



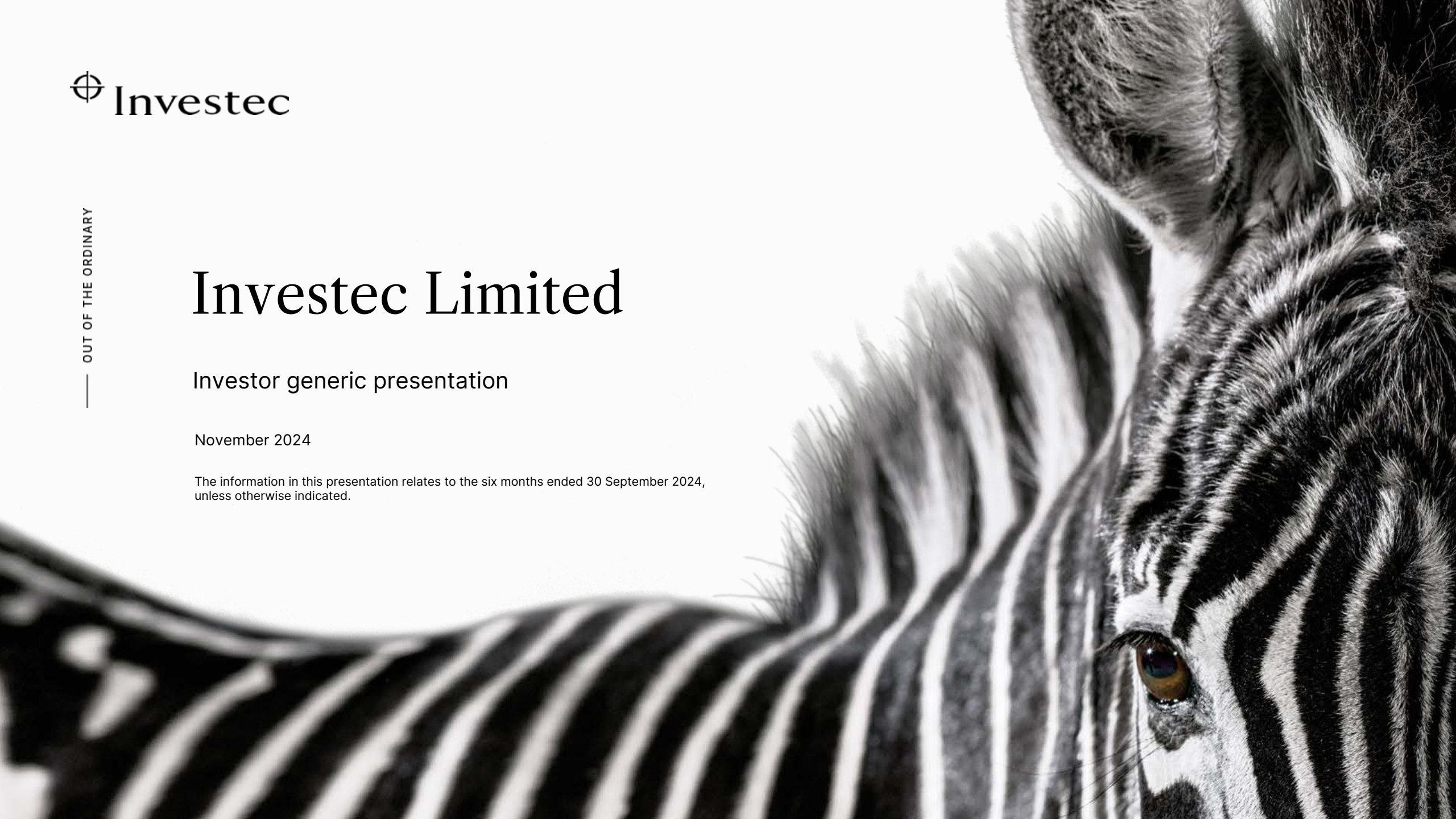
— OUT OF THE ORDINARY

# Investec Limited

Investor generic presentation

November 2024

The information in this presentation relates to the six months ended 30 September 2024, unless otherwise indicated.



# Contents

# 01

**Investec  
Group at a  
glance**



# 02

**Investec  
Limited  
overview**



# 03

**Investec Limited  
operating  
fundamentals**



# 04

**Investec  
Limited peer  
analysis**



# 05

**Appendices**

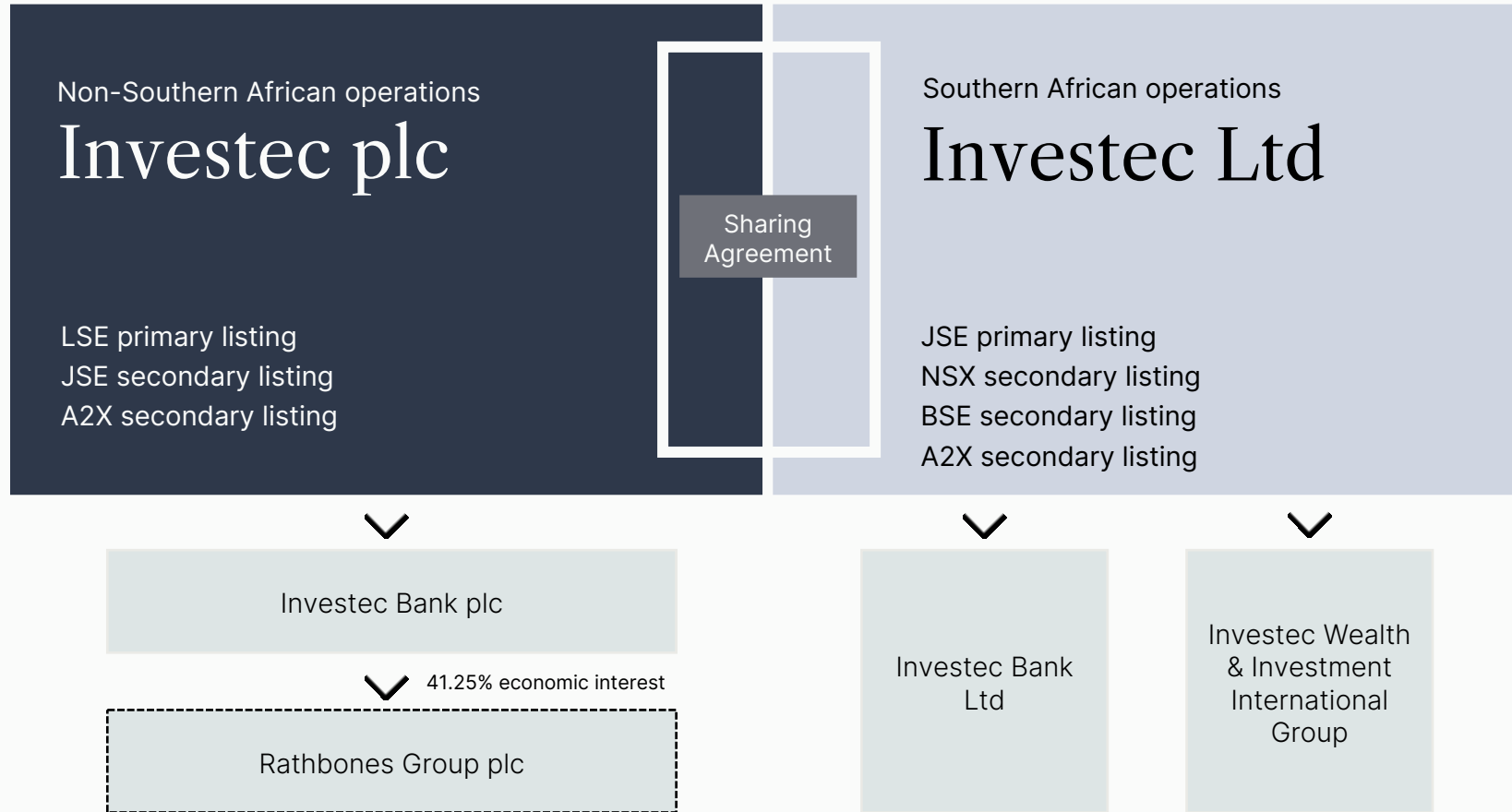


# Investec Group at a glance



01

# Investec Dual-Listed Company 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**
- Shareholders have **common economic and voting interests** as if Investec plc and Investec Limited were a single company
- **Creditors, however, are ring-fenced** to either Investec plc or Investec Limited as there are **no cross-guarantees** between the companies.

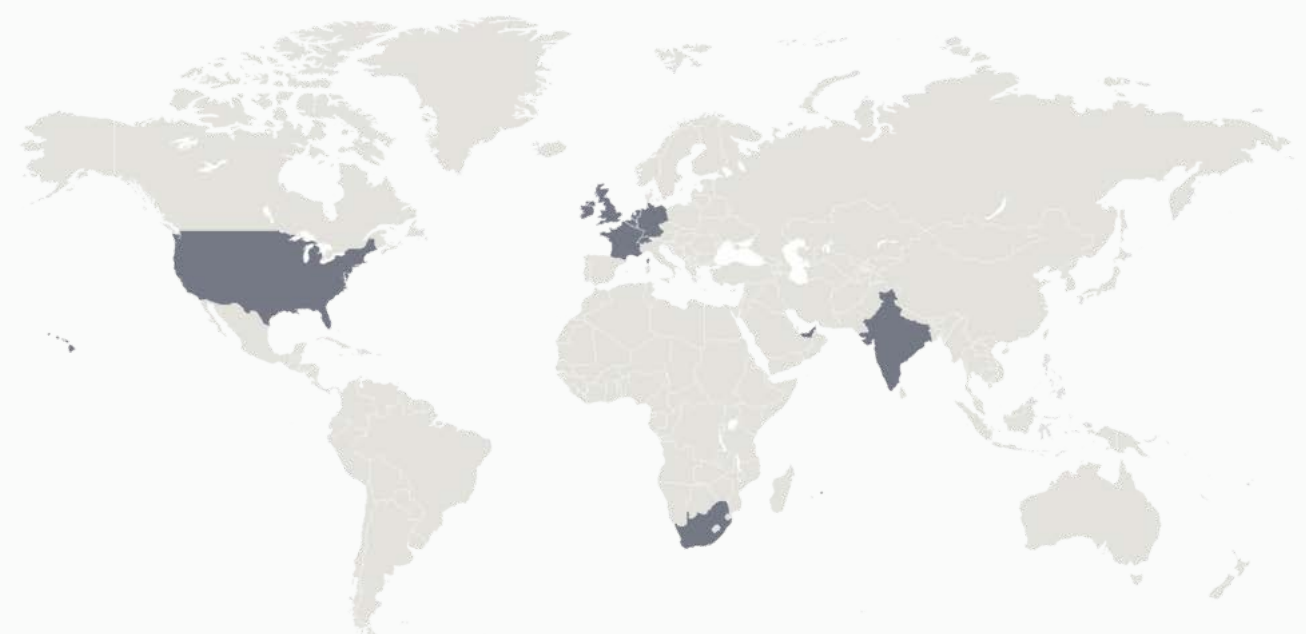
<sup>4</sup> All shareholdings in the ordinary share capital of the subsidiaries and associates shown are 100% unless otherwise stated. Only main operating subsidiaries and associates are shown.

# Our international footprint

Since inception, we have expanded through a combination of substantial organic growth and a series of strategic acquisitions.

Our focus today is on growth in our chosen markets.

- Wealth & Investment Activities
- Private Client Banking Activities
- Corporate and Investment Banking Activities
- Corporate Advisory and Investment Activities
- Property Activities
- Securities



USA	Ireland	United Kingdom	Channel Islands	Switzerland	Continental Europe	Dubai International Finance Centre (DIFC)	South Africa	Mauritius	India
Established a presence in 1998	Established a presence in 1999	Established a presence in 1992	Established a presence in Guernsey (1998), Jersey (2007) and Isle of Man (2018)	Established a presence in 1974	Established a presence in 2023	Established a presence in 2024	Established a presence in 1974	Established a presence in 1997	Established a presence in 2010
Energy and Infrastructure Finance, Fund Solutions, Aviation Finance and Institutional Equities business providing research and sales activities	Treasury Risk Solutions and Institutional Equities business	Corporate, institutional and private client banking activities  Wealth management services offered through our long-term strategic partnership with Rathbones	Private banking, lending and treasury services to private clients and financial intermediaries  Custody and Execution-only services through our independent nominee company  Wealth management services offered through our long-term strategic partnership with Rathbones	Private banking and Wealth management services offered to private clients, family offices, trusts and corporate service providers  Corporate lending activities	Investment banking activities including M&A advisory and corporate lending, fund solutions and risk management services	Advisory and arranging services in private banking, wealth and investment management, as well as corporate and investment banking	Corporate, institutional and private client banking activities  Wealth and investment management services with the ability to leverage off the global	Corporate, institutional and private client banking activities  Wealth management	Institutional equities business providing research, sales and trading activities  Sales desk located in Singapore for Indian equities to Singaporean institutional investors  Merchant banking business connecting Indian companies with domestic and international investors  Investment management services in structured credit and other products

# One Investec

Our purpose is to create enduring worth.

## Our values

Deep client partnerships, built on trust and Out of the Ordinary service, are the bedrock of our business

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We uphold cast-iron integrity in all our dealings, consistently displaying moral strength

---

We seek creative, talented people with passion, energy and stamina, who collaborate unselfishly

---

We thrive on change and challenge the status quo with courage, constantly innovating and adapting to an ever-changing world

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We believe in open and honest dialogue to test decisions, seek consensus and accept responsibility

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We pursue diversity and strive to create an environment in which everyone can bring their whole selves

---

We show care for people, support our colleagues and respect the dignity and worth of the individual

---

We are committed to living in society, not off it, contributing meaningfully to the communities in which we operate

---

We embrace our responsibility to the environment and the well-being of our planet

---

We trust our people to exercise their judgement, promoting entrepreneurial flair and freedom to operate with risk consciousness and unwavering adherence to our values

---

50 years of  
heritage.

Two core  
geographies.

One Investec.

Whether you are an individual, a business, or an intermediary acting for clients, our aim is to create and manage your wealth and fuel your business growth.



# Investment proposition

Well positioned to pursue long-term growth

1

Well capitalised and highly liquid balance sheet

2

Improved capital allocation - including ongoing strategies to optimise the capital base

3

Diversified mix of earnings by geography and business, with significant annuity income underpin from leading wealth business

4

Clear growth opportunities through reinforcement of existing linkages across geography and business and new profit pool strategies which are underway

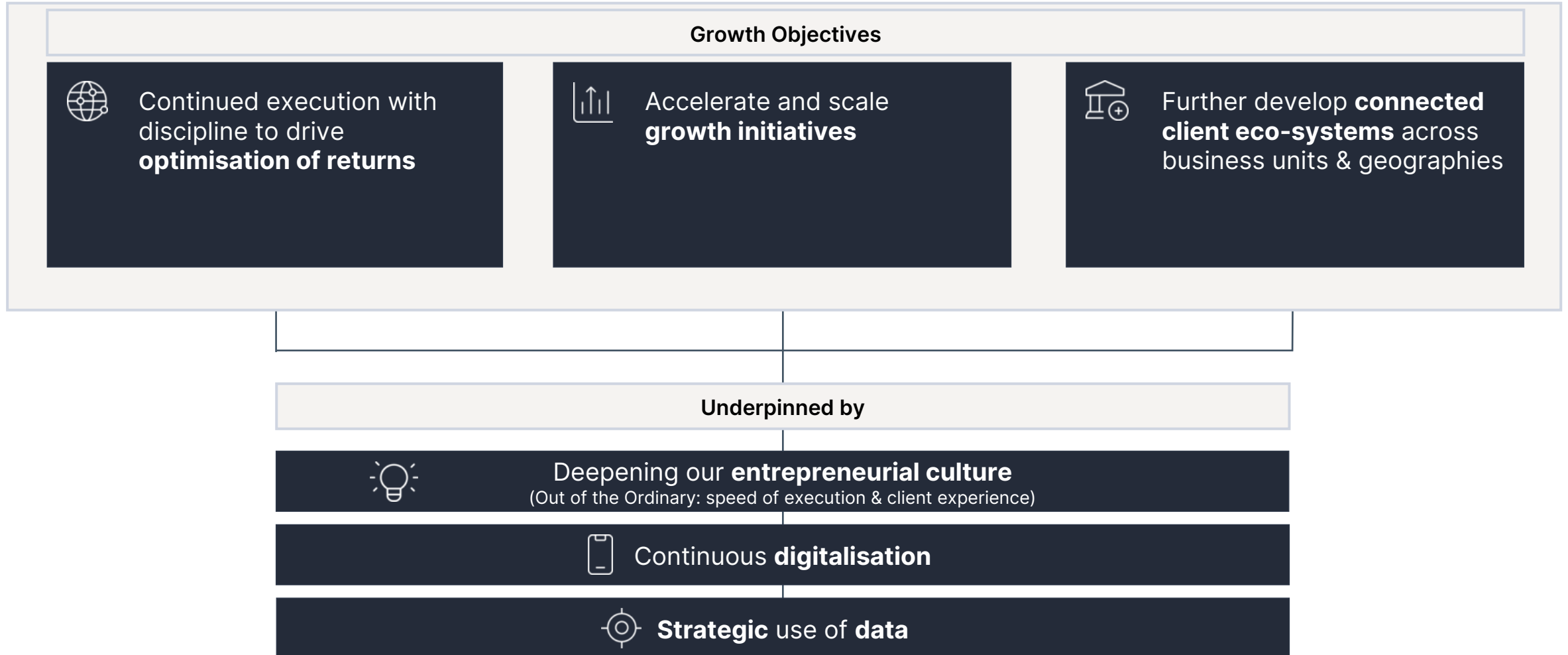
5

Resilient clients through difficult macro environments

6

Cost discipline remains a priority whilst investing for future growth

# Fuelling a robust growth agenda







# Sustainability highlights (Investec Limited)

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

**PROGRESS MADE ON OUR IMPACT SDGs**

 <p><b>Net-zero commitments</b></p> <p>Commitment to have <b>zero coal exposures</b> in our loan book by <b>31 March 2030</b></p> <p><b>Thermal coal</b> as a % of loans and advances is 0.13% (Mar-24: 0.11%)</p> <p><b>Fossil fuels</b> (as a % of loans and advances is 0.90% (Mar-24: 1.20%^))</p>	 <p><b>Equality commitments</b></p> <p><b>30% ethnic diversity</b> and <b>50% women</b> on our Group Board</p> <p><b>3 671 YES</b> internship placements for unemployed youth in SA since its inception in March 2018</p> <p>Awarded <b>best FTSE 250 strategy award</b> in the INSEAD Alumni Balance in Business Initiative Awards 2024 recognising our commitment to achieving greater gender balance</p>
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**Specialist Banking**

<p><b>Top 100</b></p> <p><b>Sustainable finance</b></p> <p><b>0.13%</b></p>	<p><b>Top 100 Global Sustainable Companies</b> - Corporate Knights</p> <p>Following our recently enhanced Sustainable and Transition Finance Classification Framework, a primary area of focus has been developing and rigorously testing <b>sustainable and transition finance targets</b>, to drive existing and future sustainable and transition finance activity</p> <p><b>Thermal coal exposure</b> (R443mn) as a percentage of gross core loans (Mar-24: 0.11%)</p>
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**Highlights**

 <p><b>\$64mn</b></p> <p><b>Guidebook</b></p> <p><b>Playbook</b></p>	<p>Signatory to <b>Climate Action 100+</b></p> <p>Raised \$64mn (since inception) through our <b>Global Sustainable Equity Fund</b> at 30 September 2024</p> <p>Launched an <b>ESG and Responsible Investing Guidebook</b> for trustees and investors</p> <p>Developed a <b>Responsible Investment Engagement Playbook</b> to advance our ESG integration and stewardship capabilities</p>
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**Wealth & Investment**

^ Restated

# Focused on doing well and doing good (Investec Limited)

## Other highlights

### Specialist banking

- Following our recently enhanced Sustainable and Transition Finance Classification Framework, a primary area of focus has been developing and rigorously testing sustainable and transition finance targets, to drive existing and future sustainable and transition finance activity
- We partnered with Woolworths Holdings Limited to successfully conclude a sustainability-linked working capital facility to the value of R1bn
- We participated in Pick n Pay's R4.5bn sustainability-linked loan. The loan incorporates key performance indicators to reduce food waste (SDG 12) and greenhouse gas emissions (SDG 13) through the use of natural refrigerants
- We have participated in Oceana Group Limited's R1.6bn sustainability-linked loan. The loan incorporates key performance indicators linked to carbon emission reduction and injury frequency rate improvement in South Africa and Namibia
- We continue to make progress on improving the quality, scope and accuracy of our Scope 3 financed emissions which will help drive conversations with clients and various sectors on how we can help reduce emissions to meet our net-zero aspirations.

### Wealth & Investment

- The Wealth & Investment International ESG and Responsible Investing Guidebook for trustees and investors was launched at the end of August. The guidebook provides investors, and particularly through a trustee lens, with the knowledge to be more active, empowered investors regarding risks and opportunities aligned to ESG and Responsible Investing
- The Investec Global Sustainable Equity Fund has increased its AUM by 20%, from \$53.7mn to \$64mn over the six months ending 30 September 2024. Additionally, the fund has enhanced its sustainable characteristics and improved its SDG Impact net positive score to 5.0 (on a scale of -10 to +10)
- We have developed the W&I Responsible Investment Engagement Playbook to advance our ESG integration and stewardship capabilities in partnership with an industry expert
- We submitted our 2024 annual PRI report
- We are focusing on advancing our capabilities to comply with Sustainable Finance Disclosure Regulation (SFDR) requirements as part of re-domiciling our Protected Cell Company (PCC) funds to UCITS for future growth.

# Overview of Investec Limited



02

# Overview of Investec Limited

Investec Limited is a **distinctive specialist bank** and **investment manager** with primary business in **Southern Africa**.

We focus on delivering distinct profitable solutions for our clients in two core areas of activity, namely: **Specialist Banking and Wealth & Investment**

Total assets  
**R655.7bn**

Net core loans  
**R346.2bn**

Total equity  
**R56.2bn**

Customer deposits  
**R434.7bn**

Total FUM  
**R479.1bn**

## Well established franchise

- Established in 1974 in the Republic of South Africa
- Regulated by the South African Prudential Authority
- Obtained a banking licence in 1980 and listed on the Johannesburg Stock Exchange in 1986
- Since inception, we have expanded through a combination of substantial organic growth and a series of strategic acquisitions
- Today, efficient integrated business platform employing **5 400+\*** permanent employees
- 5th largest banking group in South Africa (by assets)
- Top wealth manager and part of a global platform
- Leading position in corporate and institutional and private client banking activities.

\* Excluding temporary employees and contractors

# Specialist Banking

We have a specialised niche offering to a select target market



- **Invested in our business,** sustainably growing our client base and franchise



- Strong technology and digital platforms underpin **our high-touch and high-tech offering**
- Continuous investment to maintain leading position (One Place, Investec Life, Transactional Banking)



- **Deepening** our existing client **relationships** and **client acquisition** through the collaboration of product offerings
- We have a number of **growth initiatives**



- Our growth initiatives and strong franchise support our **solid revenue base**



- **Maintaining cost efficiency** with low cost to income ratios



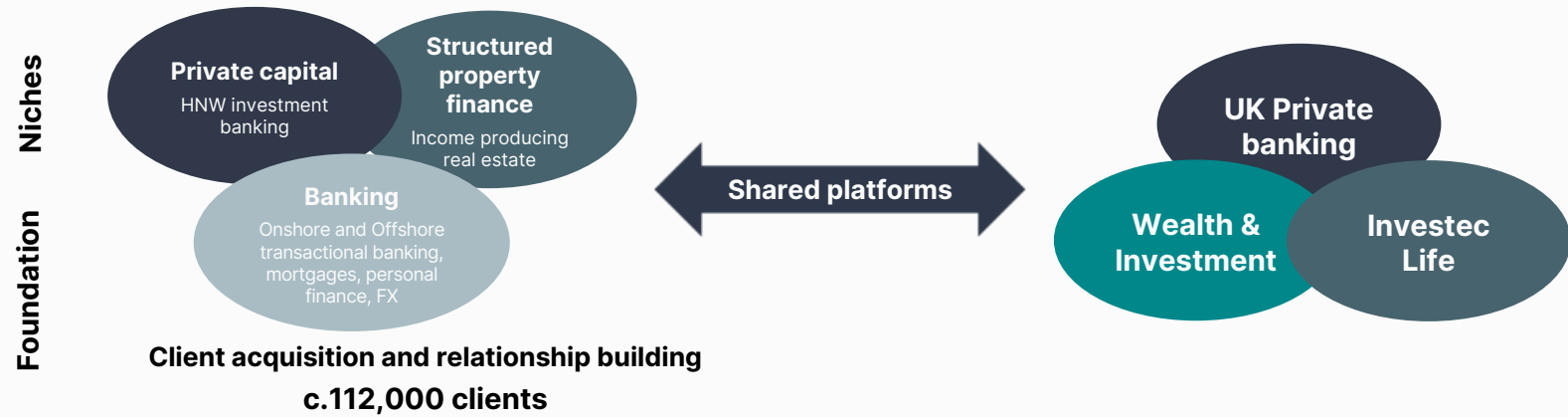
- Maintaining sound capital ratios and low credit loss ratios through varying market conditions
- Enhancing our capital light revenue base
- Disciplined capital allocation
- **We remain focused on improving ROE**

# Specialist Banking: Private Banking

A full-service Private Banking offering integrated into One Place™

<b>Ambition</b>	<ul style="list-style-type: none"> <li>To be a leading domestic and international Private Bank</li> </ul>
<b>Clear target market</b>	<ul style="list-style-type: none"> <li>High net worth individuals, high-income professionals, sophisticated investors, emerging and established entrepreneurs, and young professionals across multiple disciplines</li> </ul>
<b>Value proposition</b>	<ul style="list-style-type: none"> <li>Bank, borrow, save and invest in One Place</li> </ul>

**Business model**



**Offering**

- |      |          |      |         |        |
|------|----------|------|---------|--------|
| Lend | Transact | Save | Protect | Invest |
|------|----------|------|---------|--------|

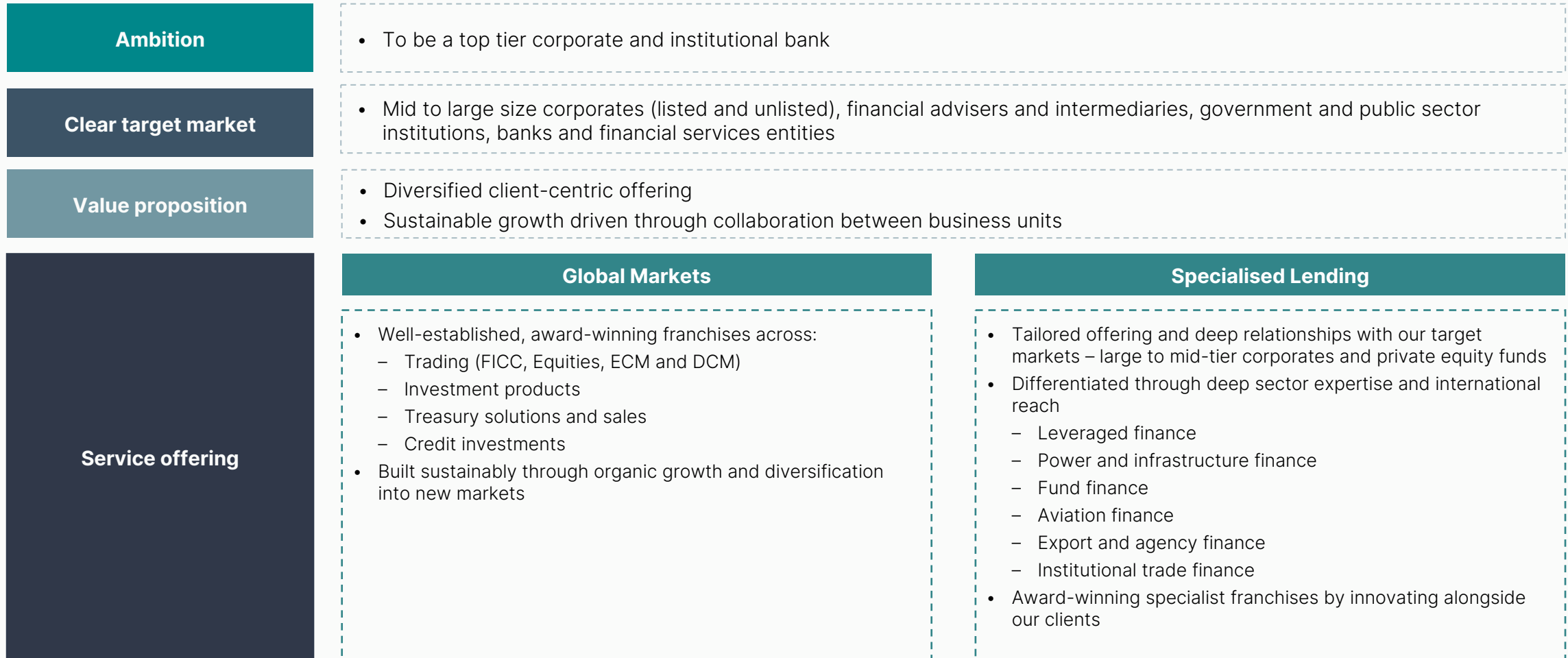
**Channels**

- |        |         |                   |
|--------|---------|-------------------|
| Banker | Digital | Telephone (GCSC*) |
|--------|---------|-------------------|

Client numbers as of 30 September 2024  
 \* Global client service centre.

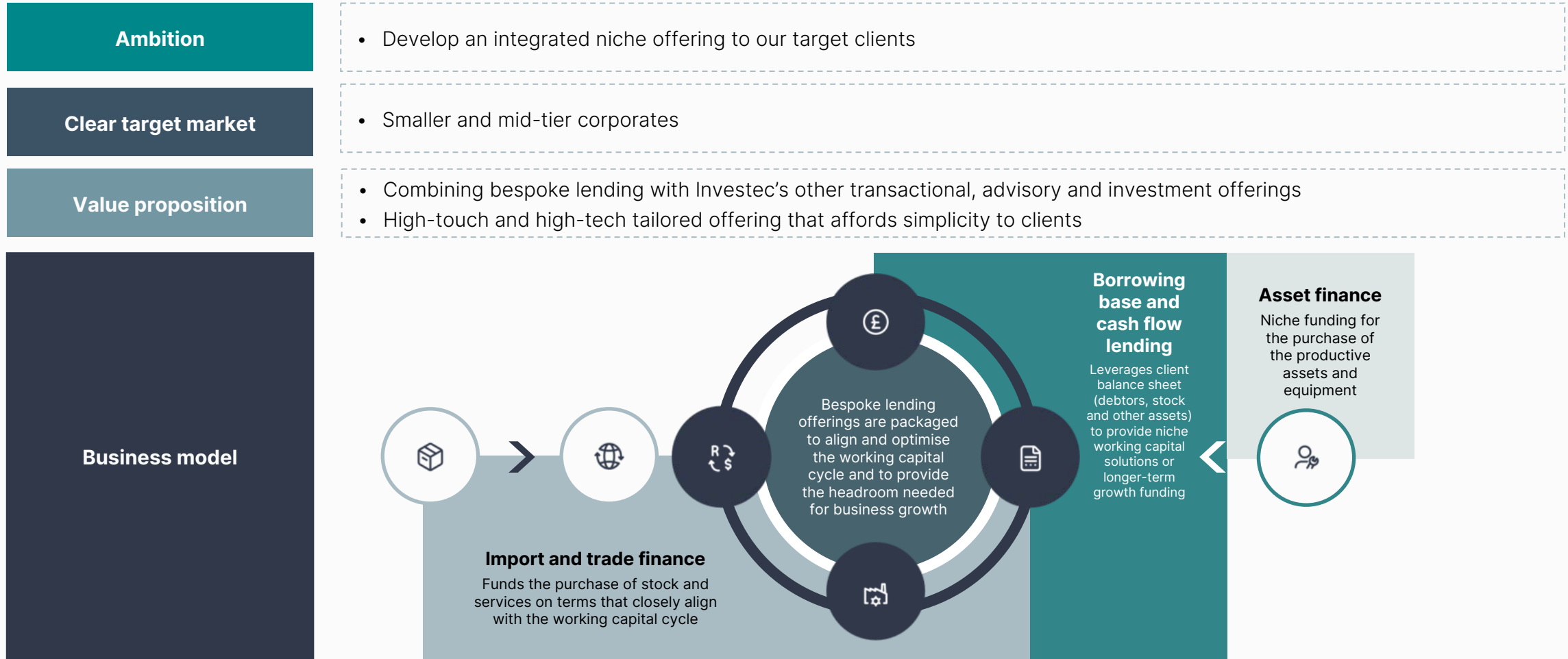
# Specialist Banking: Corporate and Institutional Banking

Strong franchise value and leading market position in our niche markets



# Specialist Banking: Investec for Business

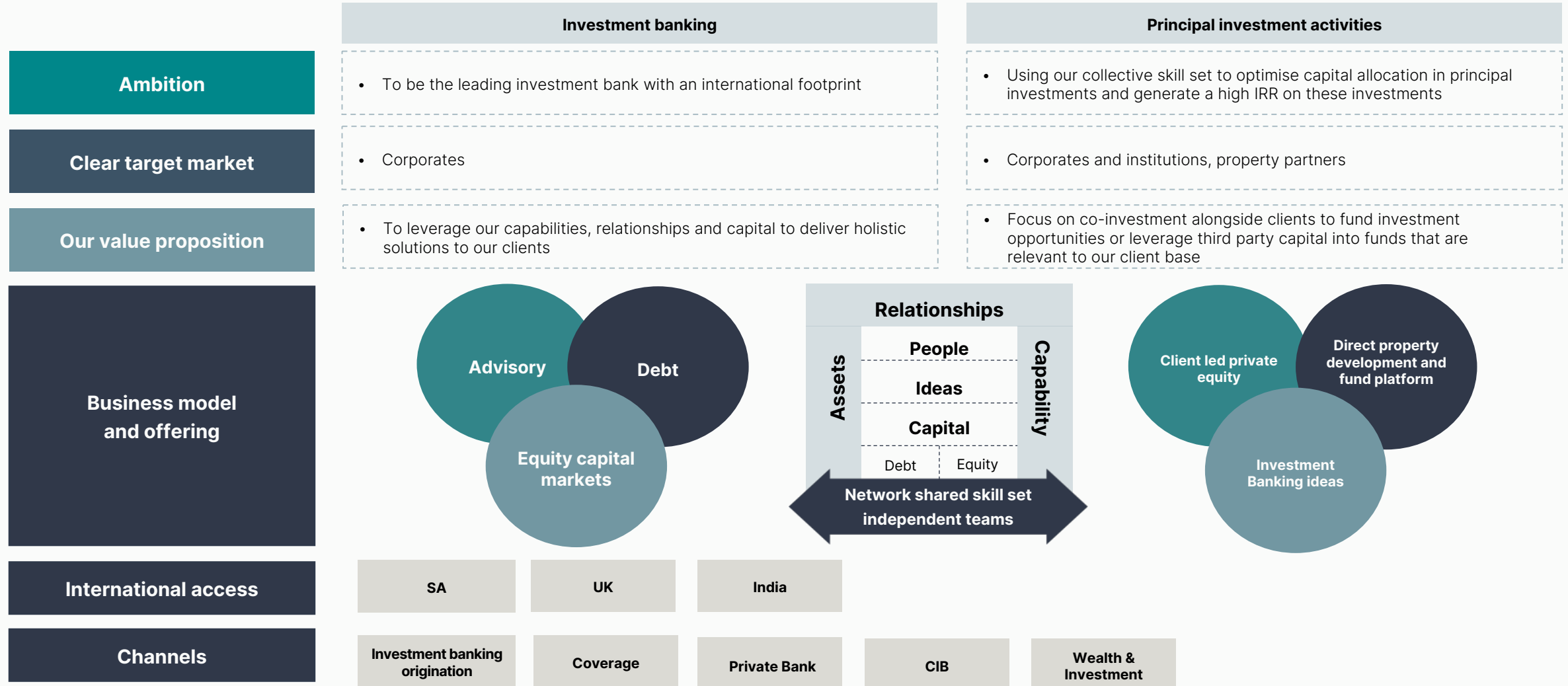
Bespoke lending offerings for working capital optimisation and business growth





# Specialist Banking: Investment Banking and Principal Investments

Delivering holistic investment solutions to clients

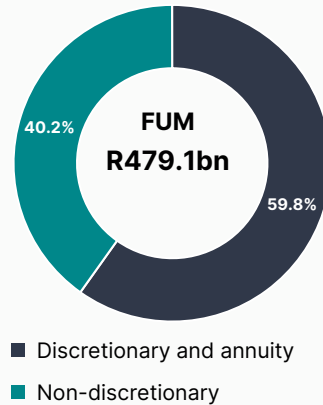


# Wealth & Investment SA

Uniquely positioned for SA HNW private clients seeking a holistic, international wealth management service

## Key facts\*

<b>Total FUM</b>	479.1
<b>% discretionary and annuity</b>	59.8%
<b>% of disc. and annuity offshore</b>	40.2%
<b>Operating margin</b>	<b>31.4%</b>
Average yield disc. and annuity	0.86%
<b>Target client</b>	> R5mn
<b># of clients</b>	c.40,000
<b># of offices</b>	11
<b># of investment managers</b>	115



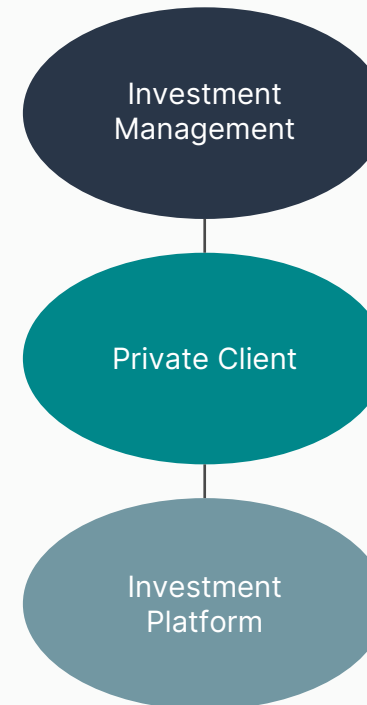
## Market factors

- A unique proposition for an ever-changing market
- Growing appetite for ESG considerations and sustainable investment opportunities
- Consistent demand for offshore investments and global opportunities, in traditional and alternative investments
- Increasing demand for holistic advisory wealth management services, including discretionary portfolio management, estate planning and fiduciary services
- Providing distinctive banking and wealth services, domestically and offshore, all in One Place™.

## Future growth drivers

Embed the Group's purpose and revised values within our business and to our clients through our core business activities and Philanthropic capabilities

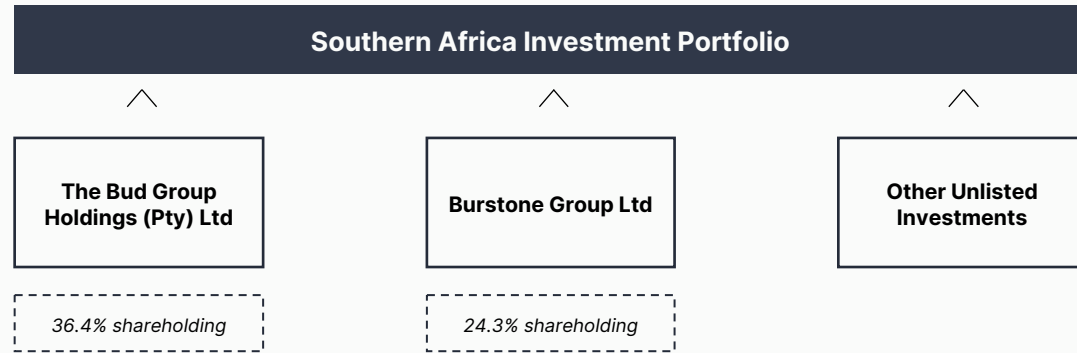
## SA & International growth across:



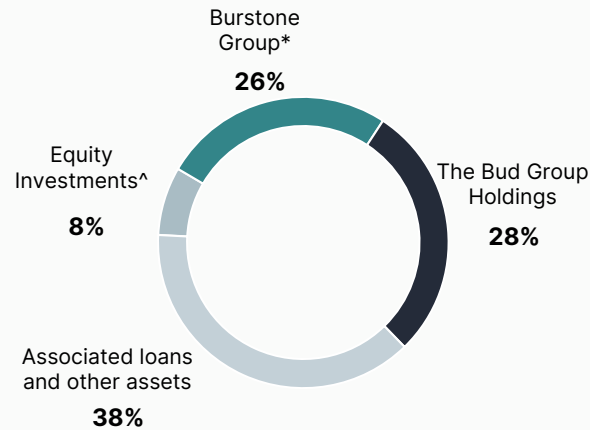
- Implement a distribution agreement within Latin America to enable the distribution of our investment offering
- Providing alternative investment solutions and special opportunities to our clients
- Drive national acquisition strategies and delivering objectives aligned to our client proposition with Investec Bank
- Evolve our wealth management philosophy to connect clients' values and goals to their investment solutions as well as refining our international ultra high net worth value proposition
- Pursue strategic growth initiatives in Switzerland and continued integration within SA
- Enhance our multi-currency, multi-asset class investment platform
- Focus on automation across business to drive business efficiencies.

# Group Investments overview

The Group Investments segment consists of equity investments held outside the Group's banking activities



**SA Total Equity Exposure %**  
As at 30 September 2024



^ Does not include equity investments residing in our corporate and private client businesses.  
\* The Group's investment holding of 24.3% in the Burstone Group at market value at 30 September 2024.

## Bud Group Holdings (Pty) Ltd

- The Bud Group Holdings (previously Investec Equity Partners (IEP)) is an investment holding company that was born out of the Investec Private Equity portfolio, which was sold to IEP in January 2016. Investec retained an interest in IEP as a shareholder. IEP has a wholly-owned subsidiary, being the Bud Group Proprietary Limited (Bud Group)
- Bud Group shareholders approved and implemented a restructure in order to facilitate an exit by certain IEP shareholders, including Investec, by way of a share buy-back. The restructure entailed the transfer of certain assets, including an interest in Assupol, a company in the financial services industry, to a Newco (of which Investec has a c.59% economic interest), to facilitate the orderly disposal of those assets
- During the reporting period the disposal by Newco of its interest in Assupol to Sanlam Life Insurance Limited (Sanlam) became unconditional and as a result, Investec's entitlement to its share of Newco's proceeds from the disposal was c.R1.79 billion (c. £775 million) which proceeds were received by Investec shortly after the end of the reporting period
- Investec ceased equity accounting for its 47.4% stake in The Bud Group Holdings on 30 November 2022 and the investment is accounted for at fair value through profit and loss with a value of R2.5 billion (£108.7 million) at 30 September 2024.

## Burstone Group Limited (Burstone)

- Burstone (previously Investec Property Fund (IPF)) is a fully integrated international real estate business listed on the JSE since 2011. It has a strong management track record of more than 30 years operating in both South African and international markets
- In March 2023, Burstone concluded an agreement for the internalisation of its asset management business across South Africa and Europe, which were previously undertaken by Investec Limited. The transaction was approved by shareholders on 17 May 2023 and finalised in July 2023.
- Investec has a 24.3% shareholding in Burstone and had previously consolidated the Fund with a net asset value of R13 billion (£593 million) at 31 March 2023. Subsequent to the disposal of the management companies, Investec's shareholding is now held as an investment at fair value through profit and loss with a fair value of R1.9 billion (£81.3 million) at 30 September 2024.

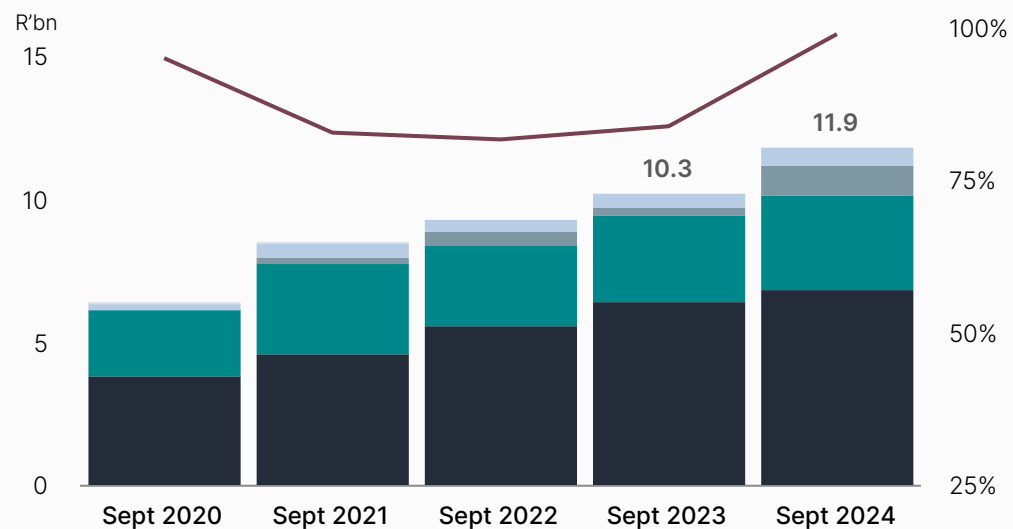
# Investec Limited operating fundamentals

03



# Revenue supported by resilient franchises

## Revenue mix

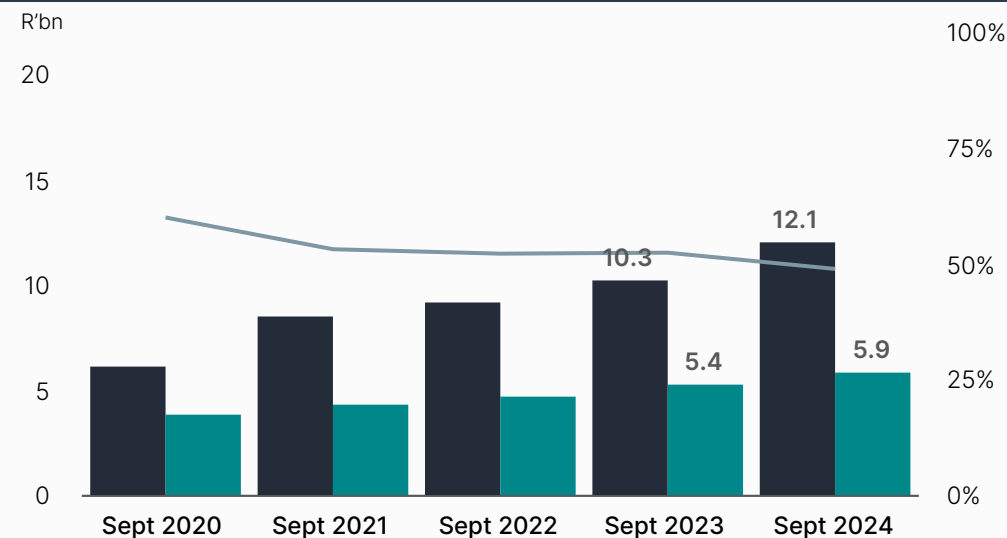


Net Interest Income	Net fees and commission income
Investment and associate income	Trading income
Other operating income	Annuity Income* as a % of total income

- A diversified business model continues to support a **large annuity income\* base** comprising net interest income and net annuity fees, representing 98.9% of revenue for the year ended 30 September 2024
- Growth in total revenue between 2020 and 2024 has largely been driven by increased lending activities and a broadening of our client franchise.

\* Where annuity income is net interest income and annuity fees.

## Revenue versus expenses

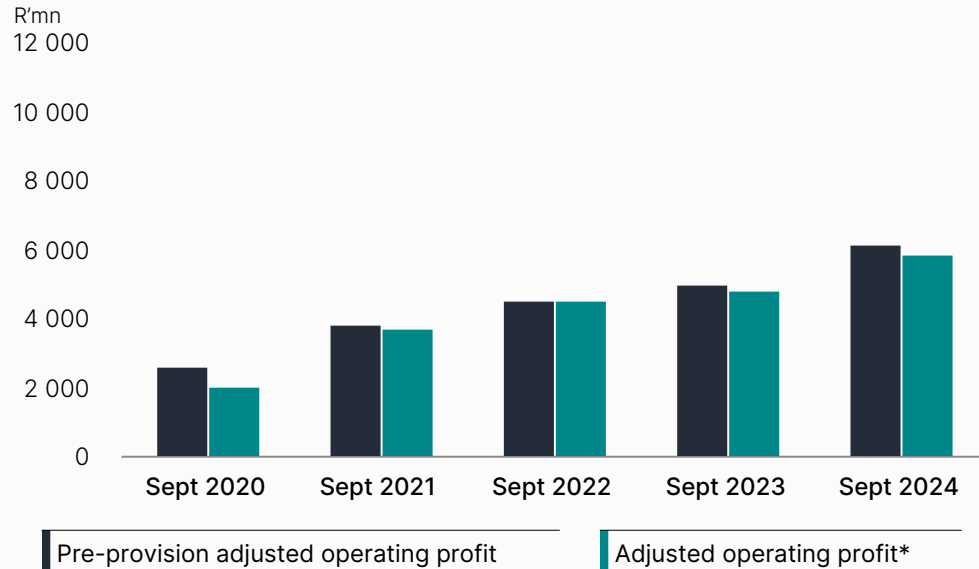


Operating income before expected credit losses
Operating costs
Cost to income ratio

- We are maintaining a **disciplined approach to cost control** while building for the future
- The cost to income ratio was 48.8% for the year ended 30 September 2024 (30 September 2023: 52.3%).

# Revenue supported by resilient franchises (cont.)

## Impact of impairments on adjusted operating profit

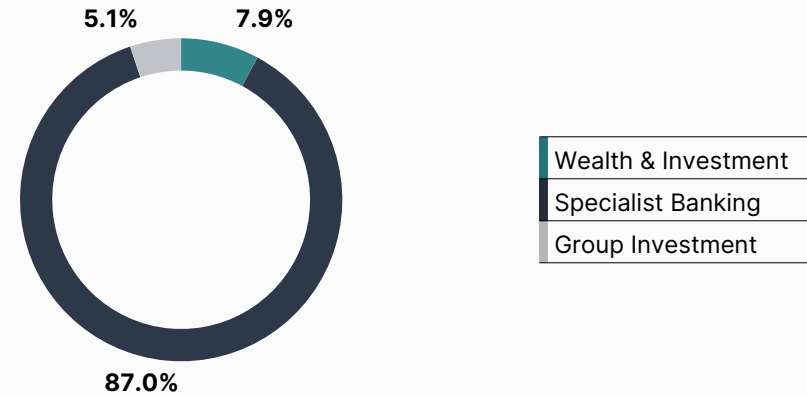


- Adjusted operating profit\* for the year ended 30 September 2024 increased (41)% year on year to R5 844 million
- ECL impairment charges were a release of R328 million from a R167 million charge in the prior year. The ECL charge was positively impacted by recoveries on previously impaired loans and model driven ECL releases from updated macro-economic scenarios and model recalibration.

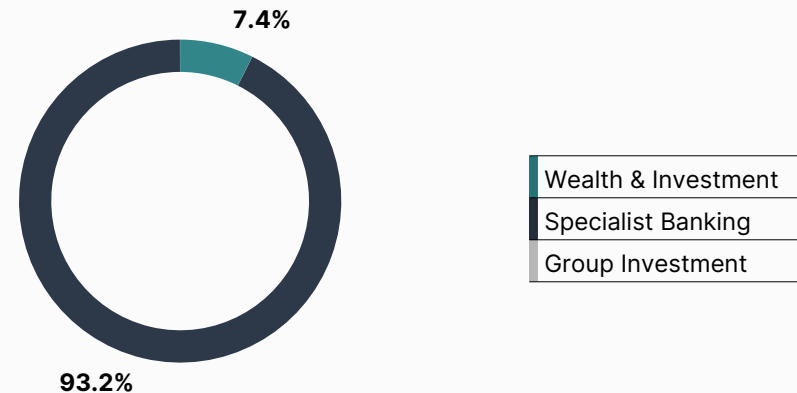
\* Operating profit before goodwill, acquired intangibles, taxation and after non-controlling interests.

## Contribution to adjusted operating profit

At 30 September 2024

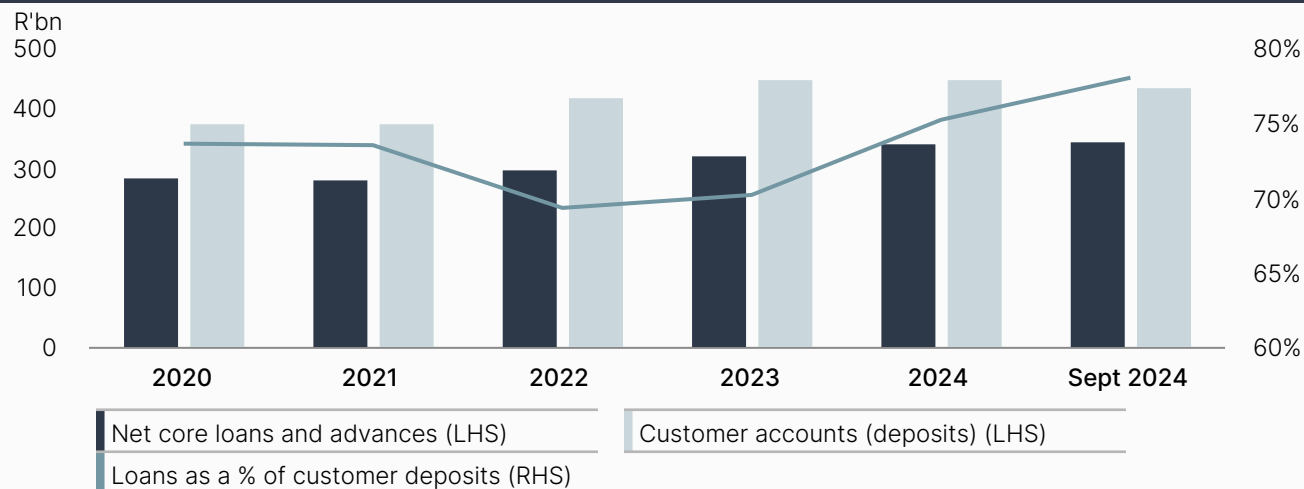


At 30 September 2023



# Healthy loan to deposit ratio, stable customer deposit base

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



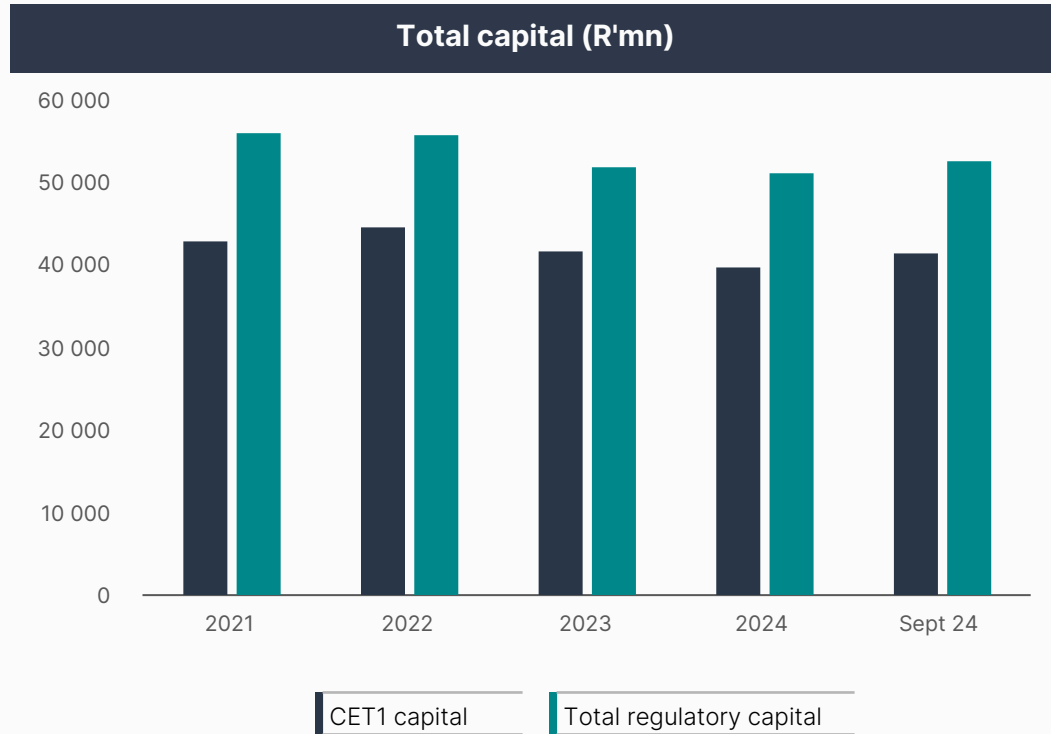
- Customer deposits **have grown by 15.8% (c.3.7% CAGR) since March 2020 to R434.7bn** at 30 September 2024
- Loans and advances as a percentage of customer deposits **amounts to 78.0%**.

## Total deposits: stable customer deposit base

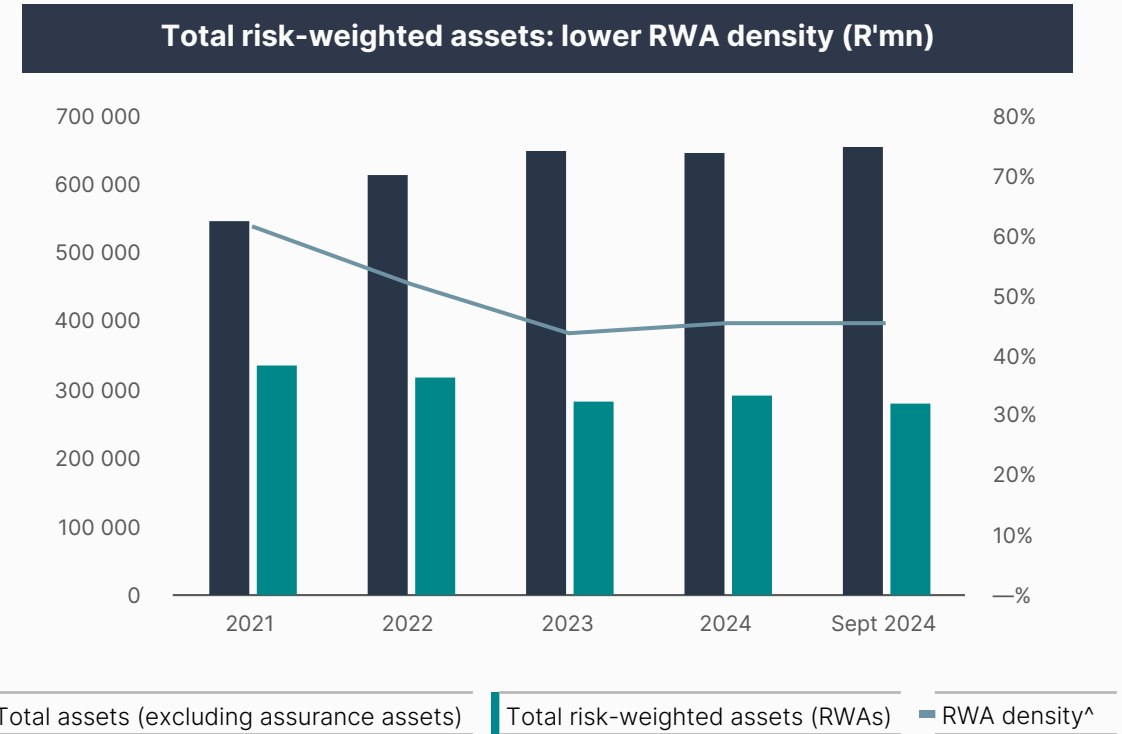


- We also have strong relationships with our institutional clients and our wholesale funding is diversified by product and tenor
- **Fixed and notice customer deposits** have continued to display a strong **'stickiness'** with continued willingness from clients to reinvest in our suite of term and notice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

# Sound capital base and capital ratios



- Our strong capital generation, and optimisation through the adoption of AIRB, has enabled us to return excess capital to shareholders
- CET1 capital increased by R1.6 billion to R41.4 billion, largely affected by:
  - Positive post-tax and minorities earnings of R4.6 billion
  - Sale of Assupol and resultant decrease in the investment in the Bud Group
  - A decrease of R0.3 billion in treasury shares
  - Ordinary dividend distribution to shareholders
  - Decrease of R1.0 billion in Foreign currency translation reserve



- **Risk-weighted assets (RWAs)** decreased by 4.2% to R279.8 billion (31 March 2024: R292.2 billion)
- **RWA density^** decreased to 42.7% (31 March 2024: 45.2%)
- **Credit risk RWAs**, including counterparty credit risk, decreased by R13.8 billion (6.0%). The decrease was mainly driven by the successful migration of the Fund Finance and Investec for Business portfolios to AIRB, as well as lower RWAs associated with amounts below the thresholds for deduction following the disposal of Assupol Holdings Limited by the Bud Group.

^ RWA density: Risk-weighted assets as a % of total assets



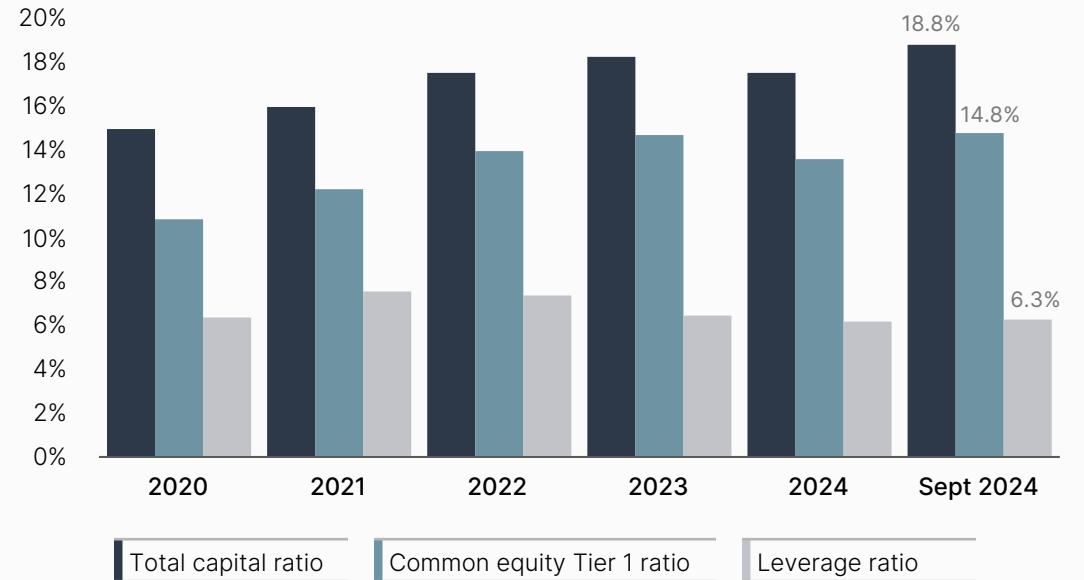
# Sound capital ratios and capital ratios (cont.)

Capital ratios<sup>^</sup>

	IRB Scope*	
	30 Sept 2024^^	31 March 2024
Common Equity Tier 1	14.8%	13.6%
Tier 1 ratio	16.2%	15.0%
Total capital ratio	18.8%	17.5%
Leverage ratio **	6.3%	6.2%

<sup>^</sup> Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET1 ratio would be 165bps (31 March 2024: 111bps) lower. The leverage would be 66bps (31 March 2024: 48bps) lower.  
<sup>\*</sup> Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 30 Sept 24, 59% (Mar 24: 54%) of the portfolio applies the AIRB approach, 25% (Mar 24: 26%) applies the FIRB approach and the remaining 16% (Mar 24: 20%) of the portfolio is subject to the standardised approach.  
<sup>\*\*</sup> The leverage ratios are calculated on an end-quarter basis

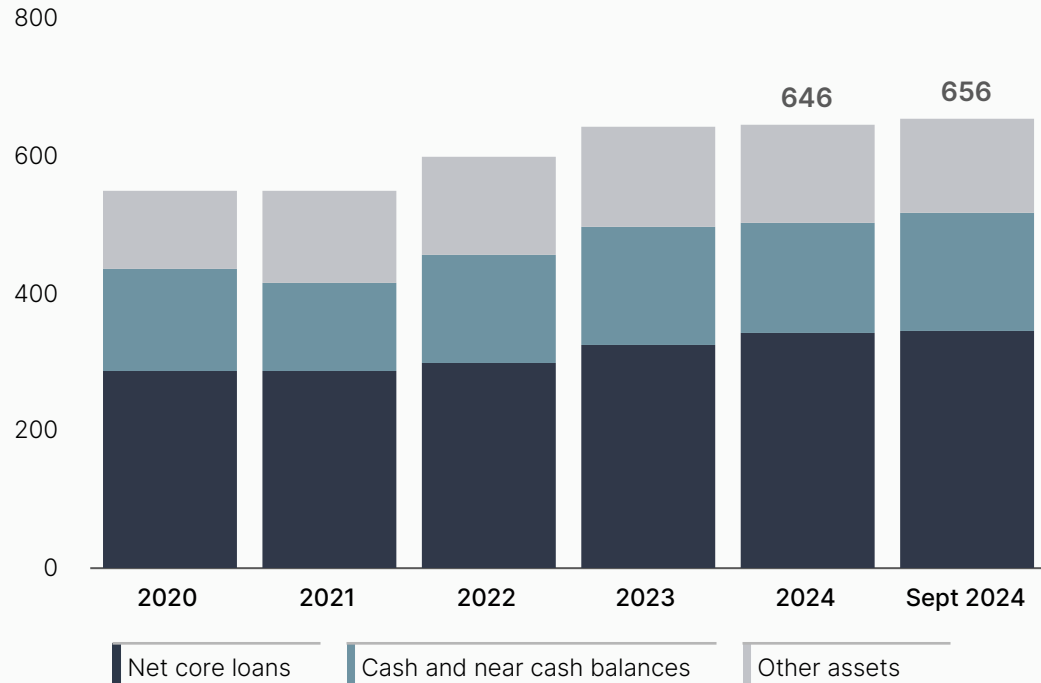
Capital ratios<sup>#</sup>



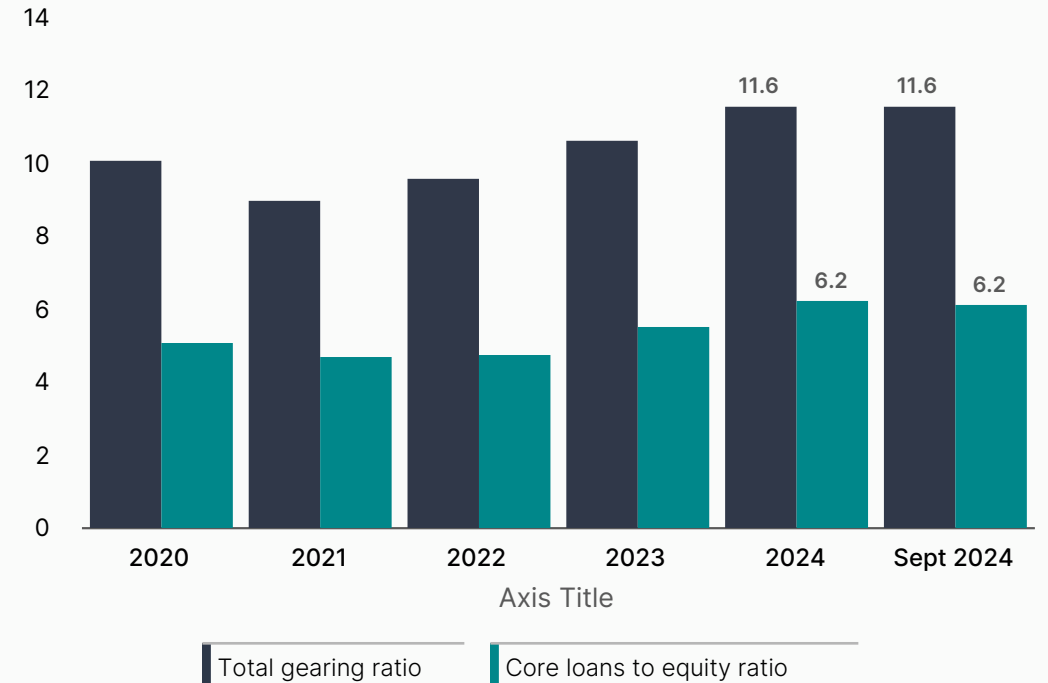
- Investec Limited has always held capital in excess of regulatory requirements and intends to perpetuate this philosophy to ensure that it remains well capitalised
- At 30 September 2024, a total capital ratio of 18.8% and a common equity tier 1 ratio of 14.8% was achieved.

# Consistent asset growth, gearing ratios remain low

**Total assets composition (R'bn)**



**Gearing remains low\***



- We have reported a CAGR of 19.0% in net core loans since 2020 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.

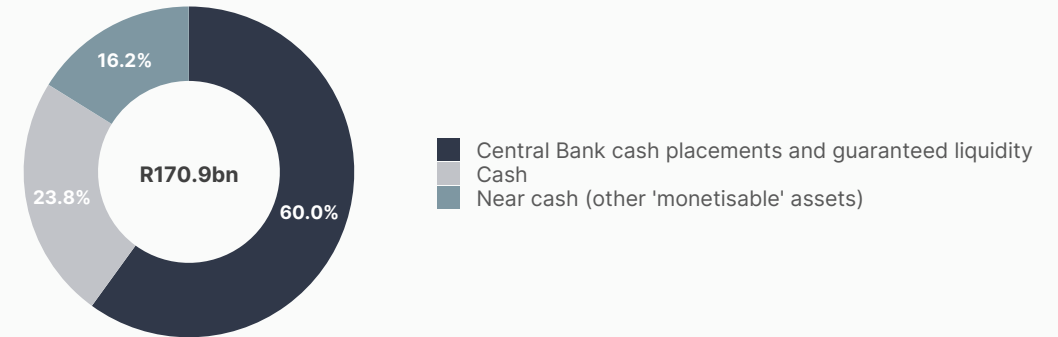
- We have maintained low gearing ratios\* with total gearing at 11.6x and an average of 9.6x since March 2020.

\* Gearing ratio calculated as total assets (excluding assurance assets) divided by total equity.

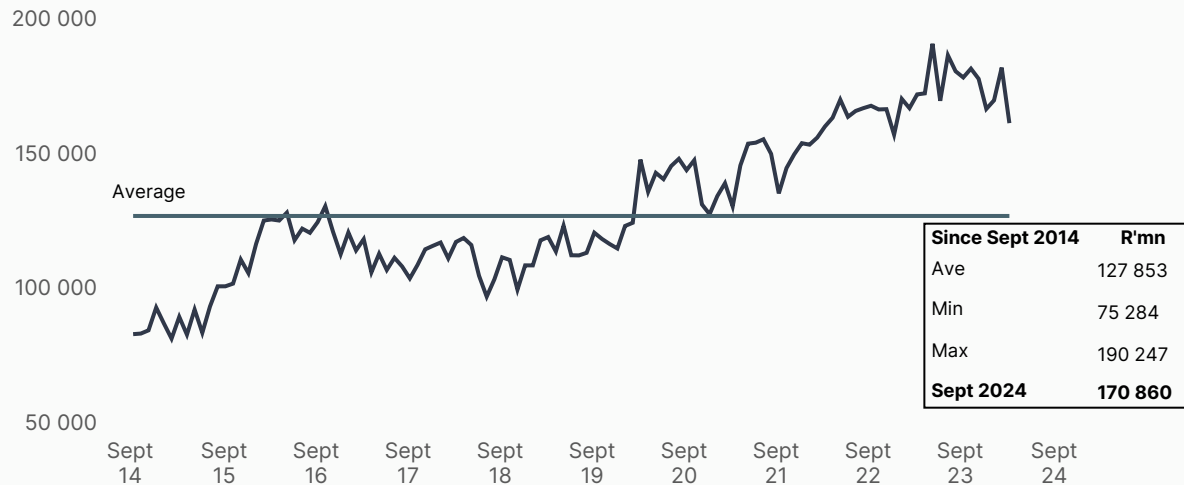
# Substantial surplus liquidity

- 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 30 September 2014 (8% CAGR) to R170.9bn at 30 September 2024 (representing 39% of customer deposits)
- We delivered liquidity ratios well in excess of regulatory requirements. At 30 September 2024, INL's (consolidated Group) three-month average Liquidity Coverage Ratio (LCR)\* was 176.3%.
- Investec Limited's Net Stable Funding Ratio (NSFR) was 122.3% (ahead of minimum requirements of 100%)

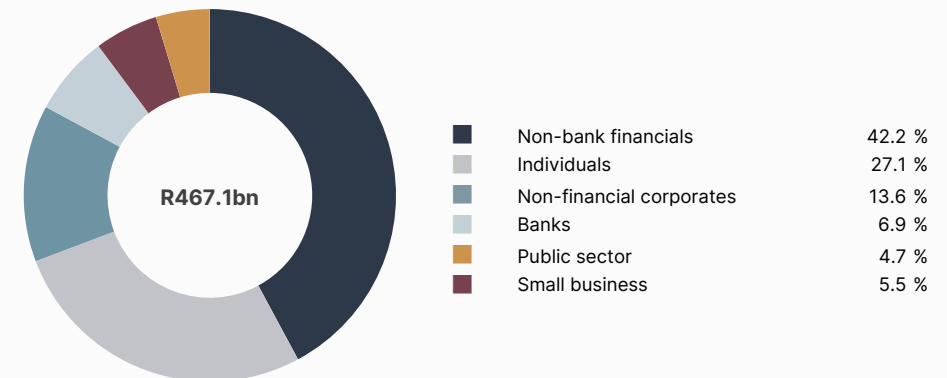
## Cash and near cash balances



## Cash and near cash balances



## Depositor concentration by type at 31 March 2024



\* 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.

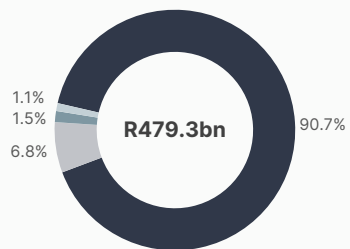
# Diversified funding strategy

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

## Conservative and prudent funding strategy

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

## Select funding sources



R'mn	30 Sept 2024
Customer deposits	434 687
Deposits by banks	32 375
Subordinated liabilities	7 186
Securitisation liabilities	5 086
<b>Total</b>	<b>479 334</b>

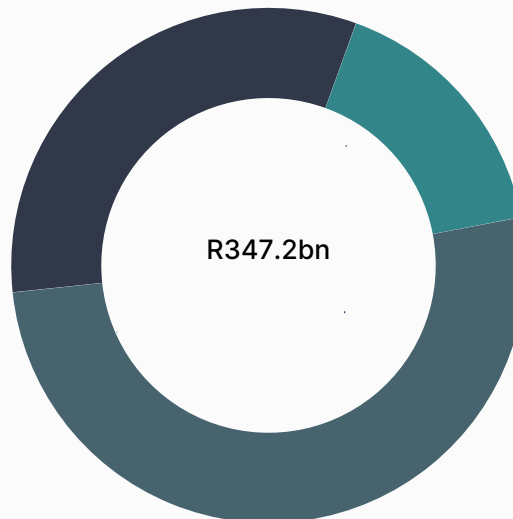
- Customer deposits account for 90.7% of selected funding sources as at 30 September 2024
- Customer deposits are supplemented by deposits from banks (6.8%), subordinated debt (1.5%) and securitisation liabilities (1.1%)
- We do not place reliance on any single deposit channel, nor do we overly rely on interbank funding
- Core loans are funded from customer deposits and interbank (dollar) funding supplements cash and near cash balances

# Exposures in 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\* by risk category

<b>Corporate and other lending</b>	<b>32%</b>
Corporate and acquisition finance	23.1%
Fund Finance	3.2%
Power and infrastructure finance	2.0%
Aviation finance	1.4%
Financial institutions and governments	0.8%
Small ticket asset finance	1.7%

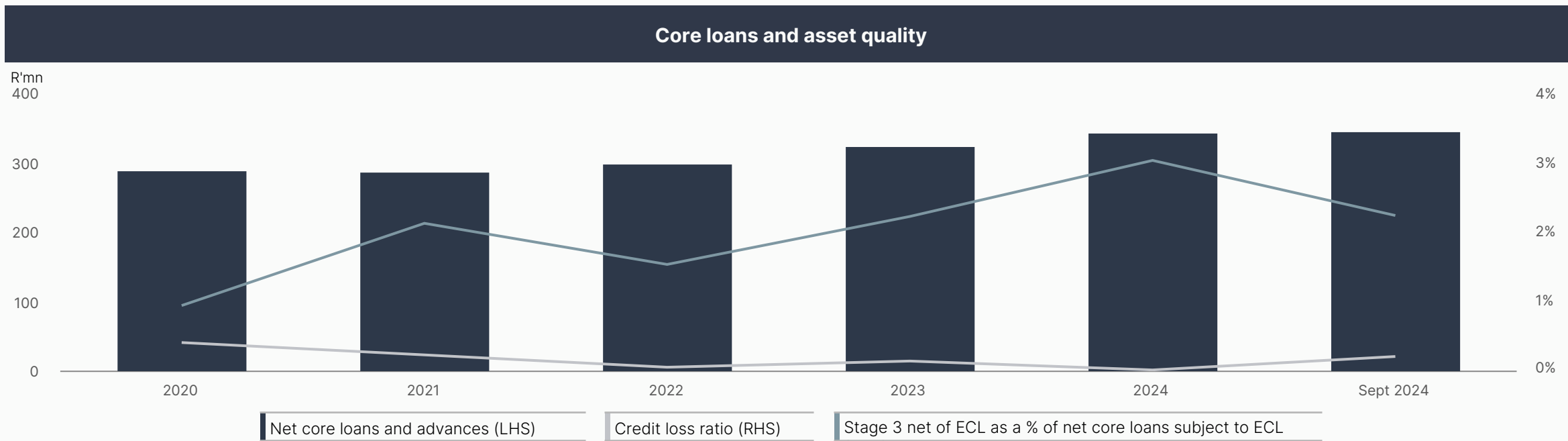


<b>Lending collateralised by property</b>	<b>17%</b>
Commercial real estate investment	13.7%
Commercial real estate development	0.7%
Commercial vacant land and planning	0.1%
Residential real estate investment	0.7%
Residential real estate development	0.8%
Residential vacant land and planning	0.3%

<b>High net worth and other private clients</b>	<b>51%</b>
HNW and private client - mortgages	28.5%
HNW and specialised lending	22.8%

\* Gross core loans subject to ECL

# Asset quality

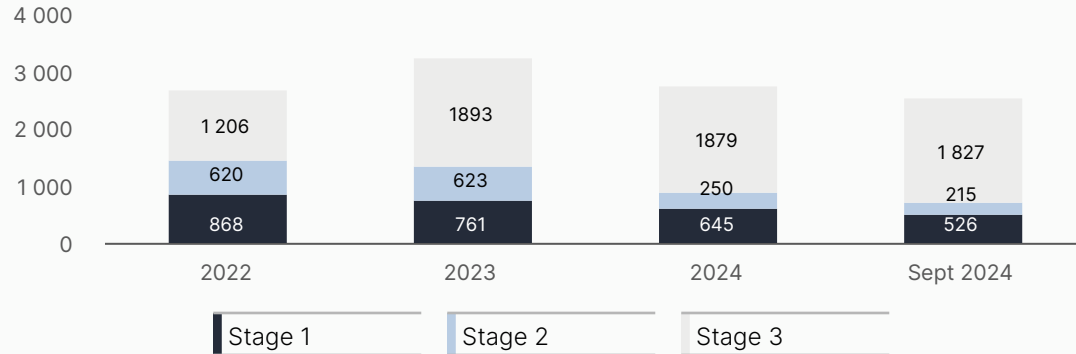


Credit quality metrics on core loans for the year ended 30 September 2024:

- The **annualised credit loss ratio** increased to approximately 0.16% at 30 September 2024 from (0.04)% at 31 March 2024, driven primarily by:
  - New impairments offset by reversals of certain prior year provisions and post write-off recoveries
- For the six months ended 30 September 2024, **Stage 3 gross core loans subject to ECL** amounted to R9 458 million
- **Stage 3 net of ECL as a percentage of net core loans subject to ECL** was 2.2% for 30 September 2024 (31 March 2024: 3.0%)

# Asset quality metrics

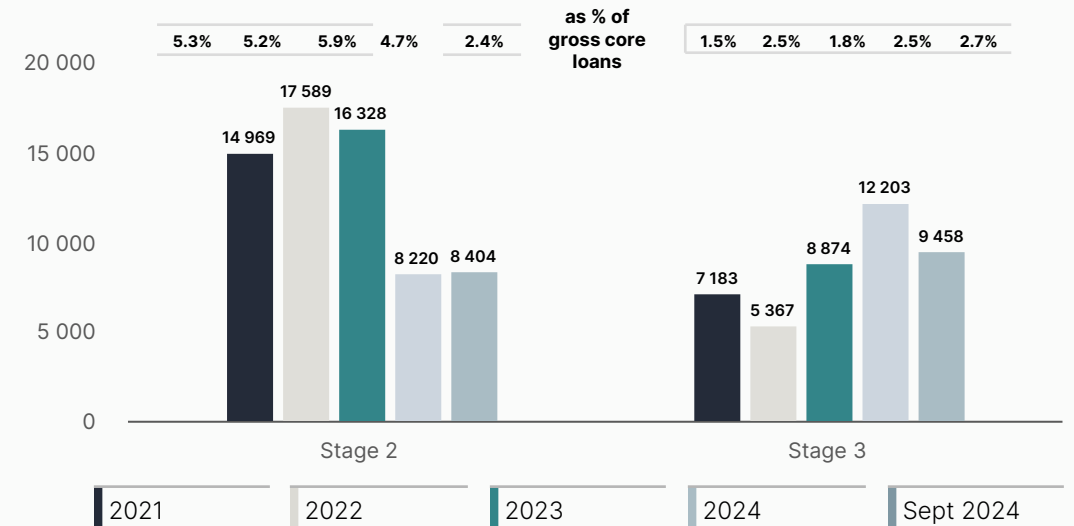
**Provision build**  
R'mn



ECL coverage ratio	FY 2022	FY 2023	FY 2024	1H 2025
Stage 1	0.31%	0.25%	0.20%	0.16%
Stage 2	3.5%	3.8%	3.0%	2.6%
Stage 3	21.4%	21.3%	15.4%	19.3%

- **Stage 1** provisions decreased 18% from R645mn at 31 March 2024 to R526mn at 30 September 2024. As a result, Stage 1 ECL coverage ratio decreased slightly from 0.2% to 0.16%
- **Stage 2** provisions decreased 14.0% from R250mn at 31 March 2024 to R215mn at 30 September 2024. Stage 2 ECL coverage ratio decreased from 3.0% to 2.6%
- **Stage 3** provisions decreased 2.8% from R1 879mn at 31 March 2024 to R1 827mn at 30 September 2024. Stage 3 ECL coverage ratio decreased from 15.4% to 19.3%.

**Gross core loans by stage**  
R'mn



- **Stage 2** exposures increased to 2.4% of gross core loans subject to ECL at 30 September 2024 (31 March 2024: 4.7%)
- **Stage 3** exposures decreased to R9.5 billion or 2.7% of gross core loans subject to ECL at 30 September 2024 (2.5% at 31 March 2024).

# Credit ratings

Current credit ratings of Investec Limited	
Fitch	Rating
Foreign currency long-term rating	BB-
Foreign currency short-term rating	B
National long-term rating	AA+(zaf)
National short-term rating	F1+(zaf)
Viability rating	bb-
Outlook	Stable

Historical credit ratings of Investec Limited			
Long-Term Foreign Currency Issuer Default Rating	Nov-20* / current	Mar-20*	Apr-17*
Fitch	BB-	BB	BB+

\* Changes reflect downgrades of the sovereign credit rating of South Africa.

- Investec Limited's ratings have remained 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 it is largely foreign-owned and the foreign holding company is domiciled in a country with a higher rating than South Africa.



# Appendices

05



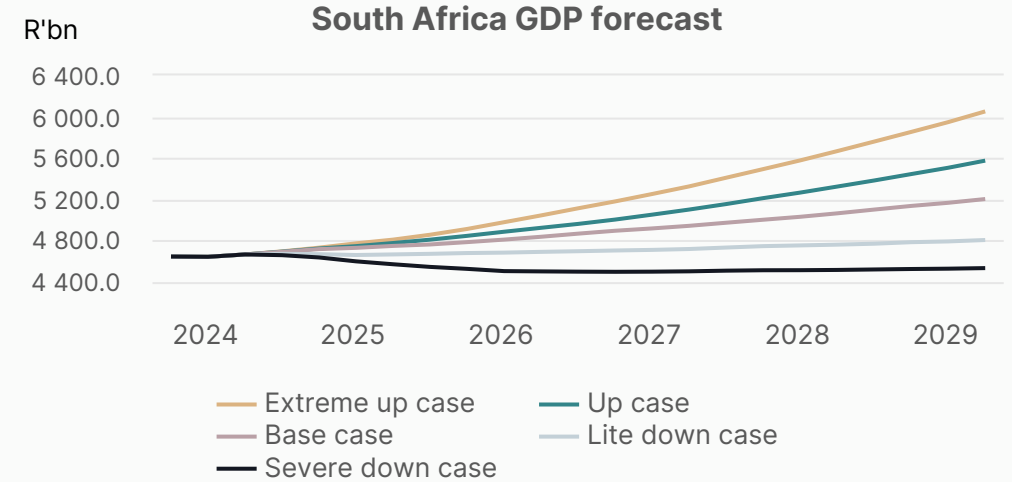
# Macroeconomic scenarios – 30 September 2024

## Key judgements at 30 September 2024

The measurement of ECL requires the use of multiple economic scenarios to calculate a probability weighted forward-looking estimate. These scenarios are updated at least twice a year, or more frequently if there is a macro-economic shock or significant shift in expectations. CL measurement.

A number of forecast economic scenarios are considered for capital planning, stress testing (including Investec-specific stress scenarios) and IFRS 9 ECL measurement.

For Investec Limited, five macro-economic scenarios are used in the measurement of ECL. These scenarios incorporate a base case, two upside cases and two downside cases. The table below shows the key factors that form part of the South African macro-economic scenarios and their relative applied weightings as well as annual averages of economic factors for the base case over a five-year period based on the economic forecasts in place as at 30 September 2024.



South Africa	Macro-economic scenarios	At 30 September 2024 average 2024 – 2029					At 31 March 2024 average 2024 – 2029				
		Extreme up case %	Up case %	Base case %	Lite down case %	Severe down case %	Extreme up case %	Up case %	Base case %	Lite down case %	Severe down case %
	GDP growth	4.6	3.1	2.0	0.6	(0.5)	4.8	3.1	1.7	0.5	(0.6)
	Repo rate	5.6	6.0	7.1	9.2	10.2	5.3	5.8	7.0	9.1	10.3
	Bond yield	9.4	10.2	11.1	12.0	12.6	9.1	9.8	10.6	11.7	12.6
	CPI Inflation	3.4	3.9	4.6	5.5	6.4	3.1	3.8	4.5	5.5	6.5
	Residential property price growth	6.1	4.9	3.8	2.5	1.2	6.6	5.5	4.1	2.7	1.6
	Commercial property price growth	4.2	2.6	1.4	(0.7)	(2.4)	4.4	2.7	1.4	(0.6)	(2.5)
	Exchange rates (South African Rand : US Dollar)	14.8	16.3	17.1	19.7	21.8	14.5	16.0	18.1	19.7	21.9
	<b>Scenario weightings</b>	<b>2</b>	<b>12</b>	<b>50</b>	<b>35</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>45</b>	<b>43</b>	<b>9</b>

# Investec Limited: salient financial features

Key financial statistics	30 Sept 2024	30 Sept 2023	% change
Operating income	12 056	20 625	(41.5)%
Operating costs (R'million)	5 886	10 849	(45.7)%
Operating profit before goodwill and acquired intangibles (R'million)	5 842	9 939	(41.2)%
Headline earnings attributable to ordinary shareholders (R'million)	4 200	7 269	(42.2)%
Cost to income ratio	48.8%	52.3%	
Total capital resources (including subordinated liabilities) (R'million)	63 374	62 392	1.6 %
Total equity (R'million)	56 188	55 109	2.0 %
Total assets (R'million)	655 720	644 051	1.8 %
Net core loans and advances (R'million)	346 203	343 678	0.7 %
Customer accounts (deposits) (R'million)	434 687	448 458	(3.1)%
Loans and advances to customers as a % of customer accounts (deposits)	78.0%	75.2%	
Cash and near cash balances (R'million)	170 860	171 400	(0.3)%
Funds under management (R'million)	479 105	450 273	6.4 %
Total gearing ratio (i.e. total assets excluding assurance assets to equity)	11.6x	11.6x	
Total capital ratio	18.8%	18.3%	
Tier 1 ratio	16.2%	15.9%	
Common Equity Tier 1 ratio	14.8%	14.7%	
Leverage ratio	6.3%	6.5%	
Stage 3 as a % of gross core loans subject to ECL	2.7%	3.5%	
Stage 3 net of ECL as a % of net core loans subject to ECL	2.2%	3.0%	
Annualised credit loss ratio	0.16%	(0.04)%	
Net Stable Funding Ratio % (NSFR)	122.3%	115.3%	
Liquidity Coverage Ratio % (LCR)	176.3%	159.4%	

^ Restated

# Investec Limited: income statement

R'million	30 Sept 2024	30 Sept 2023
Interest income	26 100	24 782
Interest expense	(19 196)	(18 304)
<b>Net interest income</b>	<b>6 905</b>	<b>6 478</b>
Fee and commission income	3 867	3 499
Fee and commission expense	(563)	(519)
Investment income	1 040	288
Share of post-taxation profit of associates and joint venture holdings	1	4
Trading income/(loss) arising from		
– customer flow	624	444
– balance sheet management and other trading activities	182	54
Other operating income/(loss)	1	2
<b>Total operating income before expected credit loss impairment charges</b>	<b>12 058</b>	<b>10 250</b>
Expected credit loss impairment charges	(328)	167
<b>Operating income</b>	<b>11 730</b>	<b>10 083</b>
Operating costs	(5 886)	(5 360)
<b>Operating profit before goodwill and acquired intangibles</b>	<b>5 844</b>	<b>4 723</b>
Impairment of goodwill	–	–
Amortisation of acquired intangibles	–	(13)
<b>Operating profit</b>	<b>5 842</b>	<b>4 710</b>
Implementation costs on distribution of investment to shareholders	–	–
<b>Profit before taxation</b>	<b>5 842</b>	<b>4 710</b>
Taxation on operating profit before acquired intangibles	(1 270)	(1 068)
Taxation on acquired intangibles and strategic actions	–	4
<b>Profit after taxation from continuing operations</b>	<b>4 572</b>	<b>3 646</b>
(Loss)/profit after taxation and financial impact of strategic actions from discontinued operations	–	(611)
<b>Profit after taxation of total Group</b>	<b>4 572</b>	<b>3 035</b>
Profit attributable to non-controlling interests	2	(5)
Profit attributable to non-controlling interests of discontinued operations	–	(273)
<b>Earnings of total Group attributable to shareholders</b>	<b>4 574</b>	<b>2 757</b>
Earnings attributable to ordinary shareholders	3 936	2 459
Earnings attributable to perpetual preferred securities and Other Additional Tier 1 securities	638	298

^ Restated

# Investec Limited: balance sheet

R'million	30 Sept 2024	31 March 2024	30 Sept 2023
<b>Assets</b>			
Cash and balances at central banks	20 064	14 795	13 450
Loans and advances to banks	9 464	9 217	10 095
Non-sovereign and non-bank cash placements	9 820	10 818	9 113
Reverse repurchase agreements and cash collateral on securities borrowed	61 096	77 665	81 497
Sovereign debt securities	73 891	72 241	74 566
Bank debt securities	6 679	8 301	12 420
Other debt securities	10 050	10 539	9 798
Derivative financial instruments	15 932	9 984	15 682
Securities arising from trading activities	43 351	34 477	37 861
Loans and advances to customers	339 131	337 232	15 558
Own originated loans and advances to customers securitised	7 072	6 446	331 959
Other loans and advances	—	—	6 474
Other securitised assets	—	—	—
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	4 492	—	—
Investment portfolio	15 055	16 053	27
Interests in associated undertakings and joint venture holdings	353	28	1
Current taxation assets	—	106	1 929
Deferred taxation assets	1 920	2 040	27 573
Other assets	30 070	23 078	3 348
Property and equipment	3 950	3 956	2 556
Investment properties	2 632	2 539	171
Goodwill	171	171	124
Software	121	123	—
Other acquired intangible assets	—	—	—
Non-current assets classified as held for sale	406	534	75
<b>Total assets</b>	<b>655 719</b>	<b>640 344</b>	<b>654 277</b>

# Investec Limited: balance sheet (cont.)

R'million	30 Sept 2024	31 March 2024	30 Sept 2023
<b>Liabilities</b>			
Deposits by banks	32 375	31 065	34 973
Derivative financial instruments	18 120	14 293	19 630
Other trading liabilities	36 602	32 368	30 878
Repurchase agreements and cash collateral on securities lent	28 346	19 890	18 227
Customer accounts (deposits)	434 687	448 458	459 708
Debt securities in issue	6 161	6 715	4 128
Liabilities arising on securitisation of own originated loans and advances	5 086	4 997	3 911
Current taxation liabilities	832	845	357
Deferred taxation liabilities	434	375	213
Other liabilities	25 360	18 942	22 748
	<b>588 003</b>	<b>577 949</b>	<b>594 773</b>
Liabilities to customers under investment contracts	4 343	3 711	3 064
Insurance liabilities, including unit-linked liabilities	428	378	320
	<b>592 346</b>	<b>582 038</b>	<b>598 157</b>
Subordinated liabilities	7 186	7 283	7 953
<b>Total liabilities</b>	<b>599 532</b>	<b>589 321</b>	<b>606 110</b>
<b>Equity</b>			
Ordinary share capital	1	1	1
Ordinary share premium	4 474	4 474	4 474
Treasury shares	(2 086)	-3 652	-3 767
Other reserves	5 501	6 313	5 249
Retained income	41 955	41 573	39 943
<b>Ordinary shareholders' equity</b>	<b>49 845</b>	<b>48 709</b>	<b>45 900</b>
Perpetual preference share capital and premium	2 451	2 451	2 451
<b>Shareholders' equity excluding non-controlling interests</b>	<b>52 296</b>	<b>51 160</b>	<b>48 351</b>
Other Additional Tier 1 securities in issue	3 950	4 010	3 260
Non-controlling interests	(58)	-61	-60
<b>Total equity</b>	<b>56 188</b>	<b>55 109</b>	<b>51 551</b>
<b>Total liabilities and equity</b>	<b>655 720</b>	<b>644 430</b>	<b>657 661</b>

^ Restated

# Investec Limited: asset quality

R'million	30 Sept 2024	31 March 2024
<b>Gross core loans</b>	<b>348 771</b>	<b>346 452</b>
Of which FVPL (excluding fixed rate loans)	1 530	1 540
<b>Gross core loans to customers subject to ECL*</b>	<b>347 241</b>	
Stage 1	329 379	324 489
Stage 2	8 404	8 220
of which past due greater than 30 days	930	671
Stage 3	9 458	12 203
<b>ECL</b>	<b>(2 568)</b>	<b>(2 774)</b>
Stage 1	(526)	(645)
Stage 2	(215)	(250)
Stage 3	(1 827)	(1 879)
<b>Coverage ratio</b>		
Stage 1	0.16%	0.20 %
Stage 2	2.6%	3.0 %
Stage 3	19.3%	15.4 %
<b>Annualised credit loss ratio</b>	<b>0.16%</b>	<b>(0.04)%</b>
ECL impairment charges on core loans	(271)	123
Average gross core loans subject to ECL	346 077	335 844
<b>An analysis of Stage 3 gross core loans subject to ECL</b>		
Stage 3 net of ECLs	7 631	10 325
Aggregate collateral and other credit enhancements on Stage 3	9 474	12 873
Stage 3 as a % of gross core loans subject to ECL	2.7%	3.54 %
Stage 3 net of ECL as a % of net core loans subject to ECL	2.2%	3.0 %

\* Includes portfolios for which ECL is not required for IFRS purposes, but which management evaluates on this basis. These are fixed rate loans which have passed the solely payments of principal and interest (SPPI) test and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. R11.9 billion of the drawn exposure falls into Stage 1 (31 March 2024: R13.8 billion), R373.9 million falls in Stage 2 (31 March 2024: R16.4 million) and the remaining R1.0 billion falls into Stage 3 (31 March 2024: R1003.3 million). The ECL on the Stage 1 portfolio is R43.3 million (31 March 2024: R30.9 million), ECL on Stage 2 is R0.2 million (31 March 2024: R0.4 million) and the ECL on Stage 3 portfolio is R155.0 million (31 March 2024: R119.3 million).

\*\* Restated as a result of a change in classification between non-sovereign and non-bank cash placements and loans and advances to customers.

# Investec Limited: capital structure and capital adequacy

	IRB Scope*	
	30 Sept 2024 <sup>^</sup>	31 March 2024 <sup>^</sup>
Common Equity Tier 1	14.8%	13.6 %
Tier 1 ratio	16.2%	15.0 %
Total capital ratio	18.8%	17.5 %
Risk-weighted assets (R'million)	279 813	292179
Leverage exposure measure (R'million)	719 254	705807
Leverage ratio	6.3%	6.2 %

\* Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWAs

<sup>^</sup> Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET 1 ratio would be 165bps lower (31 March 2024: 111bps lower). The leverage ratio would be 66bps lower (31 March 2024: 48bps).



# Investec Limited: capital structure and capital adequacy (cont.)

R'million	IRB Scope*	
	30 Sept 2024	31 March 2024
<b>Shareholders' equity</b>	<b>49 845</b>	<b>48 709</b>
Shareholders' equity per balance sheet	52 296	51 160
Perpetual preference share capital and share premium	(2 451)	(2 451)
<b>Non-controlling interests</b>	<b>—</b>	<b>—</b>
Non-controlling interests per balance sheet	(58)	(61)
Non-controlling interests excluded for regulatory purposes	58	61
<b>Regulatory adjustments to the accounting basis</b>	<b>(366)</b>	<b>(333)</b>
Prudent valuation adjustment	(299)	(276)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	(27)	(32)
Cash flow hedging reserve	(40)	(25)
<b>Deductions</b>	<b>(8 038)</b>	<b>(8 526)</b>
Goodwill and intangible assets net of deferred tax	(632)	(294)
Investment in financial entity	—	(237)
Shortfall of eligible provisions compared to expected loss	(459)	(306)
Amount of deductions exceeding 15% threshold^^	—	—
Other regulatory adjustments^^^	—	(1 004)
<b>Common equity tier 1 capital</b>	<b>(6 947)</b>	<b>(6 685)</b>
<b>Additional Tier 1 capital</b>	<b>41 441</b>	<b>39 850</b>
Additional tier 1 instruments	<b>3 950</b>	<b>3 964</b>
Non-qualifying surplus capital attributable to non-controlling interest	—	—
<b>Tier 1 capital</b>	<b>—</b>	<b>(46)</b>
<b>Tier 2 capital</b>	<b>—</b>	<b>—</b>
Collective impairment allowances	<b>45 391</b>	<b>43 814</b>
Tier 2 instruments	<b>7 332</b>	<b>7 449</b>
Investment in capital of financial entities above 10% threshold	146	166
Non-qualifying surplus capital attributable to non-controlling interests	7 186	7 283
<b>Total regulatory capital</b>	<b>52 723</b>	<b>51 263</b>
<b>Risk-weighted assets</b>	<b>279 813</b>	<b>292 179</b>

\* Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWAs

^ Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET 1 ratio would be 111bps lower (31 March 2024: 111bps lower). The leverage ratio would be 48bps lower (31 March 2023: 48bps)

^^ Approval was obtained from the South African Prudential Authority effective 30 September 2023, to apply the deduction methodology to the Burstone investment (formerly Investec Property Fund), which was previously proportionately consolidated.

^^^ Approval was obtained from the South African Prudential Authority effective 31 March 2023, to deduct the full Plc investment against CET1 capital.