

— OUT OF THE ORDINARY

Creating enduring worth

Investec Limited

Q & A fact sheet
November 2023



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. In the UK, wealth management services are offered through our strategic long-term partnership with Rathbones. The group was established in 1974 and currently has approximately 7 400+ 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 36.4% interest in the Bud Group Holdings (Proprietary) Limited. IBL is regulated by the South African Prudential Authority.

Key financial statistics


Key financial statistics	30 Sept 2023	30 Sept 2022 [^]	% change	31 March 2023 [^]
Total operating income before expected credit loss impairment charges (R'million)	10 250	9 212	11.3%	19 263
Operating costs (R'million)	5 360	4 800	11.7%	10 028
Operating profit before goodwill and acquired intangibles (R'million)	4 723	4 390	7.6%	8 946
Headline earnings attributable to ordinary shareholders (R'million)	3 390	3 889	(12.8%)	6 581
Cost to income ratio	52.3%	53.1%		52.1%
Total capital resources (including subordinated liabilities) (R'million)	60 128	71 286	(15.7)%	69 306
Total equity (R'million)	52 175	61 611	(15.3)%	61 558
Total assets (R'million)	644 651	609 525	5.8%	638 103
Net core loans (R'million)	338 433	318 420	6.3%	325 139
Customer accounts (deposits) (R'million)	460 358	434 605	5.9%	448 513
Loans and advances to customers as a % of customer accounts (deposits)	72.1%	72.0%		71.2%
Cash and near cash balances (R'million)	177 700	149 216	19.1%	171 400
Funds under management (R'million)	420 021	379 721	10.6%	372 804
Total gearing ratio (i.e. total assets excluding intergroup loans to equity)	12.3x	9.9x		10.3x
Total capital adequacy ratio	17.0%	18.0%		18.3%
Tier 1 ratio	14.3%	15.0%		15.9%
Common equity tier 1 ratio	13.2%	14.1%		14.7%
Leverage ratio	5.9%	7.1%		6.5%
Stage 3 as a % of gross core loans subject to ECL	3.8%	2.3%		2.7%
Stage 3 net of ECL as a % of net core loans subject to ECL	3.1%	1.8%		2.2%
Credit loss ratio*	0.08%*	0.01%*		0.09%
Net Stable Funding Ratio % (NSFR)	113.4%	115.6%		116.4%
Liquidity Coverage Ratio % (LCR)	182.9%	157.7%		153.6%

[^] Restated

* Annualised

FINANCIAL INFORMATION

Unless the context indicates otherwise, all comparatives referred to below relate to the six months ended 30 September 2023 (1H2024). For the year ended 30 September 2023, Investec Limited reported a decrease in headline earnings attributable to ordinary shareholders of 12.8% to R3 390 million (1H2023: R3 889 million). 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

17.0%

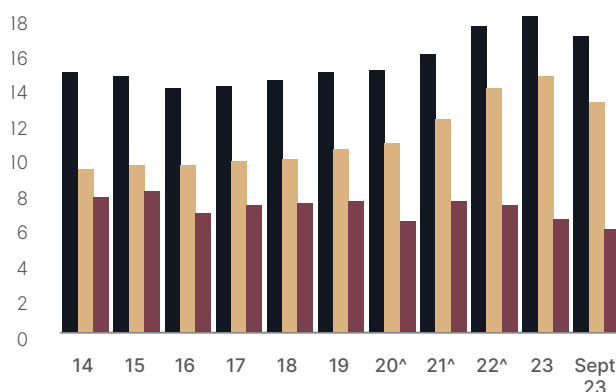
Total capital adequacy ratio

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 2023, the total capital adequacy ratio of Investec Limited was 17.0% and the common equity tier 1 (CET1) ratio was 13.2%.

From 31 January 2023 Investec Limited adopted the AIRB approach for measurement of capital on the Income Producing Real Estate portfolio (IPRE). Investec Limited also migrated the High Value Commercial Real Estate (HVCRE) portfolio to the slotting approach, a subset of the Foundation Internal Rating Based (FIRB) approach.

Basel capital ratios

Percentage



Total capital adequacy ratio

Common equity tier 1 ratio

Leverage ratio**

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

^ FY22 is on increased AIRB scope; FY20 and FY21 are on FIRB; all prior years are on the Standardised approach.

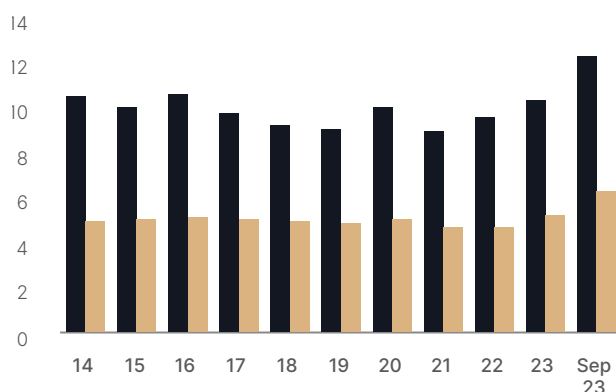
Gearing

12.3x

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 2023 was 12.3x.

Gearing ratio

Times



Gearing ratio (total assets excluding assurance assets to equity)

Core loans to equity ratio

Note: All information presented in the graphs are as at 30 September 2023 unless otherwise stated.

FINANCIAL INFORMATION

CONTINUED

Asset quality and exposures

0.08%

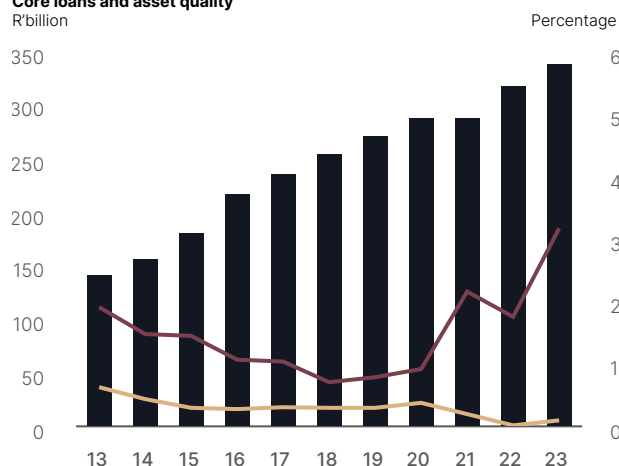
credit loss ratio

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 R167 million for the period ended 30 September 2023 (1H2023: R22 million). The credit loss ratio was 0.08% at 30 September 2023 (31 March 2023: 0.09%).

Stage 3 exposures net of ECL at 30 September 2023 amounted to R10 606 million (31 March 2023: R6 981 million). Stage 3 exposure net of ECL as a percentage of net core loans subject to ECL as at 30 September 2023 amounted to 3.1% (31 March 2023: 2.2%).

Core loans and asset quality
R'billions



Net core loans (LHS)

Credit loss ratio (RHS)

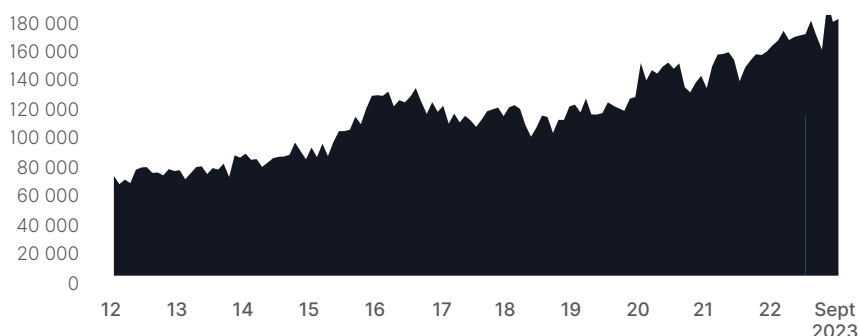
Net default loans before collateral as a % of net core loans / Stage 3 exposure net of ECL as a % of net core loans subject to ECL (RHS)

Liquidity and funding

R177.7 billion

Cash and near cash

Cash and near cash trend
R'million



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 2023, the bank had R177.7 billion of cash and near cash to support its activities. 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 2.7% since 31 March 2023 to R460.4 billion at 30 September 2023 (31 March 2023: R448.5 billion). The bank's loan to customer deposit ratio was 72.1% as at 30 September 2023 (31 March 2023: 71.2%).

The Corporation for Deposit Insurance will become fully operational from 1 April 2024.

Note: All information presented in the graphs are as at 30 September 2023 unless otherwise stated.

SUSTAINABILITY

Sustainability highlights

Operate responsibly, finance and invest for a sustainable future and maintain our competitive ESG position

Progress made on our impact SDGs

Net-zero commitments



- Committed to **zero thermal coal** in our loan book **by 31 March 2030**
- Completed a **pro-climate assessment** to identify improvement areas towards our net-zero goals
- Coal** as a % of loans and advances is 0.08% (Mar-23: 0.10%)
- Fossil fuels** as a % of loans and advances is 1.41% (Mar-23: 1.19%)

Equality commitments



- 45% ethnic diversity** and **55% women** on our Group Board
- R454mn procurement** from black women-owned suppliers in SA
- 4th** in the 2022 Universum employer of choice survey by professionals in South Africa

Sustainable finance

Specialist Banking

- Ranked 7th** in the Corporate Knights Sustainable Revenues Ranking, 2022
- Implemented a project to calculate the amount of our **sustainable finance lending and investments** and understand the impact on our priority SDGs

Wealth & Investment

- Signatory to **Climate Action 100+**
- Raised R2.82bn** through the launch of two managed charity portfolios in SA
- Ranked 1st** for Best Private Bank and Wealth Manager in Africa for philanthropy services 2022, by the Financial Times

Consistently well-positioned in international ESG rankings and ratings

S&P Global

Top 5%
in the global diversified financial services sector (inclusion since 2006)



Top 7%
of diversified banks and included in the Global Sustainability Leader Index



Top 2%
in the financial services sector in the MSCI Global Sustainability Index



Score A-
against an industry average of B-



Top 20%
of the ISS ESG global universe
Rated Prime – best in class



Top 100
in the Global sustainable companies in the world)



Included in the FTSE UK 100 ESG Select Index (out of 641)
Included in the FTSE4Good Index



Top 30
in the FTSE/JSE Responsible Investment Index

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 & Poor's and GCR are in line with their larger domestic peers and are listed below:

	Fitch	Moody's	Standard & Poors	GCR
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			
Outlook	Stable			
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-	BB
Foreign currency short-term rating	B	NP	B	B
Outlook	Stable	Stable	Positive	Stable

For further information:

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