

— OUT OF THE ORDINARY

Creating
enduring
worth

INVESTEC BANK LIMITED

Credit ratings fact sheet
May 2025



CONTEXTUALISING INVESTEC BANK LIMITED'S RATINGS - May 2025

An overview of Investec Bank Limited

Investec Bank Limited (IBL) is the main banking subsidiary of Investec Limited (South African holding company listed on the Johannesburg Stock Exchange). Investec Limited owns 100% of the ordinary shares in IBL. IBL operates as a specialist bank in South Africa and Mauritius, providing a wide array of banking products and services to a niche client base, largely comprising professional private clients, high net worth individuals, mid-to-large size corporates and institutions. IBL is the fifth largest bank in South Africa, as measured in terms of size of on-balance sheet assets. The bank however, does not target the mass-retail market in the country and in the majority of its chosen niches would be a dominant player in terms of brand and market share.

Stability in IBL's ratings

A history of IBL's ratings is shown in the table below. IBL's ratings have remained stable over many years reflecting the financial soundness of the bank over a long period of time (see key financial metrics of the bank further below). Past rating adjustments have largely been associated with changes in views by the rating agencies of the credit worthiness of the South African sovereign. Adjustments in the sovereign rating of South Africa lead to an automatic adjustment in the ratings of the major banks in the country. It is generally accepted that a bank cannot have a higher rating than the sovereign of the country in which it operates, unless it is largely foreign-owned and the foreign holding company is domiciled in a country with a higher rating than South Africa.

IBL credit ratings history

		Fitch		Moody's		Standard & Poor's	
		Foreign currency*	National scale	Foreign currency*	National scale	Foreign currency*	National scale
		Long-term					
Mar 2025	>	BB-	AA+(zaf)	Baa3	Aaa.za	BB-	za.AA+
Dec 2020	>	BB-	AA+(zaf)	Ba2	Aa1.za	BB-	za.AA
Nov 2020	>	BB-^	AA(zaf)	Ba2^	Aa1.za	BB-	za.AA
May 2020	>	BB	AA(zaf)	Ba1	Aa1.za	BB-^	za.AA
Apr 2020	>	BB	AA(zaf)	Ba1	Aa1.za	BB	za.AA
Mar 2020	>	BB^	AA-(zaf)	Ba1^	Aa1.za	BB	za.AA
Nov 2019	>	BB+	AA(zaf)	Baa3	Aa1.za	BB	za.AA^
Jul 2018	>	BB+	AA(zaf)	Baa3	Aa1.za	BB	za.AA+
Nov 2017	>	BB+	AA(zaf)	Baa3	Aa1.za	BB^	za.AA-^
Aug 2017	>	BB+	AA(zaf)	Baa3	Aa1.za	BB+	za.AA
Jun 2017	>	BB+	AA(zaf)	Baa3^	Aa1.za	BB+	za.A
Apr 2017	>	BB+^	AA(zaf)	Baa2	Aa1.za	BB+^	za.A
May 2016	>	BBB-	AA-(zaf)	Baa2	Aa1.za**	BBB-	za.AA-
Dec 2015	>	BBB-	AA-(zaf)	Baa2	A1.za	BBB-	za.AA-
Nov 2014	>	BBB-	AA-(zaf)	Baa2	A1.za	BBB-	za.AA
Aug 2014	>	BBB-	AA-(zaf)	Baa1	A1.za	BBB-	za.AA
Jun 2014	>	BBB-	AA-(zaf)	Baa1	Aa3.za	BBB-	za.AA
Feb 2014	>	BBB-	AA-(zaf)	Baa1	Aa3.za	BBB	za.AA
Jan 2013	>	BBB-	AA-(zaf)	Baa1	Aa3.za		
Oct 2012	>	BBB-	A+(zaf)	Baa1^	Aa3.za		
Feb 2012	>	BBB-^	A+(zaf)	A3	Aa2.za		
Dec 2009	>	BBB	A+(zaf)	A3	Aa2.za		
Dec 2007	>	BBB+	AA-(zaf)	Baa1	Aa2.za		

* Investec Bank Limited's latest foreign and local/domestic currency credit ratings are identical.

** National long-term deposit rating change due to the repositioning of the national scale ratings by Moody's.

^ Changes reflect downgrades of the sovereign rating of South Africa.

CURRENT RATINGS AND PEER GROUP RATINGS COMPARISON

Below is a comparison of ratings across some of the banks in South Africa.

Bank name	Investec Bank Limited	Absa Bank Limited	FirstRand Bank Limited	Nedbank Limited	Standard Bank of South Africa Limited
Moody's					
National					
Long-term deposit rating	Aaa.za	Aaa.za	Aaa.za	Aaa.za	Aaa.za
Short-term deposit rating	P-1.za	P-1.za	P-1.za	P-1.za	P-1.za
Foreign currency					
Long-term deposit rating	Baa3	Baa3	Baa3	Baa3	Baa3
Short-term deposit rating	P-3	P-3	P-3	P-3	P-3
Long-term senior unsecured issuer rating	N/A	Ba1	Ba1	(P)Ba1	(P)Ba1
Senior subordinated rating	N/A	N/A	Ba3	N/A	(P)Ba3
Baseline Credit Assessment (BCA)	ba2	ba2	ba2	ba2	ba2
Outlook	Stable	Stable	Stable	Stable	Stable
Fitch					
National					
Long-term deposit rating	AA+(zaf)	AA+(zaf)	AA+(zaf)	AA+(zaf)	AA+(zaf)
Short-term deposit rating	F1+(zaf)	F1+(zaf)	F1+(zaf)	F1+(zaf)	F1+(zaf)
Foreign currency					
Long-term Issuer Default Rating (IDR)	BB-	BB-	BB-	BB-	BB-
Short-term Issuer Default Rating (IDR)	B	B	B	B	B
Viability rating	bb-	bb-	bb-	bb-	bb-
Outlook	Stable	Stable	Stable	Stable	Stable
Standard & Poor's					
National					
Long-term issuer credit rating	za.AA+	za.AA+	za.AA+	za.AA+	n/a
Short-term issuer credit rating	za.A-1+	za.A-1+	za.A-1+	za.A-1+	n/a
Foreign currency					
Long-term issuer credit rating	BB-	n/a	BB-	BB-	n/a
Short-term issuer credit rating	B	n/a	B	B	n/a
Outlook	Positive	n/a	Stable	Stable	n/a
GCR					
National					
Long-term rating	AA+(za)	AA(za)	AA+(za)	AA(za)	AA+(za)
Short-term rating	A1+(za)	A1+(za)	A1+(za)	A1+(za)	A1+(za)
Outlook	Stable	Negative	Stable	Stable	Stable
International					
Long-term rating	BB	BB	BB	BB	BB
Short-term rating	B	B	B	B	B
Outlook	Stable	Negative	Stable	Stable	Stable

CURRENT RATINGS AND PEER GROUP RATINGS COMPARISON

CONTINUED

Rating definitions: Short-term ratings should be used for investments with a one-year or less 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 GCR notation for South African ratings.

Note: Comparative ratings have been sourced from the respective company websites and recent press releases as at 21 May 2025 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.

Further peer group information

On a stand-alone basis (i.e. looking at the financial strength of the Big 5 banks, excluding assumptions around Sovereign support) there is very little differential between the key risk metrics of the Big 5 banks as depicted in the graphs on the following page.

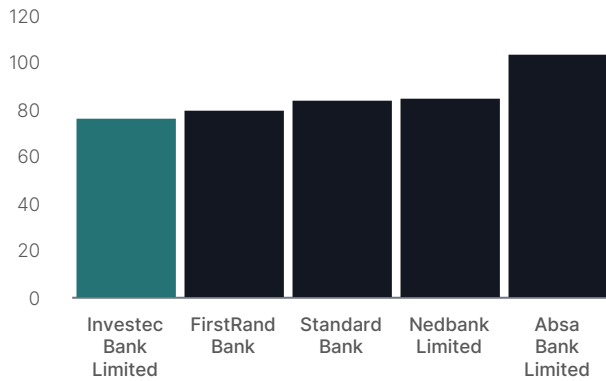
IBL remains highly liquid and is a net provider of funds to the interbank market in South Africa. Investec has a conservative approach to liquidity, which has been in place for many years. As at 31 March 2025, the bank had R184.3 billion of cash and near cash balances on its balance sheet. IBL (consolidated) had a liquidity coverage ratio (LCR) of 195% as of 31 March 2025.

IBL holds capital in excess of regulatory requirements and Board approved minimums, and intends to perpetuate this philosophy to ensure that it remains well capitalised. IBL is not a highly geared bank. A number of banks that have experienced difficulty in the past were in excess of 40 times geared. IBL's gearing ratio at 31 March 2025 was 12.0x times.

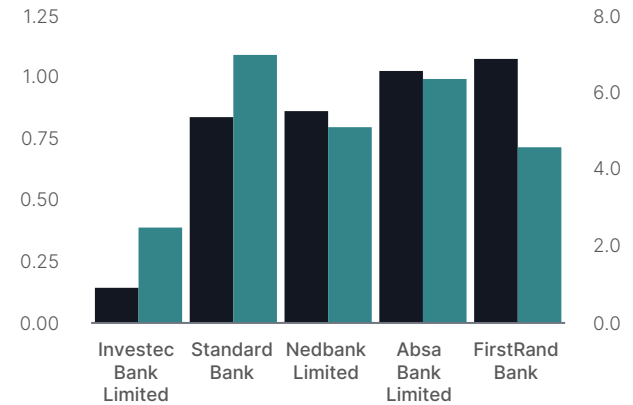
PEER COMPARISON

Funding: Loan to customer deposit ratio (smaller number is better)

Percentage

**Asset quality ratios: (smaller number is better)**

Percentage

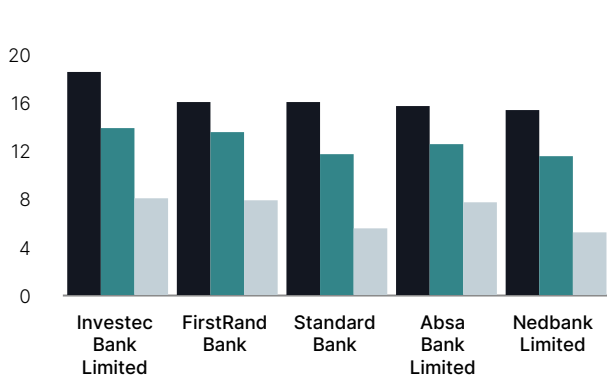


Credit loss ratio (LHS)

Stage 3 net of ECL as a % of net core loans subject to ECL (RHS)

Capital ratios: (larger number is better)

Percentage

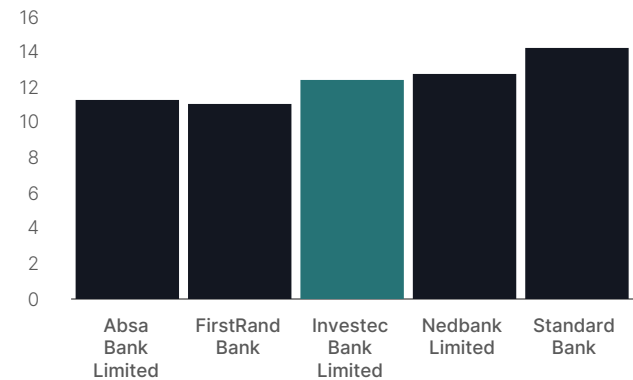


Capital adequacy ratio

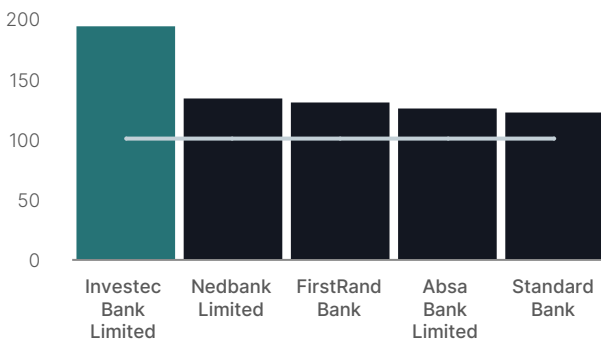
Common equity tier 1 ratio

Leverage ratio^

^ Regulatory equity divided by regulatory assets.

Gearing: Assets to Equity ratio (smaller number is better)**Basel liquidity coverage ratio (LCR)**

Percentage



LCR

Regulatory Requirement

Source: Latest company interim and annual results available at 22 May 2025.

Note: All information presented in the graphs are as 31 March 2025 unless otherwise stated.

AN OVERVIEW OF IBL'S OPERATING FUNDAMENTALS

IBL has maintained consistently sound operating fundamentals as evidenced below:

	31 March 2025	31 March 2024 [^]	31 March 2023	31 March 2022	31 March 2021	31 March 2020	% change March 2025 vs March 2020
Operating profit before goodwill and acquired intangibles (R'mn)	9 934	9 714	8 639	7 247	5 013	4 883	103.4%
Headline earnings (R'mn)	7 541	7 718	6 537	5 260	4 133	3 844	96.2%
Cost to income ratio	48.0%	47.9%	47.2%	49.3%	53.7%	52.6%	
Total capital resources (including subordinated liabilities) (R'mn)	59 163	56 732	53 716	55 973	59 481	53 785	10.0%
Total equity (R'mn)	51 222	49 449	45 968	46 840	46 545	41 748	22.7%
Tangible equity (excluding preference shares, goodwill and intangibles) (R'mn)	47 033	44 880	43 705	43 998	43 901	39 258	19.8%
Total assets (R'mn)	638 802	616 971	595 089	555 237 [^]	510 960 [^]	535 970	19.2%
Net core loans (R'mn)	367 591	341 566	322 580	294 757	283 240	283 946	29.5%
Customer accounts (deposits) (R'mn)	468 150	449 204	448 718	420 072	374 369	375 948	24.5%
Cash and near cash balances (R'mn)	184 260	160 712	171 400	159 454	129 759	147 169	25.2%
Risk-weighted assets (R'mn)	275 107	273 185	261 263	286 903	329 366	319 090	(13.8%)
Total capital adequacy ratio	21.2%	20.5%	21.2%	20.0%	17.8%	16.4%	
Tier 1 ratio	18.2%	17.8%	18.2%	16.6%	13.7%	12.3%	
Common equity tier 1 ratio	16.8%	16.5%	17.1%	15.8%	13.3%	12.1%	
Leverage ratio	6.9%	7.1%	7.2%	7.9%	8.1%	6.9%	
Stage 3 net of ECL as a % of net core loans subject to ECL	2.0%	3.0%	2.1%	1.4%	2.1%	0.9%	
Credit loss ratio [#]	0.15%	(0.04)%	0.09%	0.04%	0.18%	0.37%	
Total gearing ratio (i.e. total assets excluding intergroup loans to equity)	12.0x	11.7x	12.1x	11.4x	10.6x	12.4x	
Loans and advances to customers as a % of customer deposits	76.7%	74.6%	70.6%	68.4%	73.5%	73.6%	

[^] Restated.

[#] Expected credit loss (ECL) impairment charges on gross core loans as a percentage of average gross core loans subject to ECL.

For further information:

Investor Relations

Telephone: (27) 11 286 7070
(44) 20 7597 5546
e-mail: investorrelations@investec.com
Website: www.investec.com
Date of print: 22 May 2025