

— OUT OF THE ORDINARY

Creating enduring worth

Investec Limited

Q & A fact sheet
May 2023



OVERVIEW OF INVESTEC AND INVESTEC LIMITED

Investec partners with private, institutional and corporate clients, offering international banking, investments and wealth management services in two principal markets, South Africa and the UK, as well as certain other countries. The group was established in 1974 and currently has approximately 8,700+ employees.

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

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

Investec Bank Limited (IBL) is the main banking subsidiary of Investec Limited while Investec Bank (Mauritius) Limited is IBL's main operating subsidiary. Investec Limited also has a 38.3% interest in the IEP Group (Proprietary) Limited. IBL is regulated by the South African Prudential Authority.

Key financial statistics


Key financial statistics	31 March 2023	31 March 2022	% change
Total operating income before expected credit loss impairment charges (R'million)	19 621	17 907	9.6%
Operating costs (R'million)	10 212	9 282	10.0%
Operating profit before goodwill and acquired intangibles (R'million)	9 115	8 562	6.5%
Headline earnings attributable to ordinary shareholders (R'million)	6 581	5 373	22.5%
Cost to income ratio	52.6%	53.1%	
Total capital resources (including subordinated liabilities) (R'million)	69 254	76 638	(9.6)%
Total equity (R'million)	61 506	62 958	(2.3)%
Total assets (R'million)	638 051	599 981	6.8%
Net core loans (R'million)	320 711	298 411	7.5%
Customer accounts (deposits) (R'million)	448 513	398 936	12.4%
Loans and advances to customers as a % of customer accounts (deposits)	70.2%	69.3%	
Cash and near cash balances (R'million)	171 400	159 454	7.5%
Funds under management (R'million)	406 752	372 804	9.1%
Total gearing ratio (i.e. total assets excluding intergroup loans to equity)	10.3x	9.6x	
Total capital adequacy ratio	18.3%	17.5%	
Tier 1 ratio	15.9%	15.0%	
Common equity tier 1 ratio	14.7%	14.0%	
Leverage ratio	6.5%	7.4%	
Stage 3 as a % of gross core loans subject to ECL	2.8%	1.9%	
Stage 3 net of ECL as a % of net core loans subject to ECL	2.2%	1.5%	
Credit loss ratio	0.08%	0.0%	
Net Stable Funding Ratio % (NSFR)	116.4%	112.6%	
Liquidity Coverage Ratio % (LCR)*	153.6%	138.9%	

^ Restated

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

FINANCIAL INFORMATION

Unless the context indicates otherwise, all comparatives referred to below relate to the year ended 31 March 2022 (FY2022). For the year ended 31 March 2023, Investec Limited reported an increase in headline earnings attributable to ordinary shareholders of 22.5% to R6 581 million (FY2022: R2 498 million). Investec Limited has sound capital and liquidity buffers.

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

Capital adequacy

18.3%

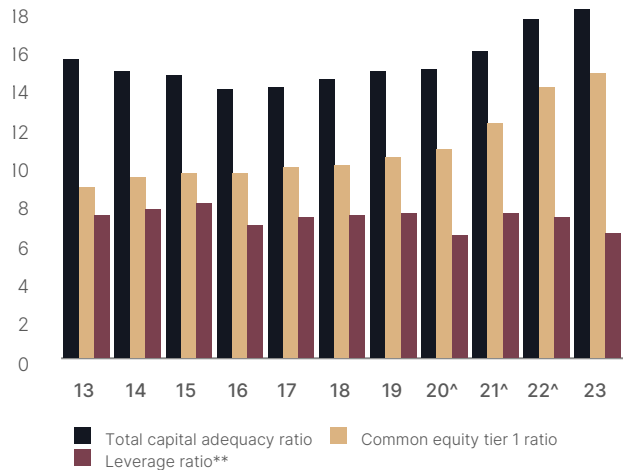
Total capital adequacy ratio

Investec Limited holds capital in excess of regulatory requirements and intends to perpetuate this philosophy to ensure that it remains well capitalised. As at 31 March 2023, the total capital adequacy ratio of Investec Limited was 18.3% and the common equity tier 1 (CET1) ratio was 14.7%.*

Investec Limited received approval to adopt the AIRB approach for measurement of capital on the Income Producing Real Estate portfolio (IPRE). Investec Limited also migrated the High Value Commercial Real Estate (HVCRE) portfolio to the slotting approach, a subset of the Foundation Internal Rating Based (FIRB) approach. Combined, this increased the CET1 ratio by 242bps.

Basel capital ratios

Percentage



* The full adoption of the advanced internal ratings based (AIRB) approach, resulted in a decrease of 242bps in the CET1

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

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

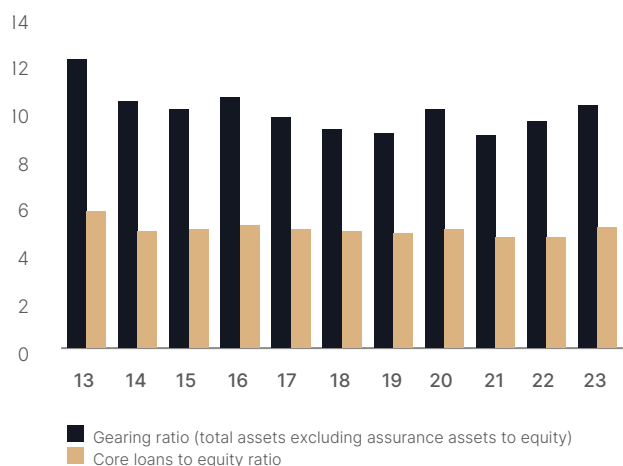
Gearing

10.3x

Investec Limited is not highly geared. A number of bank holding companies that have experienced difficulty in the past were in excess of 40 times geared. Investec Limited's gearing ratio at 31 March 2023 was 10.3x.

Gearing ratio

Times



Note: All information presented in the graphs are as at 31 March (the Group's financial year end) unless otherwise stated.

FINANCIAL INFORMATION

CONTINUED

Asset quality and exposures

0.08%

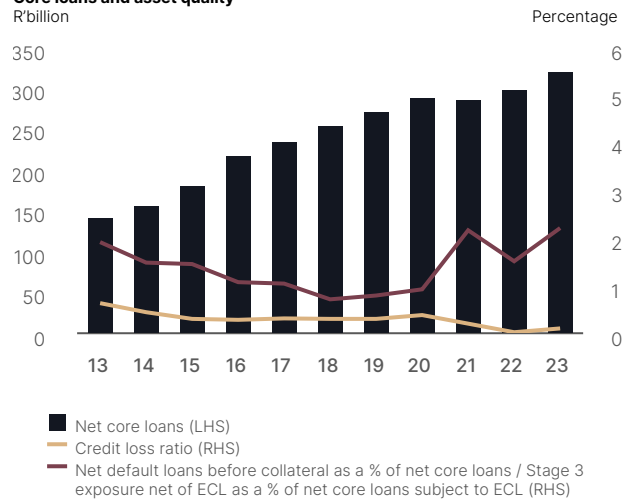
credit loss ratio

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

The total ECL impairment charges amounted to R294 million for the year ended 31 March 2023 (2022: R63 million). The credit loss ratio was 0.08% at 31 March 2023 (2022: 0.00%).

Stage 3 exposures net of ECL at 31 March 2023 amounted to R6 973 million (31 March 2022: R4 419 million). Stage 3 exposure net of ECL as a percentage of net core loans subject to ECL as at 31 March 2023 amounted to 2.2% (31 March 2022: 1.5%).

Core loans and asset quality

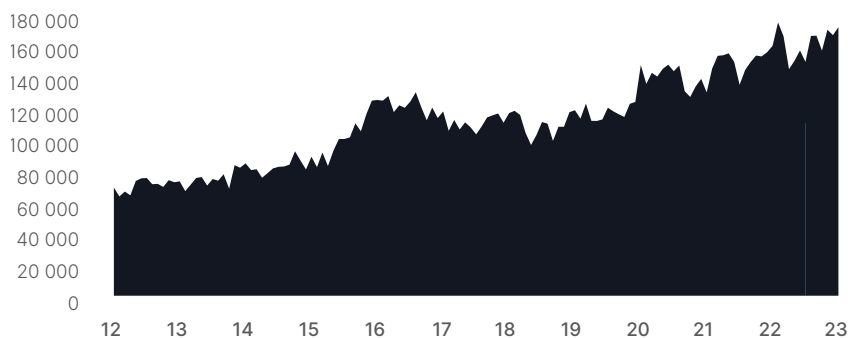


Liquidity and funding

R171.4 billion

Cash and near cash

Cash and near cash trend



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

As at 31 March 2023, the bank had R149.2 billion of cash and near cash to support its activities. Furthermore, the bank maintains an appropriate mix of term funding, placing a low reliance on interbank wholesale funding to fund core lending asset growth. Investec Limited targets a diversified funding base, avoiding undue concentrations by investor types, maturity and market source, instrument and currency.

Customer deposits have increased by 3.5% since 31 March 2022 to R448.5 billion at 31 March 2023 (31 March 2022: R419.9 billion). The bank's loan to customer deposit ratio was 70.2% as at 31 March 2023 (31 March 2022: 69.3%).

There are no deposit guarantees in South Africa.

Note: All information presented in the graphs are as at 31 March (the Group's financial year end) unless otherwise stated.

SUSTAINABILITY

Sustainability highlights

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

Progress made on our impact SDGs

Net-zero commitments



- Committed to **zero thermal coal** in our loan book **by 31 March 2030**
- Completed a **pro-climate assessment** to identify improvement areas towards our net-zero goals
- **Coal** as a % of loans and advances is 0.10% (Mar-22: 0.15%)
- **Fossil fuels** as a % of loans and advances is 1.21% (Mar-22: 1.93%)

Equality commitments



- **43% ethnic diversity** and **43% women** on our Group Board
- **R454mn procurement** from black women-owned suppliers in SA
- **4th** in the 2022 Universum employer of choice survey by professionals in South Africa

Sustainable finance

Specialist Banking

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

Wealth & Investment

- Signatory to **Climate Action 100+**
- **Raised R2.7bn** through the launch of two managed charity portfolios in SA
- **Ranked 1st** for Best Private Bank and Wealth Manager in Africa for philanthropy services 2022, by the Financial Times

SUSTAINABILITY CONTINUED

Consistently well-positioned in international ESG rankings and ratings



Top 2%
in the global diversified
financial services sector
(inclusion since 2006)



Top 14%
of diversified banks and
included in the Global
Sustainability Leader Index



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



Score A-
against an industry
average of B-



Top 20%
of the ISS ESG global
universe

**Rated Prime – best in
class**



Top 100
in the Global sustainable
companies in the world)



FTSE4Good

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



Top 30
in the FTSE/JSE
Responsible Investment
Index

CREDIT RATINGS

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

	Fitch	Moody's	Standard & Poors	GCR
Investec Limited				
National long-term rating	AA+(zaf)			
National short-term rating	F1+(zaf)			
Foreign currency long-term rating	BB-			
Foreign currency short-term rating	B			
Outlook	Stable			
Investec Bank Limited				
National long-term rating	AA+(zaf)	Aa1.za	za.AA	AA(za)
National short-term rating	F1+(zaf)	P-1.za	za.A-1+	A1+(za)
Foreign currency long-term rating	BB-	Ba2	BB-	BB
Foreign currency short-term rating	B	NP	B	B
Outlook	Stable	Stable	Positive	Stable

For further information:

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