Investec Bank Limited

The information in this presentation relates to the financial year ended 31 March 2021, unless otherwise indicated.

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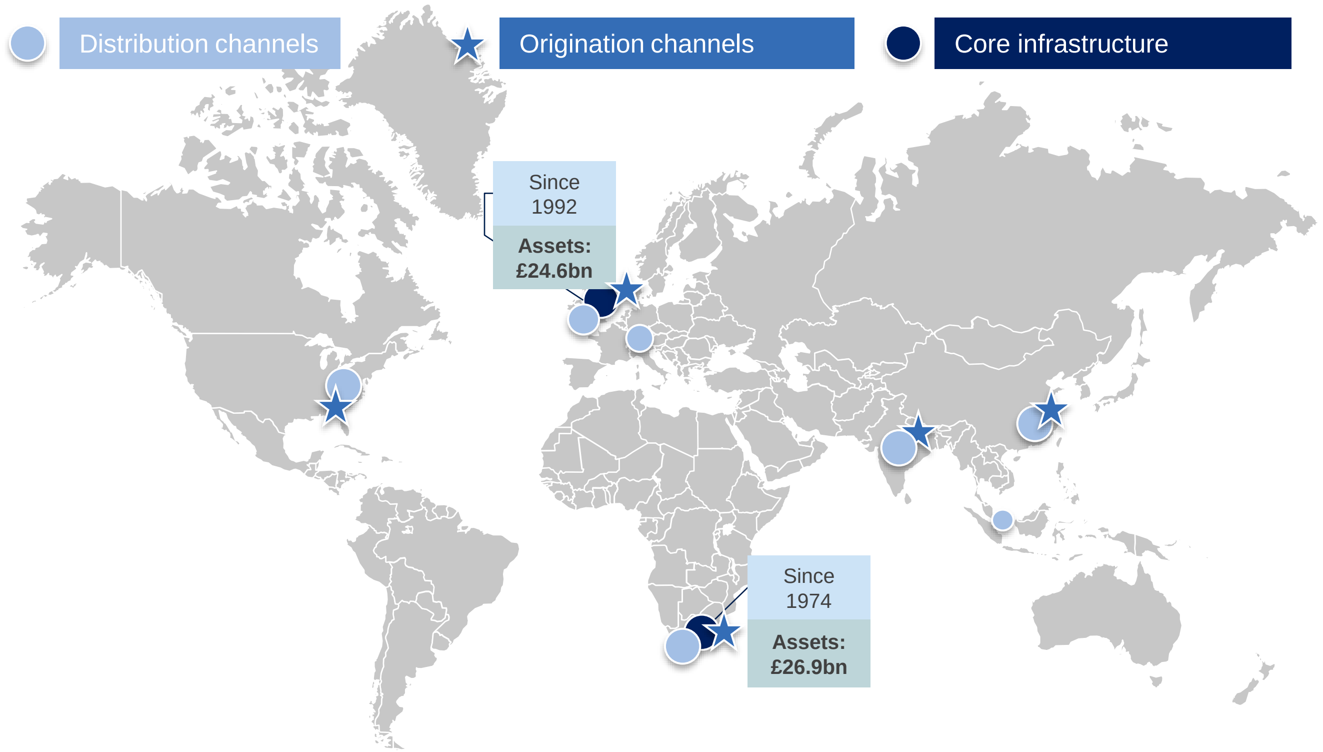
An overview of the Investec group

Commentary on the group’s financial performance represents the continuing operations (excluding the consolidated results for Ninety One, formerly Investec Asset Management, for the period 1 April 2019 to 13 March 2020; including the equity accounted earnings from 13 March 2020 (date of demerger)).

Investec

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

- Established in 1974
- Today, an efficient integrated international business platform employing approximately **8 200*** people
- Listed on the JSE and LSE (a FTSE 250 company)
- Total assets of **£51.5bn**; total equity of **£5.3bn**; funds under management of **£58.4bn**



*Including temporary employees and contractors

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 **Investec plc** is the controlling company of our non-Southern African businesses.

Investec Limited
JSE primary listing
NSX secondary listing
BSE secondary listing

Sharing agreement

Investec plc
LSE primary listing
JSE secondary listing

Investec Limited:

Investec Bank Limited	Investec Securities (Pty) Ltd^	Investec Property Group Holdings (Pty) Ltd

^ Houses the Wealth & Investment business

Investec plc:

Investec Bank plc

Investec Wealth & Investment Limited

Operating activities key:
Wealth & Investment
Specialist Banking

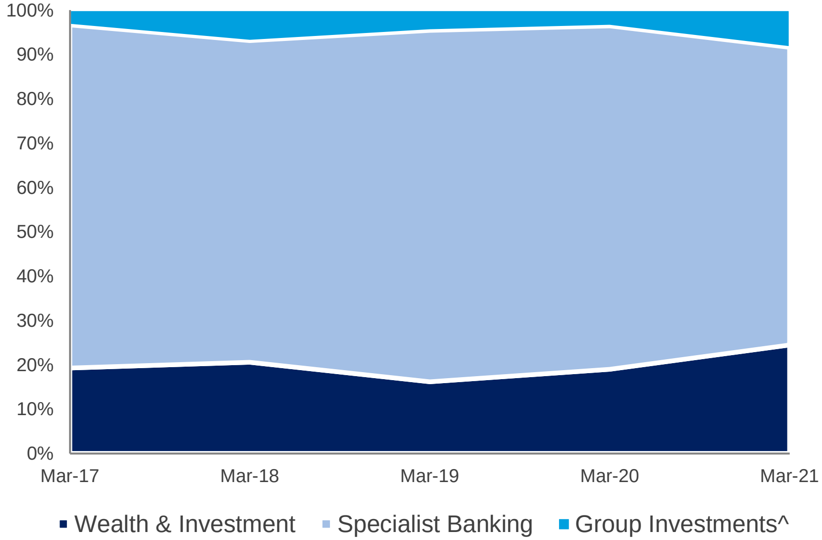
Note:
All shareholdings are 100% unless otherwise stated. Only main operating subsidiaries are indicated.

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 16.3% held through Investec plc and 8.7% held through Investec Limited.

Solid recurring income base supported by a diversified portfolio

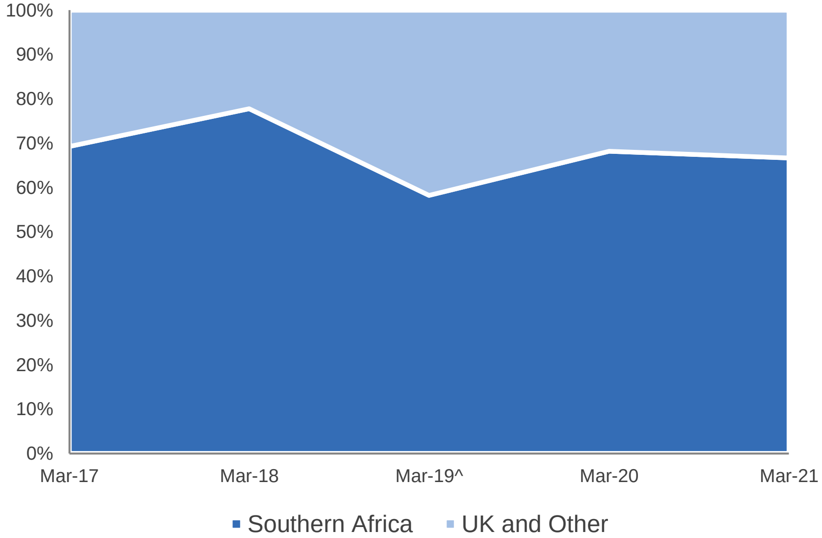
Across businesses

% contribution to adjusted operating profit*



Across geographies

% contribution to adjusted operating profit*



*Adjusted operating profit by geography is Operating profit before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests. 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. ^Specialist Banking no longer includes Group Investments which is now shown as a separate segmental division. Prior periods have been restated to reflect the same basis (Group Investments was reported separately from March 2017).

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	**8,200+** Employees	**£26.4bn** Core loans	**£34.4bn** Customer deposits	**£58.4bn** Funds under management

Corporate / Institutional / Government / Intermediary

Private client (HNW / high income) / charities / trusts

Specialist Banking	**Wealth & Investment**
Lending	Discretionary wealth management
Transactional banking	Investment advisory services
Treasury solutions	Financial planning
Advisory	Stockbroking / execution only
Investment activities	
Deposit raising activities	

We have market-leading distinctive client franchises

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

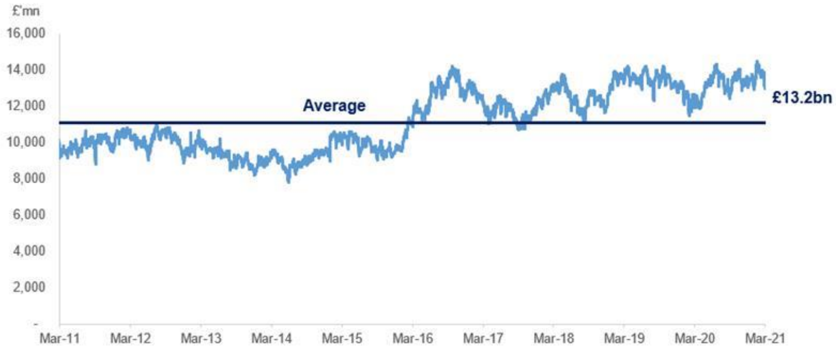
We are a people business, backed by our out of the ordinary culture, and entrepreneurial spirit

We continue to have a sound balance sheet

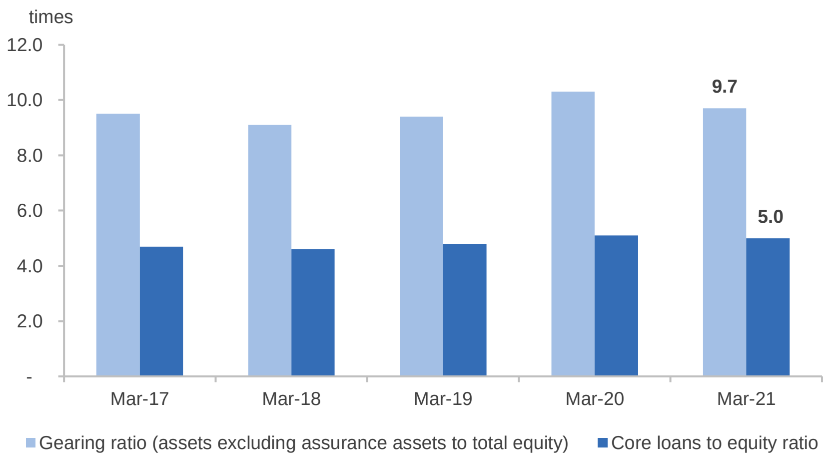
Key operating fundamentals

- 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 **£13.2 billion** at 31 March 2021, representing **38.4%** 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: 9.7x** 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

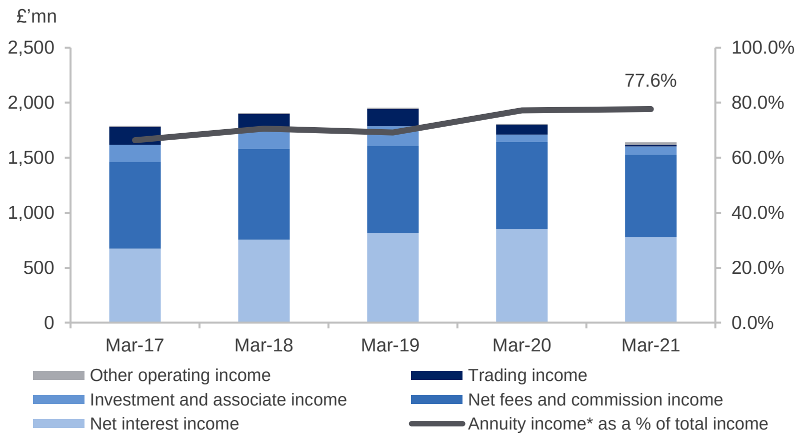


Low gearing ratios

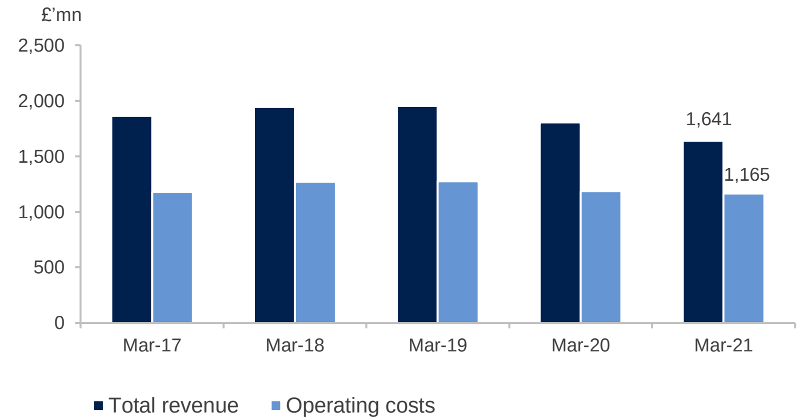


We have a sound track record

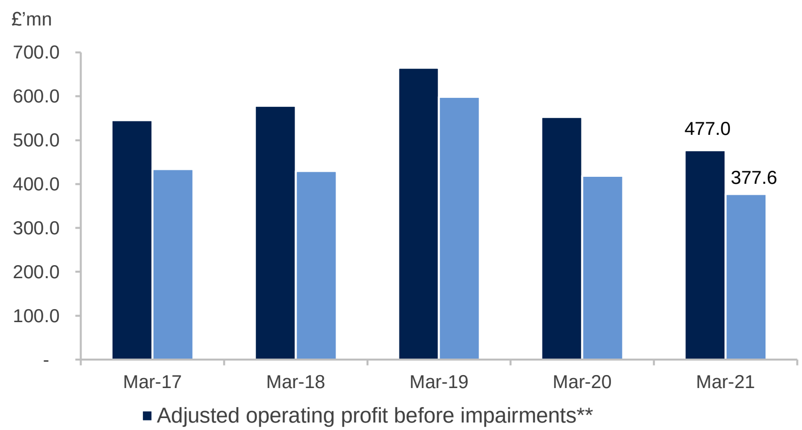
Recurring income



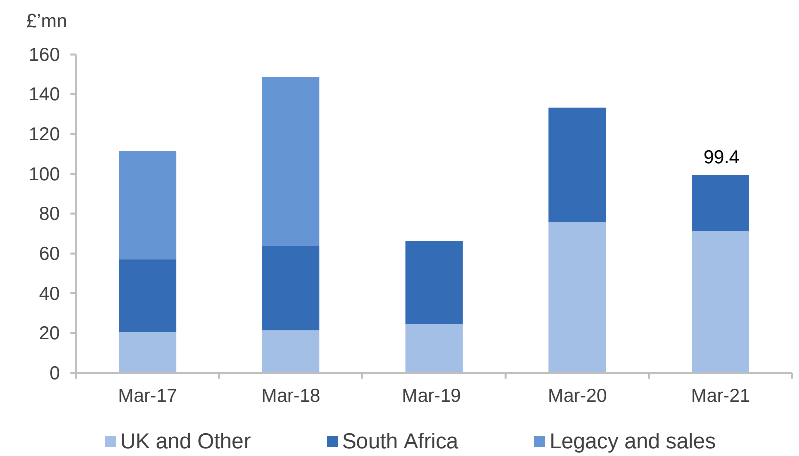
Revenue versus expenses



Adjusted operating profit** before impairments



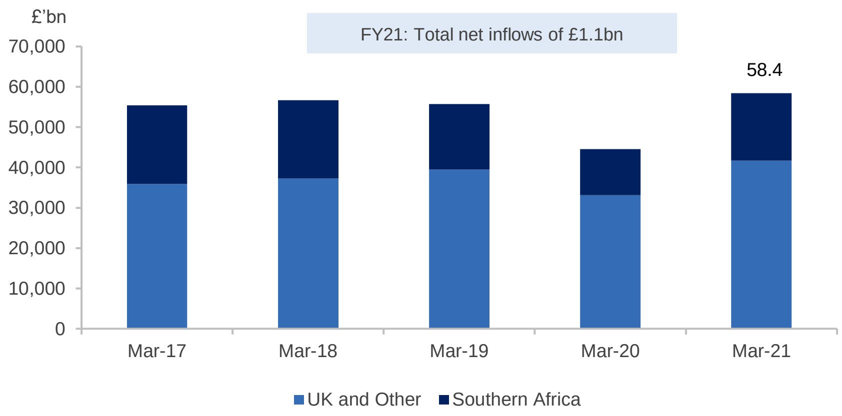
Credit loss impairment charges



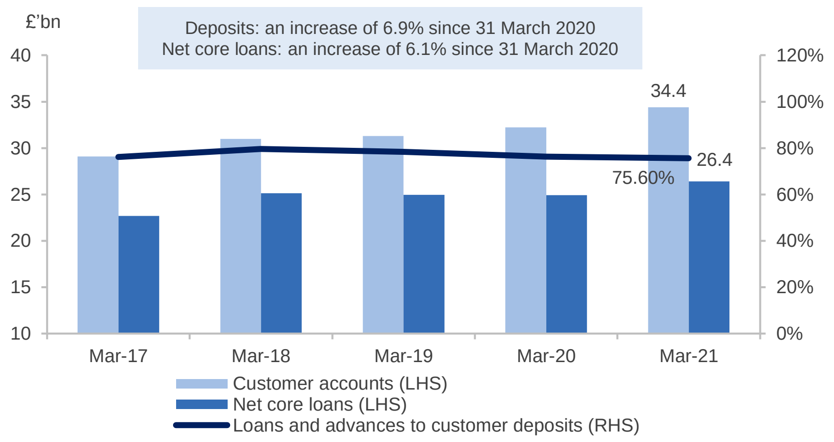
*Where annuity income is net interest income and annuity fees. **Operating profit before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

We have a sound track record *(cont.)*

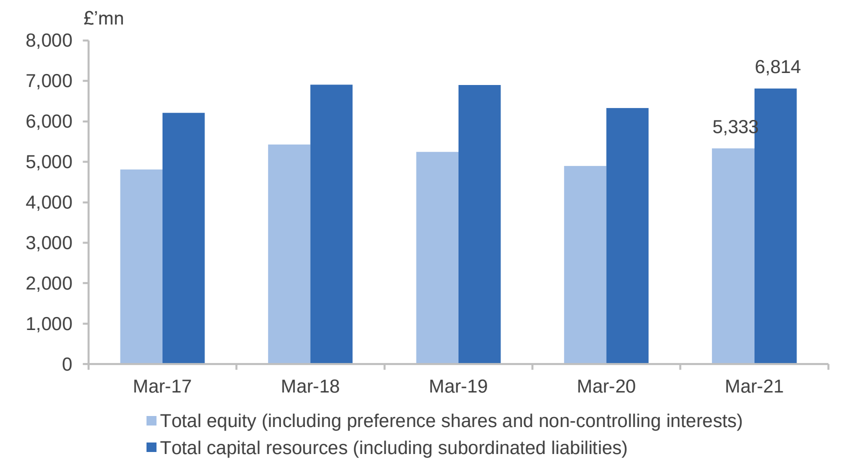
Funds under management



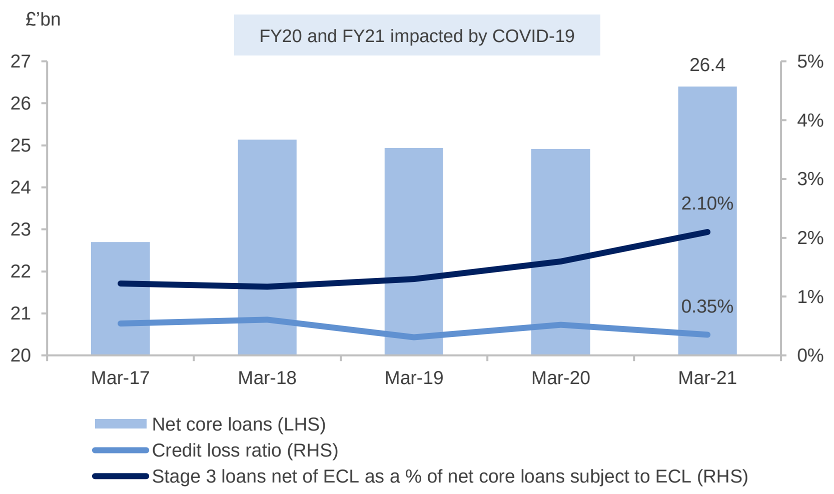
Net core loans and deposits



Total equity and capital resources



Asset quality



Living our purpose to create enduring worth, living in, not off, society

Investec's sustainability principles:

- Creating **long-term value** for all our stakeholders
- **Do no harm:** ethical conduct and ESG screening
- Committed to **a clean carbon transition**
- Providing **profitable, impactful and sustainable** products and services
- **Maximising impact:** through a focus on the Sustainable Development Goals (SDGs)

Two core SDG priorities

10 REDUCED INEQUALITIES
13 CLIMATE ACTION

Addressing climate and inequality issues is fundamental to the success of our business

Secondary SDG priorities

4 QUALITY EDUCATION
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES

Well positioned in ESG rankings and ratings

Dow Jones Sustainability Indices: **Top 15%** in the global diversified financial services sector (inclusion since 2006)

JSE: **Top 30** in the FTSE/JSE Responsible Investment Index

Sustainalytics: **Top 20%** in the Global Sustainability Leaders Index (inclusion since 2012)

MSCI: **Top 2%** scoring AAA in the financial services sector by MSCI ESG Research

CDP: **Score B** against an industry average of B (formerly Carbon Disclosure Project)

ISS ESG: **Top 20%** of the ISS ESG global universe and **Top 14%** of diversified financial services

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

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

IRMSA: **1 of 5** finalists for **the ESG Sustainability Professional Award**

Actions taken in the past year

ENVIRONMENT Took action to **address climate** issues	• Achieved **net-zero direct emissions** for the second year as part of our commitment to ongoing carbon neutrality in our Scope 1 and Scope 2 emissions. • Received **shareholder support** for climate commitments and published our first TCFD standalone report
SOCIAL Continued to make progress on **diversity** and **equality**	• Improved our gender diversity performance at **senior leadership level** • Maintained our **Level 1** rating under the Financial Sector Code in South Africa and signed up to the **UK Race at Work Charter** • Contributed £3.2mn in COVID-19 relief to communities
GOVERNANCE Strengthened our **sustainability governance**	• Established an **ESG Executive Committee** to align sustainability activities across the organisation • Implemented a more **robust ESG screening** process • Created a framework to link **Executive Directors remuneration** to ESG KPIs
STRATEGY Embedded sustainability into **business strategy**	• Launched several **sustainability products and services** including the first European mid-market ESG-linked subscription lines, the UK's first retail ESG-linked Deposit Plan and Investec Wealth & Investment's launch of a Global Sustainability Equity Fund • Created a **Sustainable Finance Framework**
COMMITMENT Deepened our commitment by signing up to several **international memberships**	• UN Environment Programme Finance Initiative (**UNEP FI**) • UN Principles for Responsible Banking (**UN PRB**) • UN Principles for Responsible Investment (**UN PRI**)

An overview of Investec Bank Limited (IBL)

The information in this presentation relates to the financial year ended 31 March 2021, 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	Net core loans	Total equity	Customer deposits	Employees
R509.9bn	**R283.2bn**	**R47.0bn**	**R374.4bn**	**4 400+**

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 **4 400** 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.**

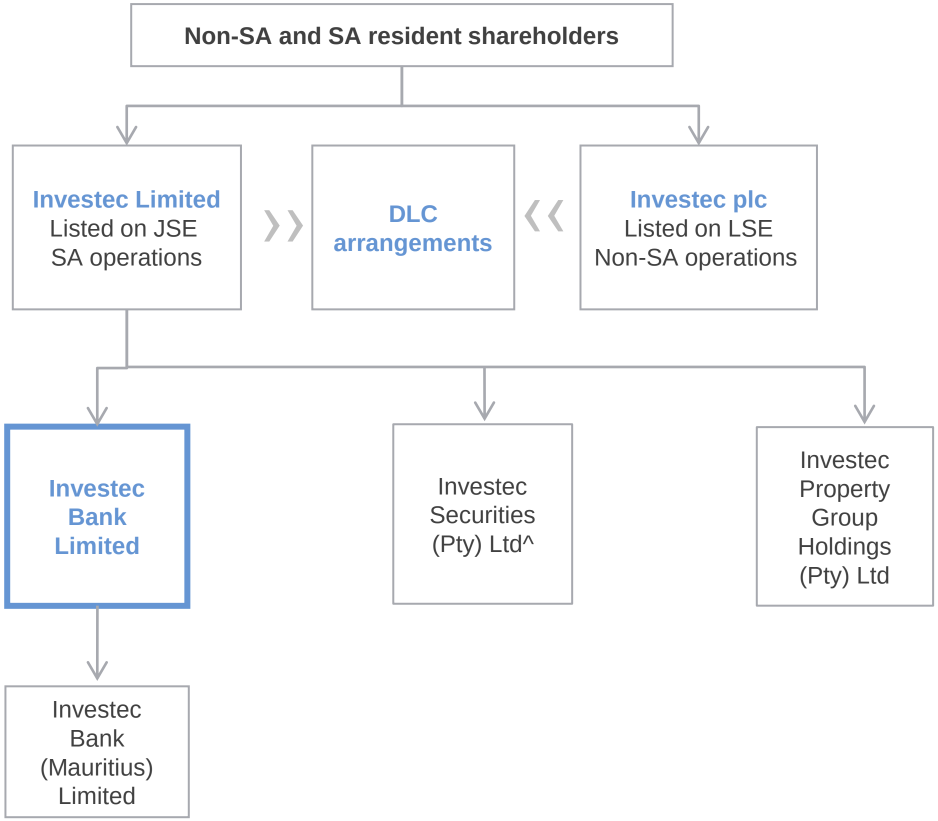
*Relates to Southern Africa geography (excluding temporary employees and contractors)

Key credit strengths

Sound balance sheet	• **Robust capital base:** total capital adequacy ratio of 17.8%, common equity tier 1 (CET1) ratio of 13.3% and strong leverage ratio of 8.1%* • **Low gearing:** 10.5x • **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 R129.8bn representing 34.7% 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	• 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	• 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



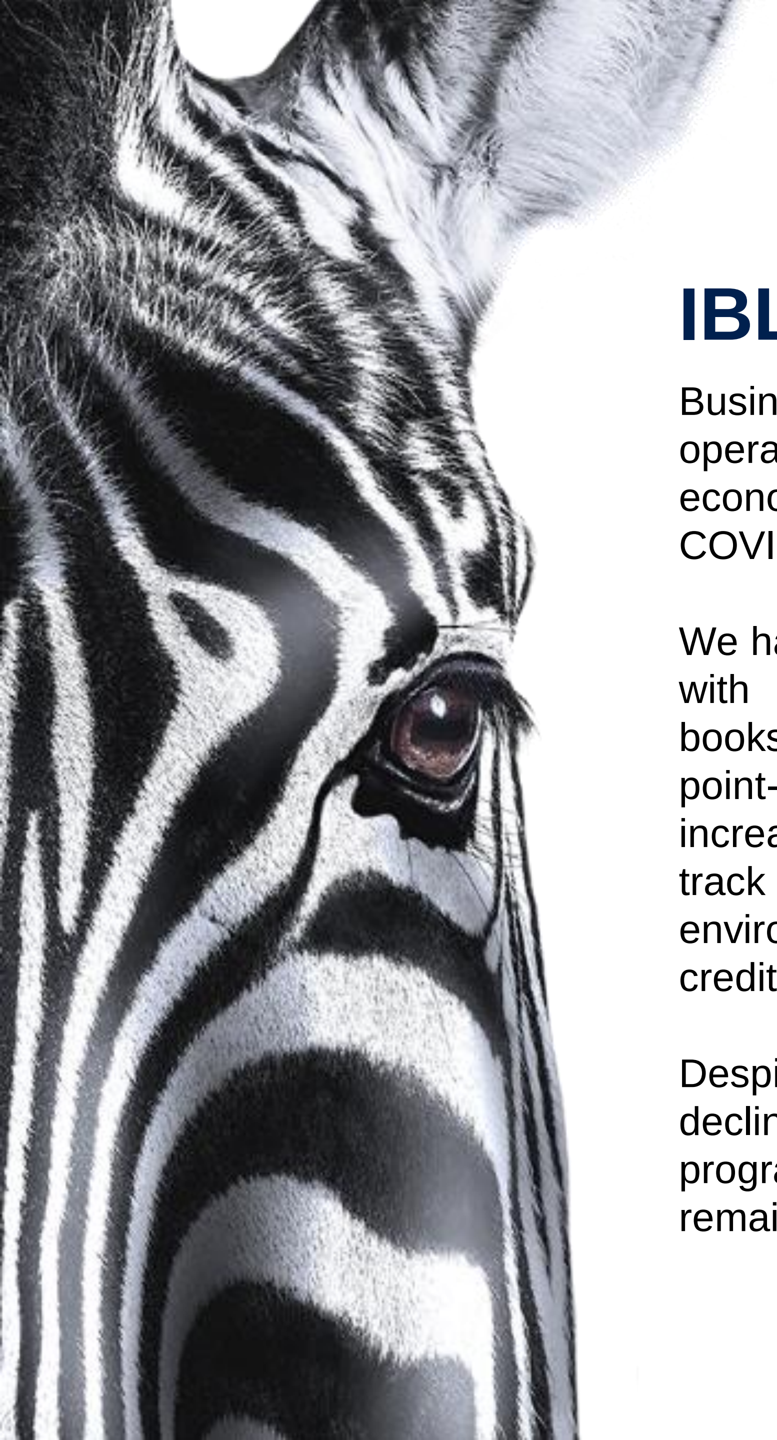
- Investec Limited, the holding company for Investec Bank Limited, is part of a Dual Listed Companies (DLC) structure

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

All shareholdings are 100% unless otherwise stated. Only main operating subsidiaries are indicated.
^Houses the Wealth & Investment business



IBL operating fundamentals

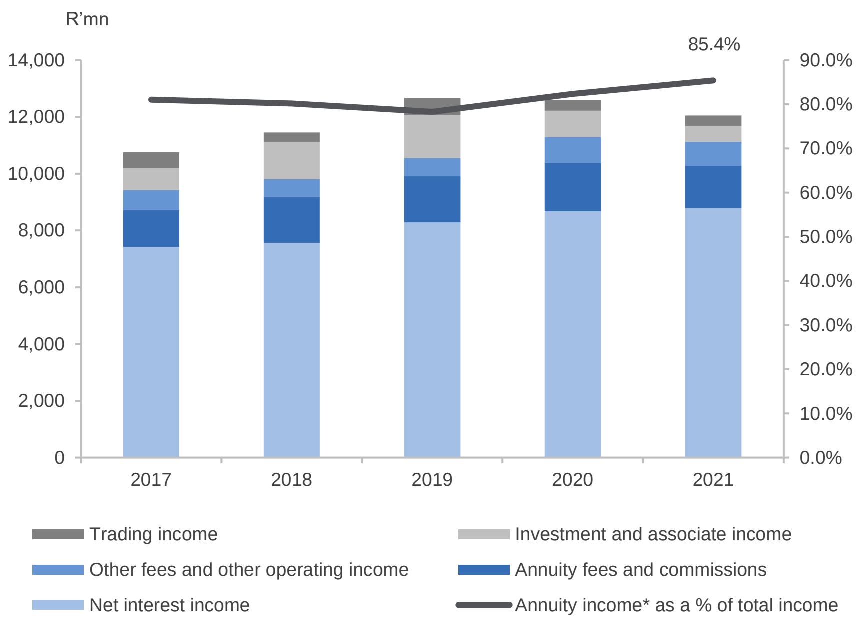
Business performance was resilient despite an operating environment characterised by stop-start economies as countries grappled with the impact of COVID-19.

We have seen good momentum since December 2020 with stronger activity levels and growth in lending books across the bank, good client acquisition and point-of-sale activity from private clients as well as increased corporate trading activity. Our clients have a track record of resilience in difficult operating environments as reflected in our low impairments and credit loss ratio.

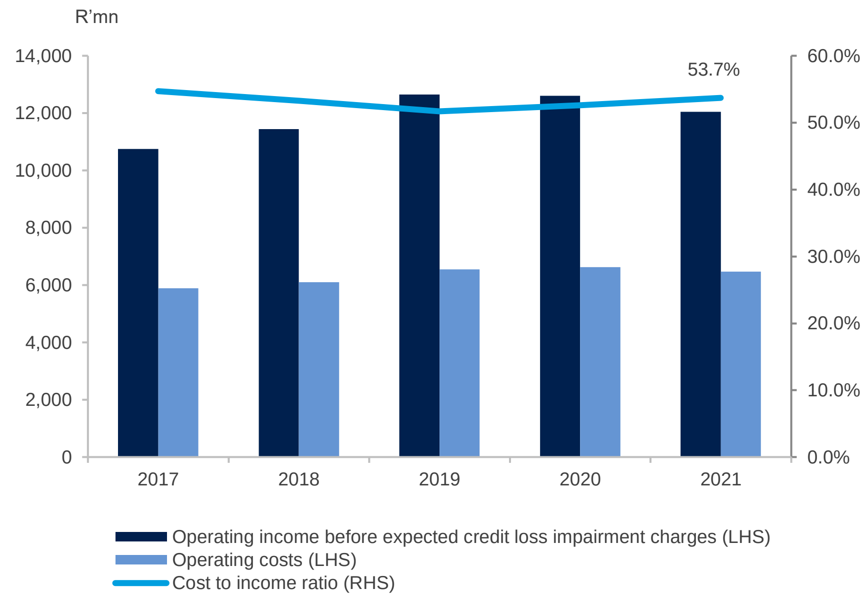
Despite a greater sense of optimism spurred on by declining COVID-19 infections and the vaccine roll out programme in South Africa, the emerging third wave remains a key risk to the business and the economy.

Revenue supported by resilient franchises

Annuity income*



Revenue versus expenses

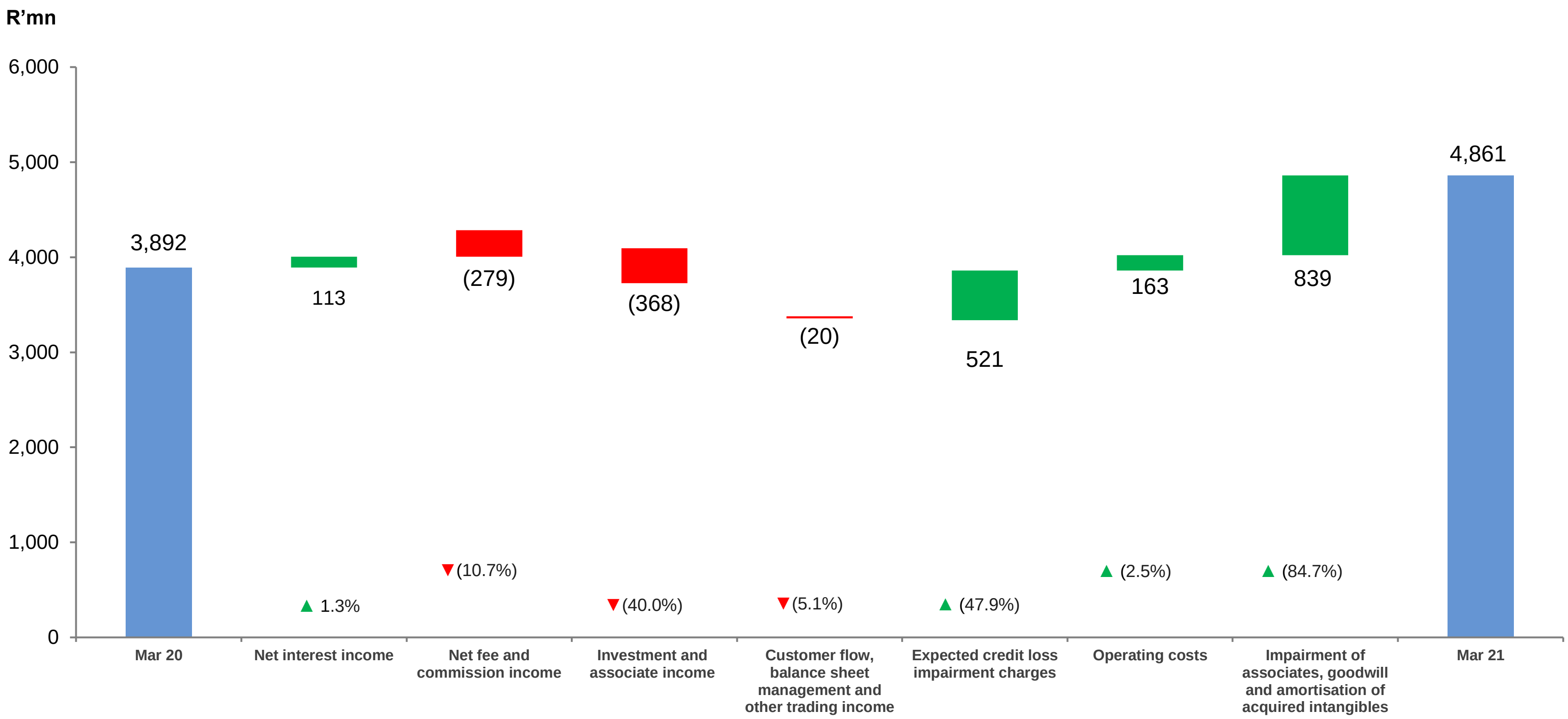


- A diversified business model continues to support a **large recurring income base** comprising net interest income and net annuity fees and commissions, currently 85.4% of operating income (up from 74.8% in 2012).
- **Total operating income** before expected credit loss impairment charges for the financial year ended 31 March 2021 decreased 4.4% year on year due to the combined impact of lower non-interest revenue and subdued lending and transactional activity, particularly in 1H21. In addition, investment income declined as a result of lower realisations, dividend income and negative fair value adjustments.
- We maintained a **disciplined approach to cost control. Operating costs** decreased 2.5% year on year reflecting lower discretionary spending and effective cost containment. Taken together with the decreased revenue, the cost to income ratio for the financial year ended 31 March 2021 increased to 53.7% (31 March 2020: 52.6%)

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

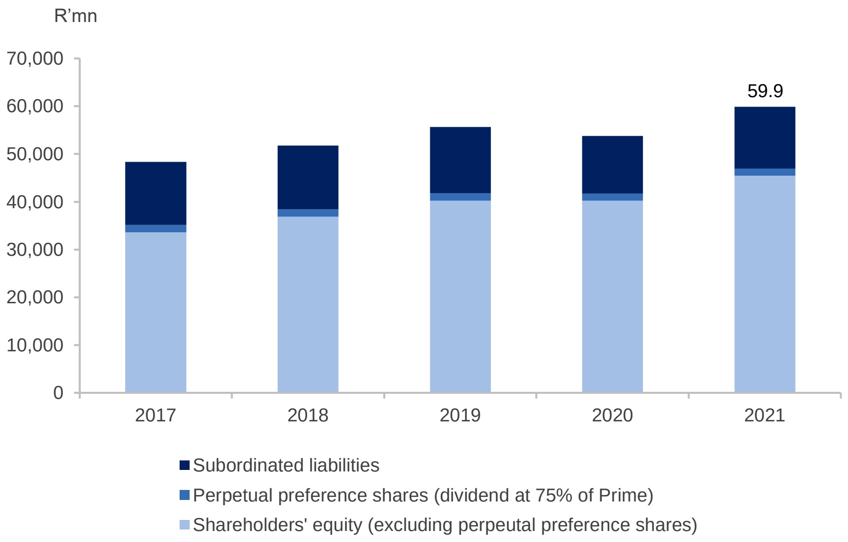
Operating Profit

- IBL reported an increase in profit before tax of 24.9%. Our client engagement has been proactive, resulting in good client acquisition across both private and corporate clients in the period under review. Profits increased primarily due to**:**
  - Lower **ECL impairment charges.** Higher specific impairments and the inclusion of an additional model overlay were offset by stable portfolio impairments due to broadly flat lending books and an increased level of recoveries
  - Lower **operating costs** due to headcount containment and lower discretionary spend
  - Lower **impairment of associates, goodwill and amortisation of acquired intangibles.** The decrease in impairment of associate relates to the non-repeat of a prior year goodwill impairment to the equity accounted value of the group's holding in IEP.

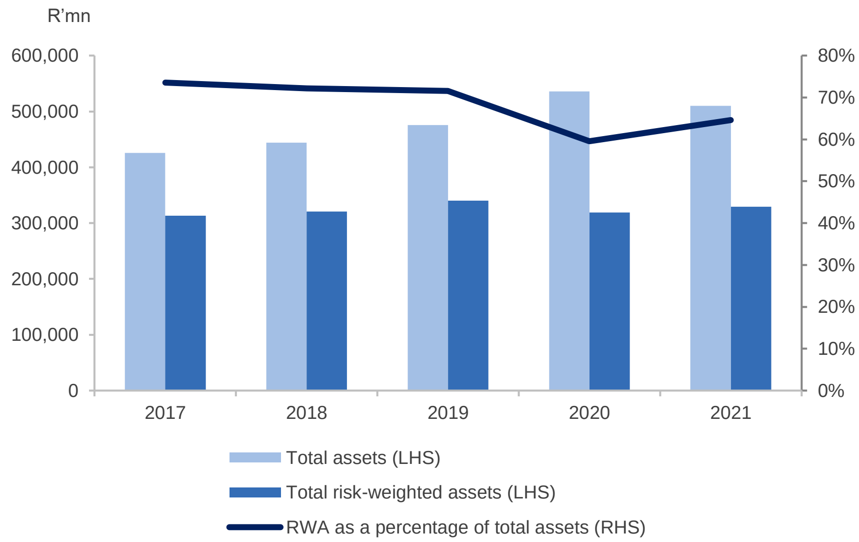


Sound capital base and capital ratios

Total capital resources



Total risk-weighted assets: lower RWA intensity



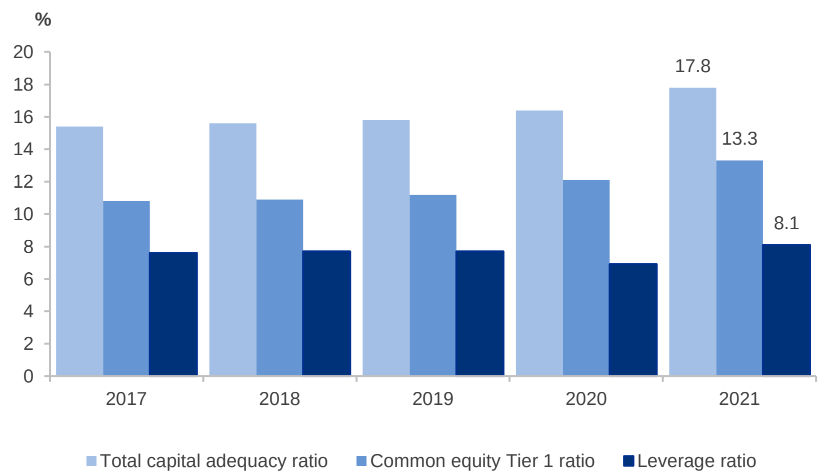
- Capital resources have increased since FY20 due to an increase in shareholders' equity
- Our total **capital resources have grown by 102.0% since 2012 to R59 890mn** at 31 Mar 2021 (CAGR of 8.1% per year) without recourse to government or shareholders

- IBL's **Total RWAs / Total assets** (RWA intensity) increased to 64.6% (31 March 2020: 59.5%).
- Approval was received from the Prudential Authority to adopt the Advanced Internal Ratings Based (AIRB) approach for the SME and Corporate models effective 1 April 2021. We are working towards further adoption of AIRB on certain remaining portfolios which we expect to result in a further reduction to our capital requirements and uplift to our CET1 ratio.

Sound capital base and capital ratios *(cont.)*

- IBL **maintained a sound capital position** with a CET1 ratio of 13.3% and a total capital adequacy ratio of 17.8%.
- Leverage ratios remains robust.
- Approval was received from the Prudential Authority to adopt the Advanced Internal Ratings Based (AIRB) approach for the SME and Corporate models effective 1 April 2021. We are working towards further adoption of AIRB on certain remaining portfolios.

Basel capital ratios*



Capital development

	FIRB	
A summary of ratios	**31 Mar 21^**	**31 Mar 20**
Common equity tier 1 (as reported)	**13.3%**	**12.1%**
Common equity tier 1 (fully loaded) #	**13.3%**	**12.1%**
Tier 1 (as reported)	**13.7%**	**12.3%**
Total capital adequacy ratio (as reported)	**17.8%**	**16.4%**
Leverage ratio**	**8.1%**	**6.9%**
Leverage ratio** (fully loaded) #	**8.1%**	**6.8%**

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

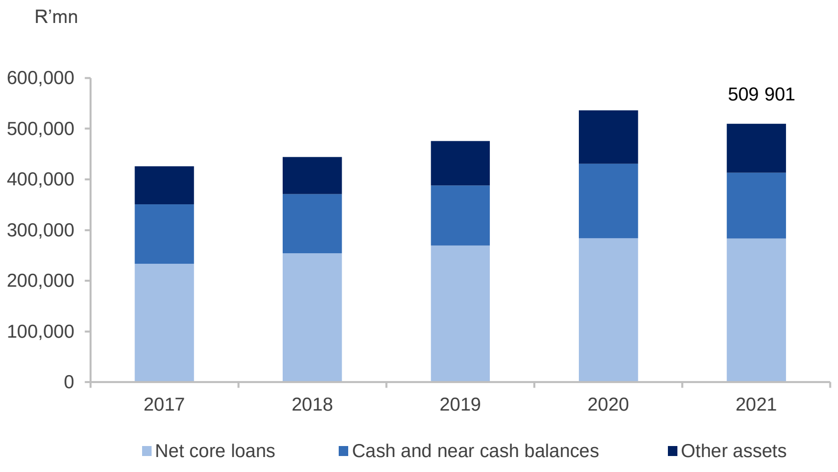
^ Investec Bank Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Bank Limited's CET 1 ratio would be 48bps lower (31 March 2020: 15bps lower).

The key difference between the ‘reported’ basis 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.

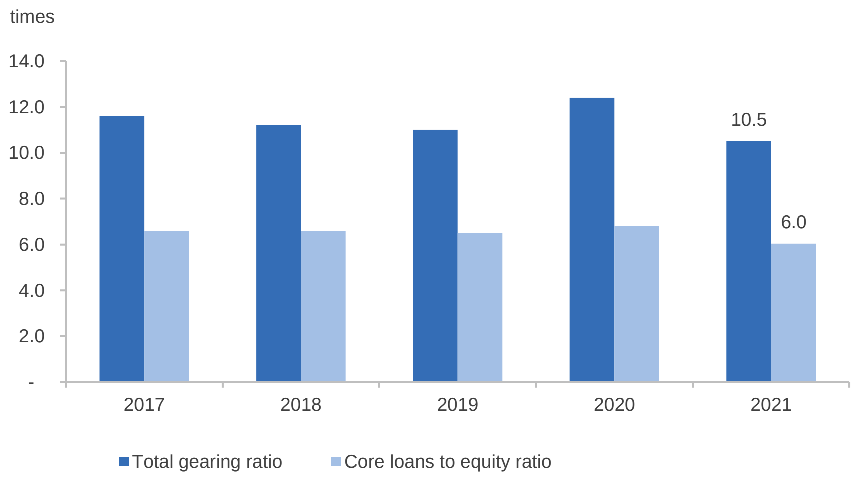
*Since 2013 capital information is based on Basel III capital requirements as currently applicable in South Africa. Comparative information is disclosed on a Basel II basis. The leverage ratio has only been disclosed since 2014, historic information has been estimated.

Consistent asset growth, gearing ratios remain low

Total assets composition



Gearing* remains low



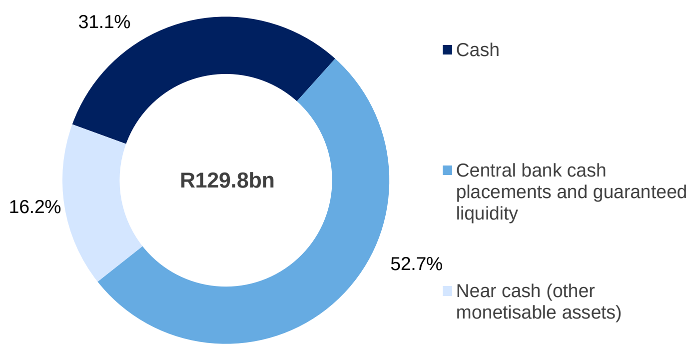
- We have reported a **CAGR of 9.5% in net core loans** since 2012 driven by increased activity across our target client base, as well as growth in our core client franchises
- In addition, we have seen **solid growth in cash and near cash balances** over the same period

- We have **maintained low gearing ratios*** with total gearing at 10.5x as at 31 March 2021 and an average of 11.6x since 2012

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

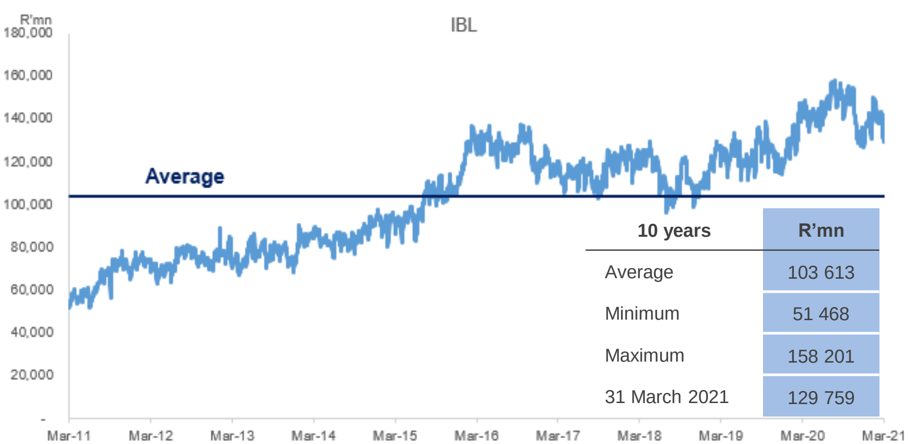
Substantial surplus liquidity

Cash and near cash balances at 31 March 2021



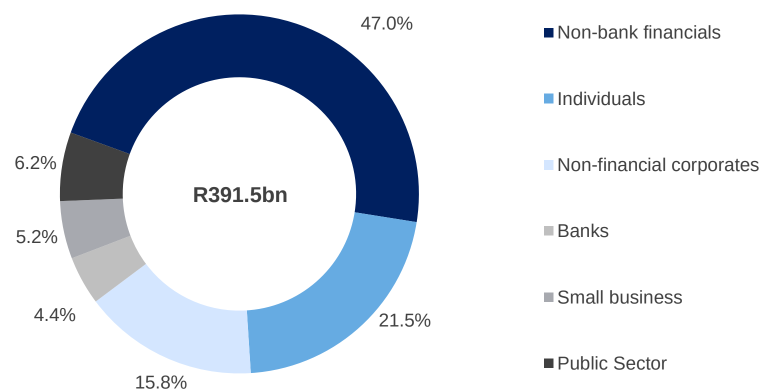
- We maintain a **high level of readily available, high quality liquid assets**, targeting a minimum cash to customer deposit ratio of 25%. Cash and near cash balances have increased significantly since 31 March 2012 (7.4% CAGR) to **R129.8bn** at 31 March 2021 (representing **34.7%** of customer deposits)
- We delivered **liquidity ratios well in excess of regulatory requirements**. At 31 March 2021, IBL's (bank solo) three-month average **Liquidity Coverage Ratio (LCR) was 151.0%.** The minimum LCR requirement of 100% was lowered to 80% as a temporary measure during the COVID-19 pandemic.
- IBL's (bank solo) **Net Stable Funding Ratio (NSFR) was 112.9%** (ahead of minimum requirements of 100%)

Cash and near cash balances



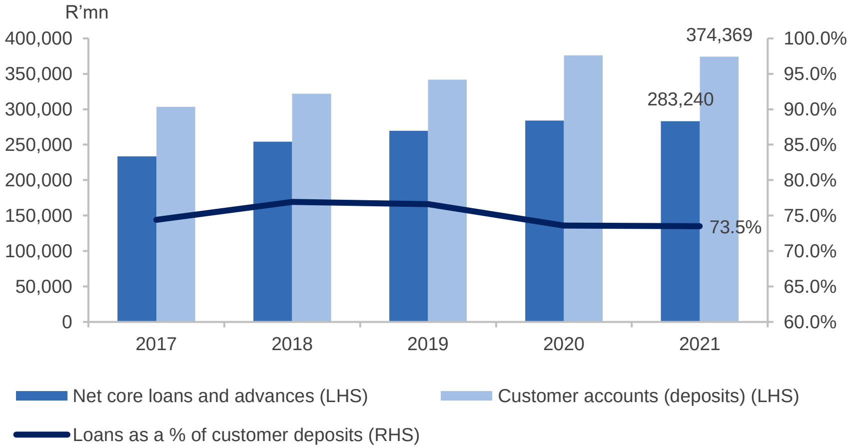
10 years	R'mn
Average	103 613
Minimum	51 468
Maximum	158 201
31 March 2021	129 759

Depositor concentration by type at 31 March 2021

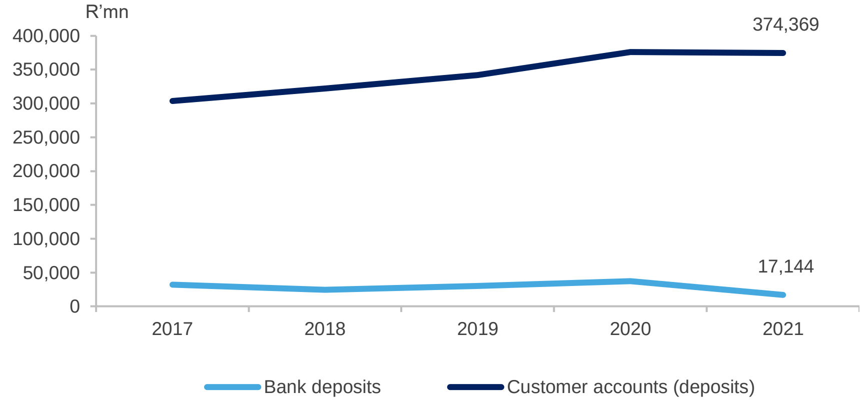


Healthy loan to deposit ratio, stable customer deposit base

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



Total deposits: stable customer deposit base



- Customer deposits **have grown by 112.6% (c.8.7% CAGR p.a.) since 2012 to R374.4bn** at 31 March 2021
- Loans and advances as a percentage of customer deposits **amounts to 73.5%**

- 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

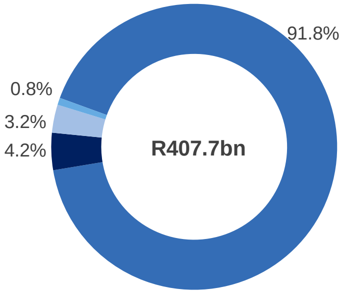
Diversified funding strategy

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

Conservative and prudent funding strategy

- Maintaining a high base of high-quality liquid assets
- Diversifying funding sources
- Minimum cash of at least 25% of customer deposits on an on-going basis
- Limiting concentration risk
- Maintaining a stable retail deposit franchise
- Low reliance on wholesale funding
- Each geographic entity must be self-sufficient from a funding and liquidity standpoint

Selected funding sources at 31 March 2021



R'mn	31 Mar 2021
Customer deposits	374 369
Interbank liabilities (dollar funding)	17 144
Subordinated liabilities	12 936
Securitisation liabilities	3 271
Total	**414 462**

- **Customer deposits account for 91.8% of selected funding sources** as at 31 March 2021
- Customer deposits are supplemented by deposits from banks (4.2%), subordinated debt (3.2%) and securitisation liabilities (0.8%)
- 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

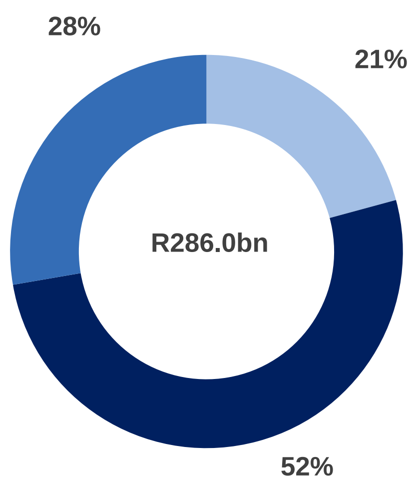
Exposures to a select target market

- **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 2021

Corporate and other

Acquisition finance	19.0%
Asset based lending	0.0%
Fund finance	2.7%
Other corporate, institutional, govt. loans	1.2%
Asset finance	2.5%
Power and infrastructure finance	2.3%
Resource finance	-



Lending collateralised against property

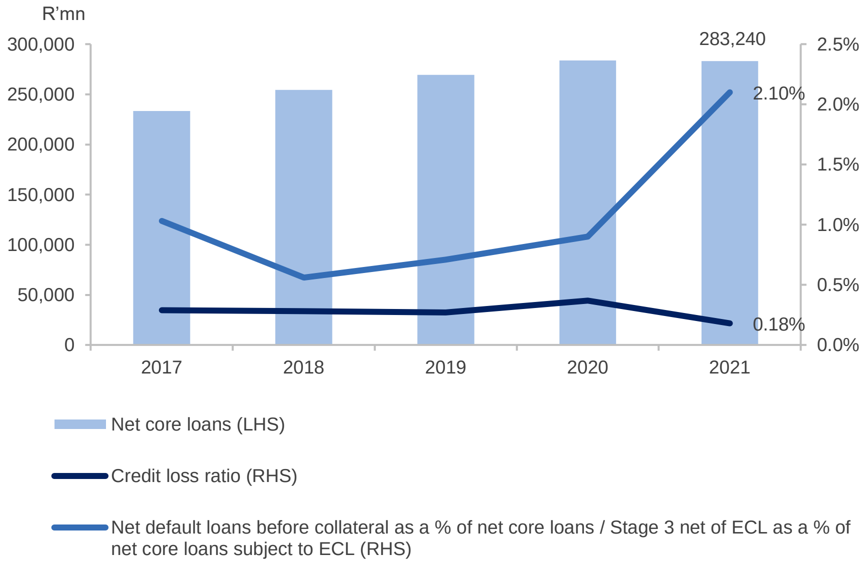
Commercial real estate investment	16.5%
Commercial real estate development	1.2%
Commercial vacant land and planning	0.3%
Residential real estate investment	1.4%
Residential real estate development	1.2%
Residential vacant land and planning	0.3%

High net worth and other private client

HNW and private client - mortgages	28.5%
HNW and specialised lending	23.0%

Solid asset quality despite COVID-19 related impairment charges

Core loans and asset quality

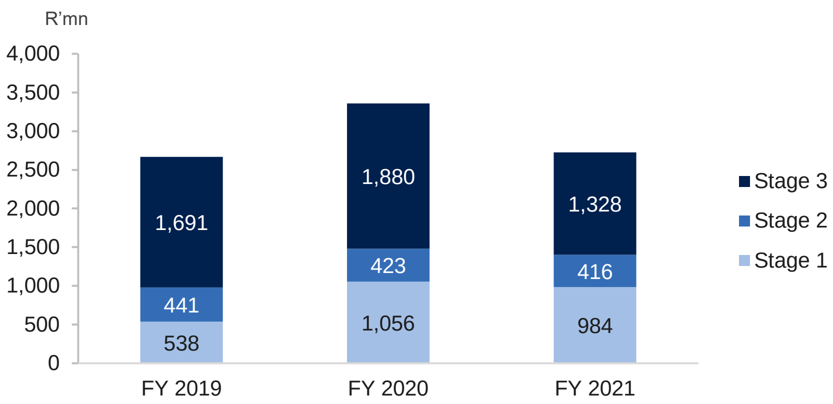


- Credit quality metrics on core loans and advances for the financial year ending 31 March 2021 are as follows:
  - The total income statement **expected credit loss (ECL) impairment charges** for the financial year ending 31 March 2021 decreased to R567 million (2020: R1 088 million). Higher specific impairments and the inclusion of an additional model overlay were offset by stable portfolio impairments due to broadly flat lending books and an increased level of recoveries.
  - The **credit loss ratio*** was 0.18% at 31 March 2021 (31 March 2020: 0.37%), which is below our through-the-cycle range of 30bps – 40bps and well below industry averages.
  - Since 31 March 2020 **Stage 3 gross core loans subject to ECL** increased by R2 830 million to R7 183 million.
  - **Stage 3 net of ECL as a % of net core loans subject to ECL** was 2.1% for 31 March 2021 (31 March 2020: 0.9%).

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

Asset quality metrics

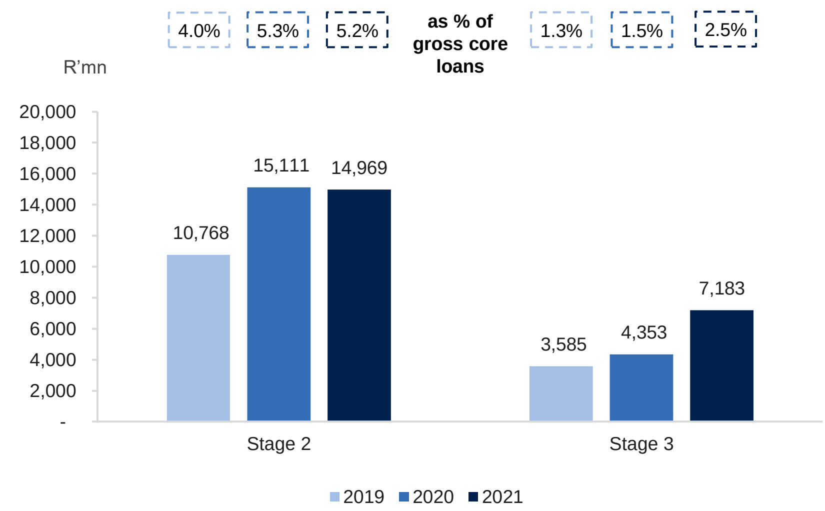
Provision build due to COVID-19 under IFRS 9



ECL coverage ratio	FY 2019	FY 2020	FY 2021
Stage 1	0.20%	0.40%	0.38%
Stage 2	4.10%	2.80%	2.80%
Stage 3	47.20%	43.20%	18.50%

- Additional provisions taken due to COVID-19 under IFRS 9 due to a deterioration of the macroeconomic scenarios applied
- **Stage 1** provisions decreased 6.8% from R1 056mn at 31 March 2020 to R984mn at 31 March 2021. As a result, Stage 1 ECL coverage ratio decreased from 0.40% to 0.38%
- **Stage 2** provisions decreased 1.7% from R423mn at 31 March 2020 to R416mn at 31 March 2021. Stage 2 ECL coverage ratio remained flat at 2.80%.
- **Stage 3** provisions decreased 29.4% from R1 880mn at 31 March 2020 to R1 328mn at 31 March 2021. Stage 3 ECL coverage ratio decreased from 43.20% to 18.50%

Gross core loans by Stage



- In line with regulatory and accounting bodies guidance, exposures that have been granted COVID-19 relief measures such as payment holidays are not automatically considered to have been subject to a significant increase in credit risk and therefore do not alone result in a transfer across stages
- Stage 2 exposures decreased from 5.3% at 31 March 2020 to 5.2% at 31 March 2021, reflecting improvement in the economic scenarios.
- Stage 3 totalled R7 183mn or 2.5% of gross core loans subject to ECL at 31 March 2021 (31 March 2020: 1.5%).

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:	Ba2	
Global short-term deposit rating:	NP	
Baseline credit assessment (BCA) and adjusted BCA	ba2	
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	4	
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**	**Outlook**
National long-term rating	AA(za)	Negative
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	Nov-20*	May-20*	Apr-20*
Moody's	Ba2	Ba2	Ba1	Ba1
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-	4	Ba2	Aa1.za	ba2	BB	AA(za)
FirstRand Bank Limited	BB-	za.AA	BB-	AA+(zaf)	bb-	4	Ba2	Aa1.za	ba2	BB	AA+(za)
Nedbank Limited	BB-	za.AA	BB-	AA+(zaf)	bb-	4	Ba2	Aa1.za	ba2	BB	AA(za)
Standard Bank of South Africa Limited	n/a	n/a	BB-	AA+(zaf)	bb-	4	Ba2	Aa1.za	Ba2	BB	AA+(za)
Investec Bank Limited	**BB-**	**za.AA**	**BB-**	**AA+(zaf)**	**bb-**	**4**	**Ba2**	**Aa1.za**	**ba2**	**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:

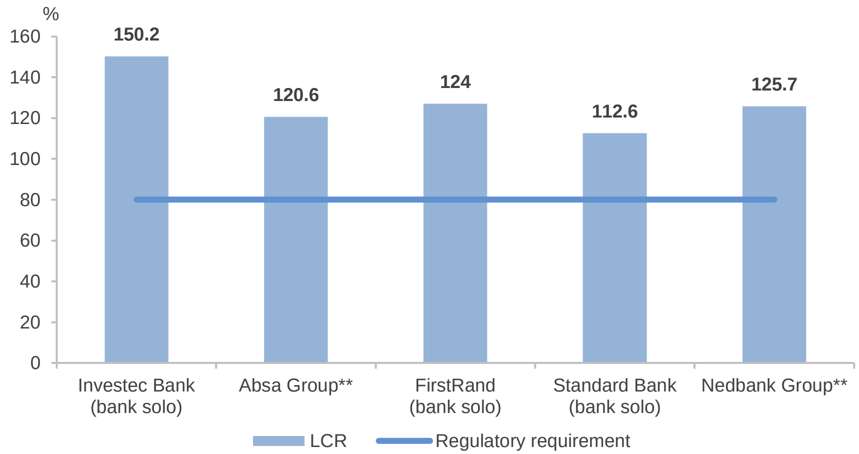
Short-term ratings should be used for investments less than a one-year time horizon and long-term ratings for periods greater than a year. Foreign currency ratings should be used when one is considering foreign denominated investments. Investments in Rand should be assessed against local currency and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

Comparative ratings have been sourced from the respective company websites and recent press releases as at 20 May 2021 and may be subject to changes for which we cannot be held accountable. It is advisable to discuss the ratings of the various companies with the companies themselves as this information merely reflects our interpretation thereof. *Impacted by the rating downgrades of the South African Sovereign.

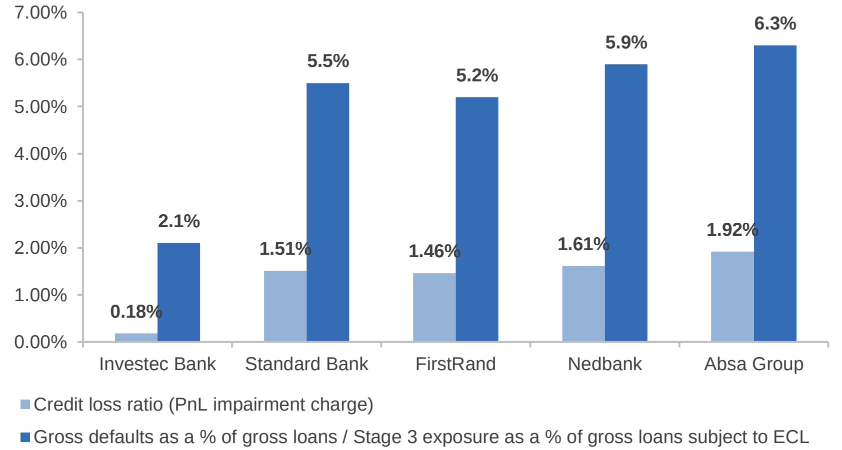
Peer group companies* *(cont.)*

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.

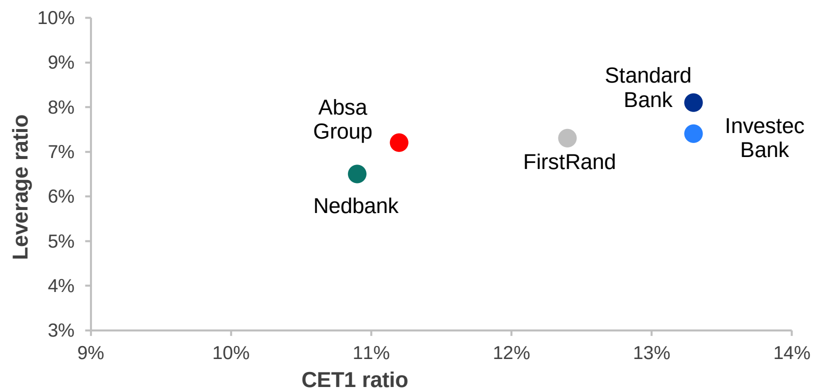
Liquidity: regulatory liquidity coverage ratio



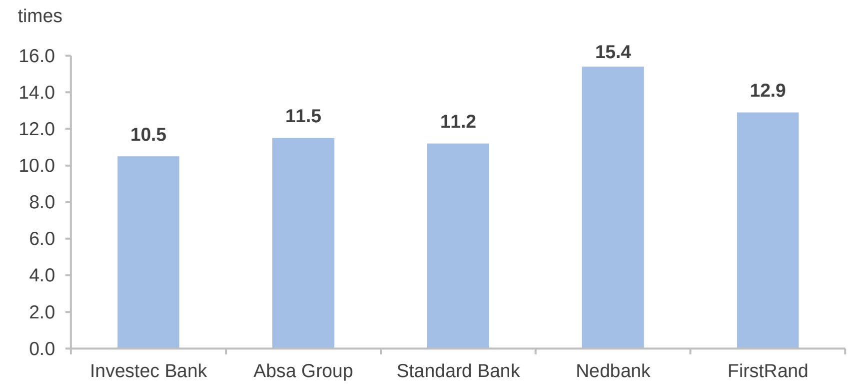
Asset quality ratios



Capital ratios



Gearing ratio



*Source: Latest company interim and annual results available 20 May 2021. **LCR not disclosed on a bank solo level.

Peer group companies *(cont.)*

Definitions and/or explanations of certain ratios:

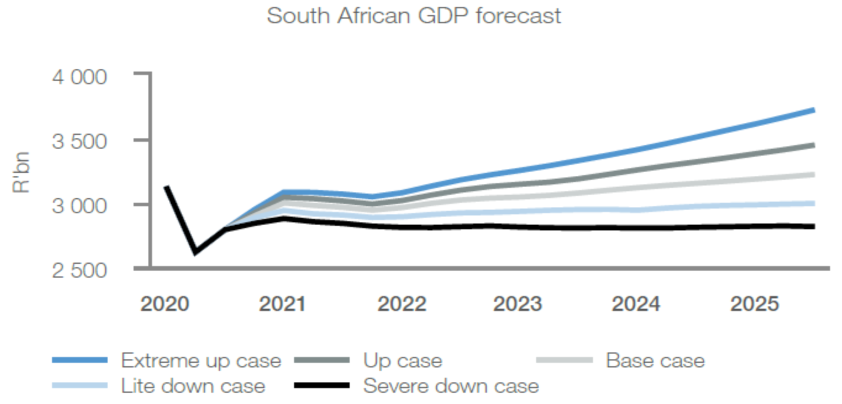
- A capital ratio is a measure of a bank's available capital expressed as a percentage of a bank's risk-weighted assets. It is based on regulatory qualifying capital (including common equity tier 1, additional tier 1 and tier 2 capital) as a percentage of risk-weighted assets. Assets are risk-weighted 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 expected credit loss (ECL) impairment charges on gross core loans as a % of average gross core loans subject to ECL.
- Stage 3/Default loans largely comprise loans that are impaired and/or over 90 days in arrears.

Investec Bank Limited Appendices

Macroeconomic scenarios – 31 March 2021

Key judgements at 31 March 2021

- Following the onset of the COVID-19 pandemic, a management overlay and updated macro-economic scenarios were considered the most appropriate way to capture the worsened economic environment, given the significant levels of uncertainty and lack of supportable economic information to produce robust forecasts at the time.
- While there has been some improvement in the economic environment since the easing of the lockdown restrictions, uncertainty still remains. For this reason, management have decided to prudently retain R290 million of overlays.
- This will be reassessed in time as new economic information is released, the consequence of the recent resurgence of infection rates in other countries materialise and the possibility that South Africa may experience a similar resurgence.



South Africa

Macro drivers (%) Financial year ending	Base case 2022	2023	2024	2025	2026	Average 2021-2026 Extreme up case	Up case	Base case	Lite down case	Severe down case
GDP growth	4.5	1.1	2.4	2.4	2.9	5.0	4.0	2.4	1.5	(0.7)
Repo rate	3.6	4.5	5.0	5.1	5.4	3.5	3.8	4.7	5.0	5.5
Bond yield	10.3	10.3	10.3	10.7	10.7	9.2	9.5	10.4	11.1	11.9
Residential property price growth	4.6	5.1	5.3	5.5	5.9	6.9	6.2	5.2	4.1	2.7
Commercial property price growth	(1.4)	0.5	0.9	1.3	1.7	3.2	1.7	0.2	(1.3)	(2.9)
Scenario weightings			**48**			**1**	**2**	**48**	**44**	**5**

IBL: salient financial features

Key financial statistics	31 March 2021	31 March 2020	% change
Total operating income before expected credit loss impairment charges (R'million)	12 049	12 603	(4.4%)
Operating costs (R'million)	6469	6 632	2.5%
Operating profit before goodwill and acquired intangibles (R'million)	5 013	4 883	2.7%
Headline earnings attributable to ordinary shareholders (R'million)	4 133	3 844	7.5%
Cost to income ratio	53.7%	52.6%	
Total capital resources (including subordinated liabilities) (R'million)	59 890	53 785	11.4%
Total equity (R'million)	46 954	41 748	12.5%
Total assets (R'million)	509 901	535 970	(4.9%)
Net core loans (R'million)	283 240	283 946	(0.2%)
Customer accounts (deposits) (R'million)	374 369	375 948	(0.4%)
Loans and advances to customers as a % of customer accounts (deposits)	73.5%	73.6%	
Cash and near cash balances (R'million)	129 759	147 169	(11.8%)
Total gearing ratio (i.e. total assets excluding intergroup loans to equity)	10.5x	12.4x	
Total capital adequacy ratio	17.8%	16.4%	
Tier 1 ratio	13.7%	12.3%	
Common equity tier 1 ratio	13.3%	12.1%	
Leverage ratio	8.1%	6.9%	
Leverage ratio – 'fully loaded'^	8.1%	6.8%	
Stage 3 exposure as a % of gross core loans subject to ECL	2.5%	1.5%	
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	2.1%	0.9%	
Credit loss ratio	0.18%	0.37%	

^ 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.

IBL: income statement

R'million	31 March 2021	31 March 2020	% change
Interest income	26 370	35 279	(25.3%)
Interest expense	(17 584)	(26 606)	(33.9%)
Net interest income	**8 786**	**8 673**	**(1.3%)**
Fee and commission income	2 804	3 106	(9.7%)
Fee and commission expense	(467)	(490)	(4.7%)
Investment income	472	601	(21.5%)
Share of post taxation profit of associates	81	320	(74.7%)
Trading income/(loss) arising from			
– customer flow	627	443	41.5%
– balance sheet management and other trading liabilities	(257)	(50)	>100%
Other operating income	3	-	-
Total operating income before expected credit losses	**12 049**	**12 603**	**(4.4%)**
Expected credit loss impairment charges	(567)	(1 088)	(47.9%)
Operating income	**11 482**	**11 515**	**(0.3%)**
Operating costs	(6 469)	(6 632)	(2.5%)
Operating profit before impairment of goodwill and acquired intangibles	**5 013**	**4 883**	**2.7%**
Impairment of goodwill	(3)	(3)	0.0%
Amortisation of acquired intangibles	(51)	(51)	0.0%
Impairment of associates	(98)	(937)	(89.5%)
Profit before taxation	**4 861**	**3 892**	**24.9%**
Taxation on operating profit before acquired intangibles	(878)	(816)	7.6%
Taxation on acquired intangibles	14	14	0.0%
Profit after taxation	**3 997**	**3 090**	**29.4**

IBL: balance sheet

R'million	31 March 2021	31 March 2020	% change
Assets			
Cash and balances at central banks	9 653	36 656	(73.7%)
Loans and advances to banks	24 666	18 050	36.7%
Non-sovereign and non-bank cash placements	8 956	14 014	(36.1%)
Reverse repurchase agreements and cash collateral on securities borrowed	30 221	26 426	14.4%
Sovereign debt securities	53 009	64 358	(17.6%)
Bank debt securities	21 862	12 265	78.2%
Other debt securities	14 170	17 416	(18.6%)
Derivative financial instruments	19 173	17 434	10.0%
Securities arising from trading activities	2 869	3 178	(9.7%)
Investment portfolio	4 923	5 801	(15.1%)
Loans and advances to customers	275 056	276 754	(0.6%)
Own originated loans and advances to customers securitised	8 184	7 192	13.8%
Other loans and advances	181	242	(25.2%)
Other securitised assets	578	416	39.1%
Interests in associated undertakings	5 558	5 662	(1.8%)
Deferred taxation assets	2 412	2 903	(16.9%)
Other assets	7 417	6 156	20.5%
Property and equipment	2 740	3 008	(8.9%)
Investment properties	1	1	29.5%
Goodwill	175	178	(1.5%)
Software*	95	149	(36.0%)
Intangible assets	118	169	(30.3%)
Loans to group companies	17 410	17 542	(0.8%)
Non-current assets held for sale	474	0	-
	509 901	**535 970**	**(4.9%)**

* Software of R95 million (31 March 2020: R149 million), which was previously reported within intangible assets, is now reported as a separate line item. The prior periods have been re-presented to reflect the same basis.

IBL: balance sheet *(cont.)*

R'million	31 March 2021	31 March 2020	% change
Liabilities			
Deposits by banks	17 144	37 277	(54.0%)
Derivative financial instruments	23 011	22 097	4.1%
Other trading liabilities	3 388	4 521	(25.1%)
Repurchase agreements and cash collateral on securities lent	16 593	26 626	(37.7%)
Customer accounts (deposits)	374 369	375 948	(0.4%)
Debt securities in issue	2 126	3 258	(34.7%)
Liabilities arising on securitisation of own originated loans and advances	3 271	1 699	(92.5%)
Current taxation liabilities	684	315	117.1%
Deferred taxation liabilities	32	47	(31.9%)
Other liabilities	7 421	7 590	(2.2%)
Loans from group companies	1 972	2 807	(29.7%)
	450 011	**482 185**	**(6.7%)**
Subordinated liabilities	12936	12 037	7.5%
	462 947	**494 222**	**(6.3%)**
Equity			
Ordinary share capital	32	32	0.0%
Share premium	14 250	14 250	0.0%
Other reserves	411	(787)	>(100)%
Retained income	29 597	26 259	12.7%
Ordinary shareholder's equity	**44 290**	**39 754**	**11.4%**
Perpetual preference shares in issue*	1 481	1 534	(3.5%)
Shareholder's equity excluding non-controlling interests	**45 771**	**41 288**	**10.9%**
Other Additional Tier 1 securities in issue	1183	460	>100%
Total equity	**46 954**	**41 748**	**12.5%**
Total liabilities and equity	**509 901**	**535 970**	**(4.9%)**

* Perpetual preference share premium of R1 481 million (31 March 2020: R1 534 million), which was previously reported within share premium, is now reported within perpetual preference shares in issue. The prior periods have been re-presented to reflect the same basis.

IBL: asset quality

R'million	31 March 2021	31 March 2020
Gross core loans to customers subject to ECL	**284 547**	**285 138**
Stage 1	262 395	265 674
Stage 2	14 969	15 111
of which past due greater than 30 days	272	1 297
Stage 3	7 183	4 353
Gross exposure (%)		
Stage 1	92.2%	93.2%
Stage 2	5.3%	5.3%
Stage 3	2.5%	1.5%
Stage 3 net of ECLs	5 855	2 473
Aggregate collateral and other credit enhancements on Stage 3	8 253	2 696
Stage 3 net of ECL and collateral	-	–
Stage 3 as a % gross core loans and advances to customers subject to ECL	2.5%	1.5%
Stage 3 ECL impairments as a % of Stage 3 exposure	38.0%	77.2%
Stage 3 net of ECL as a % of net core loans and advances to customers subject to ECL	2.1%	0.9%

IBL: analysis of core loans by risk category at 31 March 2021

At 31 March 2021 R'million	Gross core loans at amortised cost and FVPL (subject to ECL)								Gross core loans at FVPL (not subject to ECL)	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
	Gross Exposure	ECL	Gross Exposure	ECL	Gross Exposure	ECL	Gross Exposure	ECL		
Lending collateralised by property	**54 093**	**(256)**	**3 045**	**(84)**	**2 302**	**(284)**	**59 440**	**(624)**	**-**	**59 440**
Commercial real estate	**46 387**	**(227)**	**2 816**	**(78)**	**2 197**	**(262)**	**51 400**	**(567)**	**-**	**51 400**
Commercial real estate – investment	42 281	(202)	2 704	(77)	2 182	(258)	47 167	(535)	-	47 167
Commercial real estate – development	3 404	(22)	49	(1)	-	-	3 453	(23)	-	3 453
Commercial vacant land and planning	702	(3)	63	-	15	(6)	780	(9)	-	780
Residential real estate	**4 435**	**(27)**	**42**	**(3)**	**5**	**(2)**	**4 482**	**(32)**	**-**	**4 482**
Residential real estate – investment	3 792	(11)	-	-	96	(19)	3 888	(30)	-	3 888
Residential real estate – development	3 189	(15)	226	(6)	-	-	3 415	(21)	-	3 415
Residential vacant land and planning	725	(3)	3	-	9	(3)	737	(6)	-	737
High net worth and other private client lending	**139 723**	**(394)**	**4 695**	**(154)**	**2 862**	**(642)**	**147 280**	**(1190)**	**-**	**147 280**
Mortgages	76 604	(133)	3 632	(134)	1 391	(318)	81 627	(585)	-	81 627
High net worth and specialised lending	63 119	(261)	1 063	(20)	1 471	(324)	65 653	(605)	-	65 653
Corporate and other lending	**68 579**	**(334)**	**7 229**	**(178)**	**2 019**	**(402)**	**77 827**	**(914)**	**1421**	**79 248**
Acquisition finance	44 943	(216)	6 425	(160)	1 462	(339)	52 830	(715)	1421	54 251
Asset-based lending										
Fund finance	7 624	(29)	-	-	-	-	7 624	(29)	-	7 624
Other corporates and financial institutions and governments	3 351	(4)	156	(4)	3	-	3 510	(8)	-	3 510
Asset finance	6 396	(71)	219	(11)	554	(63)	7 169	(145)	-	7 169
Small ticket asset finance	4 127	(48)	219	(11)	506	(40)	4 852	(99)	-	4 852
Large ticket asset finance	2 269	(23)	-	-	48	(23)	2 317	(46)	-	2 317
Power and infrastructure finance	6 265	(14)	429	(3)	-	-	6 694	(17)	-	6 694
Resource finance	-	-	-	-	-	-	-	-	-	-
Gross core loans and advances	**262 395**	**(984)**	**14 969**	**(416)**	**7 183**	**(1 328)**	**284 547**	**(2 728)**	**1 421**	**285 968**

IBL: capital structure and capital adequacy

R'million	FIRB 31 March 2021	FIRB 31 March 2020
Tier 1 capital		
Shareholders' equity per balance sheet	45 771	41 288
Perpetual preference share capital and share premium	(1 481)	(1 534)
Regulatory adjustments to the accounting basis	1 337	1 518
Deductions	(1 769)	(2 721)
Common equity tier 1 capital	**43 858**	**38 551**
Additional tier 1 capital	**1 336**	**751**
Additional tier 1 instruments	2 664	1 994
Phase out of non-qualifying additional tier 1 instruments	(1 328)	(1 227)
Investment in financial entity	-	(16)
Tier 1 capital	**45 194**	**39 302**
Tier 2 capital		
Collective impairment allowances	434	895
Tier 2 instruments	12 936	12 037
Investment in capital of financial entities above 10% threshold	-	(27)
Total tier 2 capital	**13 370**	**12 905**
Total regulatory capital	**58 564**	**52 207**
Risk-weighted assets	**329 468**	**319 090**
Capital ratios		
Common equity tier 1 ratio	13.3%	12.1%
Tier 1 ratio	13.7%	12.3%
Total capital adequacy ratio	17.8%	16.4%
Leverage ratio	8.1%	6.9%

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'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.