

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 8,700 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.

In March 2020, the Asset Management business was demerged and separately listed as Ninety One.

Key financial statistics

| Key financial statistics | 31 March 2020 | 31 March 2019 | % change |
|---|---------------|---------------|----------|
| Total operating income before expected credit loss impairment charges (R'million) | 15 939 | 15 739 | 1.3% |
| Operating costs (R'million) | 8 307 | 8 136 | 2.1% |
| Operating profit before goodwill and acquired intangibles (R'million) | 6 523 | 6 842 | (4.7%) |
| Headline earnings attributable to ordinary shareholders (R'million) | 3 934 | 4 955 | (20.7%) |
| Cost to income ratio | 56.6% | 55.4% | |
| Total capital resources (including subordinated liabilities) (R'million) | 71 058 | 71 472 | (0.6%) |
| Total equity (R'million) | 56 675 | 55 615 | 1.9% |
| Total assets (R'million) | 575 387 | 661 669 | (13.0%) |
| Net core loans and advances (R'million) | 288 878 | 271 204 | 6.5% |
| Customer accounts (deposits) (R'million) | 375 456 | 341 578 | 9.9% |
| Loans and advances to customers as a % of customer accounts (deposits) | 75.0% | 77.2% | |
| Cash and near cash balances (R'million) | 147 169 | 118 365 | 24.3% |
| Funds under management | 255 938 | 305 880 | (16.3%) |
| Total gearing ratio (i.e. total assets excluding assurance assets to equity) | 10.1x | 9.1x | |
| Total capital adequacy ratio | 15.0% | 16.0% | |
| Tier 1 ratio | 11.5% | 12.4% | |
| Common equity tier 1 ratio | 10.9% | 11.6% | |
| Leverage ratio – current | 6.4% | 7.4% | |
| Leverage ratio – ‘fully loaded’ | 6.3% | 7.2% | |
| Stage 3 as a % of gross core loans and advances subject to ECL | 1.5% | 1.4% | |
| Stage 3 net of ECL as a % of net core loans and advances subject to ECL | 0.9% | 0.8% | |
| Credit loss ratio | 0.36% | 0.28% | |

Financial performance

For the year ended 31 March 2020, Investec Limited reported a decrease in headline earnings attributable to ordinary shareholders of 20.7% to R3 934 million (2019: R4 955 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

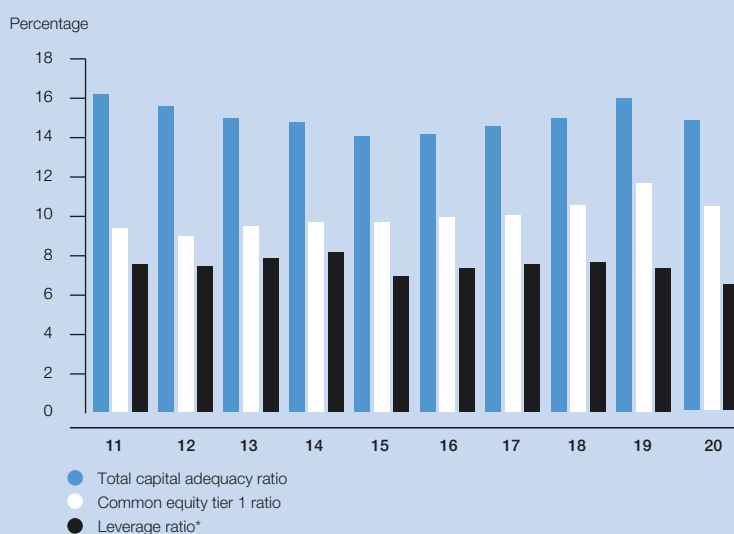
Capital adequacy

15.0%

Investec Limited holds capital in excess of regulatory requirements and intends to perpetuate this philosophy and ensure that it remains well capitalised. As at 31 March 2020, the total capital adequacy ratio of Investec Limited was 15.0% and the common equity tier 1 ratio was 10.9%.

The implementation of the Foundation Internal Ratings-Based ('FIRB') approach from 1 April 2019 had a positive impact on our capital ratios. Our application to the SARB to move to the Advanced ('AIRB') approach is under review. Successful implementation is expected to have a further positive uplift to our capital ratios.

Basel capital ratios



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

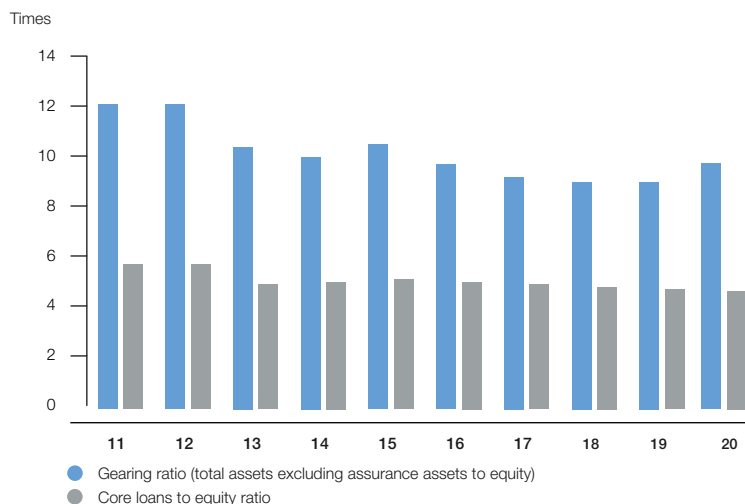
^ On Foundation Internal Ratings Based (FIRB) approach, effective 1 April 2019. All prior years presented on the Standardised Approach.

Gearing

10.1x

Investec Limited is not a highly geared bank. A number of banks that have come into difficulty in the past have been in excess of 40 times geared. Investec Limited's comparative ratio would be 10.1x.

Gearing ratio



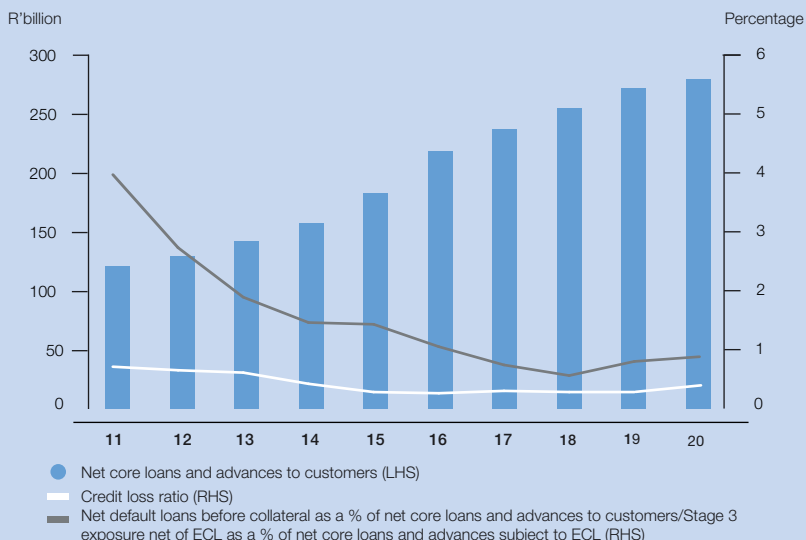
Asset quality and exposures



The bulk of Investec Limited’s credit and counterparty risk arises through its private client 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 R1 109 million for the year ended 31 March 2020 (2019: R761 million). The credit loss ratio was 0.36% at 31 March 2020 (2019: 0.28%).

Core loans and asset quality



Stage 3 exposures net of ECL at 31 March 2020 amounted to R2 580 million (2019: R2 072 million). Stage 3 exposure net of ECL as a percentage of net core loans and advances to customers subject to ECL as at 31 March 2020 amounted to 0.9% (2019: 0.8%).

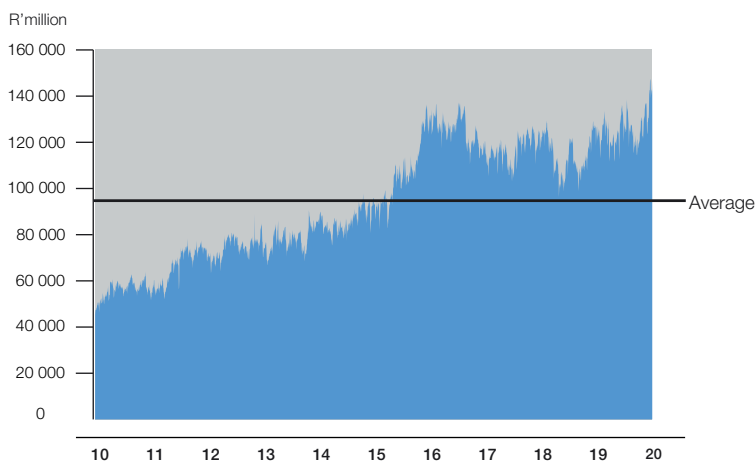
Liquidity and funding



Investec Limited has a liquidity management philosophy that has been in place for many years. The bank 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 31 March 2020, the bank had R147.2 billion of cash and near cash to support its activities, representing 39.2% 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.

Cash and near cash trend



Customer deposits have increased by 9.9% since 31 March 2019 to R375.5 billion at 31 March 2020. The bank’s loan to deposit ratio was 75.0% as at 31 March 2020 (2019: 77.2%).

There are no deposit guarantees in South Africa.

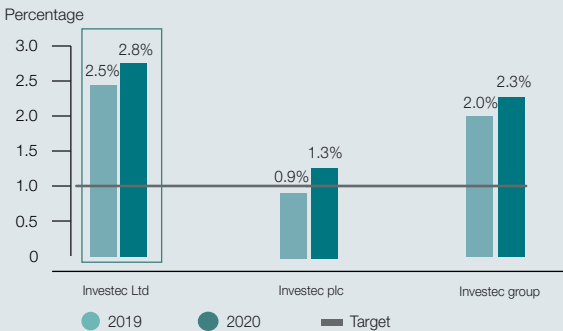
At Investec, sustainability is about building resilient profitable businesses that are focused on growing and preserving stakeholders long-term wealth, whilst contributing in a responsible way to the health of our economy, our people, our communities and the environment for a prosperous future for all.

Supporting a sustainable economy

We play a critical role in funding a sustainable economy that is cognisant of the world’s limited natural resources.

- Participants of the United Nations Global Compact’s 10 principles on human rights, labour, environment and anti-corruption
- Enhanced our ESG policies, processes and reporting and publicly disclosed our group fossil fuel policy
- Financing sustainable development, for example in renewable energy, infrastructure, innovation and SMEs
- First bank in South Africa and eighth bank in the UK to sign up to the Task Force for Climate-related Financial Disclosures (TCFDs)
- Female senior leadership increased to 43.4% (2019: 42.3%) of total senior leadership
- Community spend as a % of operating profit increased to 2.8% (2019: 2.5% and target of 1.0%) of which 86% was spent on education, entrepreneurship and job creation
- First bank in South Africa to sign up to the Task Force for Climate-related Financial Disclosures (TCFDs)
- Achieved net-zero carbon emissions and committed to ongoing carbon neutrality
- Launched the first structured product in South Africa over an Environmental World Index.

Spend on community initiatives as a % of operating profit



Recognition

- Voted one of SA’s Top Empowered Companies by Impumelelo
- Best Investment Bank for Sustainable Finance in Africa for the 2020 Global Finance Awards
- Winner of the Sustainability Award in the 17th Annual National Business Awards 2019
- Winner of the Trialogue Strategic CSI Award 2019 for the Promaths programme.

Sustainability indices

We participate and have maintained inclusion in several globally-recognised sustainability indices.

- Top 15% in our industry in the RobecoSam Corporate Sustainability results released in January 2020
- In the FTSE UK 100 ESG Select Index out of 640 companies in the FTSE All Share Index
- Top 40 in the FTSE/JSE Responsible Investment Index
- Top 6% in the MSCI Global Sustainability Index, scoring AAA in the financial services sector
- One of 43 banks and financial services in the STOXX Global ESG Leaders Index.
- Maintained a B rating in terms of the CDP (Industry average of C).

Sustainable Development Goals

We are committed to supporting delivery of the Sustainable Development Goals (SDGs) through partnering for inclusive prosperity.

- Fani Titi, signed up to UN CEO Alliance on Global Investment for Sustainable Development (GISD)
- Hosted members of 30 international banks and financial institutions who are driving the UN Global Investment for Sustainable Development (GISD) agenda
- Export and agency finance team is working with a new Impact Debt Fund, which is grant supported by The Rockefeller Foundation. This US\$300 million initial fund will launch in Q2 2020 and is focused on co-financing projects which meet SDG objectives alongside export credit agencies.

Our 2020 sustainability report provides further detail on the many initiatives we are supporting and funding as part of our commitment to the Sustainable Development Goals.



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 Global ratings are in line with their larger domestic peers and are listed below:

| Investec Limited | Fitch |
|------------------------------------|--------------|
| 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 | Fitch | Moody's | Standard & Poors | Global ratings |
|--|--------------|----------------|-----------------------------|-----------------------|
| 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 | Ba1 | BB- | - |
| Foreign currency short-term rating | B | NP | B | - |
| International scale, local currency long-term rating | - | - | - | BB |

For further information:

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