

— OUT OF THE ORDINARY

Built on strong foundations

Investec Limited

Q & A fact sheet
November 2021



OVERVIEW OF INVESTEC AND INVESTEC LIMITED

Investec partners with private, institutional and corporate clients, offering international banking, investments and wealth management services in two principal markets, South Africa and the UK, as well as certain other countries. The group was established in 1974 and currently has approximately 8,200+ employees.

In July 2002, the Investec group implemented a dual listed companies (DLC) structure with linked companies listed in London and Johannesburg.

Investec Limited (housing the Southern African operations) and Investec plc (housing the non-Southern African operations) form a single economic enterprise where shareholders have common economic and voting interests. Creditors, however, are ring-fenced to either Investec Limited or Investec plc as there are no cross guarantees between the companies.

Investec Bank Limited (IBL) is the main banking subsidiary of Investec Limited while Investec Bank (Mauritius) Limited is IBL's main operating subsidiary. Investec Limited also has a 47.4% interest in the IEP Group (Proprietary) Limited. IBL is regulated by the South African Prudential Authority.

Key financial statistics

Key financial statistics	31 Sept 2021	31 Sept 2020	% change	31 March 2021
Total operating income before expected credit loss impairment charges (R'million)	8 528	6 221	37.1%	14 188
Operating costs (R'million)	4 349	3 917	11.0%	8 457
Operating profit before goodwill and acquired intangibles (R'million)	4 071	1 731	>100%	5 110
Headline earnings attributable to ordinary shareholders (R'million)	2 498	1 622	54.0%	4 206
Cost to income ratio	53.1%	59.9%		59.6%
Total capital resources (including subordinated liabilities) (R'million)	76 638	73 190	4.7%	75 073
Total equity (R'million)	62 958	59 001	6.7%	60 628
Total assets (R'million)	572 977	569 013	0.7%	549 740
Net core loans (R'million)	297 193	284 392	4.5%	287 315
Customer accounts (deposits) (R'million)	398 936	365 003	9.3%	374 228
Loans and advances to customers as a % of customer accounts (deposits)	72.6%	76.1%		74.6%
Cash and near cash balances (R'million)	134 592	143 248	(6.0%)	129 759
Funds under management (R'million)	379 721	301 431	26.0%	340 618
Total gearing ratio (i.e. total assets excluding intergroup loans to equity)	9.1x	9.6x		9.0x
Total capital adequacy ratio	17.7%	15.5%		16.0%
Tier 1 ratio	14.8%	12.2%		12.8%
Common equity tier 1 ratio	13.9%	11.6%		12.2%
Leverage ratio	7.6%	7.0%		7.6%
Leverage ratio – fully loaded	7.5%	6.9%		7.5%
Stage 3 as a % of gross core loans subject to ECL	2.2%	2.4%		2.6%
Stage 3 net of ECL as a % of net core loans subject to ECL	1.8%	1.7%		2.1%
Credit loss ratio	0.04**	0.35**		0.18%
Net Stable Funding Ratio % (NSFR)	110.6%	113.9%		113.4%
Liquidity Coverage Ratio % (LCR)*	158.0%	164.1%		164.0%

* In 2020, part of the Prudential Authority's response to the expected negative impact of COVID-19 on liquidity in financial markets was to reduce the LCR requirement for banks from 100% to 80%. On 1 September 2021, the Prudential Authority communicated that the LCR requirement will increase to 90% on 1 January 2022 and back to 100% on 1 April 2022.

** Annualised.

FINANCIAL INFORMATION

Unless the context indicates otherwise, all comparatives referred to below relate to the six month period ended 30 September 2020 (1H2021). For the six month period ended 30 September 2021, Investec Limited reported an increase in headline earnings attributable to ordinary shareholders of 54.0% to R2 498 million (1H2021: R1 622million). Investec Limited has sound capital and liquidity buffers.



Further details on Investec Limited's results can be found on Investec's website at www.investec.com

Capital adequacy

17.7%

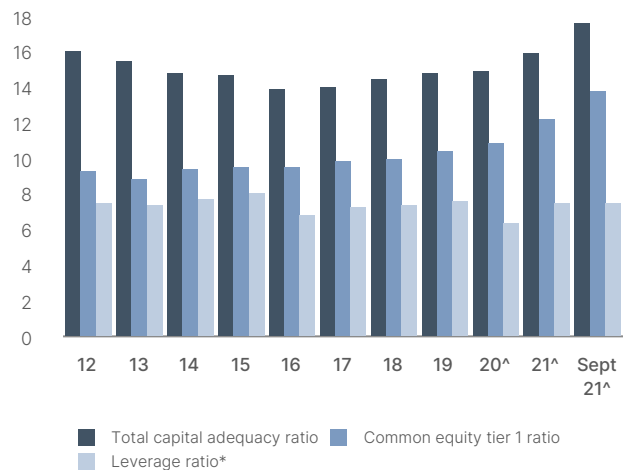
total capital adequacy ratio

Investec Limited holds capital in excess of regulatory requirements and intends to perpetuate this philosophy to ensure that it remains well capitalised. As at 30 September 2021, the total capital adequacy ratio of Investec Limited was 17.7% and the common equity tier 1 (CET1) ratio was 13.9%.

Approval was received from the Prudential Authority to adopt the Advanced Internal Ratings Based (AIRB) approach for the bank's SME and Corporate models effective 1 April 2021. We are working towards further adoption of AIRB on certain remaining portfolios.

Basel capital ratios

Percentage



* The leverage ratio has only been disclosed since 2014. Historic information has been estimated.

^ Sept 21 is on AIRB approach; FY20 and FY21 are on FIRB approach; all prior years are on the Standardised Approach.

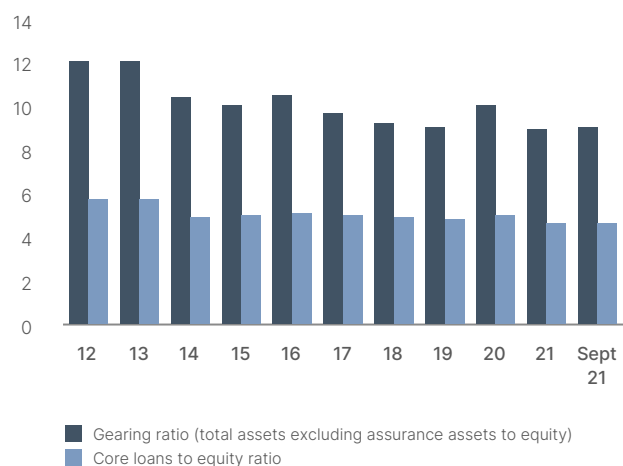
Gearing

9.1x

Investec Limited is not highly geared. A number of bank holding companies that have experienced difficulty in the past were in excess of 40 times geared. Investec Limited's gearing ratio at 30 September 2021 was 9.1x.

Gearing ratio

Times



FINANCIAL INFORMATION

CONTINUED

Asset quality and exposures

0.04%

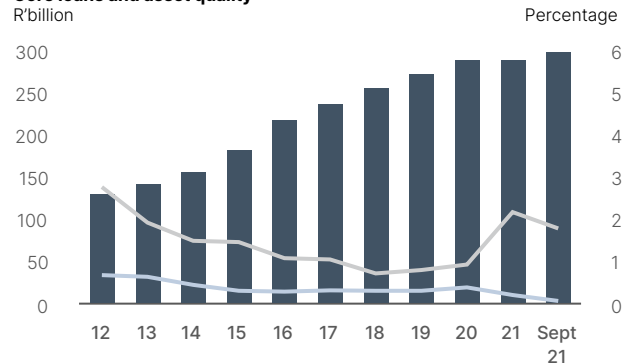
annualised credit loss ratio

The bulk of Investec Limited's credit and counterparty risk arises through its private and corporate client activities in South Africa. The bank lends to high net worth and high income individuals, mid-to large-sized corporates, public sector bodies and institutions.

The total ECL impairment charges amounted to R108 million for the six months ended 30 September 2021 (2020: R573 million). The annualised credit loss ratio was 0.04% at 30 September 2021 (2020: 0.35%).

Stage 3 exposures net of ECL at 30 September 2021 amounted to R5 180 million (31 March 2021: R6 110 million). Stage 3 exposure net of ECL as a percentage of net core loans subject to ECL as at 30 September 2021 amounted to 1.8% (31 March 2021: 2.1%).

Core loans and asset quality



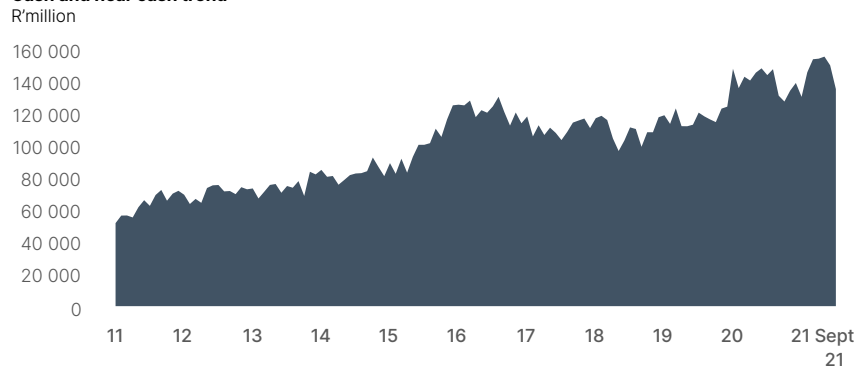
■ Net core loans (LHS)
 — Credit loss ratio (RHS)
 — Net default loans before collateral as a % of net core loans / Stage 3 exposure net of ECL as a % of net core loans subject to ECL (RHS)

Liquidity and funding

R134.6 billion

cash and near cash

Cash and near cash trend



Investec Limited has a liquidity management philosophy that has been in place for many years. The bank holding company continues to focus on maintaining a stock of readily available, high-quality liquid assets targeting a minimum cash to customer deposit ratio of 25%.

As at 30 September 2021, the bank had R134.6 billion of cash and near cash to support its activities, representing 33.7% of customer deposits. Furthermore, the bank maintains an appropriate mix of term funding, placing a low reliance on interbank wholesale funding to fund core lending asset growth. Investec Limited targets a diversified funding base, avoiding undue concentrations by investor types, maturity and market source, instrument and currency.


Customer deposits have increased by 6.6% since 31 March 2021 to R398.94 billion at 30 September 2021 (31 March 2021: R374.2). The bank's loan to customer deposit ratio was 72.6% as at 30 September 2021 (31 March 2021: 74.6%).

There are no deposit guarantees in South Africa.




SUSTAINABILITY

Sustainability highlights

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

Governance	Sustainable finance	Positioning
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Investec Property Fund launched first REIT sustainability-linked ESG bond in Africa \$30.6 million raised by Investec Wealth & Investment at 30 September 2021 through the launch of a Global Sustainable Equity Fund 	<ul style="list-style-type: none"> Received a low-risk rating from Sustainalytics (16.6) Aligned to the UN SDGs: Obtained 5-star rating from Support the Goals 

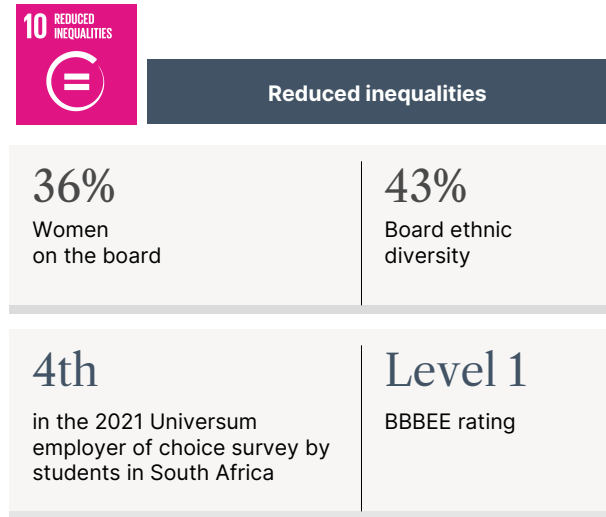
Consistently well-positioned in international ESG rankings and ratings

			
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)
			
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



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

Some examples are shown below



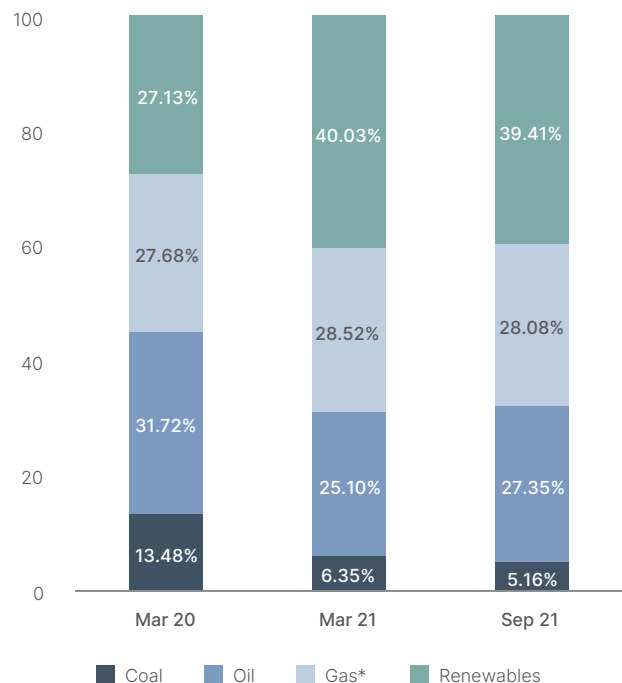
Minimal exposure to coal

0.17% Coal as a percentage of loans and advances (31 March 2021: 0.20%)

5.16% Coal as a percentage of energy lending (31 March 2021: 6.35%)

Breakdown of our energy lending portfolio

Percentage



* Majority is natural gas.

CREDIT RATINGS

Investec Limited's and its main banking subsidiary, Investec Bank Limited's long-term and short-term credit ratings from Fitch, Moody's, Standard & Poors and GCR are in line with their larger domestic peers and are listed below:

	Fitch	Moody's	Standard & Poors	Global ratings
Investec Limited				
National long-term rating	AA+(zaf)			
National short-term rating	F1+(zaf)			
Foreign currency long-term rating	BB-			
Foreign currency short-term rating	B			
Investec Bank Limited				
National long-term rating	AA+(zaf)	Aa1.za	za.AA	AA(za)
National short-term rating	F1+(zaf)	P-1.za	za.A-1+	A1+(za)
Foreign currency long-term rating	BB-	Ba2	BB-	-
Foreign currency short-term rating	B	NP	B	-
International scale, local currency long-term rating	-	-	-	BB

FOR FURTHER INFORMATION:

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