

Investec Bank Limited

May 2022

The information in this presentation relates to the financial year ended 31 March 2022, unless otherwise indicated.



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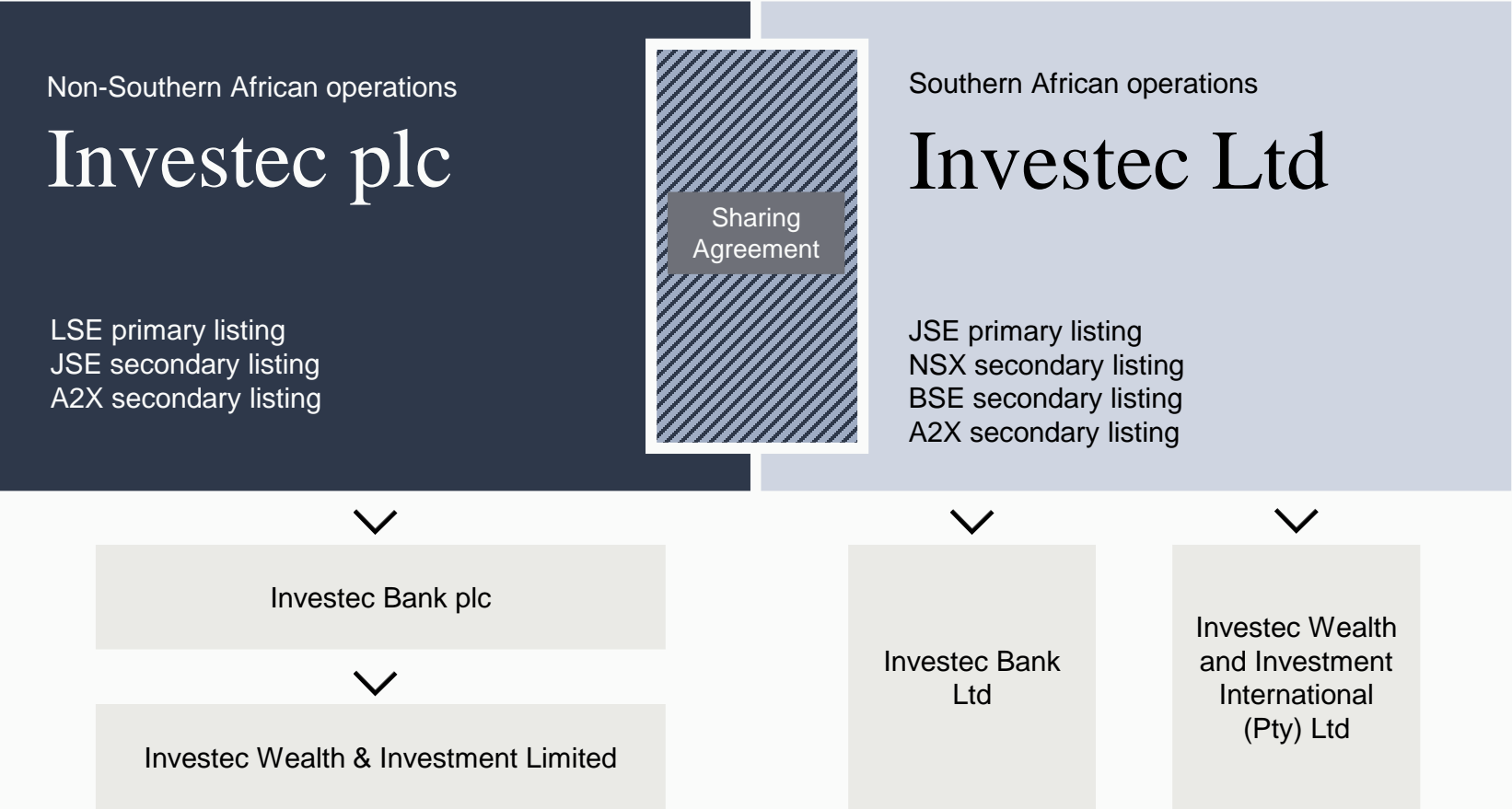




Investec Group at a glance



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**

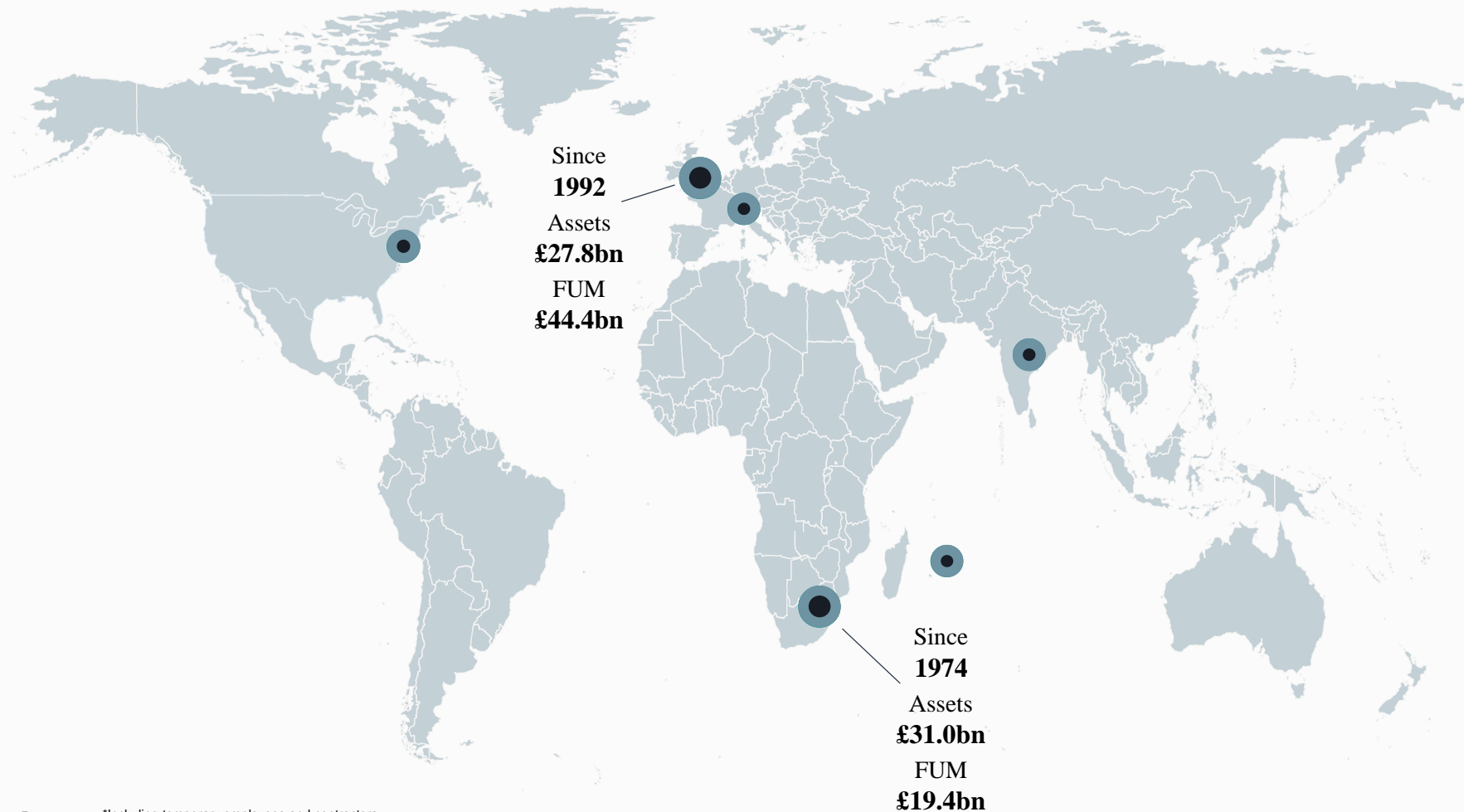
Shareholders have **common economic and voting interests** as if Investec plc and Investec Limited were a single company

Creditors, however, are ring-fenced to either Investec plc or Investec Limited as there are **no cross-guarantees** between the companies

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

Investec Group at a glance

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



- Established in 1974
- Today, an efficient integrated international business platform employing approximately **8 300+*** people
- Listed on the JSE and LSE (a FTSE 250 company)
- Total assets of **£58.8bn**; total equity of **£5.7bn**; and total funds under management of **£63.8bn**

One Investec

Our values

Our purpose is expressed in four key values that shape the way that we work and live within society.

1

Cast-iron Integrity

We demand cast-iron integrity in all internal and external dealings, consistently and uncompromisingly displaying moral strength and behaviour which promotes trust.

2

Distinctive Performance

We employ talented people with passion, energy and stamina, who exercise common sense in achieving effective performance in a high pressure, multi-task environment.

We promote innovation and entrepreneurial freedom to operate within the context of risk consciousness, sound judgement and an obligation to do things properly

We show concern for people, support our colleagues and encourage growth and development.

3

Client focus

We break china for the client, having the tenacity and confidence to challenge convention.

We thrive on change, continually challenging the status quo and recognising that success depends on flexibility, innovation and enthusiasm in meeting the needs of our changing environment.

4

Dedicated partnership

We believe that open and honest dialogue is the appropriate process to test decisions, seek consensus and accept responsibility.

We are creative individuals who co-operate and collaborate unselfishly in pursuit of Group performance.

We respect the dignity and worth of the individual through encouraging openness and embracing difference and by the sincere, consistent and considerate manner in which we interact.

45+ 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 – operating with excess capital in South Africa

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

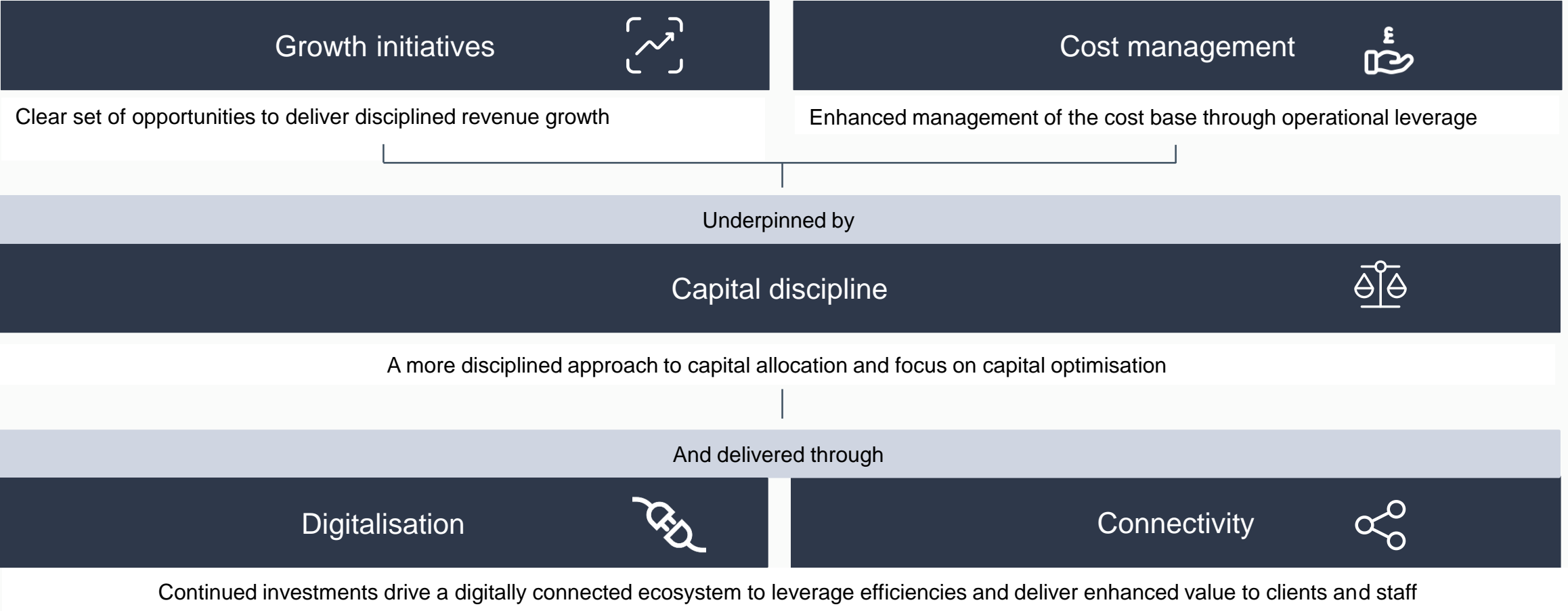
5

Our clients have historically shown resilience through difficult macro environments

6

Rightsizing the cost structure of the business

Framework to drive improved business performance



Sustainability highlights

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

Sustainability principles

1.

Creating long-term value for all our stakeholders

2.

Do no harm through ethical conduct and ESG screening

3.

Committed to a clean carbon transition by achieving carbon neutral status in all our operations

4.

Providing profitable, impactful and sustainable products and services

5.

Maximising impact through a focus on the SDGs

ENABLED THROUGH

Strong governance

- Created a framework linking **executive directors' remuneration** to ESG KPIs
- Deepened our ESG skills** on the Group Board with the addition of two new non-executive directors
- Received a **low-risk rating** from Sustainalytics (16.6)

Investec

Innovative sustainable finance

Core SDGs

Climate action



Scope 3 financed emissions focused project implemented

0.15%
coal as a % of loans and advances

A proud participant of:
Climate Action 100+
Global leaders driving climate transition



Committed to NZBA

Reduced inequalities



30%
women on the board

50%
board ethnic diversity

Level 1
BBBEE rating

4th
2021 Universum employer of choice by students

Some examples of how we supported the SDGs since April 2021

Supporting SDGs



R2.27bn

Funding for student accommodation



R 1bn

First green bond issued for renewable energy projects (3.8x oversubscribed)



\$1bn

Lead arranger and lender for Vantage's hyperscale data centre development in South Africa



R1.65bn

To secure South Africa's water resources through Trans Caledon Tunnel Authority



€82mn

Arranged finance for Ghana road upgrade project



€215mn

Lead arranger for Ghana's healthcare infrastructure

Strong ESG ratings

Sustainability Yearbook

Member 2021

S&P Global

Top 15% in the global diversified financial services sector (inclusion since 2006)



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



Top 13% of globally assessed companies in the Global Sustainability Leaders Index



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



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



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

Investec Bank Limited (IBL) overview



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
R553.9bn

Net core
loans
R294.8bn

Total
equity
R46.8bn

Customer
deposits
R420.1bn

Employees
4 000+

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 **4 000+*** permanent employees
- **5th largest banking group** in South Africa (by assets)
- **Leading position** in corporate and institutional and private client banking activities

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**.

* 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

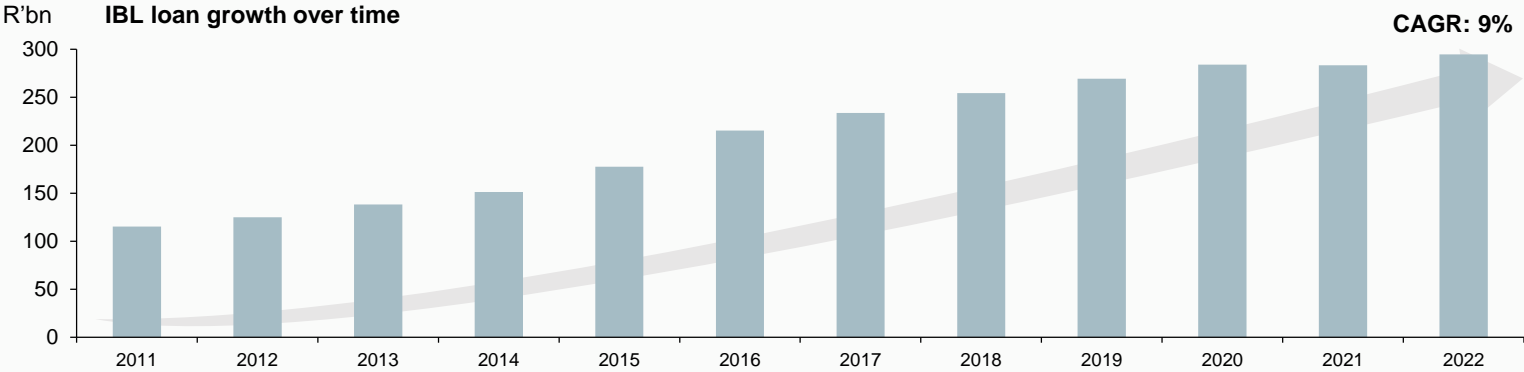


- Maintaining sound capital ratios and low credit loss ratios through varying market conditions
- Enhancing our capital light revenue base
- Disciplined capital allocation
- **We remain focused on improving ROE**

Specialist Banking

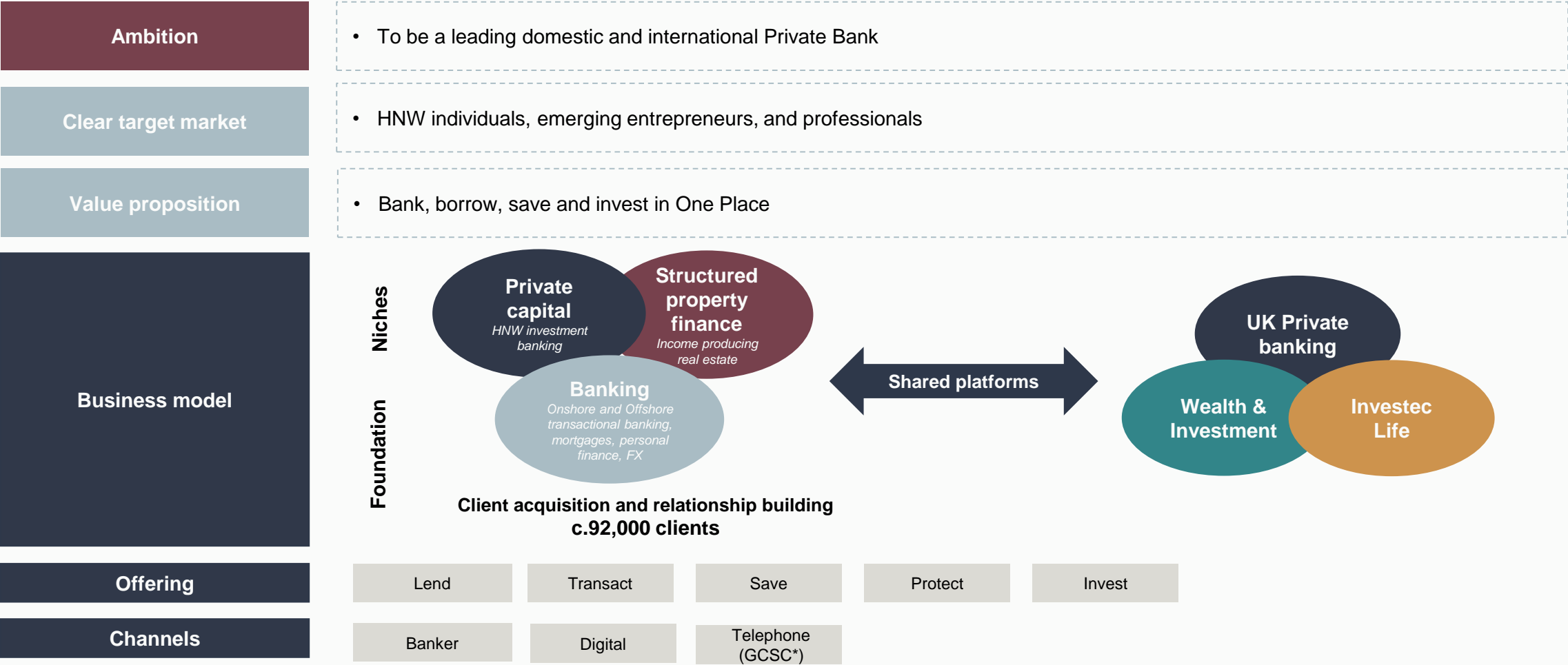
High-quality specialist banking solutions with leading positions in selected areas

Private Banking	Investec for Business	Corporate and Institutional banking	Investment Banking and Principal Investments
For high net worth clients, professionals and emerging entrepreneurs looking for an 'investment banking' style service for private clients	Smaller and mid-tier corporates who require a holistic banking solution	For corporates (mid to large size), intermediaries, institutions, government and SOEs looking for a client-centric, solution driven offering	Corporates, institutions, property partners looking for an innovative investment partner
Lending, transactional banking, property finance and savings	Import and trade finance, working capital finance, asset finance, transactional banking	Global markets, various specialist lending activities and institutional equities	Principal investments, Advisory, Debt and Equity, Capital Markets



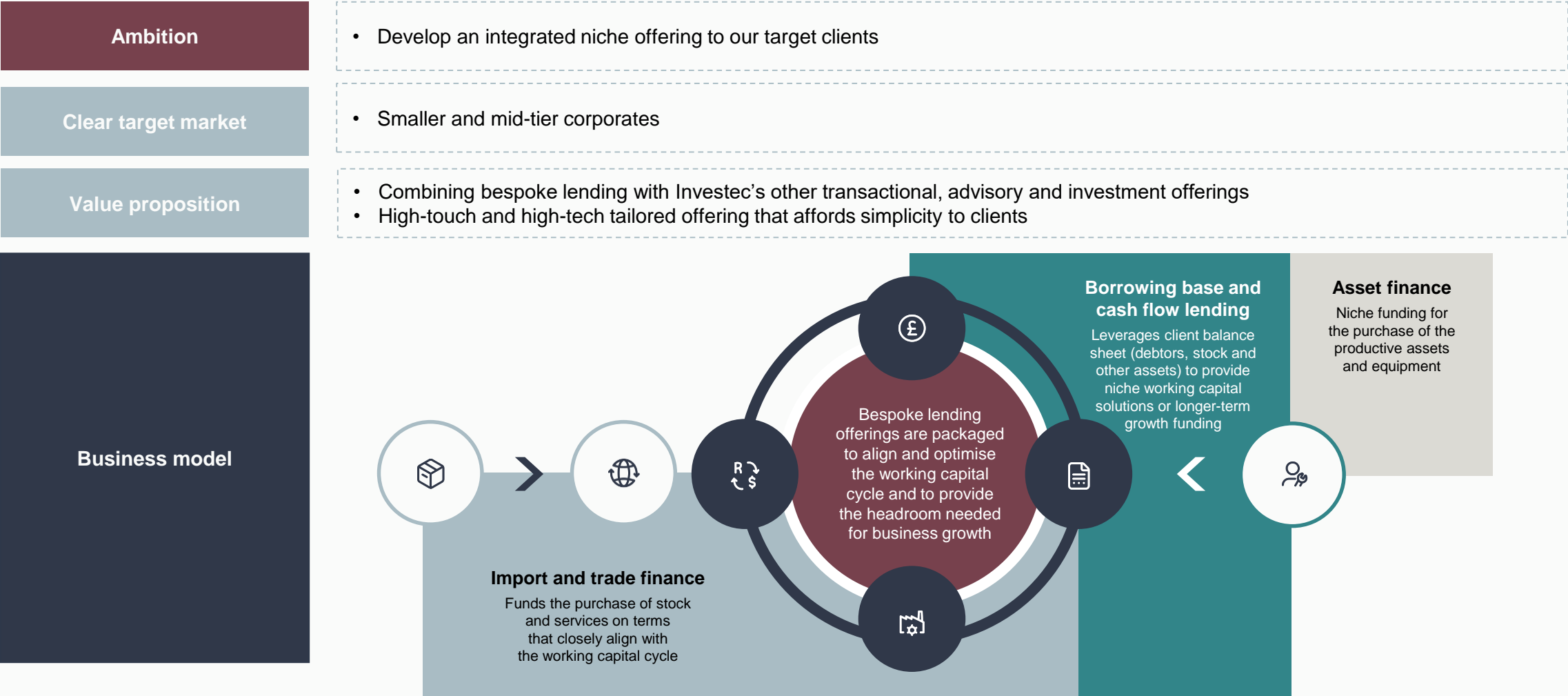
Specialist Banking: Private Banking

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



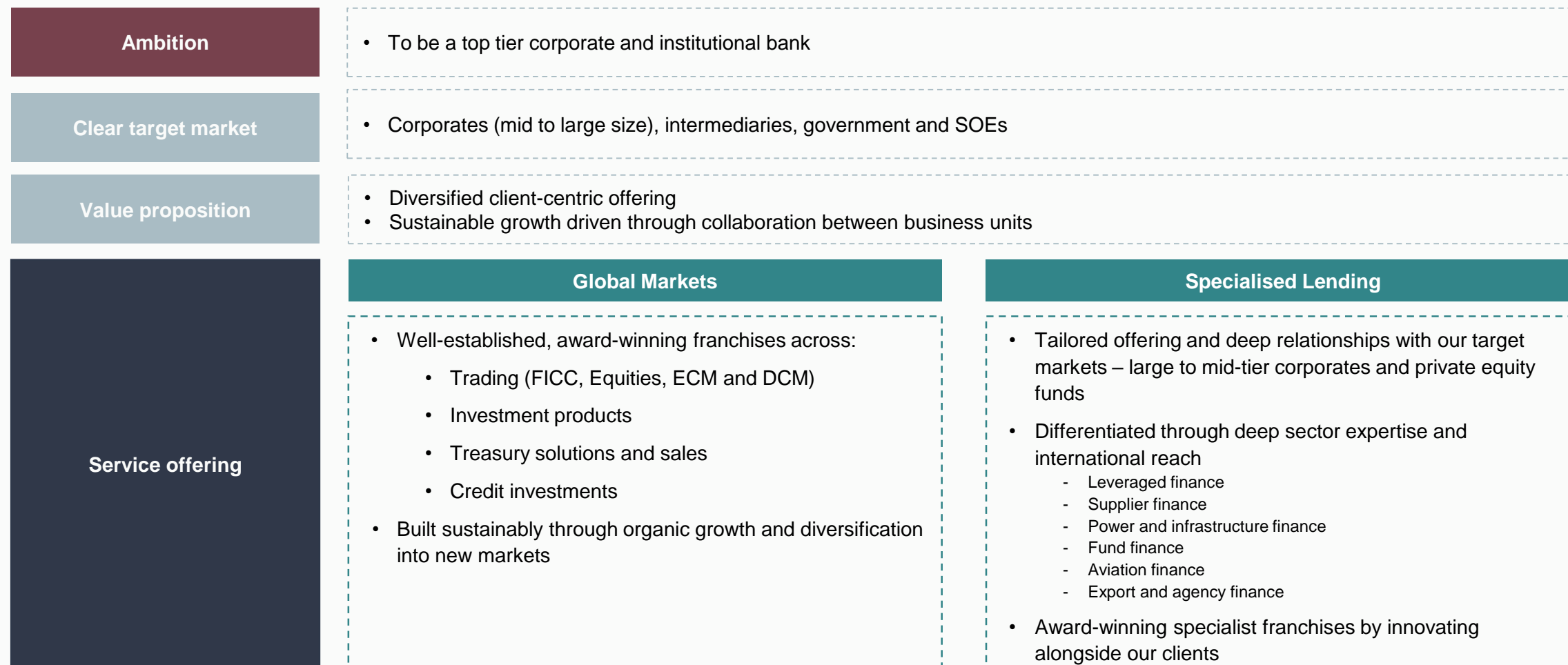
Specialist Banking: Investec for Business

Bespoke lending offerings for working capital optimisation and business growth



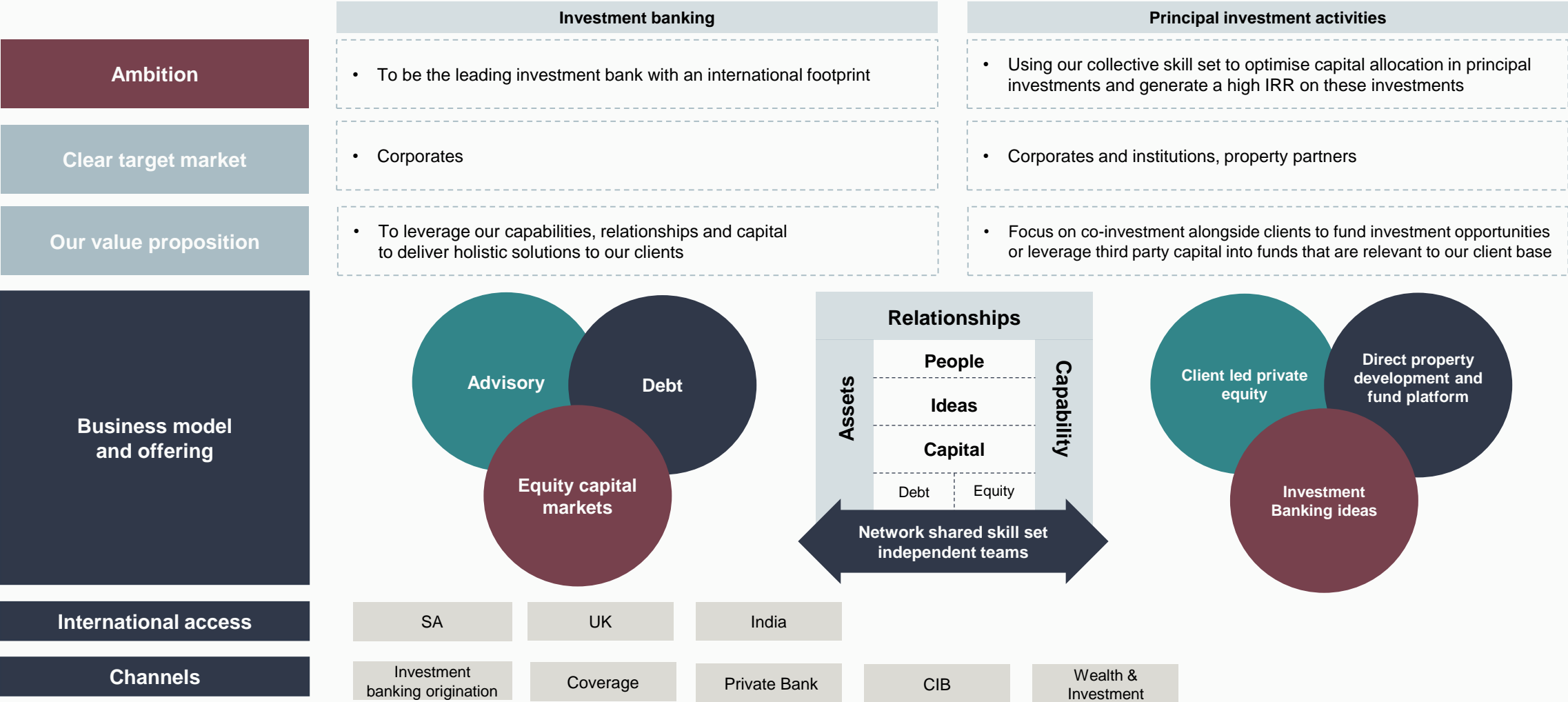
Specialist Banking: Corporate and Institutional Banking

Strong franchise value and leading market position in our niche markets



Specialist Banking: Investment Banking and Principal Investments

Delivering holistic investment solutions to clients

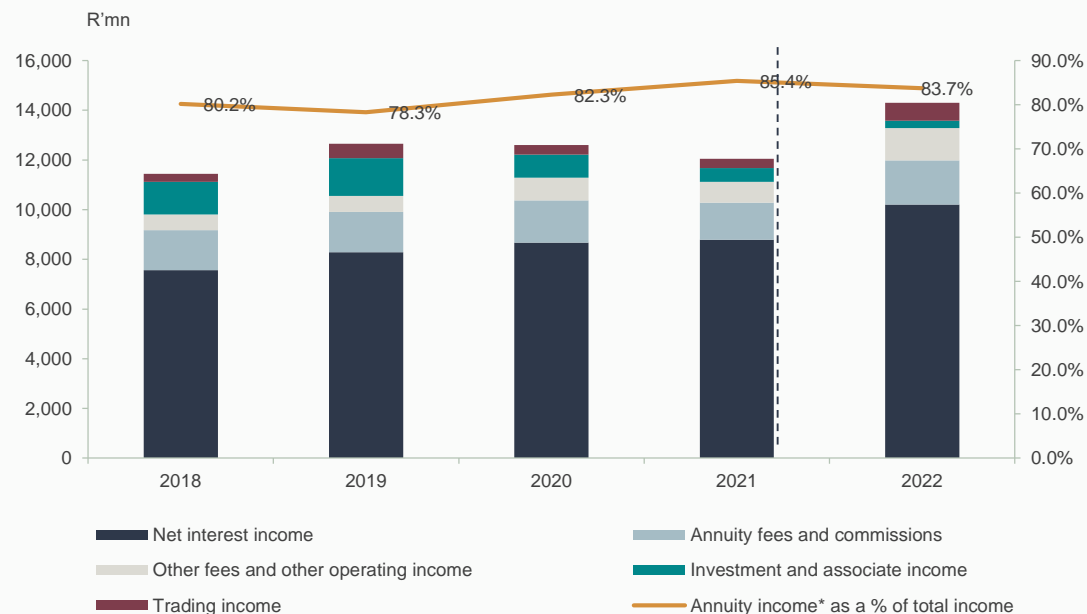


IBL operating fundamentals

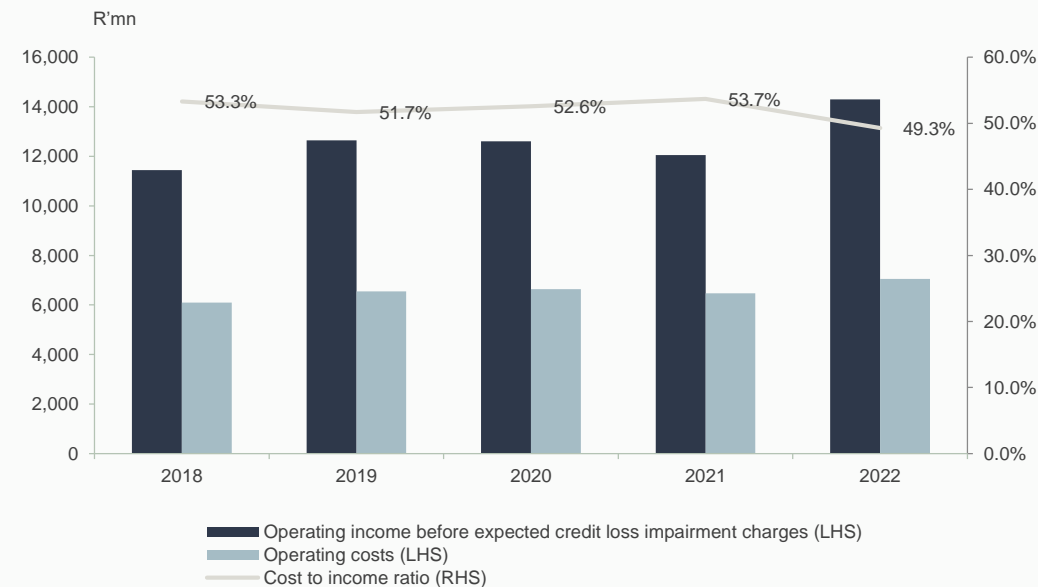


Revenue supported by resilient franchises

Annuity income*



Revenue versus expenses

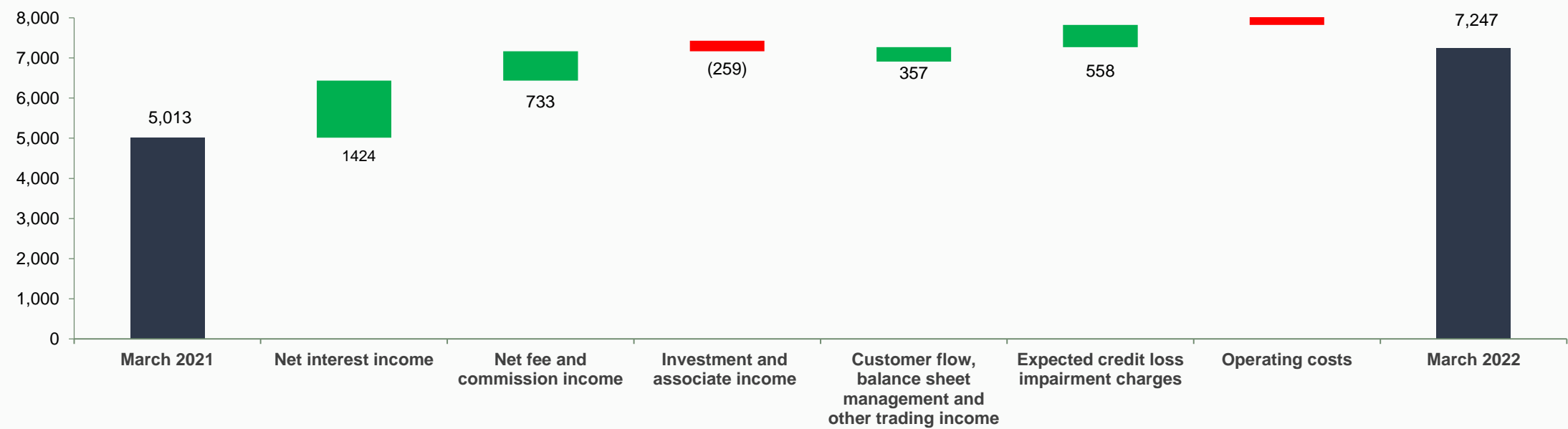


- A diversified business model continues to support a **large recurring income base** comprising net interest income and net annuity fees and commissions, currently 83.7% of operating income (up from 74.8% in 2012)
- **Total operating income before expected credit loss impairment charges** increased 18.7% to R14 304 million (FY2021: R12 049 million), positively impacted by recovery in NIR given increased client activity, higher average interest earning assets, lower funding costs and continued client acquisition.
- We maintained a **disciplined approach to cost control**. **Operating costs** increased 9.0% to R7 048 million (FY2021: R 6 469 million) driven by higher personnel costs due to salary increases and higher variable remuneration given improved performance. The cost to income ratio for the year ended 31 March 2022 improved to 49.3% (31 March 2021: 53.7%).

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

Operating Profit

- IBL reported an increase in profit before tax of 44.6%. 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:
 - Higher **net interest income** driven by higher average lending books and lower funding costs
 - Higher net fees increased on the back of higher lending and forex (FX) turnover, and recovery of point-of-sale activity relative to the prior year
 - Lower **investment income and associate income** is a result of higher dividend income and certain realisations off a low base, offset by higher negative FV adjustments on certain investments
 - Higher **trading income** driven by market share gains in select markets, increased client flows and benefits arising from increased market volatility. Balance sheet management and other trading income saw MTM* gains on certain interest rate and currency swaps.

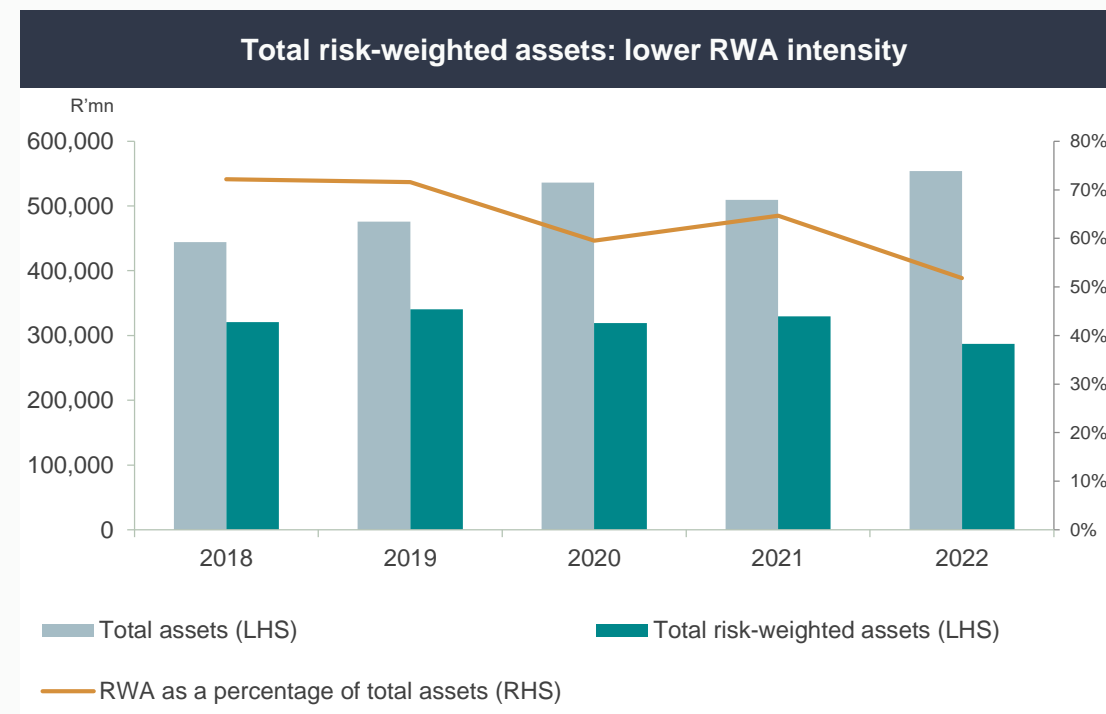


*Mark-to-market

Investec Bank Limited: sound capital base



- Capital resources have increased since FY21 due to an increase in shareholders' equity
- Our total **capital resources have grown by 55% since 2013 to R55 973mn** at 31 March 2022 (CAGR of 5% per year) without recourse to government or shareholder



- IBL's **Total RWAs / Total assets** (RWA intensity) decreased to 51.8% (31 March 2021: 64.6%)
- 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 have made progress in our application to adopt AIRB on remaining models where capital is still measured on the Foundation Internal Ratings Based (FIRB) approach.

Sound capital ratios and capital ratios

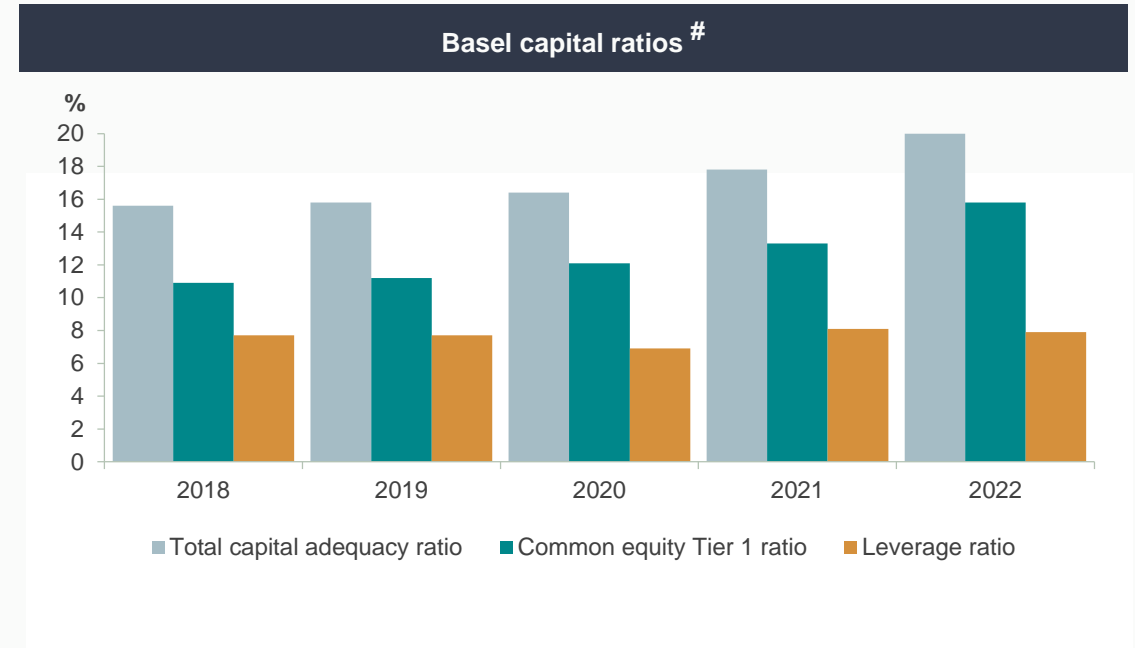
Capital development			
	Increased AIRB Scope *		FIRB
	31 Mar 2022^	31 Mar 2021^	31 Mar 2021^
Common equity Tier 1	15.8%	14.0%	13.3%
Common equity Tier 1 (fully loaded) ^^	15.8%	14.0%	13.3%
Tier 1 ratio	16.6%	14.4%	13.7%
Total capital ratio	20.0%	18.6%	17.8%
Leverage ratio **	7.9%	8.1%	8.1%
Leverage ratio** (fully loaded)^^	7.9%	8.1%	8.1%

*Investec Bank Limited received approval to adopt the Advanced Internal Ratings Based (AIRB) approach for the SME and Corporate models, effective 1 April 2021. We present numbers on a pro-forma basis for 31 March 2021

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

^ Investec Bank Limited's capital information included unappropriated profits at 31 March 2022. If unappropriated profits had been excluded from capital information, Investec Bank Limited's CET1 ratio would have been 69bps lower (March 2021: 48bps lower).

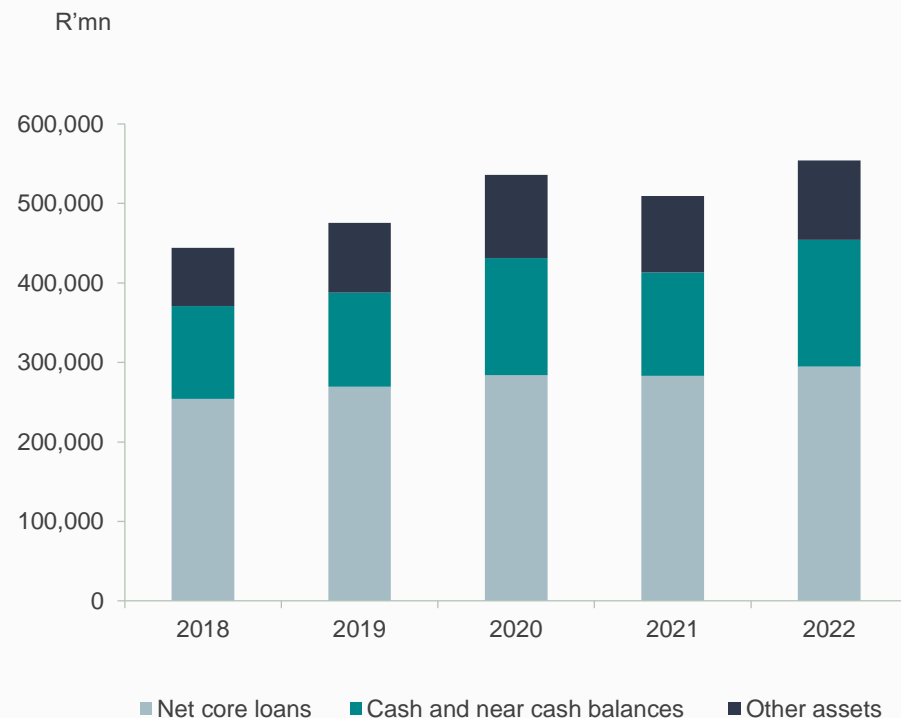
^^The key difference between the 'reported' basis and the 'fully loaded' basis is primarily relating to capital instruments that previously qualified as regulatory capital, but do not fully qualify under South African Prudential Authority regulations. These instruments continue to be recognised on a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



- # FY2022 shown on increased AIRB Scope, all prior years on FIRB
- IBL **maintained a sound capital position** with a CET1 ratio of 15.8% and a total capital adequacy ratio of 20.0%
- Leverage ratios remains robust

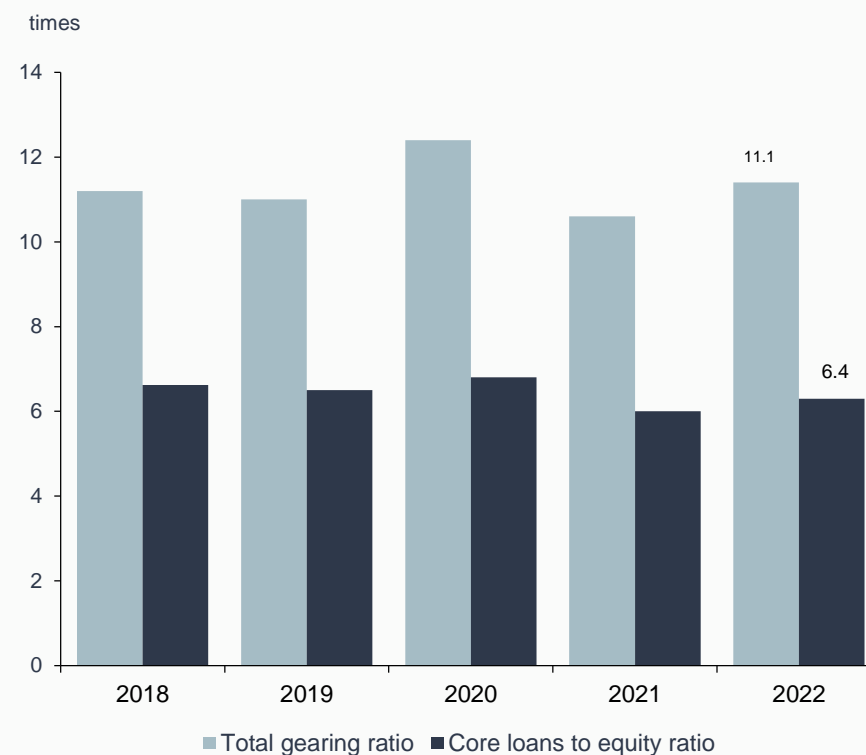
Consistent asset growth, gearing ratios remain low

Total assets composition



- We have reported a **CAGR of c.9% in net core loans** since 2013 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**

Gearing remains low¹

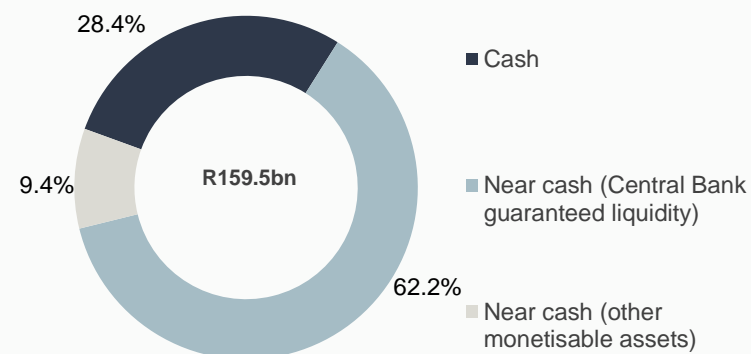


- We have **maintained low gearing ratios¹** with total gearing at 11.4x as at 31 March 2022 and an average of 11.0x since 2013.

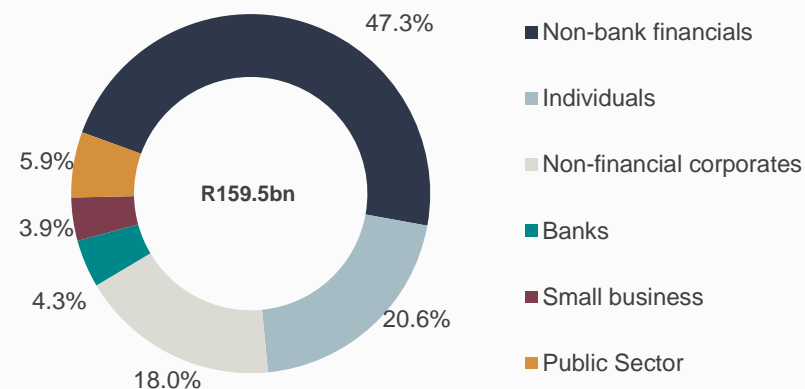
Substantial surplus liquidity

- 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 31 March 2013 (9.1% CAGR) to **R159.5bn** at 31 March 2022 (representing **38.0%** of customer deposits)
- We delivered **liquidity ratios well in excess of regulatory requirements**. At 31 March 2022, IBL's (bank solo) three-month average **Liquidity Coverage Ratio (LCR)** was **138.9%.***
- IBL's (bank solo) **Net Stable Funding Ratio (NSFR)** was **112.6%** (ahead of minimum requirements of 100%)

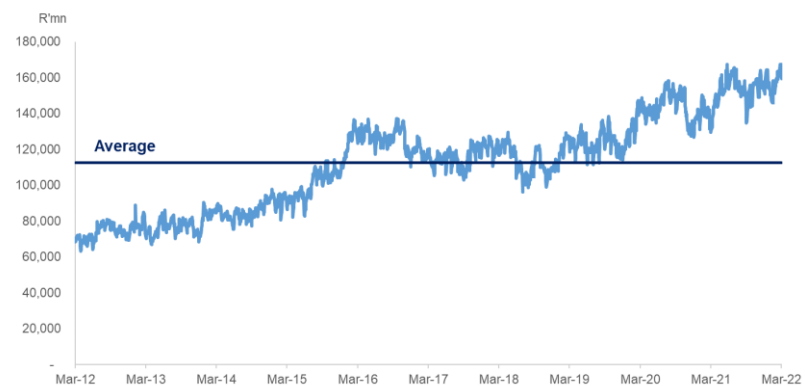
Cash and near cash balances



Depositor concentration by type at 31 March 2022

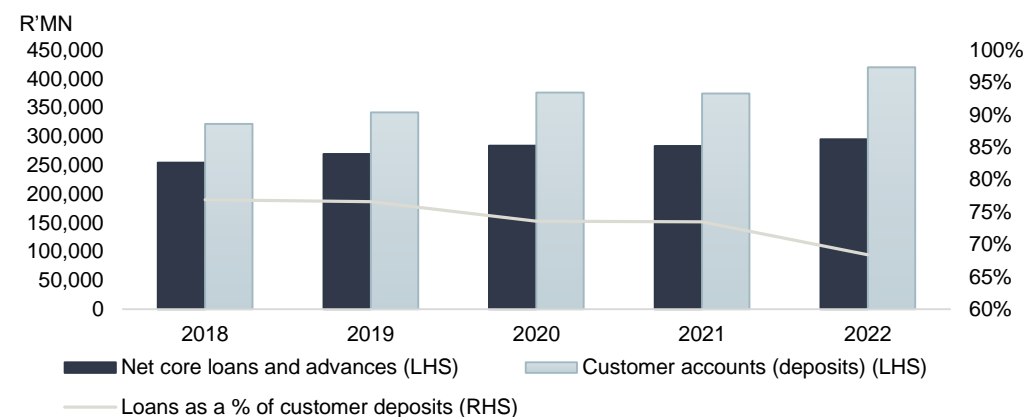


Cash and near cash balances

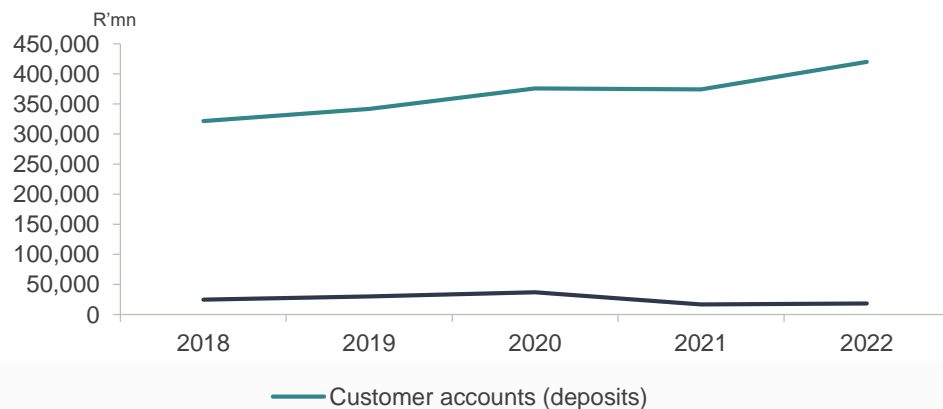


Healthy loan to deposit ratio, stable customer deposit base

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



Total deposits: stable customer deposit base



- Customer deposits **have grown by 126.7% (c.9% CAGR p.a.) since 2013 to R420.bn** at 31 March 2022
- Loans and advances as a percentage of customer deposits **amounts to 68.4%**
- 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

- 1

Maintaining a high base of high-quality liquid assets
- 2

Diversifying funding sources
- 3

Limiting concentration risk
- 4

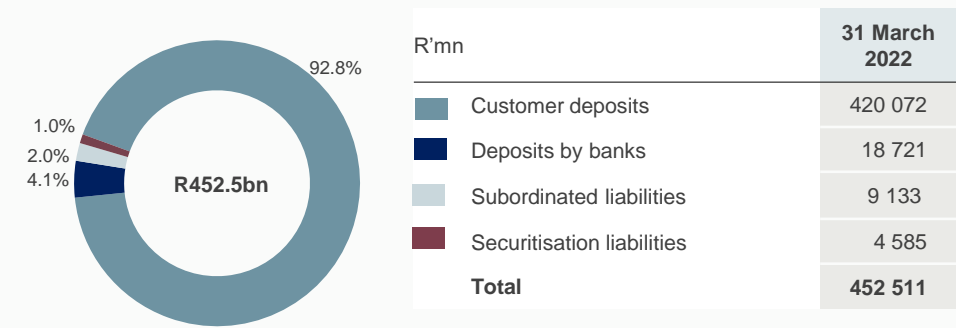
Minimum cash of at least 25% of customer deposits on an on-going basis
- 5

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



- Customer deposits account for 92.8% of selected funding sources** as at 31 March 2022
- Customer deposits are supplemented by deposits from banks (4.1%), subordinated debt (2.0%) and securitisation liabilities (1.0%)
- 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

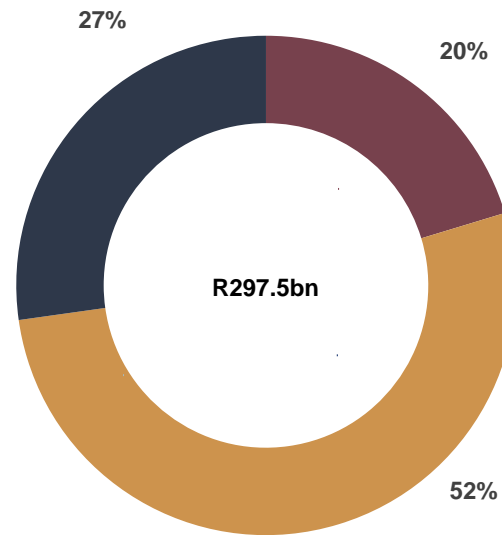
Exposures in a select target market

- **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 and advances by risk category

Corporate and other

Corporate and acquisition finance	19.6%
Fund finance	2.5%
Power and infrastructure finance	2.0%
Small ticket asset finance	1.5%
Financial institutions and governments	1.1%
Aviation finance	0.5%



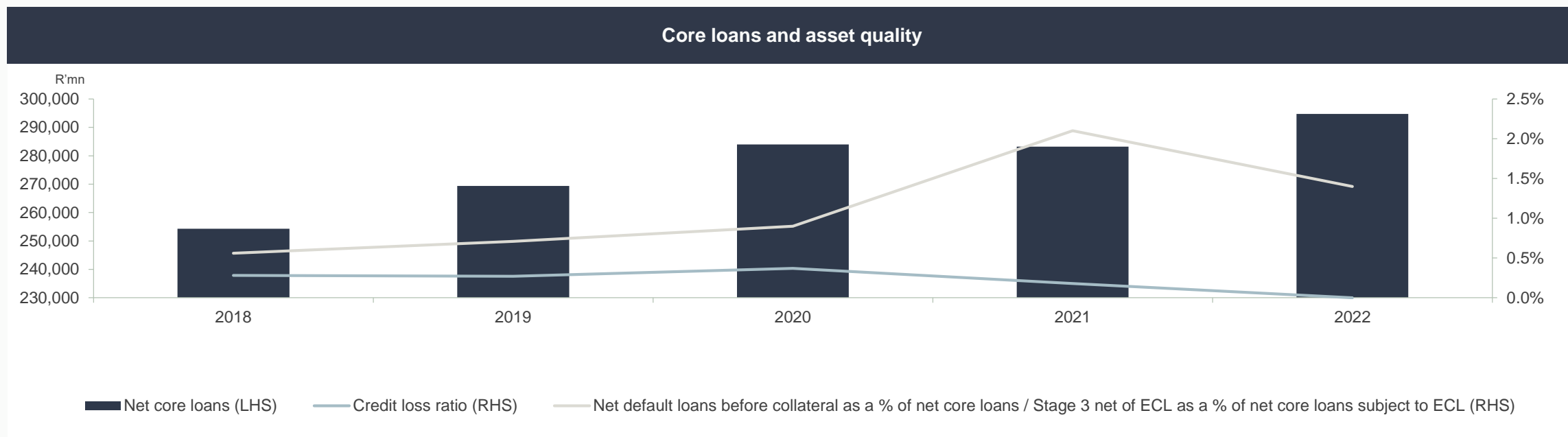
Lending collateralised by property

Commercial real estate investment	16.9%
Commercial real estate development	0.7%
Commercial vacant land and planning	0.2%
Residential real estate investment	1.0%
Residential real estate development	1.2%
Residential vacant land and planning	0.4%

High net worth and other private client

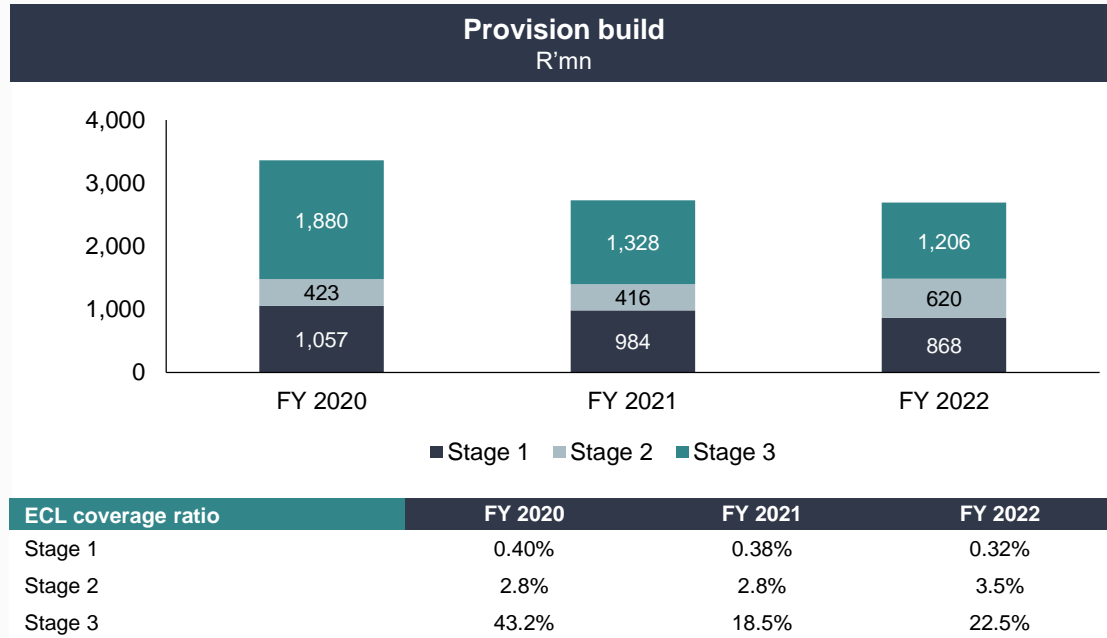
HNW and private client – mortgages	28.8%
HNW and specialised lending	23.6%

Asset quality

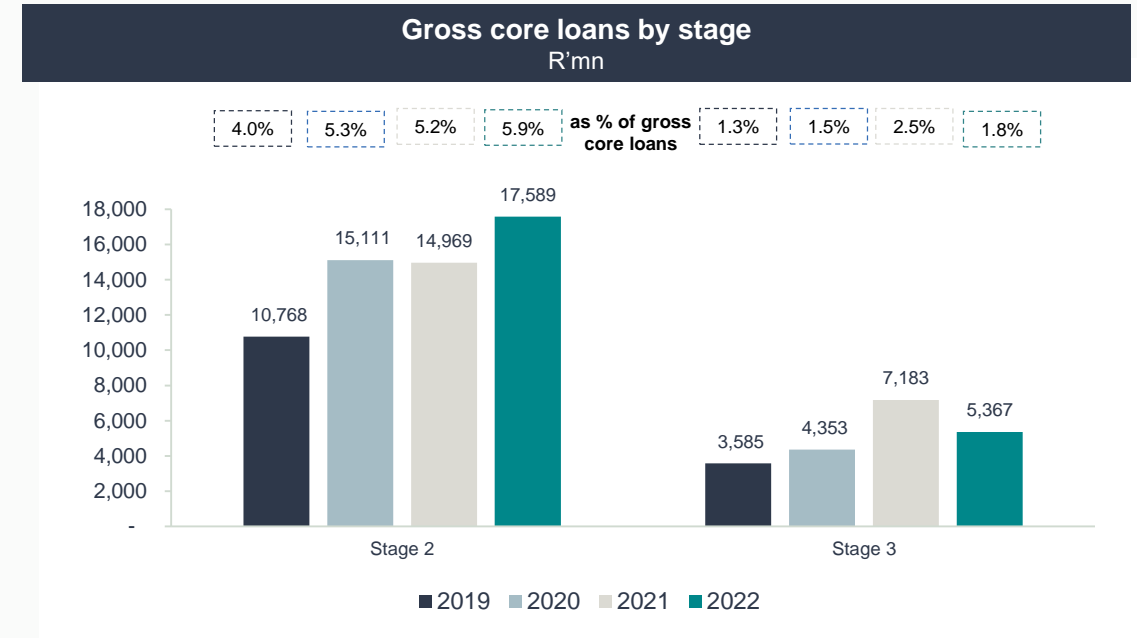


- Credit quality metrics on core loans and advances for the financial year ended 31 March 2022 are as follows:
 - **Expected credit loss (ECL) impairment charges** declined to R9 million (FY21: R567million) resulting in a credit loss ratio (CLR) of c.0bps (FY21:18 bps) due to good recoveries, limited default experience, specific ECL impairment reversals and a R71 million release from the R290 million management overlay at 31 March 2021
 - Stage 1 and 2 ECL charges also declined, given the improved macroeconomic outlook and moderate book growth. The management overlay at year end of R219 million (31 March 2021: R290 million) reflects economic uncertainty arising from the effects of inflationary pressures and second-order economic impacts from geopolitical impacts abroad.
 - Since 31 March 2021 **Stage 3 gross core loans subject to ECL** decreased by R1 816 million to R5 367 million
 - **Stage 3 net of ECL as a % of net core loans subject to ECL** was 1.4% for 31 March 2022 (31 March 2021: 2.1%)

Asset quality metrics



- **Stage 1** provisions decreased 11.8% from R984mn at 31 March 2021 to R868mn at 31 March 2022. As a result, Stage 1 ECL coverage ratio decreased from 0.38% to 0.32%
- **Stage 2** provisions increased 49.0% from R416mn at 31 March 2021 to R620mn at 31 March 2022. Stage 2 ECL coverage ratio increased from 2.8% to 3.5%
- **Stage 3** provisions decreased 9.2% from R1 328mn at 31 March 2021 to R1 206mn at 31 March 2022. Stage 3 ECL coverage ratio increased from 18.5% to 22.5%.



- Stage 2 exposures increased to 5.9% of gross core loans subject to ECL at 31 March 2022 (31 March 2021: 5.2%)
- Stage 3 exposures decreased by R1.82 billion to R5.37 billion or 1.8% of gross core loans subject to ECL at 31 March 2022 (2.5% at 31 March 2021) and is attributable to large single name exposure migrating to Stage 2 offset by new smaller Stage 3 exposures.

Credit ratings

Current credit ratings		
Moody's	Rating	Outlook
National scale long-term deposit rating	Aa1.za	Stable
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)	Stable
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-	
Global Credit Ratings	Rating	Outlook
National long-term rating	AA(za)	Stable
National short-term rating	A1+(za)	
International long-term rating	BB	
S&P	Rating	Outlook
National scale long-term rating	za.AA	Positive
National scale short-term rating	Za.A-1+	
Foreign currency long-term issuer credit rating	BB-	
Foreign currency short-term credit rating	B	

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

- 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

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	Global	National scale	Baseline credit assessment	International	National
Absa Bank Limited	n/a	za.AA	BB-	AA+(zaf)	bb-	Ba2	Aa1.za	ba2	BB	AA(za)
FirstRand Bank Limited	BB-	za.AA	BB-	AA+(zaf)	bb-	Ba2	Aa1.za	ba2	BB	AA+(za)
Nedbank Limited	BB-	za.AA	BB-	AA+(zaf)	bb-	Ba2	Aa1.za	ba2	BB	AA(za)
Standard Bank of South Africa Limited	n/a	n/a	BB-	AA+(zaf)	bb-	Ba2	Aa1.za	Ba2	BB	AA+(za)
Investec Bank Limited	BB-	za.AA	BB-	AA+(zaf)	bb-	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)

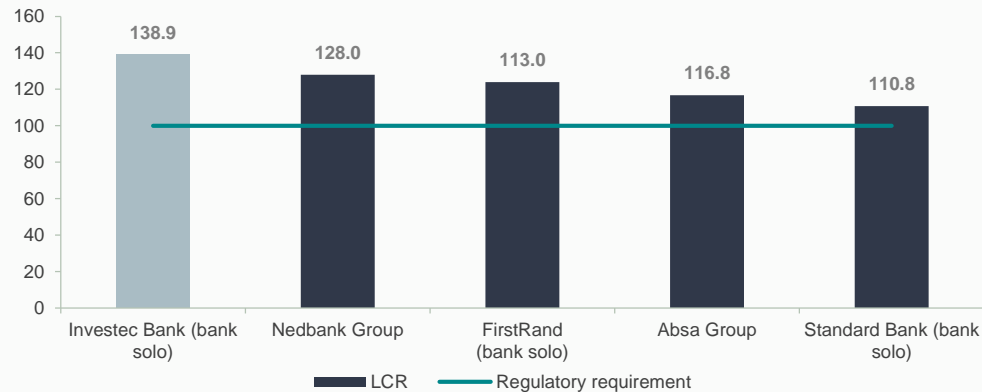
Rating definitions:

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.

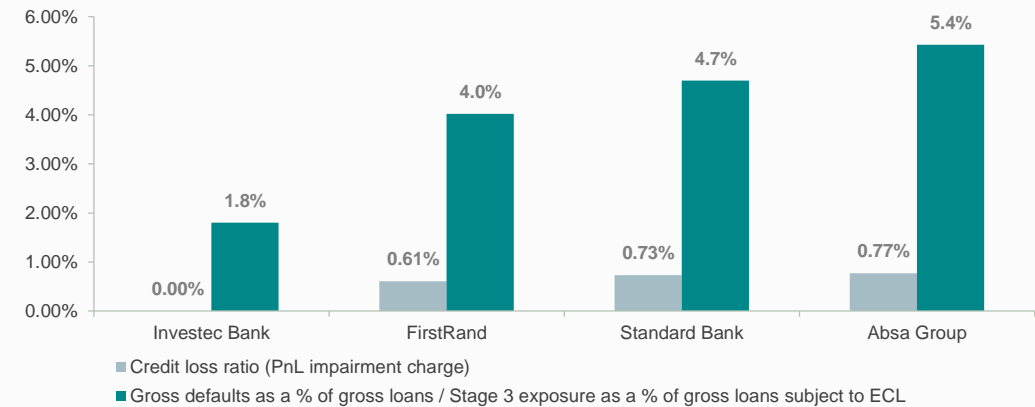
Peer group companies* (cont.)

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

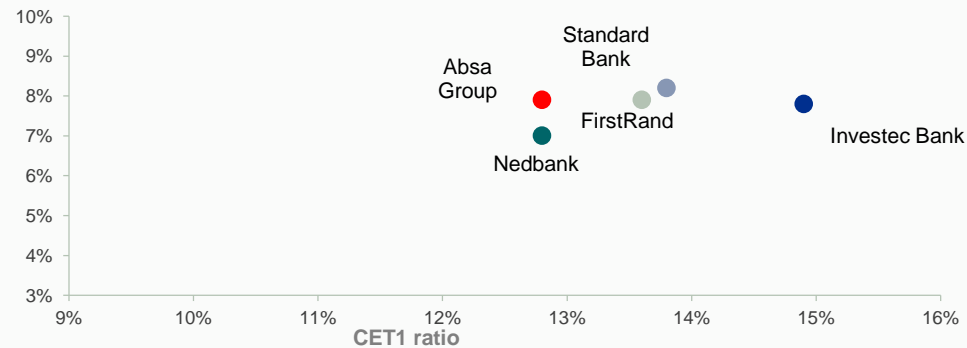
Liquidity: regulatory liquidity coverage ratio



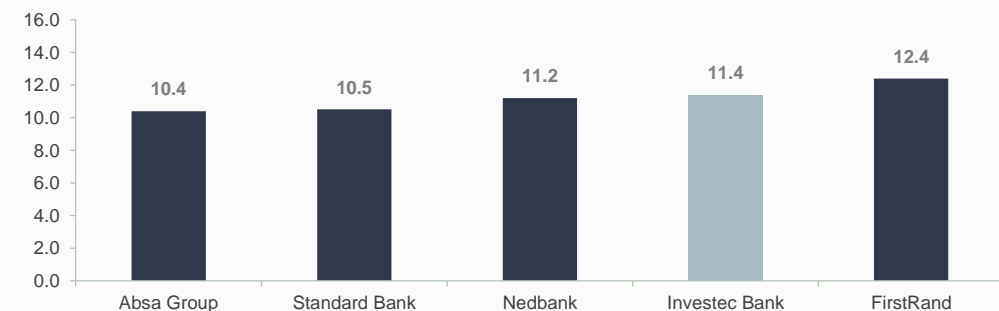
Asset quality ratios



Capital ratios



Gearing ratio



*Source: Latest company interim and annual results available June 2022. **LCR not disclosed on a bank solo level.

** Investec Bank Limited (IBL) received approval to adopt the Advanced Internal Ratings Based (AIRB) approach for its SME and Corporate models effective 1 April 2021. We have made progress in our application to adopt AIRB on remaining portfolios where capital is still measured under Foundation IRB (FIRB).

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



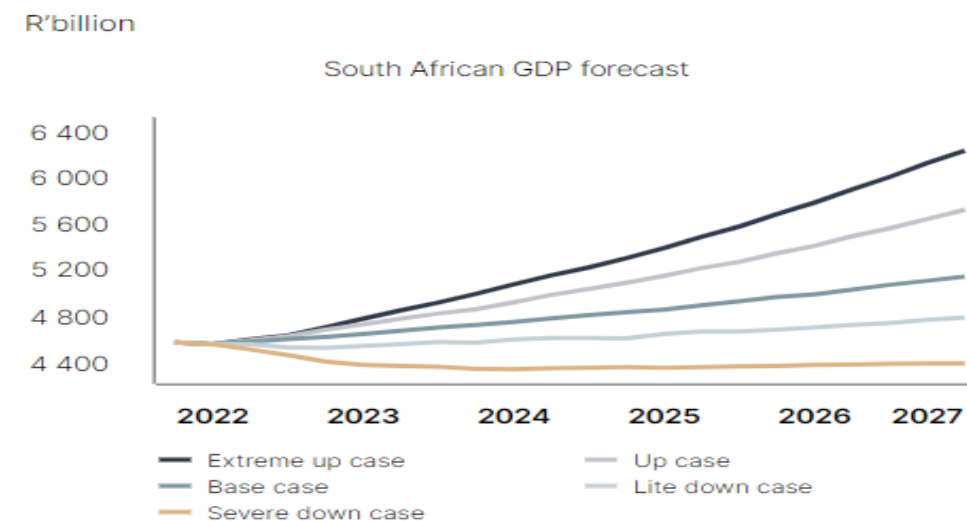
Investec Bank Limited Appendices



Macroeconomic scenarios – 31 March 2022

Key judgements at 31 March 2022

- After careful review of portfolio performance, the current design of the ECL models and updated published market data, management reduced the ECL overlay of R290 million at 31 March 2021 to R219 million at 31 March 2022 in the Private Bank portfolio.
- As in the prior year, the overlay represents a post-model adjustment designed to account for emerging risks identified for categories of borrowers within the commercial real estate (R189 million) and mortgage portfolios (R30 million). Relevant emerging risks include the reducing risk profile of the COVID-19 pandemic, counterbalanced by increasing social and geopolitical risks.
- Management will continue to review the need and basis of calculation for the overlay given the evolving situation and significant uncertainty faced with respect to the economic outlook.



	Macro-economic scenarios	At 31 March 2022 Average 202 - 2027					At 31 March 2021 Average 2021-2026				
		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 %
South Africa	GDP growth	6.1	4.4	2.4	1.0	(0.6)	6.6	5.0	3.2	2.0	0.4
	Repo rate	3.9	4.6	6.0	6.5	7.5	3.6	3.8	4.2	4.8	5.3
	Bond yield	7.9	9.1	9.7	10.4	11.8	9.2	9.5	10.1	10.8	11.5
	CPI Inflation	3.8	4.4	4.9	5.6	6.9	4.0	4.5	5.0	5.7	6.4
	Residential property price growth	7.4	6.3	4.8	4.0	2.5	7.3	6.7	5.4	4.6	3.5
	Commercial property price growth	5.9	1.8	0.7	(1.4)	(2.6)	3.8	2.3	0.6	(0.6)	(1.9)
	Exchange rates (South African Rand : US Dollar)	12.5	14.2	15.6	16.9	19.9	12.0	12.7	14.9	16.7	18.7
	Scenario weightings	1	2	51	40	6	1	2	48	43	6

IBL: salient financial features

Key financial statistics	31 March 2022	31 March 2021	% change
Total operating income before expected credit losses (R'million)	14 304	12 049	18.7%
Operating costs (R'million)	7 048	6 469	9.0%
Operating profit before goodwill and acquired intangibles (R'million)	7 247	5 013	44.6%
Headline earnings attributable to ordinary shareholders (R'million)	5 260	4 133	27.3%
Cost to income ratio	49.3%	53.7%	
Total capital resources (including subordinated liabilities) (R'million)	55 973	59 481	(5.9%)
Total equity (R'million)	46 840	46 545	0.6%
Total assets (R'million)	553 876	509 492	8.7%
Net core loans (R'million)	294 757	283 240	4.1%
Customer accounts (deposits) (R'million)	420 072	374 369	12.2%
Loans and advances to customers as a % of customer accounts (deposits)	68.4%	73.5%	
Cash and near cash balances (R'million)	159 454	129 759	22.9%
Total gearing ratio (i.e. total assets excluding assurance assets to equity)	11.4x	10.6x	
Total capital adequacy ratio	20.0%	17.8%	
Tier 1 ratio^	16.6%	13.7%	
Common equity tier 1 ratio^	15.8%	13.3%	
Leverage ratio^	7.9%	8.1%	
Leverage ratio – 'fully loaded'^	7.9%	8.1%	
Stage 3 as a % of gross core loans subject to ECL	1.8%	2.5%	
Stage 3 net of ECL as a % of net core loans subject to ECL	1.4%	2.1%	
Credit loss ratio	0.00%	0.18%	

^ Investec Bank Limited received approval to adopt the Advanced Internal Ratings Based (AIRB) approach for the SME and Corporate models, effective 1 April 2021. 31 March 2021 numbers are reported on the FIRB approach; we have presented numbers on a pro-forma Increased AIRB Scope basis for 31 March 2021.

IBL: income statement

R'million	31 March 2022	31 March 2021	% change
Interest income	26 230	26 370	(0.5%)
Interest expense	(16 020)	(17 584)	(8.9%)
Net interest income	10 210	8 786	16.2%
Fee and commission income	3 609	2 804	28.7%
Fee and commission expense	(539)	(467)	15.4%
Investment income	241	472	(48.9%)
Share of post taxation profit of associates	53	81	(34.6%)
Trading income/(loss) arising from			
– customer flow	724	627	15.5%
– balance sheet management and other trading liabilities	5	(257)	>100%
Other operating income	1	3	(66.7%)
Total operating income before expected credit losses	14 304	12 049	18.7%
Expected credit loss impairment charges	(9)	(567)	(98.4%)
Operating income	14 295	11 482	24.5%
Operating costs	(7 048)	(6 469)	9.0%
Operating profit before impairment of goodwill and acquired intangibles	7 247	5 013	44.6%
Impairment of goodwill	(3)	(3)	0.0%
Amortisation of acquired intangibles	(51)	(51)	0.0%
Impairment of associates	-	(98)	(100%)
Profit before taxation	7 193	4 861	48.0%
Taxation on operating profit before acquired intangibles	(1 703)	(878)	94.0%
Taxation on acquired intangibles	15	14	7.1%
Profit after taxation	5 505	3 997	37.7%
Profit after taxation attributable to ordinary shareholders	5 238	3 842	
Profit after taxation attributable to perpetual preference shareholders and other Additional Tier 1 security holders	267	155	

IBL: balance sheet

R'million	31 March 2022	31 March 2021
Assets		
Cash and balances at central banks	11 893	9 653
Loans and advances to banks	19 609	24 666
Non-sovereign and non-bank cash placements	13 176	8 956
Reverse repurchase agreements and cash collateral on securities borrowed	56 437	30 221
Sovereign debt securities	57 380	53 009
Bank debt securities	27 955	21 862
Other debt securities	15 439	14 170
Derivative financial instruments	17 658	19 173
Securities arising from trading activities	2 276	2 869
Investment portfolio	2 865	4 923
Loans and advances to customers	287 529	275 056
Own originated loans and advances to customers securitised	7 228	8 184
Other loans and advances	108	181
Other securitised assets	592	578
Interests in associated undertakings	31	5 149
Current taxation assets	2	35
Deferred taxation assets	2 255	2 412
Other assets	5 746	7 382
Property and equipment	3 427	2 740
Investment properties	1	1
Goodwill	172	175
Software*	46	95
Intangible assets	64	118
Loans to Group companies	21 489	17 410
Non-current assets held for sale	498	474
	553 876	509 492

IBL: balance sheet (cont.)

R'million	31 March 2022	31 March 2021
Liabilities		
Deposits by banks	18 721	17 144
Derivative financial instruments	7 551	23 011
Other trading liabilities	3 309	3 388
Repurchase agreements and cash collateral on securities lent	12 091	16 593
Customer accounts (deposits)	420 072	374 369
Debt securities in issue	2 845	2 126
Liabilities arising on securitisation of own originated loans and advances	4 585	3 271
Current taxation liabilities	557	684
Deferred taxation liabilities	17	32
Other liabilities	7 089	7 421
Loans from Group companies	1 066	1 972
	497 903	450 011
Subordinated liabilities	9 133	12 936
	507 036	462 947
Equity		
Ordinary share capital	32	32
Share premium	14 250	14 250
Other reserves	1 017	411
Retained income	28 981	29 188
Ordinary shareholder's equity	44 280	43 881
Perpetual preference shares in issue*	-	1 481
Shareholder's equity excluding non-controlling interests	44 280	45 362
Other Additional Tier 1 securities in issue	2 560	1 183
Total equity	46 840	46 545
Total liabilities and equity	553 876	509 492

IBL: asset quality

R'million	31 March 2022	31 March 2021
Gross core loans	297 451	285 968
Of which subject to ECL *	296 094	284 547
Of which FVPL (excluding fixed rate loans above)	1 357	1 421
Gross core loans to customers subject to ECL	296 094	284 547
Stage 1	273 138	262 395
Stage 2	17 589	14 969
of which past due greater than 30 days	328	272
Stage 3	5 367	7 183
ECL	(2 694)	(2 728)
Stage 1	(868)	(984)
Stage 2	(620)	(416)
Stage 3	(1 206)	(1 328)
Coverage ratio		
Stage 1	0.32%	0.38%
Stage 2	3.5%	2.8%
Stage 3	22.5%	18.5%
Annualised credit loss ratio	0.00%	0.18%
ECL impairment charges on core loans	(7)	(519)
Average gross core loans subject to ECL	290 320	284 842
A analysis of Stage 3 core loans subject to ECL		
Stage 3 net of ECLs	4 161	5 855
Aggregate collateral and other credit enhancements on Stage 3	5 734	8 253
Stage 3 as a % gross core loans and advances to customers subject to ECL	1.8%	2.5%
Stage 3 ECL impairments as a % of Stage 3 exposure	50.2%	38.0%
Stage 3 net of ECL as a % of net core loans and advances to customers subject to ECL	1.4%	2.1%

* Includes portfolios for which ECL is not required for IFRS purposes, but for which management evaluates on this basis. These are fixed rate loans which have passed the Solely Payments of Principal and Interest (SPPI) 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. The drawn (R19 billion) exposure falls predominantly into Stage 1 (consistent throughout the period) (31 March 2021: R22 billion). The ECL on the portfolio is R76 million (31 March 2021: R105 million).

IBL: analysis of core loans by risk category

Gross core loans at amortised cost and FVPL (subject to ECL)									Gross core loans at FVPL (not subject to ECL)	Gross core loans
At 31 March 2022 R'million	Stage 1		Stage 2		Stage 3		Total			
	Gross Exposure	ECL	Gross Exposure	ECL	Gross Exposure	ECL	Gross Exposure	ECL		
Lending collateralised by property	52 875	(225)	5 955	(126)	1 590	(311)	60 420	(662)	-	60 420
Commercial real estate	47 228	(200)	4 374	(116)	1 356	(309)	52 958	(625)	-	52 958
Commercial real estate – investment	44 645	(193)	4 305	(115)	1 351	(308)	50 301	(616)	-	50 301
Commercial real estate – development	1 997	(6)	52	-	-	-	2 049	(6)	-	2 049
Commercial vacant land and planning	586	(1)	17	(1)	5	(1)	608	(3)	-	608
Residential real estate	5 647	(25)	1 581	(10)	234	(2)	7 462	(37)	-	7 642
Residential real estate – investment	2 393	(5)	564	(9)	-	-	2 957	(14)	-	2 957
Residential real estate - development	2 451	(14)	1 003	(1)	-	-	3 454	(15)	-	3 454
Residential vacant land and planning	803	(6)	14	-	234	(2)	1 051	(8)	-	1 051
High net worth and other private client lending	148 439	(292)	4 999	(191)	2 635	(361)	156 073	(844)	-	156 073
Mortgages	80 276	(64)	4 337	(172)	1 169	(204)	85 782	(440)	-	85 782
High net worth and specialised lending	68 163	(228)	662	(19)	1 466	(157)	70 291	(404)	-	70 291
Corporate and other lending	71 824	(351)	6 635	(303)	1 142	(534)	79 601	(1 188)	1 357	80 958
Corporate and acquisition finance	49 777	(274)	6 312	(291)	969	(440)	57 058	(1 005)	1 357	58 415
Fund finance	7 461	(12)	-	-	-	-	7 461	(12)	-	7 461
Financial institutions and governments	3 192	(6)	-	-	19	(2)	3 211	(8)	-	3 211
Small ticket asset finance	4 120	(17)	103	(1)	153	(91)	4 376	(109)	-	4 376
Aviation finance*	1 494	(25)	131	(9)	1	(1)	1 626	(35)	-	1 626
Power and infrastructure finance	5 780	(17)	89	(2)	-	-	5 869	(19)	-	5 869
Gross core loans and advances	273 138		17 589		5 367		296 094			297 451

* Aviation finance (previously reported as Large ticket asset finance), has additional exposures in Corporate and acquisition finance of R640 million (31 March 2021: R1.2 billion) and Financial institutions and governments of R213 million (31 March 2021: R914 million).

Legal disclaimer

IMPORTANT NOTICE

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