRS 9, Investec plc elected to designate its subordinated fixed rate medium-term notes due in 2022 at fair value. By the time of full adoption of IFRS 9 in 2023, these subordinated liabilities will have reached final maturity and will be redeemed at par value. The remaining interest rate portion of the fair value adjustment at 30 September 2021 of £2.6 million (post-taxation), has therefore been excluded from the fully loaded ratios as it will be released into profit and loss over the remaining life of the instrument.

° The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc and IBP this does not include the deduction of foreseeable charges and dividends when calculating the capital ratios. The impact of this deduction totalling £39 million (31 March 2021: £25 million) for Investec plc and £33 million (31 March 2021: £25 million) for IBP would lower the CET1 ratio by 26bps (31 March 2021: 17bps) and 21bps (31 March 2021: 16bps) respectively.

°° Investec Limited received approval to adopt the Advanced Internal Ratings Based (AIRB) approach for the SME and Corporate models, effective 1 April 2021. We presented numbers on a pro-forma basis for 31 March 2021.

\# Pro-forma 30 September 2021 total capital ratio includes the proceeds of the Investec plc £350 million 2.625% Callable Fixed Rate Resettable Subordinated Notes due 2023, issued 4 October 2021 and the IBP internal £350 million tier 2 subordinated loan issuance, dated 4 October 2021.

^ Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 93bps (31 March 2021: 39bps) and 0bps (31 March 2021: 48bps) lower.

^^ The leverage ratios are calculated on an end-quarter basis.

^^^ Investec plc is not subject to the UK leverage ratio framework; however, for comparative purposes this ratio has been disclosed. This framework excludes qualifying central bank balances from the calculation of the leverage exposure measure.

FINANCIAL INFORMATION
CONTINUED

Deposit guarantees

Investec does not guarantee client deposits, however, deposit guarantee schemes do exist in some of the geographies in which the group operates:

UK and Other

- In terms of the Financial Services Compensation Scheme, the UK government guarantees a maximum deposit of £85 000 per individual per institution.
- Investec Bank (Channel Islands) Limited is a participant in both the Guernsey and Jersey Banking Deposit Compensation schemes. These schemes offer protection for 'qualifying deposits/eligible deposits' up to £50 000, subject to certain limitations. The maximum total amount of compensation is capped at £100 million in any five-year period.
- Further details are available on request or alternatively on the Guernsey Scheme's website: www.dcs.gg <http://www.dcs.gg> or on the Jersey States website which will also highlight the banking groups covered.

South Africa

There are no deposit guarantees in South Africa.

Asset quality and exposures

- The bulk of Investec's credit and counterparty risk arises through its private client and corporate client activities. The group lends to high net worth and high income individuals, mid- to large-sized corporates, public sector bodies and institutions.
- We have a preference for primary exposure in the group's two main operating geographies, South Africa and the UK, and specific countries where we have subsidiaries or branches.
- The majority of our credit and counterparty exposures reside within our two core geographies, namely the UK and South Africa.
- Credit and counterparty risk is always assessed with reference to the aggregate exposure to a single counterparty or group of related parties to avoid or minimise over exposure and concentration risk
- Our assessment of our clients includes consideration of their character and integrity, core competencies, track record and financial strength. A strong emphasis is placed on historical and ongoing stability of income and cash flow streams generated by the clients. Our primary assessment method is therefore the ability of the client to meet their payment obligations. Furthermore we have little appetite for unsecured debt and require that good quality collateral is provided in support of obligations.
- We are client-centric in our approach and originate loans with the intent of holding these assets to maturity, thereby developing a 'hands-on' and long-standing relationship with our clients. In certain instances we may elect to sell certain assets down and/or securitise them.
- Total ECL impairment charges declined significantly to £10.2 million (2020: £66.0 million) and the group's annualised credit loss ratio reduced to 0.07% (FY2021: 0.35%; Sept 2020: 0.47%), reflecting strong asset quality and recoveries. Overall, the group has maintained prior period post-model adjustments and in certain instances, introduced further adjustments following model-driven provision releases given improved macro-economic factors. The post-model adjustments account for risks which management believe are not reflected in the models.
- In South Africa, Stage 2 exposures increased to 5.5% of gross core loans subject to ECL at 30 September 2021 (31 March 2021: 5.2%) while Stage 3 has reduced to 2.2% at 30 September 2021 (31 March 2021: 2.6%) mainly due to a large single name exposure migrating from Stage 3 to Stage 2.
- In the UK, overall coverage for Stage 1 and Stage 2 remains elevated at 30 September 2021, reflecting the ongoing uncertainty arising from the COVID-19 pandemic. A slight reduction in coverage reflects the transfer of loans back to Stage 1 from Stage 2 resulting from the updated forward-looking macro-economic scenarios.

Property-related exposure

- Investec does have property-related lending exposures.
- For the most part Investec's exposure to the property markets arises from collateral that we have taken through our various activities in the structured property finance and growth and acquisition finance areas.
- Investec has a strong client-centric focus with a credit assessment process that focuses not only on the value of the underlying property but also the client's ability to repay and the sustainability of income through the cycle.

FINANCIAL INFORMATION
CONTINUED

Gearing

Investec is not a highly geared bank. A number of the banks that have come into difficulty in the past have been in excess of 40 times geared. Investec's gearing ratio is 9.7x.

Investec's DLC structure

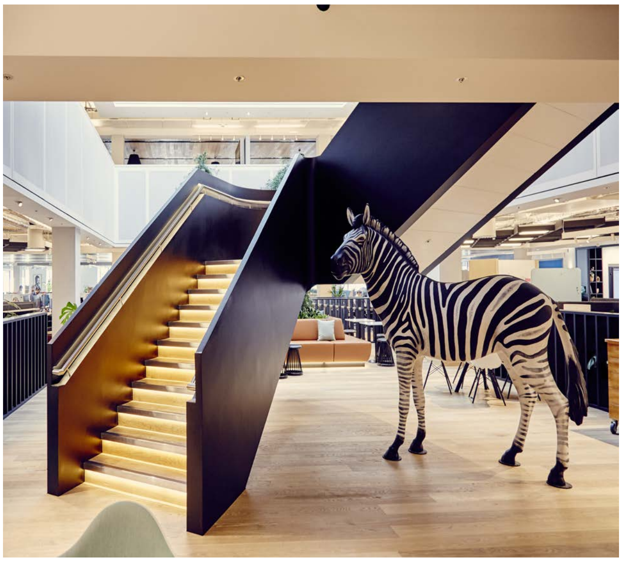
- Investec plc and Investec Limited are separate legal entities and listings, but are bound together by contractual agreements and mechanisms
- Investec operates as if it is a single unified economic enterprise. Both companies have the same boards of directors and management
- Shareholders have common economic and voting interests as if Investec Limited and Investec plc were a single company:
  - equivalent dividends on a per share basis
  - joint electorate and class right voting
- Creditors are, however, ring-fenced to either Investec Limited or Investec plc as there are no cross-guarantees between the companies.

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	Negative	Negative		Stable
Moody's				
Long-term ratings				
Foreign currency		Ba2	Baa1	A1
National		Aa1.za		
Short-term ratings				
Foreign currency		NP	P-2	P-1
National		P-1.(za)		
Outlook		Negative	Stable	Stable
S&P				
Long-term ratings				
Foreign currency		BB-		
National		za.AA		
Short-term ratings				
Foreign currency		B		
National		za.A-1+		
Outlook		Stable		
Global Credit Ratings				
Long-term ratings				
International scale, local currency		BB		BBB+
National scale		AA(za)		
Short-term ratings				
International scale, local currency		B		A2
National scale		A1+(ZA)		
Outlook (International scale)		Negative		
Outlook (National scale)		Stable		Stable

Further information on Investec's credit ratings may be found on our website.

STRATEGIC DIRECTION

Driving sustainable long-term growth



Our strategic direction
Our long-term commitment is to One Investec; a client-focused strategy where, irrespective of specialisation or geography, we commit to offering our clients the full breadth and scale of our products and services.

We are focused on delivering profitable, impactful and sustainable solutions to our clients. To deliver on One Investec, we will focus on collaboration between the Specialist Banking and Wealth & Investment businesses and continue to invest in and support these franchises. This will position Investec for sustainable long-term growth.

Our long-term strategic focus:

- **We are committed to delivering exceptional service to our clients, creating long-term value for our shareholders and contributing meaningfully to our people, communities and the planet**
- **All relevant Investec resources and services are on offer in every single client transaction**
- **We aim to sustain our distinctive, Out of the Ordinary culture, entrepreneurial spirit and freedom to operate, with the discipline and obligation to do things properly for the whole of Investec.**

Framework to drive improved business performance

Growth initiatives

Clear set of opportunities to deliver revenue growth

Cost management

Improved management of the cost base through operational leverage

Underpinned by

Capital discipline

Growth initiatives and cost containment are supported by a disciplined approach to capital allocation

And delivered through

Digitalisation

Connectivity

Continued investments drive a digitally connected ecosystem to leverage efficiencies and deliver enhanced value to clients and staff

SUSTAINABILITY

Sustainability highlights

Ensuring that we do no harm, contribute positively, lend and invest responsibly and maintain our competitive ESG position

Governance

- Created a framework linking **executive directors' remuneration** to ESG KPIs
- **Deepened our ESG skills** on the group board with the addition of two new non-executive directors, Nicky Newton-King and Jasandra Nyker

Sustainable finance

- **$600 million** raised for Investec Bank plc through a sustainability-linked loan (3x oversubscribed)
- **$30.6 million** raised by Investec Wealth & Investment at 30 September 2021 through the launch of a Global Sustainable Equity Fund

Positioning

- Received a **low-risk rating** from Sustainalytics (16.6)
- Aligned to the UN SDGs: Obtained **5-star rating** from Support the Goals

Consistently well-positioned in international ESG rankings and ratings

Sustainability Yearbook Member 2021 S&P Global	Sustainalytics RATED	MSCI ESG Ratings AAA	CDP Disclosure Insight Action
Top 15% in the global diversified financial services sector (inclusion since 2006)	Top 16% of globally-assessed companies in the Global Sustainability Leaders Index	Top 2% in the financial services sector in the MSCI Global Sustainability Index	Score B against an industry average of B (formerly Carbon Disclosure Project)

ISS ESG	STOXX / Qontigo	FTSE4Good	Wall Street Journal 100 Most Sustainable Companies WSJ
Top 20% of the ISS ESG global universe Top 14% of diversified financial services	1 of 43 banks and financial services in the Global ESG Leaders Index (total of 439 components)	Included in the FTSE UK 100 ESG Select Index (out of 641) Included in the FTSE4Good Index	Ranked 55 (out of 5 500) and 9th in the social category

SUSTAINABILITY

Addressing climate change and reducing inequalities

Through our focus on the UN Sustainable Development Goals

13 CLIMATE ACTION

Climate action

99.9%
Shareholders vote in favour of Scope 3 financed emissions resolution

£31 million
Banking exposure to coal

A proud participant of: Climate Action 100+ Global Investors Driving Business Transition

Investec Wealth & Investment committed

Net-Zero Banking Alliance Industry-led, UN-convened

Investec Group committed

10 REDUCED INEQUALITIES

Reduced inequalities

36%
Women on the board

43%
Board ethnic diversity

4th
in the 2021 Universum employer of choice survey by students in South Africa

Level 1
BBBEE rating

Providing profitable, impactful and sustainable products and services and innovative sustainability offerings

Some examples are shown below

4 QUALITY EDUCATION

R3.8 billion
Funding for student accommodation

6 CLEAN WATER AND SANITATION

R1.65 billion
To secure South Africa's water resources through Trans-Caledon Tunnel Authority

7 AFFORDABLE AND CLEAN ENERGY

€90 million
Long-term partnership for UK renewable energy or carbon reduction projects

8 DECENT WORK AND ECONOMIC GROWTH

£10.83 million
Facility to fund the development of a modular student scheme

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

R2.5 billion
Debt package for fibre roll-out primarily into underserviced businesses and homes

11 SUSTAINABLE CITIES AND COMMUNITIES

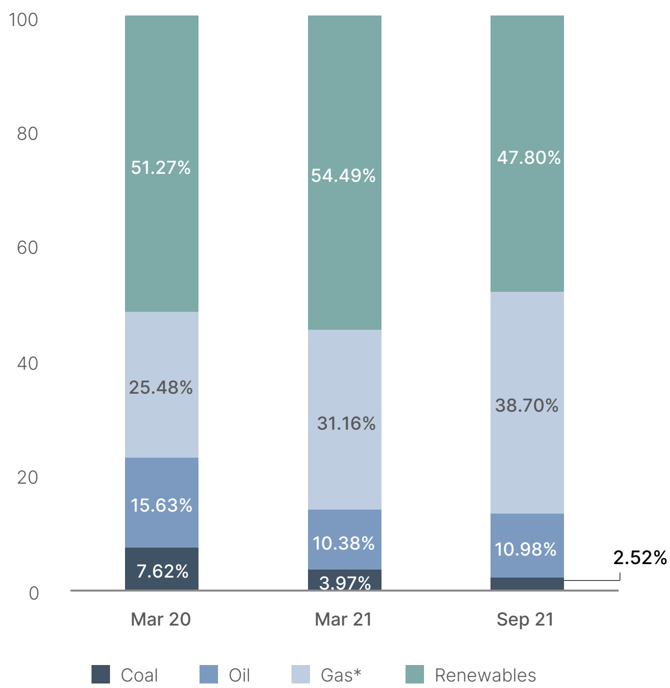
€215 million
Arranged finance for two major hospital projects in Ghana

Minimal exposure to coal

0.11% Coal as a percentage of loans and advances (31 March 2021: 0.17%)

2.52% Coal as a percentage of energy lending (31 March 2021: 3.97%)

Breakdown of our energy lending portfolio
Percentage



* Majority is natural gas.

FOR FURTHER INFORMATION:

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