



Investec Bank Limited

The information in this presentation relates to the year ended 31 March 2020,
unless otherwise indicated.

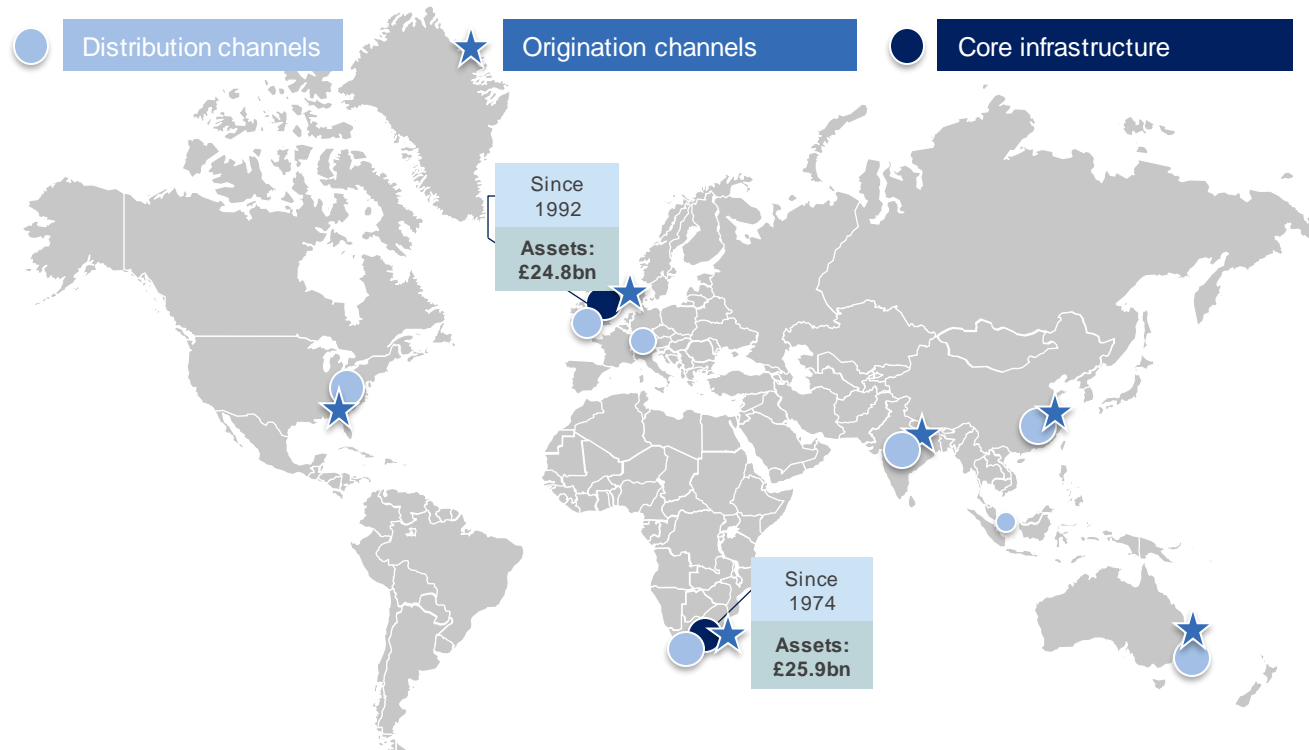


An overview of the Investec group

The Investec group information reflects that of its Continuing operations. During the year, the group's asset management business was demerged and separately listed and has thus been accounted for as a discontinued operation.

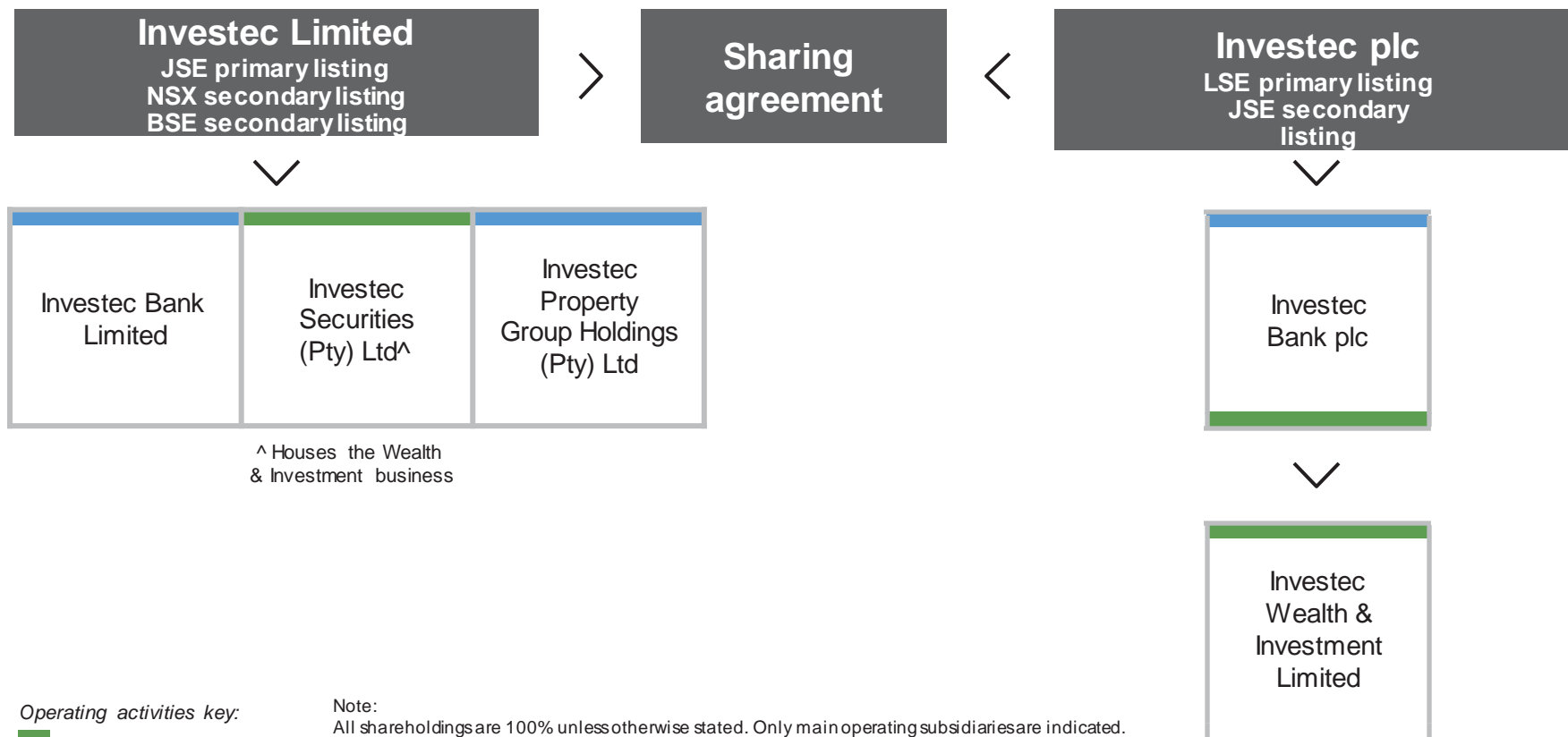
A domestically relevant, internationally connected banking and wealth & investment group

- Established in 1974
- Today, an efficient integrated international business platform employing approximately 8 700* people
- Listed on the JSE and LSE (a FTSE 250 company)
- Total assets of **£50.7bn**; total equity of **£4.9bn**; total third party assets under management of **£45.0bn**



Group structure

- In 2002, Investec implemented a **Dual Listed Companies (DLC) structure**
- In terms of our DLC structure, **Investec Limited** is the controlling company of our businesses in Southern Africa and Mauritius, and **Investec plc** is the controlling company of our non-Southern African businesses.



Operating activities key:

- Wealth & Investment
- Specialist Banking

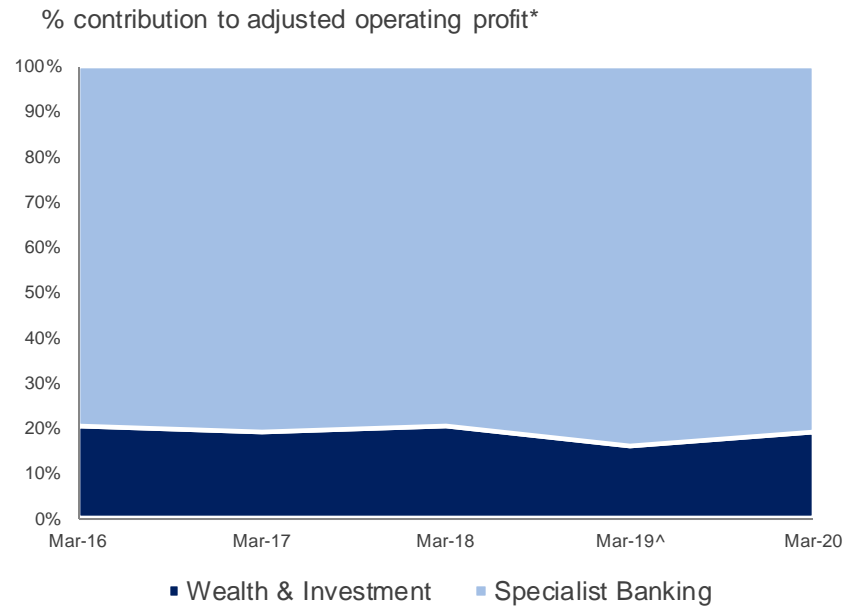
Note:

All shareholdings are 100% unless otherwise stated. Only main operating subsidiaries are indicated.

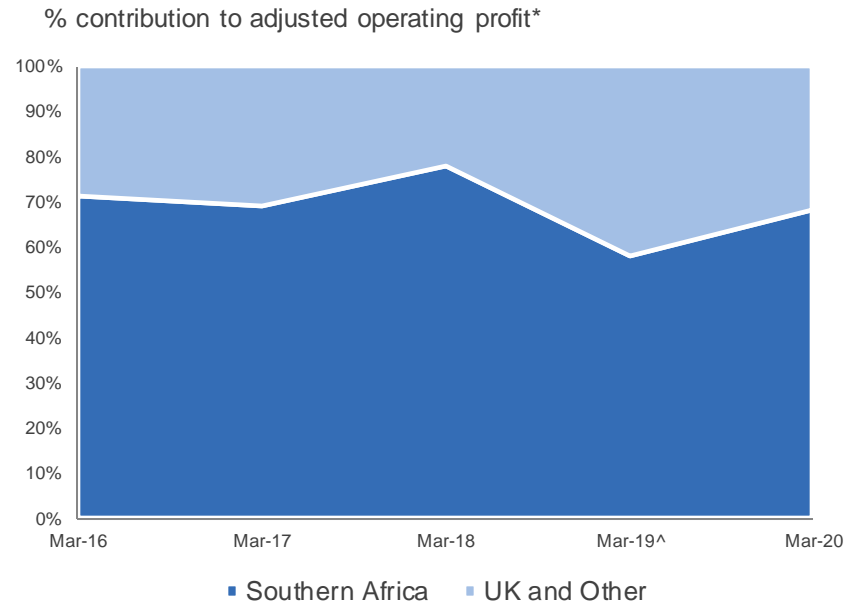
In March 2020, Investec completed the demerger and separate listing of Ninety One (formerly known as Investec Asset Management). The Investec group retained a 25% shareholding in the Ninety One DLC group, with 16% held through Investec plc and 9% held through Investec Limited.

Solid recurring income base supported by a diversified portfolio

Across businesses



Across geographies



* Adjusted operating profit by business is Operating profit before group costs and before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests. Adjusted operating profit by geography is Operating profit before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests. ^Reflected in the above trends, March 2019 information has been restated and excludes the financial impact of the rundown of the Hong Kong direct investments business and the impact of other group restructures as detailed in the Investec group's 2020 Analyst Book. All other prior year numbers have not been restated.

Strategic direction

We strive to be a distinctive bank and investment manager, driven by commitment to our core philosophies and values.

The Investec distinction

Client focused approach

- Clients are at the core of our business
- We strive to build business depth by deepening existing and creating new client relationships
- High-tech, high-touch approach
- High level of service by being nimble, flexible and innovative.

Specialised strategy

- Serving select market niches as a focused provider of tailored structured solutions
- Enhancing our existing position in principal businesses and geographies through organic growth and select bolt-on acquisitions.

Sustainable business

- Contributing to society, macro-economic stability and the environment
- Well-established brand
- Managing and positioning the group for the long term
- Balancing operational risk with financial risk while creating value for shareholders
- Cost and risk conscious.

Strong culture

- Strong entrepreneurial culture that stimulates extraordinary performance
- Passionate and talented people who are empowered and committed
- Depth of leadership
- Strong risk awareness
- Material employee ownership.

One Investec

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 imperative collaboration between the 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

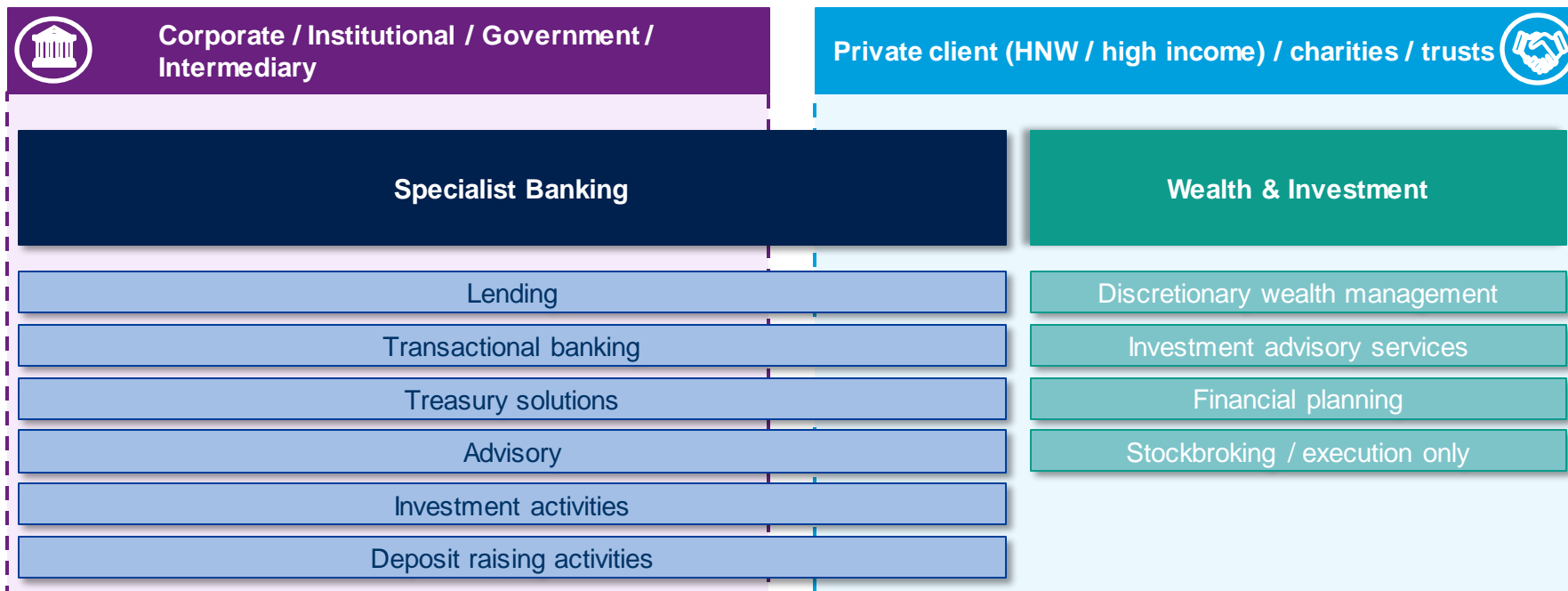
- We are committed to delivering exceptional service to our clients, creating long-term value for our shareholders and to contributing meaningfully to our people, communities and the planet
- All relevant Investec resources and services are on offer in every single client transaction
- Sustain our distinctive, 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.

In the short term, our objective is to **simplify, focus and grow** the business with discipline.

Balanced business model supporting our long-term strategy

A domestically relevant, internationally connected banking and wealth & investment group

| | | | | | |
|-----------------------------------|------------------------------------|----------------------------|------------------------------|-------------------------------------|-----------------------------------|
| 2 Principal geographies | 2 Core areas of activity | 8,700+ Employees | £24.9bn Core loans | £32.2bn Customer deposits | £45.0bn Third party FUM |
|-----------------------------------|------------------------------------|----------------------------|------------------------------|-------------------------------------|-----------------------------------|



We have market-leading distinctive client franchises

We provide a high level of client service enabled by advanced digital platforms

We are a people business backed by our out of the ordinary culture, and entrepreneurial spirit

We continue to have a sound balance sheet

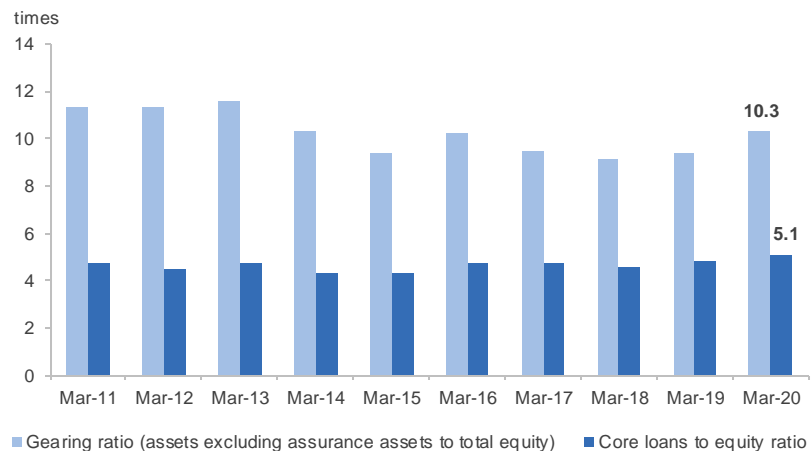
Key operating fundamentals

- Senior management “hands-on” culture
- A high level of readily available, **high quality liquid assets:** representing c. 25% - 35% of our liability base. Cash and near cash balances amounted to £12.7 billion at year end, representing **39.4%** of customer deposits.
- No reliance on wholesale funding
- Solid leverage ratios: always held **capital in excess of regulatory requirements** and the group intends to perpetuate this philosophy. Target common equity tier 1 ratio of above 10% and total capital ratios between 14% and 17%
- **Low gearing ratio: 10.3x** with **strong leverage ratios** remain ahead of the group’s target of 6%
- Geographical and operational diversity with a **high level of annuity income** which continues to support sustainability of operating profit

Cash and near cash

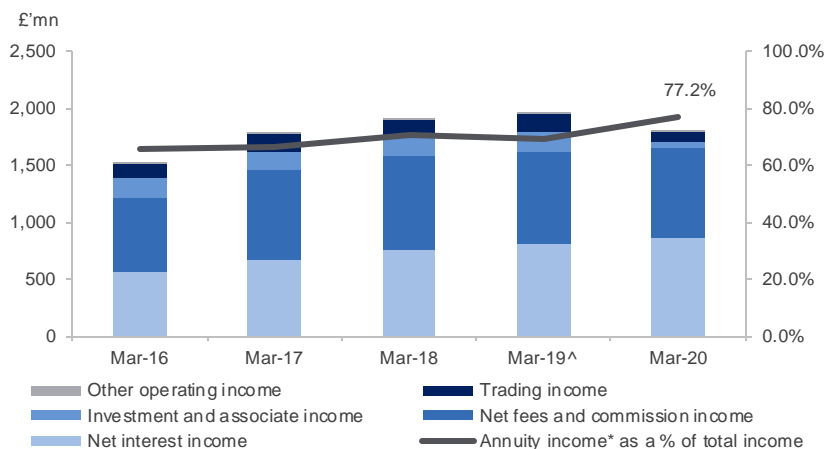


Low gearing ratios

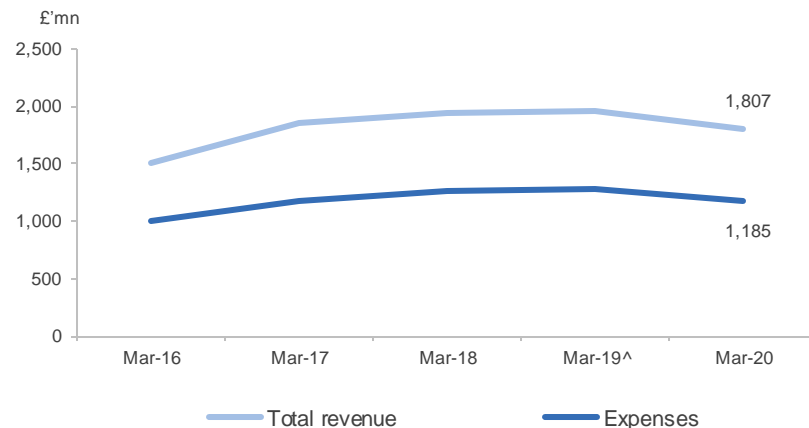


We have a sound track record

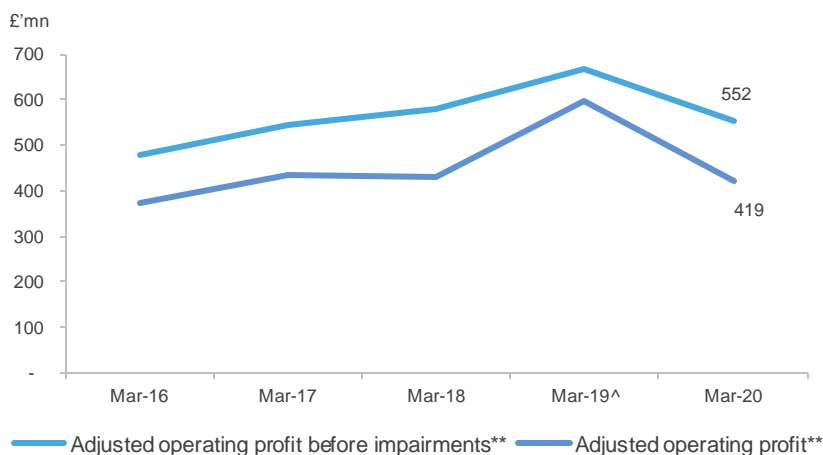
Recurring income



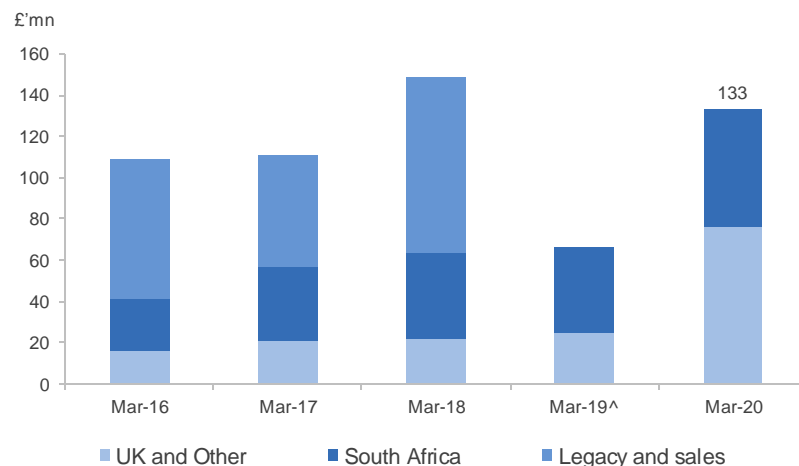
Revenue versus expenses



Adjusted operating profit** before impairments



Credit loss impairment charges

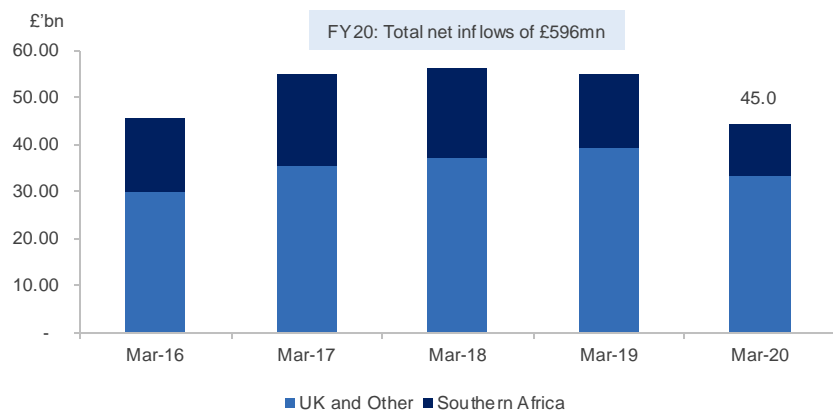


*Where annuity income is net interest income and annuity fees. ** Operating profit before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

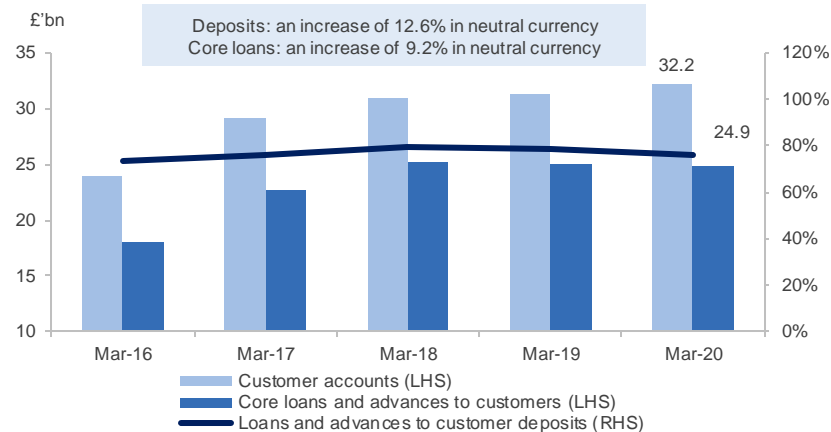
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We have a sound track record (cont.)

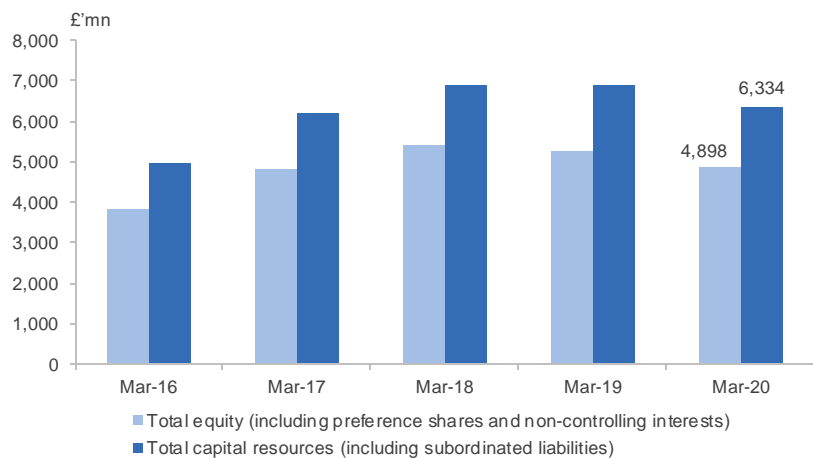
Third party assets under management



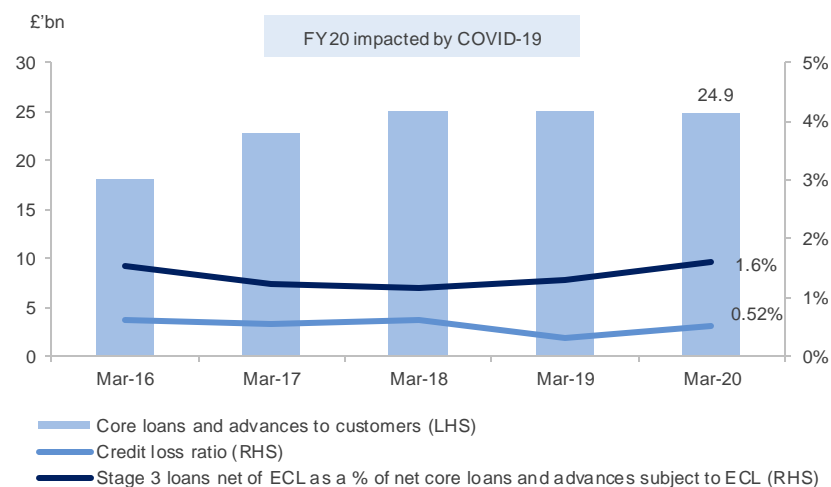
Core loans and advances and deposits



Total equity and capital resources



Asset quality



Sustainability – indices, rankings and recognition

Indices and rankings



- **Top 15%** in the global diversified financial services sector



- **Top 30** in the FTSE/JSE responsible investment index



- **Included** in the **FTSE UK 100 ESG** Select Index (out of 641 companies)



- **1 of 43** banks and financial services in the Global ESG Leaders (total of 439 components)



- **Top 6%** scoring AAA in the financial services sector



- **Score B** against an industry average of C



- **Top 20%** of globally assessed companies



- **Top 20%** of the ISS ESG global Universe and **Top 14%** of Diversified financial services

Recognition

- **1st bank in SA and 8th bank in UK** banking and financial services sector to sign up to the TCFDs
- **Best Investment Bank for Sustainable Finance** in Africa in the 2020 Global Finance Awards
- Winner **Sustainability Award** in the 17th Annual National Business Awards 2019
- One of **15 Best Deals** ranked by Global Trade Review for our finance of Ghana Infrastructure Company for the construction of roads and storm drainage
- Winner **Dialogue Strategic CSI Award** 2019 for the Promaths programme
- Voted one of SA's **Top Empowered Companies** by Impumelelo
- Winner **Dialogue Strategic CSI Award** 2019 for the Promaths programme
- Winner **16th Platinum Award** in the City of London's Clean City Award Scheme 2019 recognising the waste management best practice endeavours
- Shortlisted for the **Business Charity Awards**, which recognises the outstanding contribution made by UK businesses to good causes
- Shortlisted for the **Financial Services Charity Partnership Award** for partnership with Arrival Education
- Achieved a **silver award** for the Guernsey office with ESI Monitor for their commitment to the environment

We have assigned DLC executive responsibility to further drive our sustainability agenda and integrate it into business strategy across the organisation

Sustainability – “living in society, not off it”

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.

Supporting business strategy

1 Delivering exceptional service to our clients

2 Creating long-term value for all our stakeholders

3 Contribute meaningfully to:

Our people

Communities

The planet

Sustainability focus

- **Ethical conduct** and do no harm through **responsible** lending, investing and risk management
- **Doing well and doing good** by offering profitable, impactful and sustainable solutions
- Healthy, **engaged employees** who are inspired to learn and enjoy a diverse and inclusive workplace
- **Positive upliftment** through education, entrepreneurship and job creation
- Support the transition to a **low-carbon world** starting with carbon neutrality in our own operations

Value created – highlights from this year



- Published our group fossil fuel policy with **<1.5%** exposure to fossil fuels
- Enhanced our ESG policies, processes and reporting



- Participating in the UN Global Investors for Sustainable Development Alliance
- Financing the SDGs, e.g. renewable energy, infrastructure, innovation and SMEs



- Female senior leadership represent **36.9%** (2019: 35.6%) of total senior leadership



- Community spend as a % of operating profit of **2.3%** (2019: 2.0%) of which **77%** was on education, entrepreneurship and jobs



- Achieved net-zero carbon emissions
- Launched Environmental World Index Autocall in SA and a sustainable energy finance arm in the UK

We have an important role to play in creating a more equal, cohesive and sustainable world



An overview of Investec Bank Limited (IBL)

The information in this presentation relates to the year ended 31 March 2020, unless otherwise indicated.

Overview of Investec Bank Limited

IBL is a **specialist bank** with a strong franchise in niche market segments operating primarily in **Southern Africa**

| | | | | |
|---------------------------------|-----------------------------------|--------------------------------|--------------------------------------|-------------------------------------|
| Total assets R535.9bn | Net core loans R283.9bn | Total equity R41.7bn | Customer deposits R375.9bn | Employees (approx.) 4 100 |
|---------------------------------|-----------------------------------|--------------------------------|--------------------------------------|-------------------------------------|

Well established franchise

- **Established in 1974** in the Republic of South Africa
- Obtained a banking licence in 1980 and listed on the Johannesburg Stock Exchange in 1986
- Wholly owned subsidiary of **Investec Limited** (listed on the JSE)
 - Houses Investec group's **Southern African** and **Mauritius banking** subsidiaries
 - Wealth & Investment, Institutional Stockbroking, Investec Life and the Property divisions are housed in fellow subsidiaries under Investec Limited
- Today, IBL is an efficient integrated business platform employing approximately **4 100** people*
- **5th largest banking group** in South Africa (by assets)

Key strategic objectives

- 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
 - 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.
- In the **short term**, our objective is to **simplify, focus and grow** the business with **discipline**.

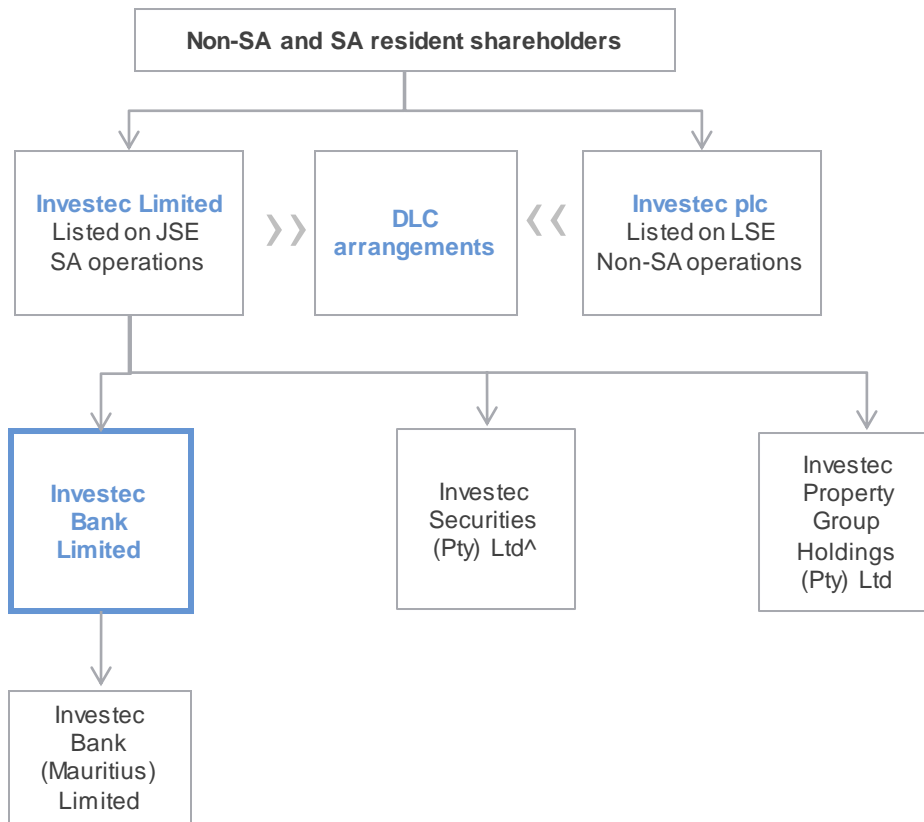
*Including temporary employees and contractors

Key credit strengths

| | |
|-----------------------------------|---|
| Sound balance sheet | <ul style="list-style-type: none">• Robust capital base: total capital adequacy ratio of 16.4%, common equity tier 1 (CET1) ratio of 12.1% and strong leverage ratio of 6.9%*• Low gearing: 12.4x• Strong liquidity ratios with a high level of readily available cash. The liquidity position of the bank remains sound with a total cash and near cash balance of R147.2bn representing 39.1% of customer deposits• Diversified funding base with strong retail deposit franchise and low reliance on wholesale funding• Never required shareholder or government support |
| Strong risk management frameworks | <ul style="list-style-type: none">• Group Risk Management operates within an integrated geographical and divisional structure, in line with our management approach, ensuring that the appropriate processes are used to address all risks across the business units• Risk awareness, control and compliance procedures are embedded in our day-to-day activities• Board, executives and management are intimately involved in the risk management process• Senior management “hands-on” culture |
| Strong culture | <ul style="list-style-type: none">• Stable management – senior management team average tenor of c.15 –20 years• Strong, entrepreneurial culture balanced with a strong risk awareness• Employee ownership – long-standing philosophy |

*The leverage ratio is calculated on an end-quarter basis.

IBL operational structure



- Investec Limited, the holding company for Investec Bank Limited, is part of a Dual Listed Companies (DLC) structure

Salient features of 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
- The 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**
- Capital and liquidity are prohibited from flowing between the two entities under the DLC structure conditions

- **Regulation** of the DLC structure:

- The South African Prudential Authority (SA PA) is the lead regulator of the group
- The SA PA is the regulator of Investec Limited while the UK Prudential Regulation Authority and the Financial Conduct Authority are the regulators of Investec plc
- The Memorandum of Understanding between the two regulators sets out that the role of the lead regulator would change if 70% or more of the on and off-balance sheet assets are held by Investec plc

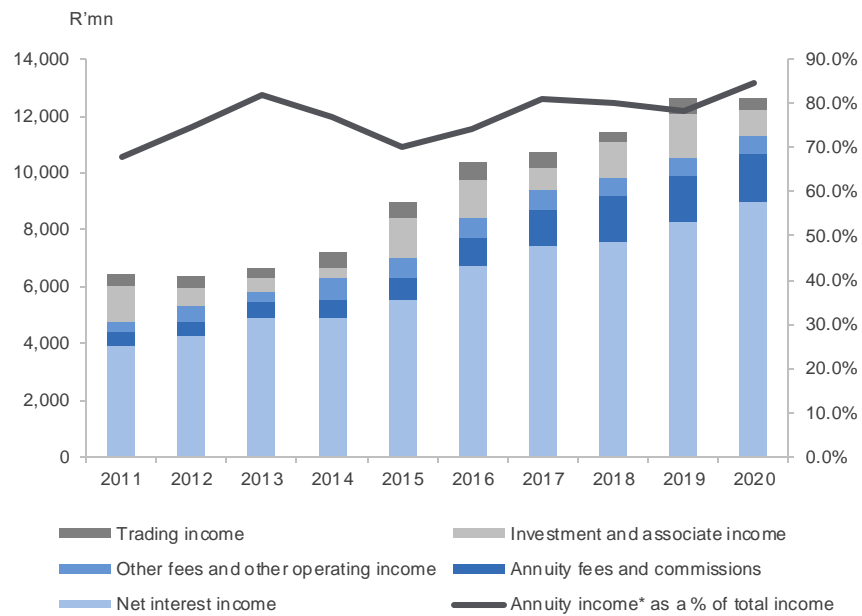


IBL operating fundamentals

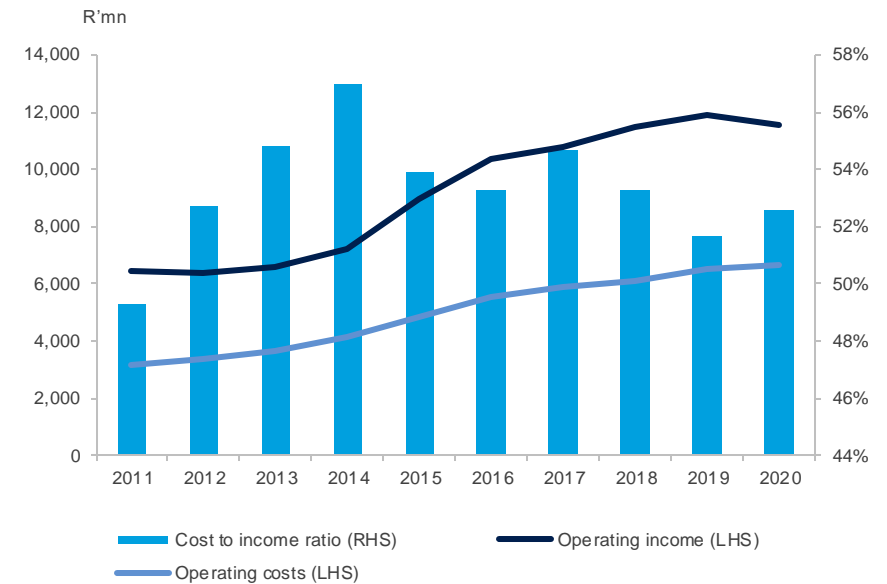
The tough operating environment in the first six months of the financial year continued through the second half, exacerbated in quick succession by a technical recession, South African sovereign credit rating downgrades by Moody's and Fitch, a rising public sector debt trajectory and the sudden and extreme COVID-19 related dislocation in global markets during the last quarter of the financial year ended 31 March 2020.

Revenue supported by resilient franchises

Annuity income*



Revenue versus expenses



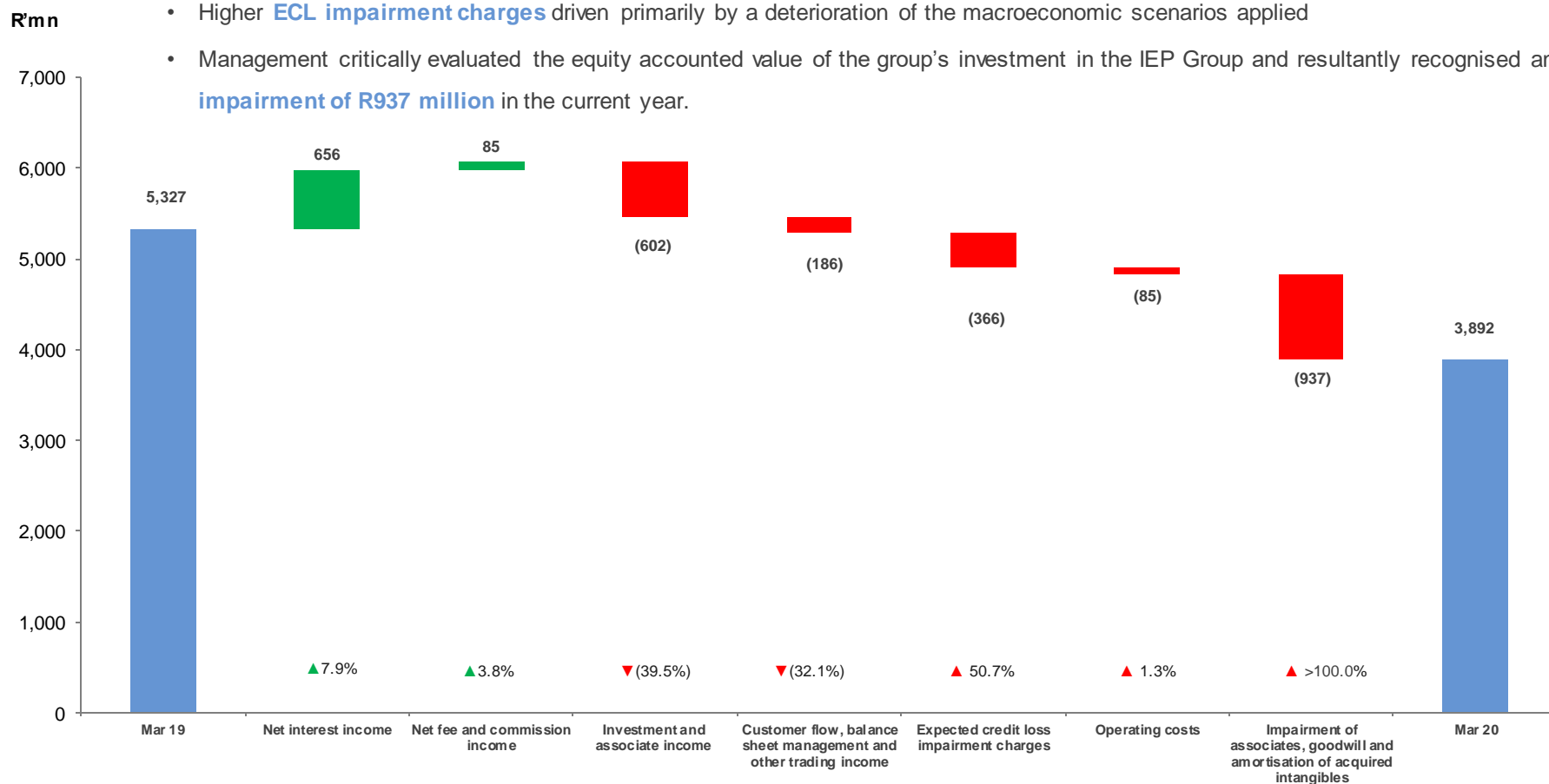
- A diversified business model continues to support a **large recurring income base** comprising net interest income and net annuity fees and commissions, currently **84.4%** of operating income (up from **67.9%** in 2011).
- **Total operating income** is broadly flat year on year. The core client franchises reported revenue growth with private client interest and overall fee income up year on year. This was offset by lower associate and trading income.

- We maintained a **disciplined approach to cost control**.
- **Operating costs** increased 1.3% year on year. Taken together with the broadly flat revenue, the cost to income ratio increased to **52.6%** (2019: 51.7%).

*Where annuity income is net interest income plus net annuity fees and commissions

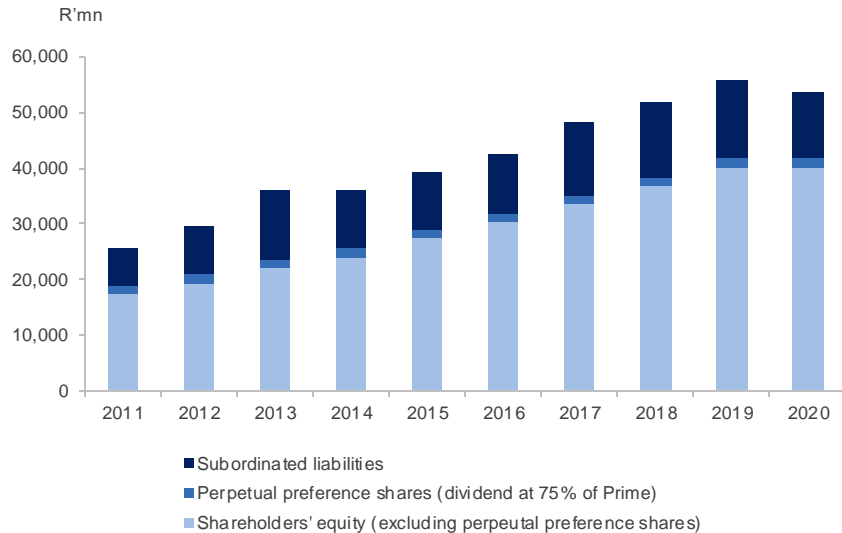
Operating profit

- The **core client franchises reported revenue growth** with private client interest and overall fee income up year on year. This, together with well-contained costs, supported earnings. This was **offset by**:
 - A decrease in **associate income** as a result of a large realisation in the prior year
 - Lower **trading income** due to COVID-19 related losses on certain trading portfolios and translation gains on foreign currency assets in the prior year which did not repeat in the current year
 - Higher **ECL impairment charges** driven primarily by a deterioration of the macroeconomic scenarios applied
 - Management critically evaluated the equity accounted value of the group's investment in the IEP Group and resultantly recognised an **impairment of R937 million** in the current year.



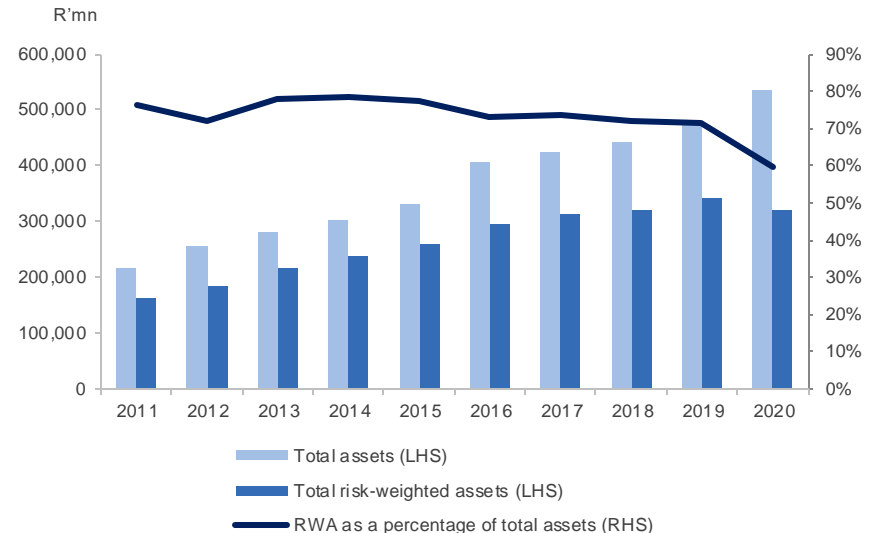
Sound capital base and capital ratios

Total capital resources



- Capital resources have declined year on year due to a reduction in subordinated liabilities.
- Our total capital resources have grown by 109.3% since 2011 to R53 785mn at 31 March 2020 (CAGR of 8.6% per year) without recourse to government or shareholders.

Total risk-weighted assets: lower RWA intensity

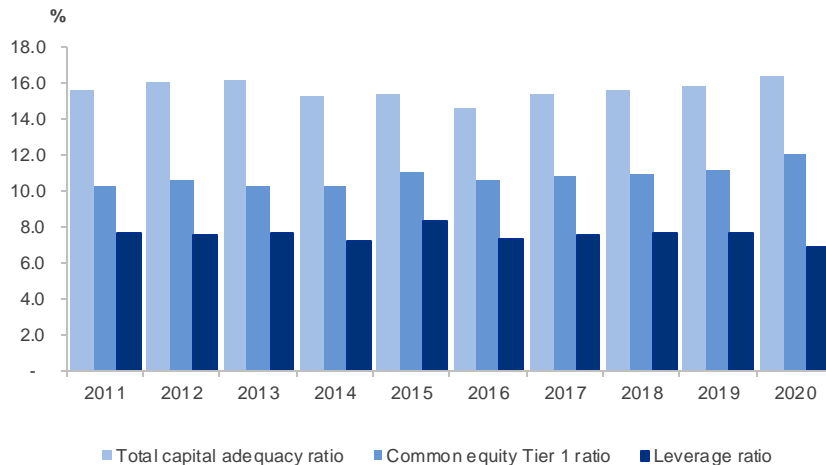


- Effective 1 April 2019, the Foundation Internal Ratings-Based ('FIRB') measurement of credit capital was adopted which has had a positive impact on IBL's capital ratios.
- In addition, IBL's Total RWAs / Total assets (RWA intensity) declined to 59.5% on FIRB (2019: 71.6% on standardised). Our application for conversion to the Advanced Internal Ratings Based (AIRB) approach is under review by the South African Prudential Authority and if successful, is expected to further enhance our capital ratios.

Sound capital base and capital ratios (contd.)

- IBL **maintained a sound capital position** with a CET1 ratio of **12.1%** and a total capital adequacy ratio of **16.4%**.
- Leverage ratios remains robust.
- As previously mentioned, IBL received regulatory permission to adopt the FIRB approach, effective 1 April 2019. The pro-forma FIRB comparatives shown below, demonstrate the uplift in the capital ratios had the FIRB approach been applied as of 31 March 2019.
- Our application for conversion to the AIRB approach is under review by the South African Prudential Authority and if successful is expected to result in a c.2% uplift to the CET1 ratio.

Basel capital ratios*



Capital development

| | FIRB [^] | Pro-forma FIRB | Standardised |
|--|-------------------|----------------|--------------|
| A summary of ratios | 31 Mar 20 | 31 Mar 19 | 31 Mar 19 |
| Common equity tier 1 (as reported) | 12.1% | 12.5% | 11.2% |
| Common equity tier 1 (fully loaded) # | 12.1% | 12.5% | 11.1% |
| Tier 1 (as reported) | 12.3% | 12.8% | 11.5% |
| Total capital adequacy ratio (as reported) | 16.4% | 17.7% | 15.8% |
| Leverage ratio** (current) # | 6.9% | 7.6% | 7.7% |
| Leverage ratio** (fully loaded) # | 6.8% | 7.5% | 7.6% |

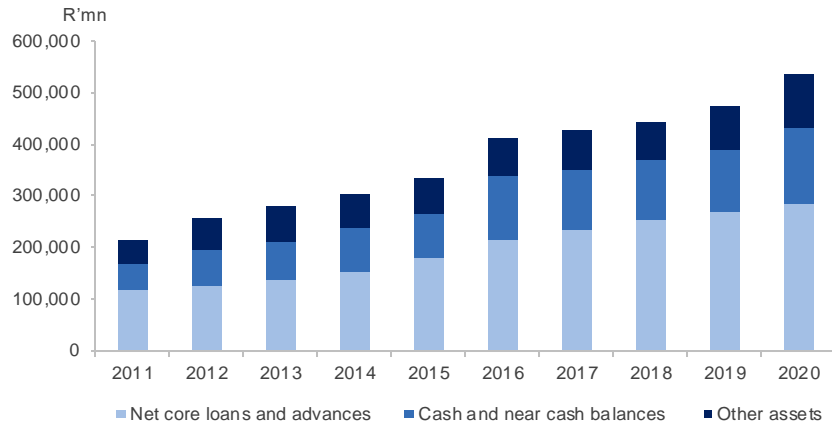
The key difference between the 'reported' basis at 31 March 2020 and the 'fully loaded' basis is primarily relating to capital instruments that previously qualified as regulatory capital, but do not fully qualify under South African Prudential Authority regulations. These instruments continue to be recognised on a reducing basis in the 'reported' figures until 2022.

** The leverage ratios are calculated on an end-quarter basis and are based on revised BIS rules.

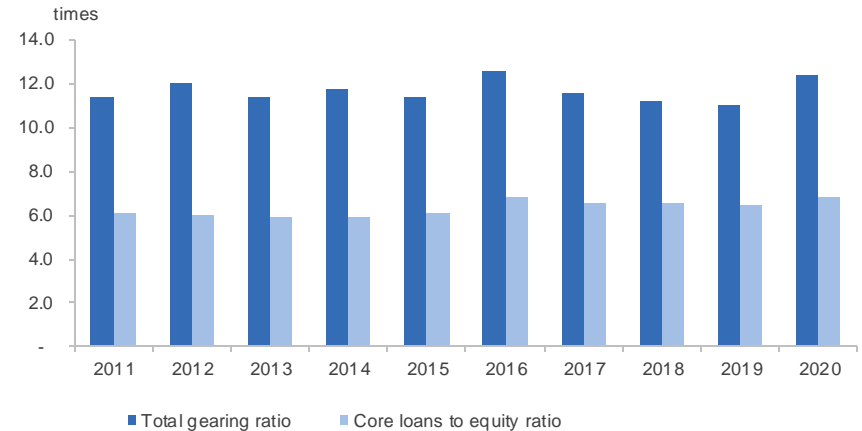
[^]IBL adopted the FIRB approach effective 1 April 2019

Consistent asset growth, gearing ratios remain low

Total assets composition



Gearing* remains low



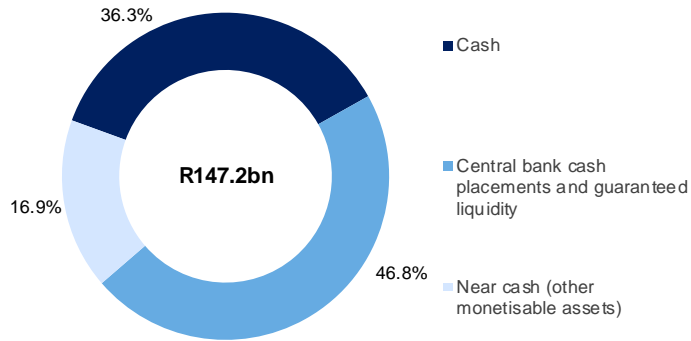
- We have recorded a **CAGR of 10.5% in net core loans and advances** since 2011 driven by increased activity across our target client base, as well as growth in our core client franchises
- In addition, we have seen **solid growth in cash and near cash balances** over the same period

- We have **maintained low gearing ratios*** with total gearing at **12.4x** and an average of **11.7x** over the past 10 years

*Gearing ratio calculated as Total Assets (excluding intergroup loans) divided by Total Equity

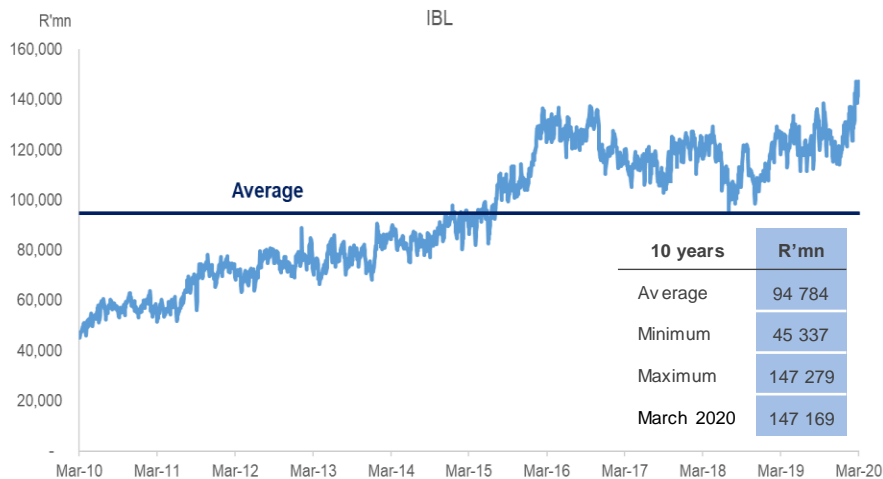
Substantial surplus liquidity

Cash and near cash balances at 31 March 2020

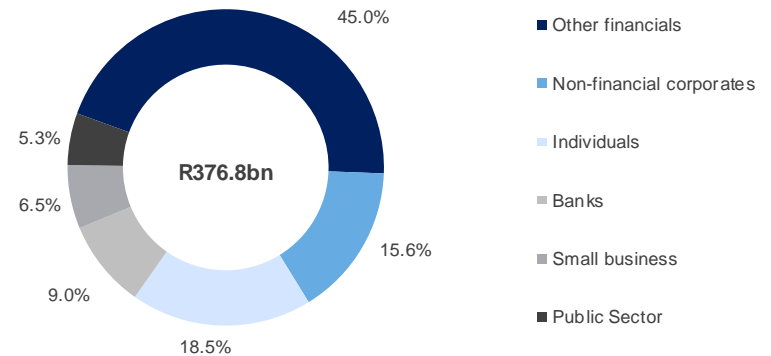


- We maintain a **high level of readily available, high quality liquid assets**, targeting a minimum cash to customer deposit ratio of 25%. Cash and near cash balances have increased significantly since 2010 (12.5% CAGR) to **R147.2bn** at 31 March 2020 (representing **39.1%** of customer deposits)
- We delivered **liquidity ratios well in excess of regulatory requirements**. At 31 March 2020, IBL's (bank solo) three-month average **Liquidity Coverage Ratio (LCR)** was **133.2%** and IBL's (bank solo) **Net Stable Funding Ratio (NSFR)** was **116.2%** (ahead of minimum requirements of 100% respectively)

Cash and near cash balances

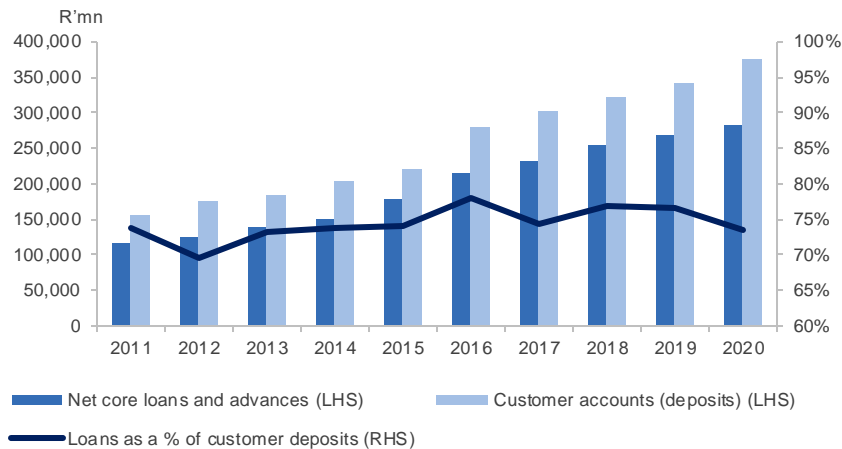


Depositor concentration at 31 March 2020

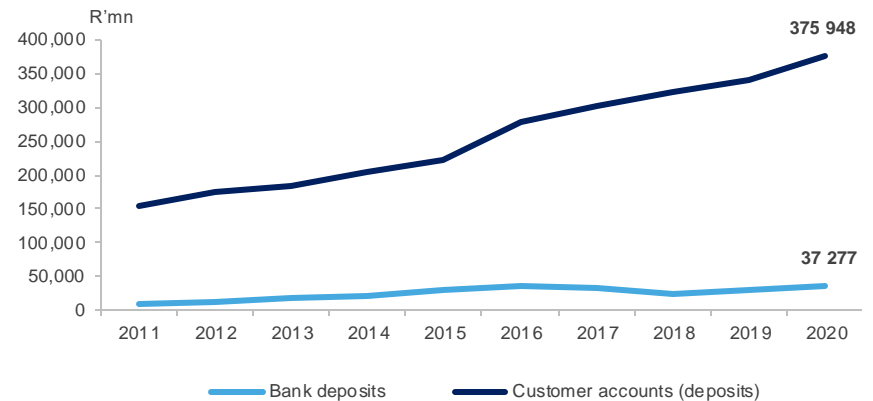


Healthy loan to deposit ratio, stable customer deposit base

Fully self funded from customer deposits: healthy loan to deposit ratio



Total deposits: stable customer deposit base



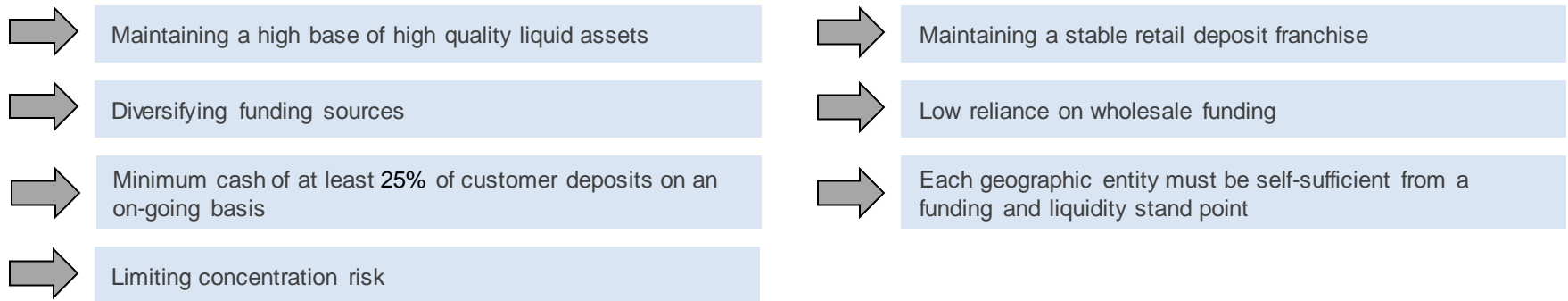
- Customer deposits have **grown by 142.9% (c.10.4% CAGR p.a.) since 2011 to R375.9bn** at 31 March 2020
- Loans and advances as a percentage of customer deposits **amounts to 73.6%**

- Significant **increase in retail deposits**
- We also have strong relationships with our institutional clients and our wholesale funding is diversified by product and tenor
- **Fixed and notice customer deposits** have continued to display a strong '**stickiness**' with continued willingness from clients to reinvest in our suite of term and notice products

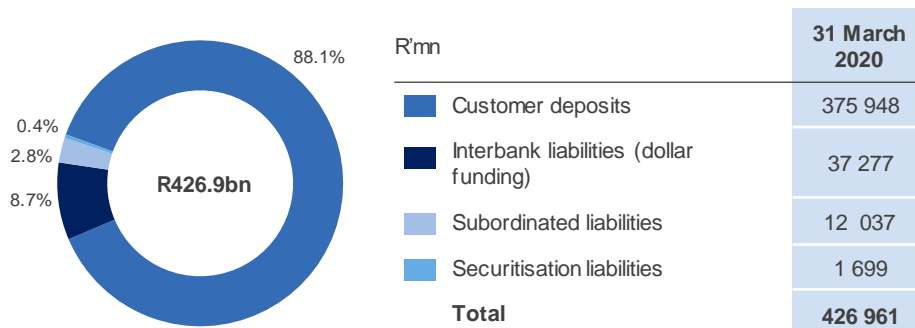
Diversified funding strategy

- Investec's funding consists **primarily of customer deposits**
- Investec adopts a **conservative and prudent funding strategy**

Conservative and prudent funding strategy



Selected funding sources at 31 March 2020



- Customer deposits account for 88.1% of selected funding sources** as at 31 March 2020
- Customer deposits are supplemented by deposits from banks (8.7%), subordinated debt (2.8%) and securitisation liabilities (0.4%)
- We do not place **reliance on any single deposit channel**, nor do we overly rely on interbank funding
- Core loans are funded from customer deposits** and interbank (dollar) funding supplements cash and near cash balances

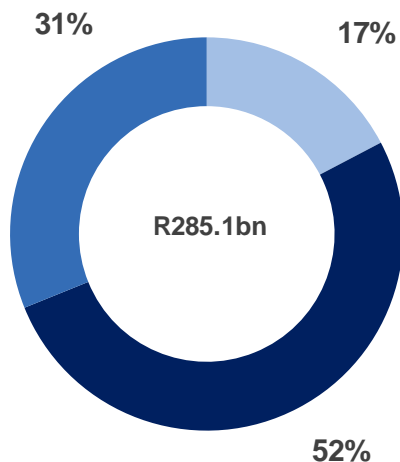
Exposures to a select target market

- **Credit and counterparty exposures are to a select target market:**
 - high net worth and high income clients
 - mid to large sized corporates
 - government, public sector bodies and institutions
- We typically originate loans with the intent of holding these assets to maturity, and thereby developing a ‘hands-on’ and long-standing relationship with our clients
- **The majority of the bank’s credit and counterparty exposures reside within its principal operating geographies, namely South Africa and Mauritius**

Gross core loans and advances by risk category at 31 March 2020

Corporate and other

| | |
|---|-------|
| Acquisition finance | 4.2% |
| Asset based lending | 2.8% |
| Fund finance | 2.9% |
| Other corporate, institutional, govt. loans | 17.4% |
| Asset finance | 1.3% |
| Project finance | 2.4% |
| Resource finance and commodities | 0.1% |



Lending collateralised against property

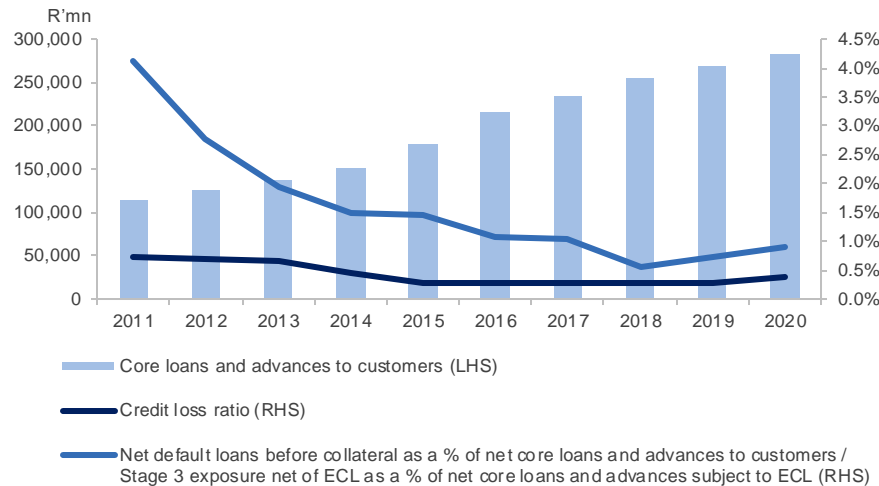
| | |
|--------------------------------------|-------|
| Commercial property investment | 14.1% |
| Commercial property development | 1.5% |
| Commercial vacant land and planning | 0.3% |
| Residential property development | 1.2% |
| Residential vacant land and planning | 0.2% |

High net worth and other private client

| | |
|------------------------------------|-------|
| HNW and private client - mortgages | 28.1% |
| HNW and specialised lending | 23.5% |

Solid asset quality despite COVID-19 related impairment charges

Core loans and asset quality



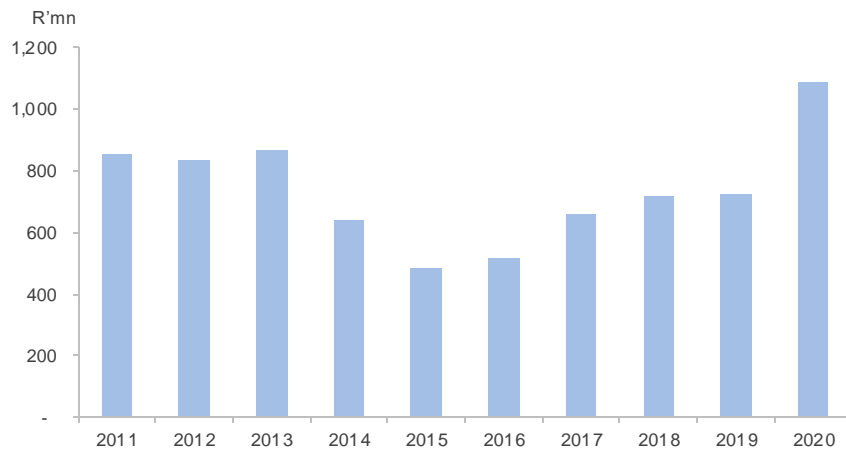
- Credit quality metrics on core loans and advances for the year ended 31 March 2020 are as follows:

- **Expected credit loss (ECL) impairment charges** for the year increased to R1 088 million (2019: R722 million) driven primarily by a deterioration of the macroeconomic scenarios applied.

- As expected, in the context of the current environment, our **credit loss ratio increased to 0.37%** (2019: 0.27%) yet remains within our through-the-cycle range of 30bps – 40bps and well below industry averages. Pre COVID-19, the credit loss ratio was calculated at 0.21% for 31 March 2020.

- Since 31 March 2019 gross core loan **Stage 3 assets** increased by R768 million to R4 353 million. Net Stage 3 exposures as a percentage of net core loans subject to ECL was 0.9% (2019: 0.7%).

Trend in impairment losses / ECL impairment charges*



* On adoption of IFRS 9, there is a move from an incurred loss model to an expected credit loss methodology

Expected credit loss (ECL) impairment charges on gross core loans and advances as a % of average gross core loans and advances subject to ECL

Credit ratings

Current credit ratings

| Moody's | Rating | Outlook |
|---|---------------|----------------|
| National scale long-term deposit rating | Aa1.za | Negative |
| National scale short-term deposit rating | P-1.za | |
| Global long-term deposit rating: | Ba1 | |
| Global short-term deposit rating: | NP | |
| Baseline credit assessment (BCA) and adjusted BCA | ba1 | |
| Fitch | Rating | Outlook |
| National long-term rating | AA(zaf) | Negative |
| National short-term rating | F1+(zaf) | |
| Foreign currency long-term issuer default rating | BB | |
| Foreign currency short-term issuer default rating | B | |
| Viability rating | bb | |
| Support rating | 3 | |
| S&P | Rating | Outlook |
| National scale long-term rating | za.AA | Stable |
| National scale short-term rating | za.A-1+ | |
| Foreign currency long-term issuer credit rating | BB- | |
| Foreign currency short-term issuer credit rating | B | |
| Global Credit Ratings | Rating | |
| National long-term rating | AA(za) | |
| National short-term rating | A1+(za) | |
| International long-term rating | BB | |

- IBL's ratings have remained relatively stable over many years **reflecting the financial soundness** of the bank over a long period of time
- Past ratings adjustments have largely been associated with changes in views by the rating agencies of the **credit worthiness of the South African sovereign**
- It is generally accepted that a bank cannot have a higher rating than the sovereign of the country in which it operates, unless they are largely foreign-owned and the foreign holding company is domiciled in a country with a higher rating than South Africa

Historical credit ratings

| Long-Term Foreign Currency Deposit Rating | Current | Apr-20* | Nov-19* | Aug-17* |
|--|----------------|----------------|----------------|----------------|
| Moody's | Ba1 | Ba1 | Baa3 | Baa3 |
| Fitch | BB | BB | BB+ | BB+ |
| S&P | BB- | BB | BB | BB+ |

*Changes reflect downgrades of the sovereign of South Africa.



IBL peer analysis

Peer group companies

| Long-Term Deposit Rating | S&P | | Fitch | | | | Moody's | | | Global Credit Ratings | |
|---------------------------------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|------------|----------------|----------------------------|-----------------------|---------------|
| | Foreign currency* | National scale | Foreign currency* | National scale | Viability ratings | Support rating | Global | National scale | Baseline credit assessment | International | National |
| Absa Bank Limited | n/a | za.AA | BB | AA(zaf) | bb | 3 | Ba1 | Aa1.za | ba1 | BB | AA(za) |
| FirstRand Bank Limited | BB- | za.AA | BB | AA(zaf) | bb | 3 | Ba1 | Aa1.za | ba1 | BB+ | AA+(za) |
| Nedbank Limited | BB- | za.AA | BB | AA(zaf) | bb | 3 | Ba1 | Aa1.za | ba1 | BB | AA(za) |
| Standard Bank of South Africa Limited | n/a | n/a | BB | AA(zaf) | bb | 3 | Ba1 | Aa1.za | ba1 | BB+ | AA+(za) |
| Investec Bank Limited | BB- | za.AA | BB | AA(zaf) | bb | 3 | Ba1 | Aa1.za | ba1 | BB | AA(za) |

| Short-Term Deposit Rating | S&P | | Fitch | | Moody's | | Global Credit Ratings |
|---------------------------------------|-------------------|----------------|-------------------|-----------------|-----------|----------------|-----------------------|
| | Foreign currency* | National scale | Foreign currency* | National scale | Global | National scale | National |
| Absa Bank Limited | n/a | za.A-1+ | B | F1+(zaf) | NP | P-1.za | A1+(za) |
| FirstRand Bank Limited | B | za.A-1+ | B | F1+(zaf) | NP | P-1.za | A1(za) |
| Nedbank Limited | B | za.A-1+ | B | F1+(zaf) | NP | P-1.za | A1+(za) |
| Standard Bank of South Africa Limited | n/a | n/a | B | F1+(zaf) | NP | P-1.za | A1+(za) |
| Investec Bank Limited | B | za.A-1+ | B | F1+(zaf) | NP | P-1.za | A1+(za) |

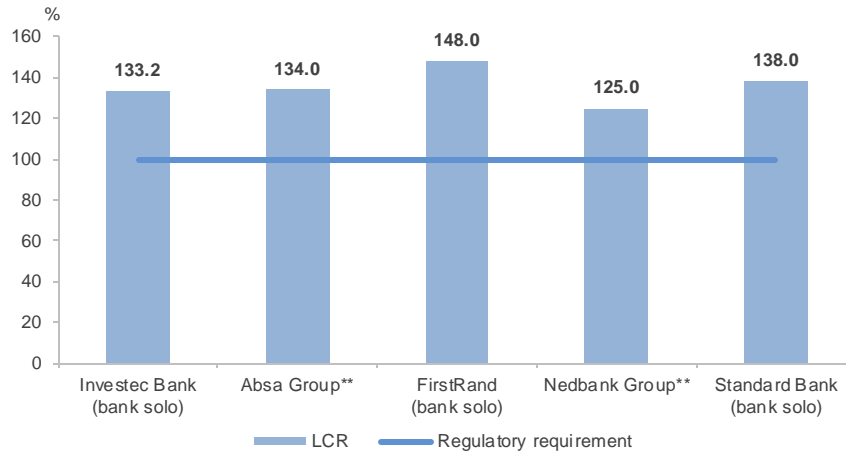
Rating definitions:

Short-term ratings should be used for investments less than a one-year time horizon and long-term ratings for periods greater than a year. Foreign currency ratings should be used when one is considering foreign denominated investments. Investments in Rand should be assessed against local currency and national ratings, (zaf) being Fitch's notation and .za for Moody's, Standard & Poor's and Global Credit Ratings notation for South African ratings.

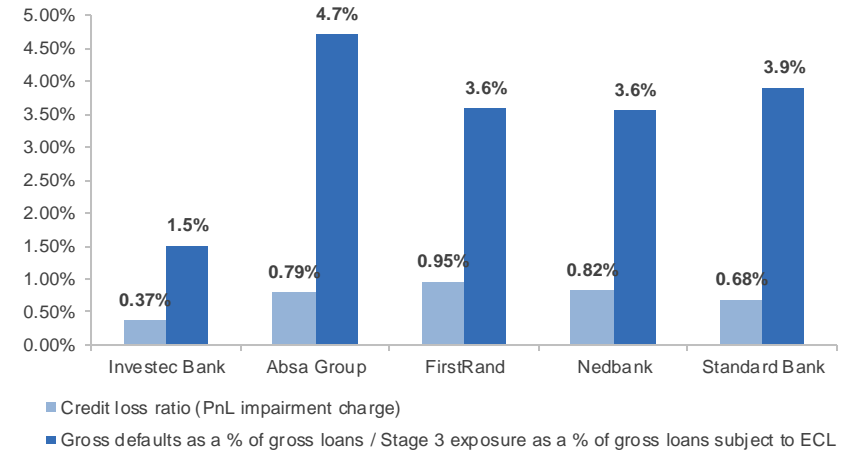
Peer group companies* (contd.)

Investec is one of the **most liquid** of the Big 5 banks and is a **net provider of funds** to the interbank market in South Africa.

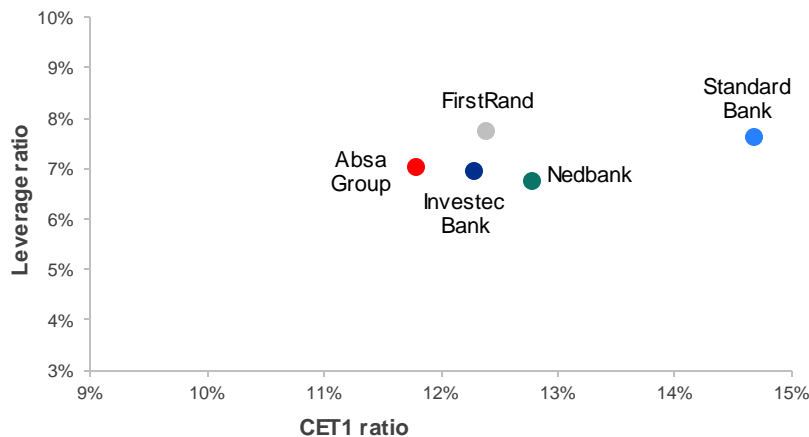
Liquidity: regulatory liquidity coverage ratio



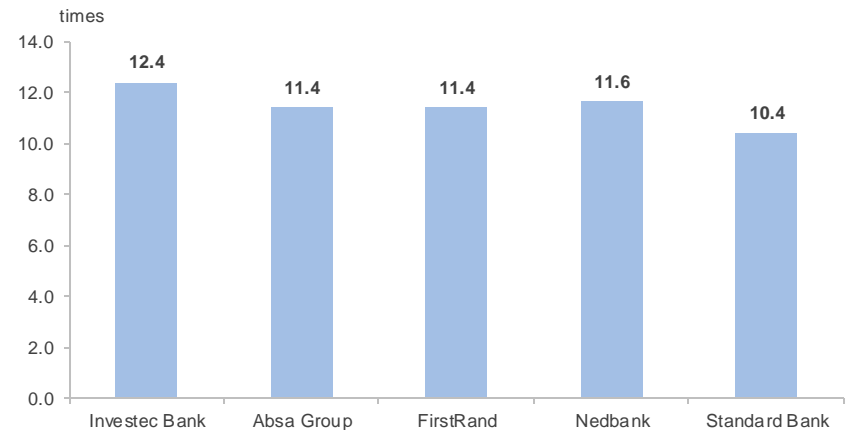
Asset quality ratios#



Capital ratios



Gearing ratio



*Source: Latest company interim / annual and quarterly results available at 20 May 2020. **LCR not disclosed on a bank solo level. #The COVID-19 pandemic emerged in the first quarter of 2020. As a result Investec's results for the period ended 31 March 2020 were materially impacted. Investors should note this impact when comparing to peers who may have reported results for the period ending December 2019 prior to the emergence of the pandemic.

Peer group companies (contd.)

Definitions and/or explanations of certain ratios:

- Customer deposits do not include deposits from banks.
- The customer advances to customer deposits ratio reflects how much of a bank's advances to customers are funded from the "retail and corporate" market as opposed to the "wholesale funding and banking market". A ratio higher than one indicates that advances to customers are not fully funded from the retail and corporate market, with the balance been funded from the wholesale market.
- A capital adequacy ratio is a measure of a bank's available capital expressed as a percentage of a bank's risk-weighted assets. It is based on regulatory qualifying capital (including common equity tier 1, additional tier 1 and tier 2 capital) as a percentage of risk-weighted assets. Assets are risk-weighted either according to the Standardised Approach in terms of Basel or the Advanced Approach.
- The leverage ratio is calculated as total tier 1 capital (according to regulatory definitions) divided by total assets (exposure measure). This ratio effectively assumes all assets are 100% risk weighted and is a more conservative measure than the capital adequacy ratio. Regulators are expecting that this ratio should exceed 5%.
- The gearing ratio is calculated as total assets divided by total equity (according to accounting definitions).
- The credit loss ratio is calculated as the income statement impairment/charge on advances as a percentage of average gross advances to customers.
- Default loans largely comprise loans that are impaired and/or over 90 days in arrears.



Investec Bank Limited Appendices

IBL: salient financial features

| Key financial statistics | 31 March 2020 | 31 March 2019 | % change |
|---|---------------|---------------|----------|
| Total operating income before expected credit losses (R'million) | 12 603 | 12 650 | (0.4%) |
| Operating costs (R'million) | 6 632 | 6 547 | 1.3% |
| Operating profit before taxation and acquired intangibles (R'million) | 4 883 | 5 381 | (9.3%) |
| Headline earnings attributable to ordinary shareholders (R'million) | 3 844 | 4 784 | (19.6%) |
| Cost to income ratio | 52.6% | 51.7% | |
| Total capital resources (including subordinated liabilities) (R'million) | 53 785 | 55 678 | (3.4%) |
| Total equity (R'million) | 41 748 | 41 760 | - |
| Total assets (R'million) | 535 970 | 475 603 | 12.7% |
| Net core loans and advances (R'million) | 283 946 | 269 404 | 5.4% |
| Customer accounts (deposits) (R'million) | 375 948 | 341 710 | 10.0% |
| Loans and advances to customers as a % of customer accounts (deposits) | 73.6% | 76.6% | |
| Cash and near cash balances (R'million) | 147 169 | 118 365 | 24.3% |
| Total gearing ratio (i.e. total assets excluding intergroup loans to equity) | 12.4x | 11.0x | |
| Total capital adequacy ratio | 16.4% | 17.7%* | |
| Tier 1 ratio | 12.3% | 12.8%* | |
| Common equity tier 1 ratio | 12.1% | 12.5%* | |
| Leverage ratio – current | 6.9% | 7.6%* | |
| Leverage ratio – 'fully loaded'^ | 6.8% | 7.5%* | |
| Stage 3 exposure as a % of gross core loans and advances to customers subject to ECL | 1.5% | 1.3% | |
| Stage 3 exposure net of ECL as a % of net core loans and advances to customers subject to ECL | 0.9% | 0.7% | |
| Credit loss ratio# | 0.37% | 0.27% | |

*Based on the group's understanding of current regulations, 'fully loaded' is based on Capital Requirements Regulation requirements as fully phased in by 2022, including full adoption of IFRS 9. *The comparative capital and leverage ratios are the pro-forma FIRB ratios as at 31 March 2019. #Expected credit loss (ECL) impairment charges on gross core loans and advances as a % of average gross core loans and advances subject to ECL

IBL: income statement

| R'million | 31 March 2020 | 31 March 2019 | % change |
|--|---------------|---------------|----------------|
| Interest income | 35 549 | 33 611 | 5.8% |
| Interest expense | (26 606) | (25 324) | 5.1% |
| Net interest income | 8 943 | 8 287 | 7.9% |
| Fee and commission income | 2 836 | 2 662 | 6.5% |
| Fee and commission expense | (490) | (401) | 22.2% |
| Investment income | 601 | 360 | 66.9% |
| Share of post taxation profit of associates | 320 | 1 163 | (72.5%) |
| Trading income/(loss) arising from | | | |
| – customer flow | 443 | 369 | 20.1% |
| – balance sheet management and other trading liabilities | (50) | 210 | (>100.0%) |
| Other operating income | – | – | |
| Total operating income before expected credit losses | 12 603 | 12 650 | (0.4%) |
| Expected credit loss impairment charges | (1 088) | (722) | 50.7% |
| Operating income | 11 515 | 11 928 | (3.5%) |
| Operating costs | (6 632) | (6 547) | 1.3% |
| Operating profit before impairment of goodwill and acquired intangibles | 4 883 | 5 381 | (9.3%) |
| Impairment of goodwill | (3) | (3) | - |
| Amortisation of acquired intangibles | (51) | (51) | - |
| Impairment of associates | (937) | - | 100.0% |
| Operating profit | 3 892 | 5 327 | (26.9%) |
| Financial impact of acquisition of subsidiary | – | 10 | (100.0%) |
| Profit before taxation | 3 892 | 5 337 | (27.1%) |
| Taxation on operating profit before acquired intangibles | (816) | (391) | (>100.0%) |
| Taxation on acquired intangibles | 14 | 14 | – |
| Profit after taxation | 3 090 | 4 960 | (37.7%) |

IBL: balance sheet

| R'million | 31 March 2020 | 31 March 2019 | % change |
|--|----------------|----------------|--------------|
| Assets | | | |
| Cash and balances at central banks | 36 656 | 10 290 | >100.0% |
| Loans and advances to banks | 18 050 | 19 903 | (9.3%) |
| Non-sovereign and non-bank cash placements | 14 014 | 12 192 | 14.9% |
| Reverse repurchase agreements and cash collateral on securities borrowed | 26 426 | 18 552 | 42.4% |
| Sovereign debt securities | 64 358 | 60 893 | 5.7% |
| Bank debt securities | 12 265 | 12 526 | (2.1%) |
| Other debt securities | 17 416 | 13 553 | 28.5% |
| Derivative financial instruments | 17 434 | 7 700 | >100.0% |
| Securities arising from trading activities | 3 178 | 5 059 | (37.2%) |
| Investment portfolio | 5 801 | 7 664 | (24.3%) |
| Loans and advances to customers | 276 754 | 261 737 | 5.7% |
| Own originated loans and advances to customers securitised | 7 192 | 7 667 | (6.2%) |
| Other loans and advances | 242 | 329 | (26.4%) |
| Other securitised assets | 416 | 232 | 79.3% |
| Interests in associated undertakings | 5 662 | 6 251 | (9.4%) |
| Deferred taxation assets | 2 903 | 1 514 | 91.7% |
| Other assets | 6 156 | 8 237 | (25.3%) |
| Property and equipment | 3 008 | 2 563 | 17.4% |
| Investment properties | 1 | 1 | – |
| Goodwill | 178 | 171 | 4.1% |
| Intangible assets | 318 | 418 | (23.9%) |
| Loans to group companies | 17 542 | 18 151 | (3.4%) |
| | 535 970 | 475 603 | 12.7% |

IBL: balance sheet (contd.)

| R'million | 31 March 2020 | 31 March 2019 | % change |
|--|----------------|----------------|--------------|
| Liabilities | | | |
| Deposits bybanks | 37 277 | 30 041 | 24.1% |
| Derivative financial instruments | 22 097 | 11 097 | 99.1% |
| Other trading liabilities | 4 521 | 4 468 | 1.2% |
| Repurchase agreements and cash collateral on securities lent | 26 626 | 15 234 | 74.8% |
| Customer accounts (deposits) | 375 948 | 341 710 | 10.0% |
| Debt securities in issue | 3 258 | 6 512 | (50.0%) |
| Liabilities arising on securitisation of own originated loans and advances | 1 699 | 1 720 | (1.2%) |
| Current taxation liabilities | 315 | 542 | (41.9%) |
| Deferred taxation liabilities | 47 | 78 | (39.7%) |
| Other liabilities | 7 590 | 6 263 | 21.2% |
| Loans from group companies | 2 807 | 2 260 | 24.2% |
| | 482 185 | 419 925 | 14.8% |
| Subordinated liabilities | 12 037 | 13 918 | (13.5%) |
| | 494 222 | 433 843 | 13.9% |
| Equity | | | |
| Ordinary share capital | 32 | 32 | – |
| Share premium | 15 784 | 14 885 | 6.0% |
| Other reserves | (787) | 1 790 | (>100.0%) |
| Retained income | 26 259 | 24 597 | 6.8% |
| Shareholders' equity excluding non-controlling interests | 41 288 | 41 304 | – |
| Other Additional Tier 1 securities in issue | 460 | 460 | – |
| Non-controlling interests | – | (4) | (100.0%) |
| Total equity | 41 748 | 41 760 | – |
| Total liabilities and equity | 535 970 | 475 603 | 12.7% |

IBL: asset quality

| R'million | 31 March 2020 | 31 March 2019 |
|--|----------------|----------------|
| Gross core loans and advances to customers subject to ECL | 285 138 | 270 122 |
| Stage 1 | 265 674 | 255 769 |
| Stage 2 | 15 111 | 10 768 |
| of which past due greater than 30 days | 1 297 | 354 |
| Stage 3 | 4 353 | 3 585 |
| Gross exposure (%) | | |
| Stage 1 | 93.2% | 94.7% |
| Stage 2 | 5.3% | 4.0% |
| Stage 3 | 1.5% | 1.3% |
| Stage 3 net of ECLs | 2 473 | 1 894 |
| Aggregate collateral and other credit enhancements on Stage 3 | 2 696 | 3 055 |
| Stage 3 net of ECL and collateral | – | – |
| Stage 3 as a % gross core loans and advances to customers subject to ECL | 1.5% | 1.3% |
| Stage 3 ECL impairments as a % of Stage 3 exposure | 77.2% | 74.5% |
| Stage 3 net of ECL as a % of net core loans and advances to customers subject to ECL | 0.9% | 0.7% |

IBL: analysis of core loans and defaults at 31 March 2020

| | Gross core loans and advances at amortised cost and FVPL (subject to ECL) | | | | | | | | Gross core loans and advances at FVPL (not subject to ECL) | Gross core loans and advances |
|---|--|----------------|-------------------|--------------|-------------------|----------------|-------------------|----------------|--|-------------------------------------|
| | Stage 1 | | Stage 2 | | Stage 3 | | Total | | | |
| | Gross Exposure | ECL | Gross Exposure | ECL | Gross Exposure | ECL | Gross Exposure | ECL | | |
| At 31 March 2020 | | | | | | | | | | |
| R'million | | | | | | | | | | |
| Lending collateralised by property | 47 438 | (338) | 1 366 | (6) | 563 | (110) | 49 367 | (454) | - | 49,367 |
| Commercial real estate | 43 464 | (305) | 1 315 | (4) | 543 | (100) | 45 322 | (409) | - | 45 322 |
| Commercial real estate – investment | 38 249 | (280) | 1 305 | (4) | 542 | (99) | 40 096 | (383) | - | 40 096 |
| Commercial real estate – development | 4 369 | (21) | - | - | - | - | 4 369 | (21) | - | 4 369 |
| Commercial vacant land and planning | 846 | (4) | 10 | - | 1 | (1) | 857 | (5) | - | 857 |
| Residential real estate | 3 974 | (33) | 51 | (2) | 20 | (10) | 4 045 | (45) | - | 4 045 |
| Residential real estate – investment | - | - | - | - | - | - | - | - | - | - |
| Residential real estate – development | 3 353 | (24) | 31 | - | - | - | 3 384 | (24) | - | 3 384 |
| Residential vacant land and planning | 621 | (9) | 20 | (2) | 20 | (10) | 661 | (21) | - | 661 |
| High net worth and other private client lending | 140 815 | (354) | 4 515 | (182) | 1 703 | (711) | 147 033 | (1 247) | - | 147 033 |
| Mortgages | 76 473 | (93) | 2 454 | (56) | 1 204 | (290) | 80 131 | (439) | - | 80 131 |
| High net worth and specialised lending | 64 342 | (261) | 2 061 | (126) | 499 | (421) | 66 902 | (808) | - | 66 902 |
| Corporate and other lending | 77 420 | (364) | 9 230 | (235) | 2 087 | (1 059) | 88 738 | (1 658) | 2 167 | 90 905 |
| Acquisition finance | 11 110 | (36) | 823 | (32) | 82 | (19) | 12 015 | (87) | - | 12 015 |
| Asset-based lending | 6 122 | (44) | 803 | (28) | 1 136 | (951) | 8 061 | (1 023) | - | 8 061 |
| Fund finance | 8 408 | (26) | - | - | - | - | 8 408 | (26) | - | 8 408 |
| Other corporates and financial institutions and governments | 43 023 | (238) | 5 982 | (164) | 541 | (89) | 49 547 | (491) | 2 167 | 51 714 |
| Asset finance | 3 288 | (6) | 42 | - | 328 | - | 3 658 | (6) | - | 3 658 |
| Small ticket asset finance | 1 953 | (2) | 42 | - | - | - | 1 995 | (2) | - | 1 995 |
| Large ticket asset finance | 1 335 | (4) | - | - | 328 | - | 1 663 | (4) | - | 1 663 |
| Project finance | 5 430 | (14) | 1 481 | (11) | - | - | 6 911 | (25) | - | 6 911 |
| Resource finance | 39 | - | 99 | - | - | - | 138 | - | - | 138 |
| Gross core loans and advances | 265 673 | (1 056) | 15 111 | (423) | 4 353 | (1 880) | 285 137 | (3 359) | 2 167 | 287 304 |

IBL: capital structure and capital adequacy

| | FIRB | Pro-forma FIRB* | Standardised |
|---|----------------|-----------------|----------------|
| R'million | 31 March 2020 | 31 March 2019 | 31 March 2019 |
| Tier 1 capital | | | |
| Shareholders' equity per balance sheet | 41 288 | 41 304 | 41 304 |
| Perpetual preference share capital and share premium | (1 534) | (1 534) | (1 534) |
| Regulatory adjustments to the accounting basis | 1 518 | 896 | 1 122 |
| Deductions | (2 721) | (3 426) | (2 741) |
| Common equity tier 1 capital | 38 551 | 37 240 | 38 151 |
| Additional tier 1 capital | | | |
| Additional tier 1 instruments | 1 994 | 1 994 | 1 994 |
| Phase out of non-qualifying additional tier 1 instruments | (1 227) | (1 074) | (1 074) |
| Investment in financial entity | (16) | | |
| Tier 1 capital | 39 302 | 38 160 | 39 071 |
| Tier 2 capital | | | |
| Collective impairment allowances | 895 | 483 | 877 |
| Tier 2 instruments | 12 037 | 13 918 | 13 918 |
| Regulatory deductions | (27) | – | – |
| Total tier 2 capital | 12 905 | 14 401 | 14 795 |
| Total regulatory capital | 52 207 | 52 561 | 53 866 |
| Risk-weighted assets | 319 090 | 297 506 | 340 315 |
| Capital ratios | | | |
| Common equity tier 1 ratio | 12.1% | 12.5% | 11.2% |
| Tier 1 ratio | 12.3% | 12.8% | 11.5% |
| Total capital adequacy ratio | 16.4% | 17.7% | 15.8% |
| Leverage ratio | 6.9% | 7.6% | 7.7% |

* IBL received regulatory permission to adopt the FIRB approach, effective 1 April 2019. The pro-forma FIRB comparatives demonstrate the uplift in the capital ratios had the FIRB approach been applied as of 31 March 2019.

Legal disclaimer

IMPORTANT NOTICE

THE INFORMATION, STATEMENTS AND OPINIONS CONTAINED IN THIS DOCUMENT DO NOT CONSTITUTE A PUBLIC OFFER UNDER ANY APPLICABLE LEGISLATION OR AN OFFER TO SELL OR SOLICITATION OF ANY OFFER TO BUY ANY SECURITIES OR FINANCIAL INSTRUMENTS OR ANY ADVICE OR RECOMMENDATION WITH RESPECT TO SUCH SECURITIES OR OTHER FINANCIAL INSTRUMENTS.

FORWARD-LOOKING STATEMENTS

THIS DOCUMENT CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 21e OF THE US SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27a OF THE US SECURITIES ACT OF 1933, AS AMENDED, WITH RESPECT TO CERTAIN OF THE GROUP'S PLANS AND ITS CURRENT GOALS AND EXPECTATIONS RELATING TO ITS FUTURE FINANCIAL CONDITION AND PERFORMANCE. INVESTEC CAUTIONS READERS THAT NO FORWARD-LOOKING STATEMENT IS A GUARANTEE OF FUTURE PERFORMANCE AND THAT ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS CAN BE IDENTIFIED BY THE FACT THAT THEY DO NOT RELATE ONLY TO HISTORICAL OR CURRENT FACTS. FORWARD-LOOKING STATEMENTS SOMETIMES USE WORDS SUCH AS "may", "will", "seek", "continue", "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe" OR OTHER WORDS OF SIMILAR MEANING. EXAMPLES OF FORWARD-LOOKING STATEMENTS INCLUDE, AMONG OTHERS, STATEMENTS REGARDING THE GROUP'S FUTURE FINANCIAL POSITION, INCOME GROWTH, ASSETS, IMPAIRMENT CHARGES, BUSINESS STRATEGY, CAPITAL RATIOS, LEVERAGE, PAYMENT OF DIVIDENDS, PROJECTED LEVELS OF GROWTH IN THE BANKING AND FINANCIAL MARKETS, PROJECTED COSTS, ESTIMATES OF CAPITAL EXPENDITURES AND PLANS AND OBJECTIVES FOR FUTURE OPERATIONS AND OTHER STATEMENTS THAT ARE NOT HISTORICAL FACT. BY THEIR NATURE, FORWARD-LOOKING STATEMENTS INVOLVE RISK AND UNCERTAINTY BECAUSE THEY RELATE TO FUTURE EVENTS AND CIRCUMSTANCES, INCLUDING, BUT NOT LIMITED TO, UK DOMESTIC, EUROZONE AND GLOBAL ECONOMIC AND BUSINESS CONDITIONS, THE EFFECTS OF CONTINUED VOLATILITY IN CREDIT MARKETS, MARKET RELATED RISKS SUCH AS CHANGES IN INTEREST RATES AND EXCHANGE RATES, EFFECTS OF CHANGES IN VALUATION OF CREDIT MARKET EXPOSURES, CHANGES IN VALUATION OF ISSUED NOTES, THE POLICIES AND ACTIONS OF GOVERNMENTAL AND REGULATORY AUTHORITIES (INCLUDING REQUIREMENTS REGARDING CAPITAL AND GROUP STRUCTURES AND THE POTENTIAL FOR ONE OR MORE COUNTRIES EXITING THE EURO), CHANGES IN LEGISLATION, THE FURTHER DEVELOPMENT OF STANDARDS AND INTERPRETATIONS UNDER IFRS APPLICABLE TO PAST, CURRENT AND FUTURE PERIODS, EVOLVING PRACTICES WITH REGARD TO THE INTERPRETATION AND APPLICATION OF STANDARDS UNDER IFRS, THE OUTCOME OF CURRENT AND FUTURE LITIGATION, THE SUCCESS OF FUTURE ACQUISITIONS AND OTHER STRATEGIC TRANSACTIONS AND THE IMPACT OF COMPETITION – A NUMBER OF SUCH FACTORS BEING BEYOND THE GROUP'S CONTROL. AS A RESULT, THE GROUP'S ACTUAL FUTURE RESULTS MAY DIFFER MATERIALLY FROM THE PLANS, GOALS, AND EXPECTATIONS SET FORTH IN THE GROUP'S FORWARD-LOOKING STATEMENTS.