Investec

OUT OF THE ORDINARY

Investec Bank Limited

Investor generic presentation

May 2023

The information in this presentation relates to the year ended 31 March 2023, unless otherwise indicated.

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Investec Group at a glance

Investec Dual Listed Company structure

Non-Southern African operations

Investec plc

LSE primary listing
JSE secondary listing
A2X secondary listing

Sharing Agreement

Southern African operations

Investec Ltd

JSE primary listing
NSX secondary listing
BSE secondary listing
A2X secondary listing

Investec Bank plc

Investec Wealth & Investment Limited

Investec Bank Ltd

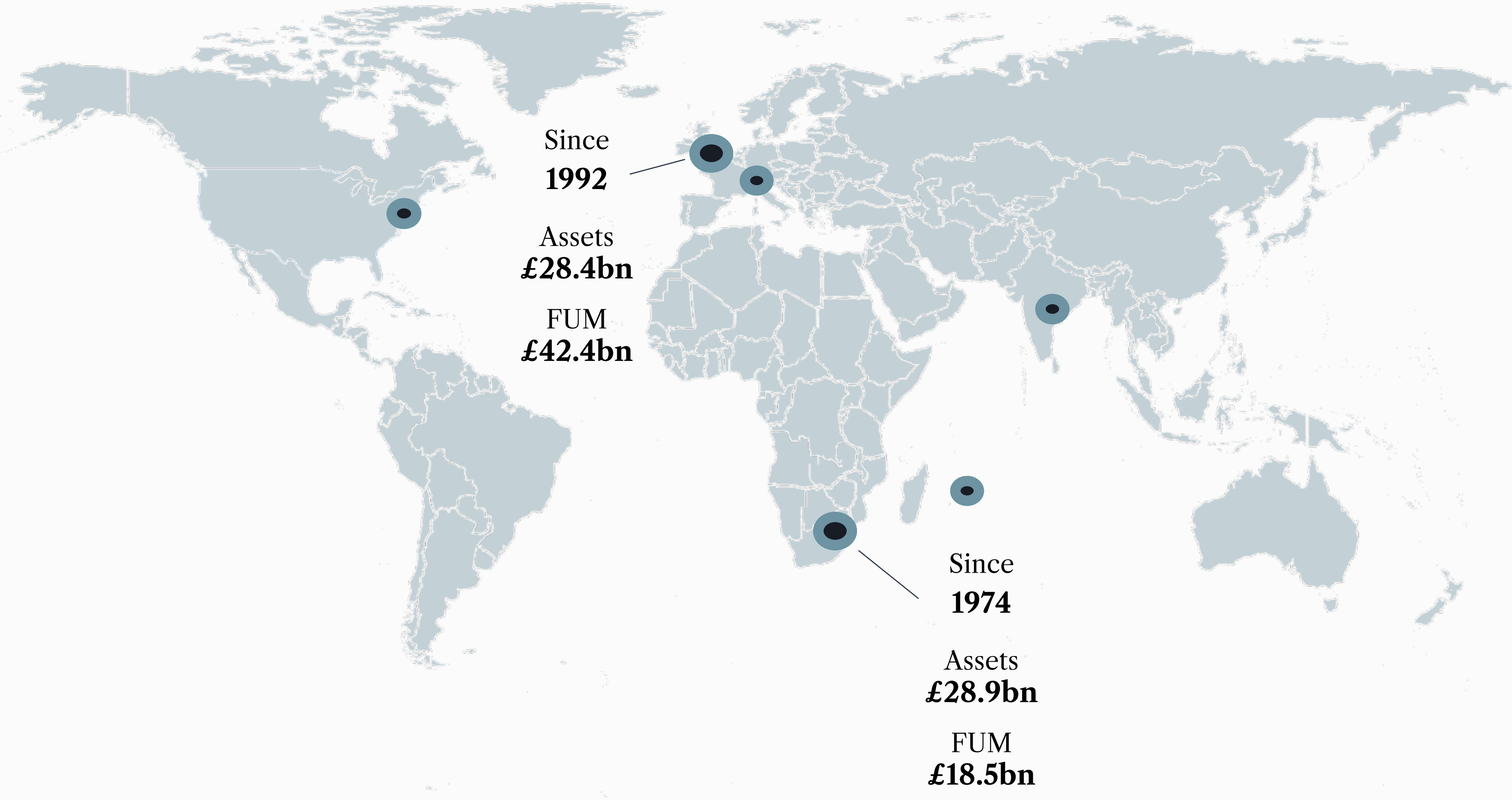
Investec Wealth & Investment International Group

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

- 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

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 **8 705***people
- Listed on the JSE and LSE (a FTSE 250 company)
- Total assets of **£57.3bn**; total equity of **£5.3bn**; and total funds under management of **£61.0bn**

* Including temporary employees and contractors.

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

We are dedicated to building meaningful relationships with all our stakeholders

We uphold cast-iron integrity in all we do

We are committed to living in society, not off it

We embrace our responsibility to the environment

We thrive on change and challenge convention with courage, constantly adapting to an ever-changing world

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

We trust our people to exercise their judgement, promoting entrepreneurial flair and freedom to operate within the context of prudent risk parameters and unwavering adherence to our values

We embrace diversity in a deeply caring organisation in which everyone can bring their whole selves.

* We have recently realigned our values through extensive consultation and dialogue, across the organisation, with all business areas and geographies, ensuring that they reflect our steadfast beliefs and our aspirations. The processes has been bottom up and top down and then aggregated the wisdom of the organisation to reflect the depth of our thinking and the way we conduct ourselves

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

Fuelling a robust growth agenda

Growth Objectives

- Continued execution with discipline to drive **optimisation of returns**
- Accelerate and scale **new growth initiatives**
- Further develop **connected client eco-systems** across business units & geographies

Underpinned by

- Deepening our **entrepreneurial culture** (Out of the Ordinary)
- Continuous **digitalisation**
- **Strategic** use of **data**

SA sustainability highlights

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

PROGRESS MADE ON OUR IMPACT SDGs

Net-zero commitments

13 CLIMATE ACTION

Zero thermal coal by 31 March 2030
Made a commitment to have zero coal exposure by 31 March 2030

Completed a **pro-climate assessment** within Investec Limited to identify improvement areas towards our net-zero goals

W&I signed up as a **CDP Signatory** and joined the non-disclosure campaign

Equality commitments

10 REDUCED INEQUALITIES

Group Board

43%	43%
ethnicity	women

4th
in the Universum employer of choice survey by professionals in SA

Transformation
R454mn
Procurement from black women-owned suppliers in South Africa

Highlights

Specialist Banking

Ranked 7th	In the **Sustainable Banking Revenues Ranking** in the Corporate Knights The Banker survey, 2022 (out of an initial pool of 91 banks)
Sustainable finance project	Implemented a project to **calculate the amount of our sustainable finance lending and investments** and understand the impact on our priority SDGs
0.11%	**Thermal coal exposure (R349mn)** as a percentage of gross core loans (Mar-22: 0.15%)

Investec Limited committed to zero thermal coal exposure in their loan book by 31 March 2030

Wealth & Investment

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

Incorporating sustainability in the way we do business and creating innovative, impactful solutions

Focused on doing well and doing good – SA

Other highlights

Specialist banking

- Partnered with Proparco to implement the Transforming Financial Systems for Climate (TFSC) programme in South Africa. The package comprises a senior credit facility of $80mn and a technical assistance programme.
- Investec Limited completed a **pro-climate assessment** to identify improvement areas towards our net-zero goal
- Investec Group joined the **Partnership for Biodiversity Accounting Financials** (PBAF)
- Investec Limited launched a free-standing funding solutions offering for private clients, focusing on assets such as solar or water storage
- Won the **Africa Export Finance Deal of the Year for Ghana's Western Railway Line** Project
- **Incorporated ESG considerations** into our equity research product in South Africa (using ESG data from MSCI)
- Successfully closed a €34mn Commercial Facility with the Ministry of Finance, Angola. The Commercial Facility will part-finance the total project cost of €225mn, which will be used for the **construction of three hospitals in Angola**
- Co-arranger for a €178mn commercial loan to **develop and rehabilitate essential water supply** infrastructure across up to 111 locations in Côte d'Ivoire, enhancing access to potable water in these areas.

Wealth & Investment

- Continued inflows into the Investec Global Sustainable Equity Fund of **$46.2mn** (since launch in Mar-21)
- Remain active members of **Climate Action 100+**
- **R2.7bn** raised through the launch of two managed charity portfolios in South Africa.

Investec

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	Net core loans	Total equity	Customer deposits	Employees
R597.2bn	R318.2bn	R46.7bn	R448.7bn	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**

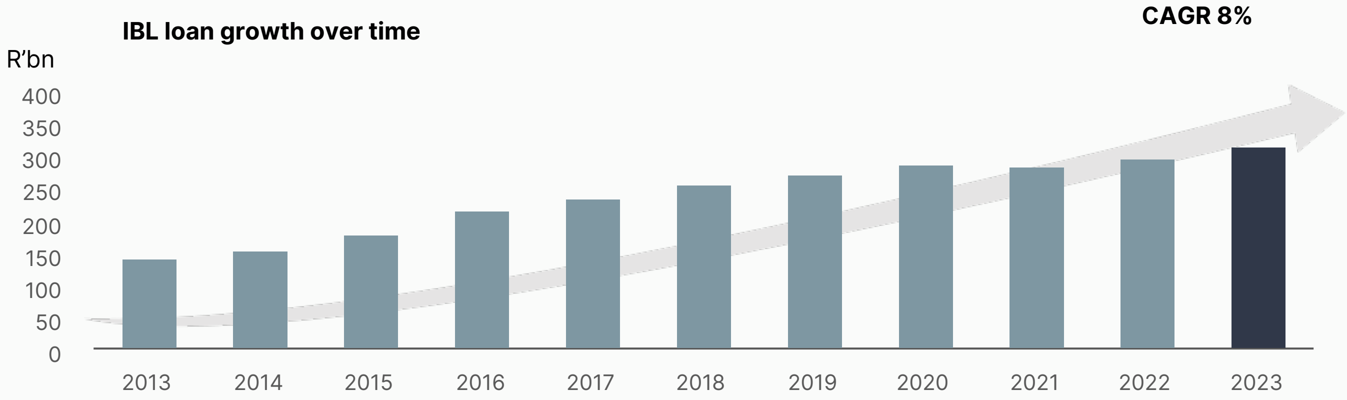
- **Maintaining cost efficiency** with low cost to income ratios

- 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

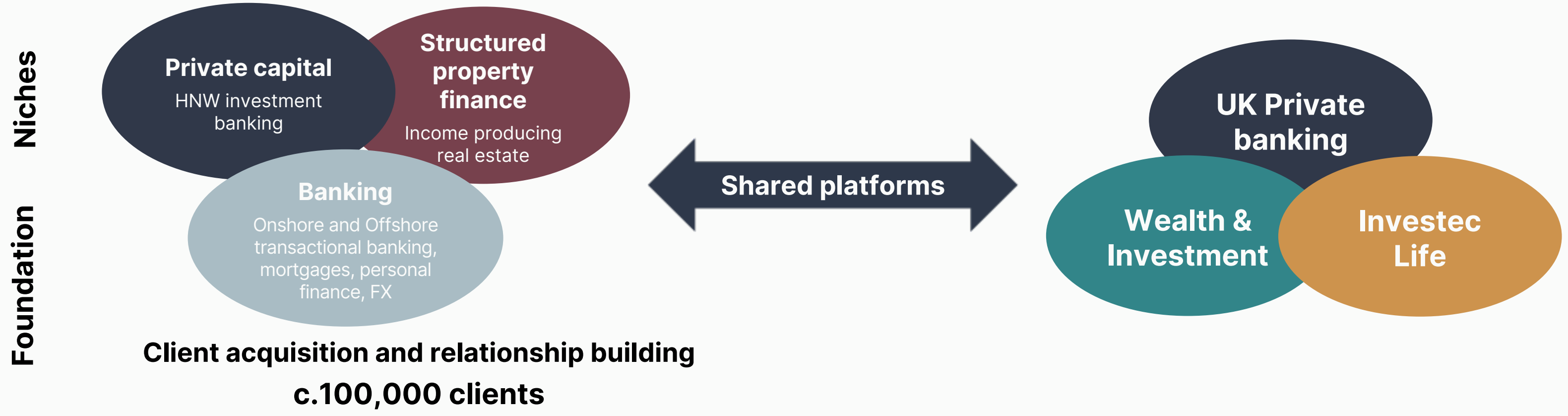
A full-service Private Banking offering integrated into One Place™

Ambition
- To be a leading domestic and international Private Bank

Clear target market
- High net worth individuals, high-income professionals, sophisticated investors, emerging and established entrepreneurs, and young professionals across multiple disciplines

Value proposition
- Bank, borrow, save and invest in One Place

Business model



Offering: Lend | Transact | Save | Protect | Invest

Channels: Banker | Digital | Telephone (GCSC*)

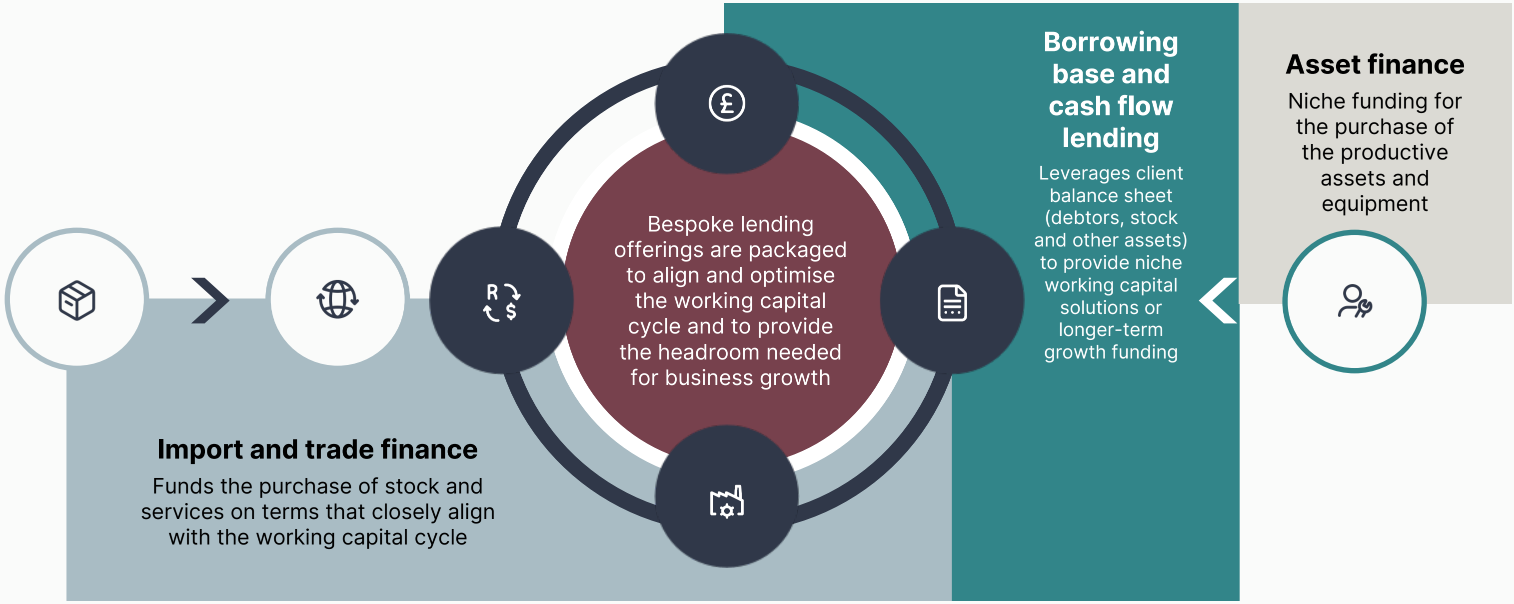
Client numbers as of 31 March 2023.
* Global client service centre.

Specialist Banking: Investec for Business

Bespoke lending offerings for working capital optimisation and business growth

Ambition	• Develop an integrated niche offering to our target clients
Clear target market	• Smaller and mid-tier corporates
Value proposition	• Combining bespoke lending with Investec's other transactional, advisory and investment offerings • High-touch and high-tech tailored offering that affords simplicity to clients

Business model



Specialist Banking: Corporate and Institutional Banking

Strong franchise value and leading market position in our niche markets

Ambition

- To be a top tier corporate and institutional bank

Clear target market

- Mid to large size corporates (listed and unlisted), financial advisers and intermediaries, government and public sector institutions, banks and financial services entities

Value proposition

- Diversified client-centric offering
- Sustainable growth driven through collaboration between business units

Service offering

Global Markets

- Well-established, award-winning franchises across:
  - Trading (FICC, Equities, ECM and DCM)
  - Investment products
  - Treasury solutions and sales
  - Credit investments
- Built sustainably through organic growth and diversification into new markets

Specialised Lending

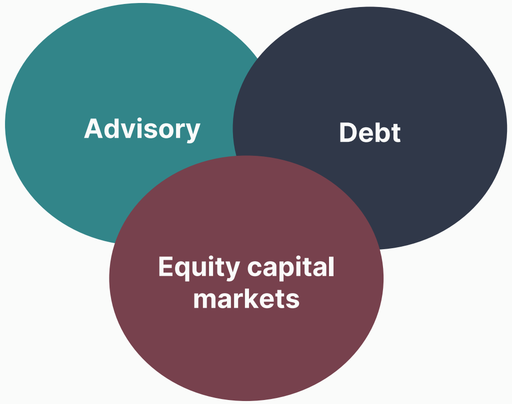
- Tailored offering and deep relationships with our target markets – large to mid-tier corporates and private equity funds
- Differentiated through deep sector expertise and international reach
  - Leveraged finance
  - Technology Asset Finance
  - Power and infrastructure finance
  - Fund finance
  - Aviation finance
  - Export and agency finance
  - Institutional trade finance
- Award-winning specialist franchises by innovating alongside our clients

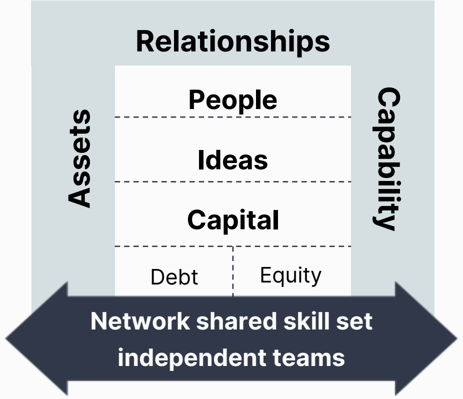
Specialist Banking: Investment Banking and Principal Investments

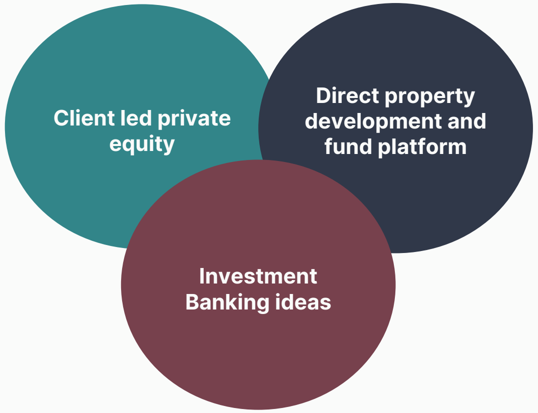
Delivering holistic investment solutions to clients

	Investment banking	Principal investment activities
Ambition	• To be the leading investment bank with an international footprint	• Using our collective skill set to optimise capital allocation in principal investments and generate a high IRR on these investments
Clear target market	• Corporates	• Corporates and institutions, property partners
Our value proposition	• To leverage our capabilities, relationships and capital to deliver holistic solutions to our clients	• Focus on co-investment alongside clients to fund investment opportunities or leverage third party capital into funds that are relevant to our client base

Business model and offering







International access

SA | UK | India

Channels

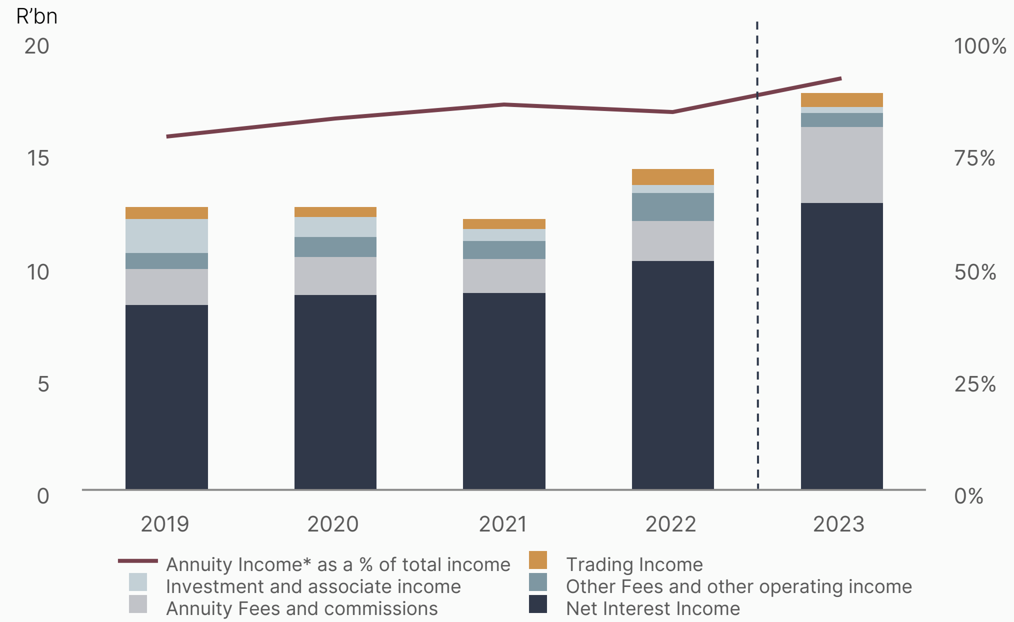
Investment banking origination | Coverage | Private Bank | CIB | Wealth & Investment

Investec

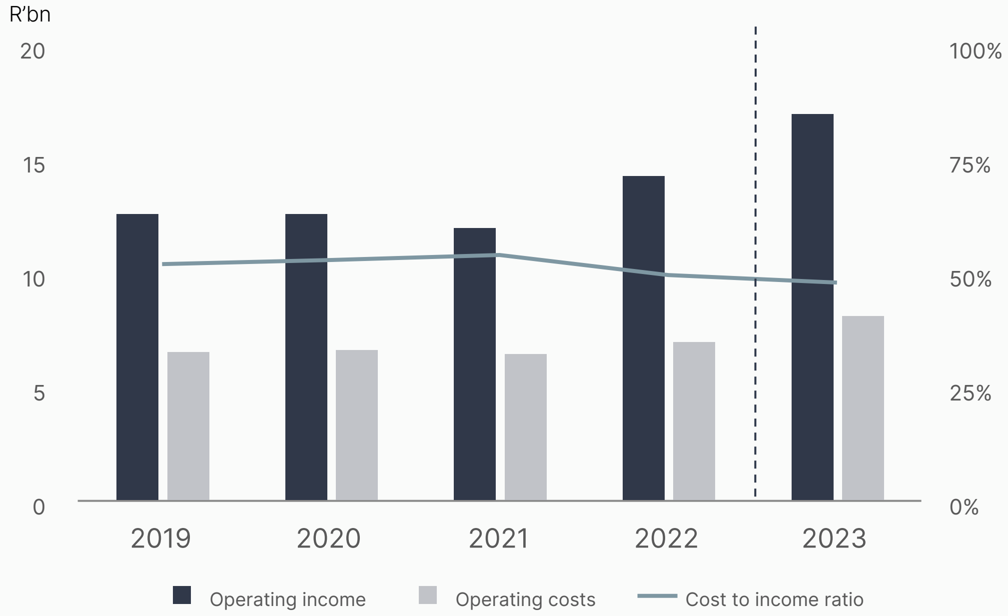
IBL operating fundamentals

Revenue supported by resilient franchises

Revenue mix



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 91.2% of operating income (up from 82% in 2013)
- **Total operating income before expected credit loss impairment charges** increased 19.2% to R17 054 million (2022: R14 304 million), positively impacted by higher average interest earning assets, rising interest rates, increased client activity and continued client acquisition in line with our growth strategy.
- We maintained a **disciplined approach to cost control. Operating costs** increased 15.3% to R8 126 million (2022: R7 048 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 2023 improved to 47.6% (2022: 49.3%).

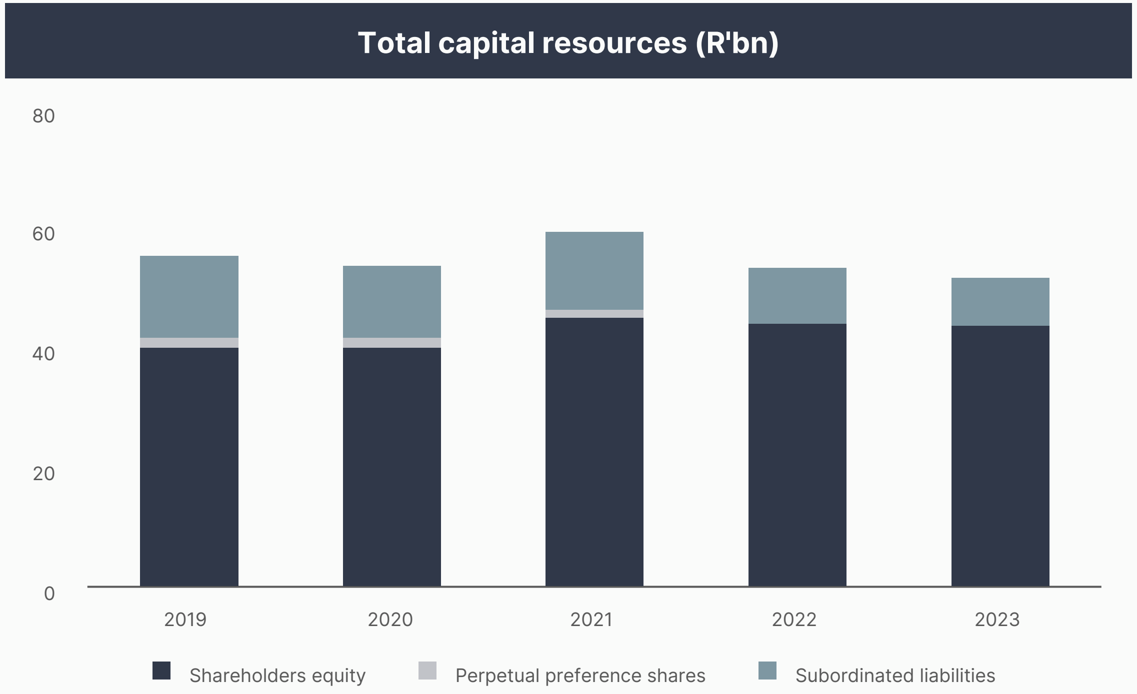
* Where annuity income is net interest income plus net annuity fees and commissions

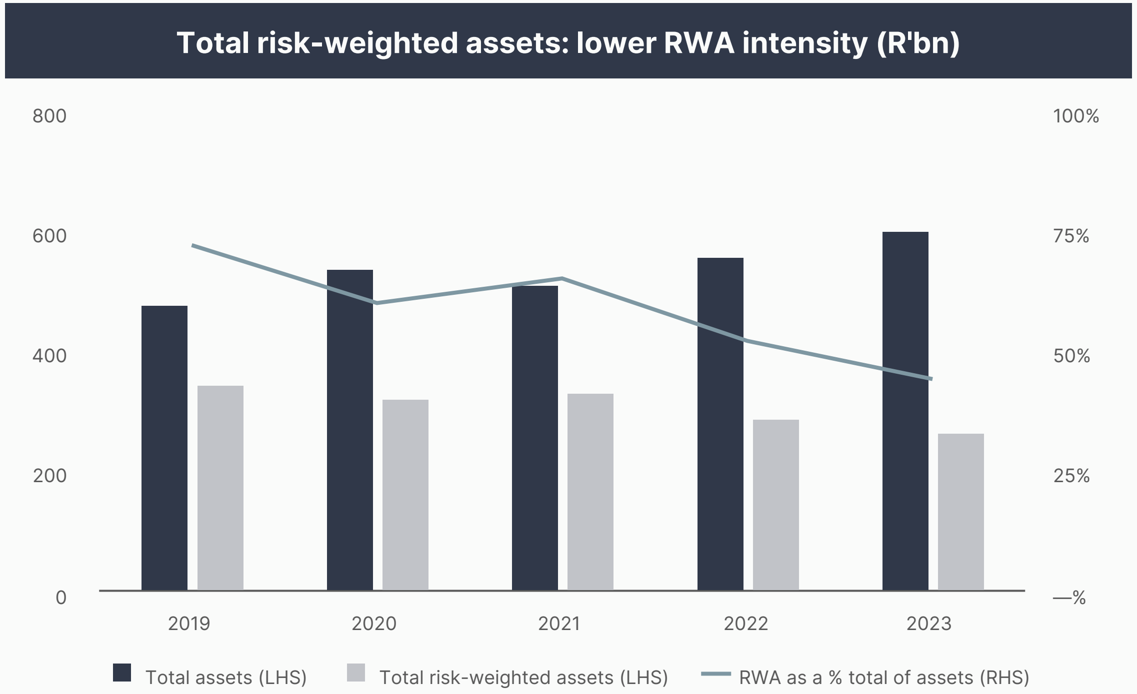
Operating Profit

- IBL reported an increase in profit before tax of 20%. 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 interest earning assets and rising interest rates
  - Higher net fees increased reflecting growth in client point of sale activity, higher utilisation of trade finance facilities and increased activity in investment banking..
  - Higher investment income and associate income largely as a result improved realised income was partially offset by lower dividend flows.
  - Decreased trading income From client flow due to lower deal activity, while trading income from balance sheet activities increased as a result of mark-to-market adjustments on hedging activities.

* Mark-to-market

Sound capital base





- Capital resources have increased since FY22 due to an increase in shareholders' equity
- Our total **capital resources have grown by 44% since 2013 to R51 764mn** at 31 March 2023 (CAGR of 3.7% per year) without recourse to government or shareholder

- IBL's Total RWAs/Total assets (RWA intensity) increased to 43.7% (31 March 2022: 51.7%)
- Investec Limited adopts the Internal Rating Based (IRB) Approach for quantification of credit RWA, as at 31 March 2023 credit RWA is quantified using AIRB approach (55%) and FIRB approach (28%), with the balance of the portfolio on the Standardised approach (17%)

Strong capital ratios

Capital development

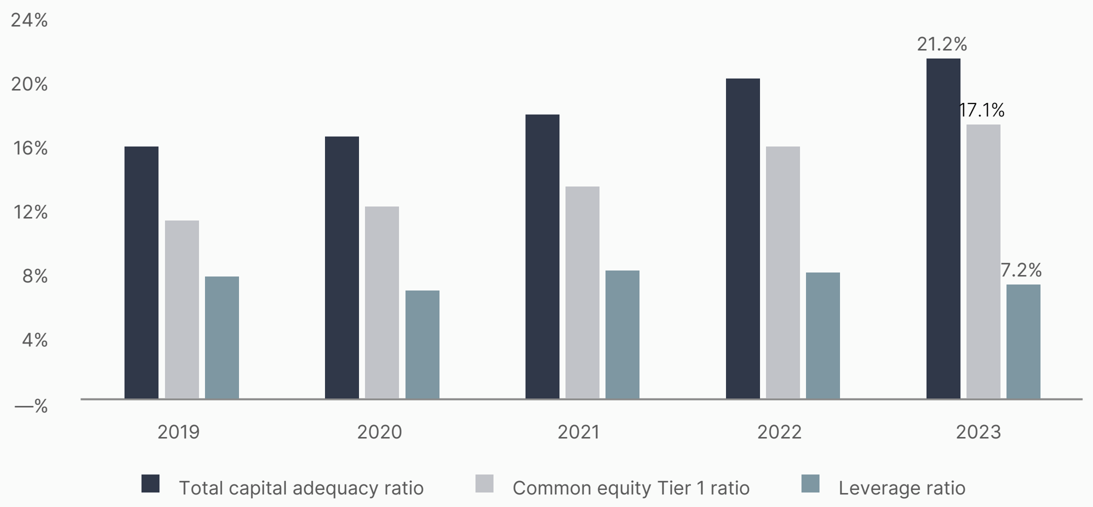
	AIRB Scope *	
	31 March 2023^	31 March 2022^
Common equity Tier 1	17.1%	15.8%
Tier 1 ratio	18.2%	16.6%
Total capital ratio	21.2%	20.0%
Leverage ratio **	7.2%	7.9%

* Investec Limited adopts the Internal Rating Based (IRB) Approach for quantification of credit RWA, as at 31 March 2023 credit RWA is quantified using AIRB approach (55%) and FIRB approach (28%), with the balance of the portfolio on the Standardised approach (17%).

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

^ Investec Bank Limited's capital information included unappropriated profits at 31 March 2023. If unappropriated profits had been excluded from capital information, Investec Bank Limited's CET 1 ratio would be 164bps lower (March 2022: 69bps lower).

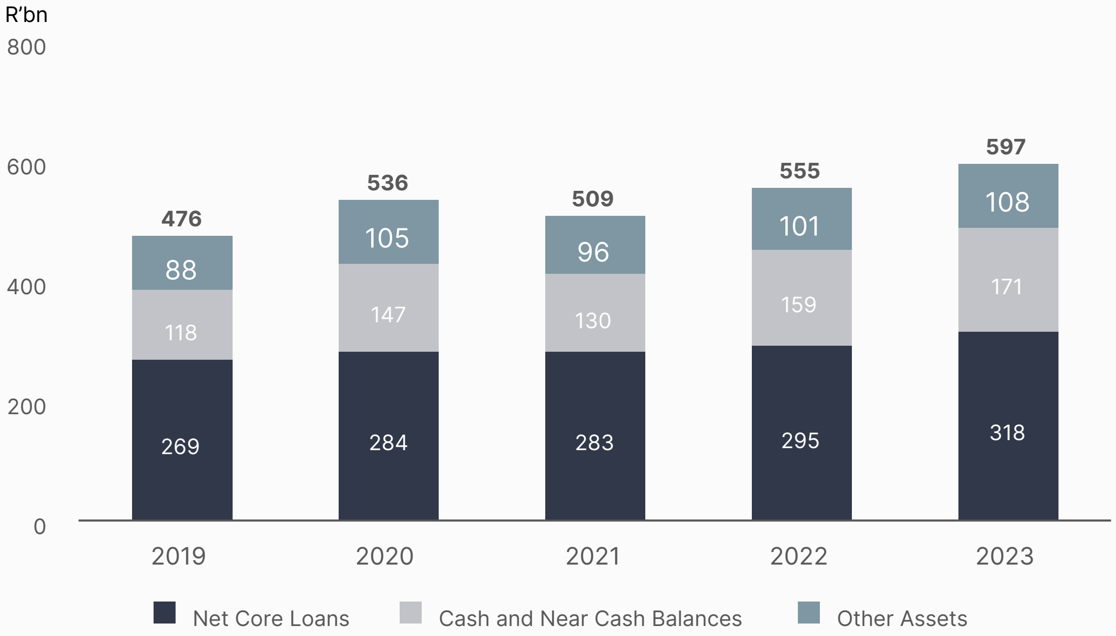
Basel capital ratios#



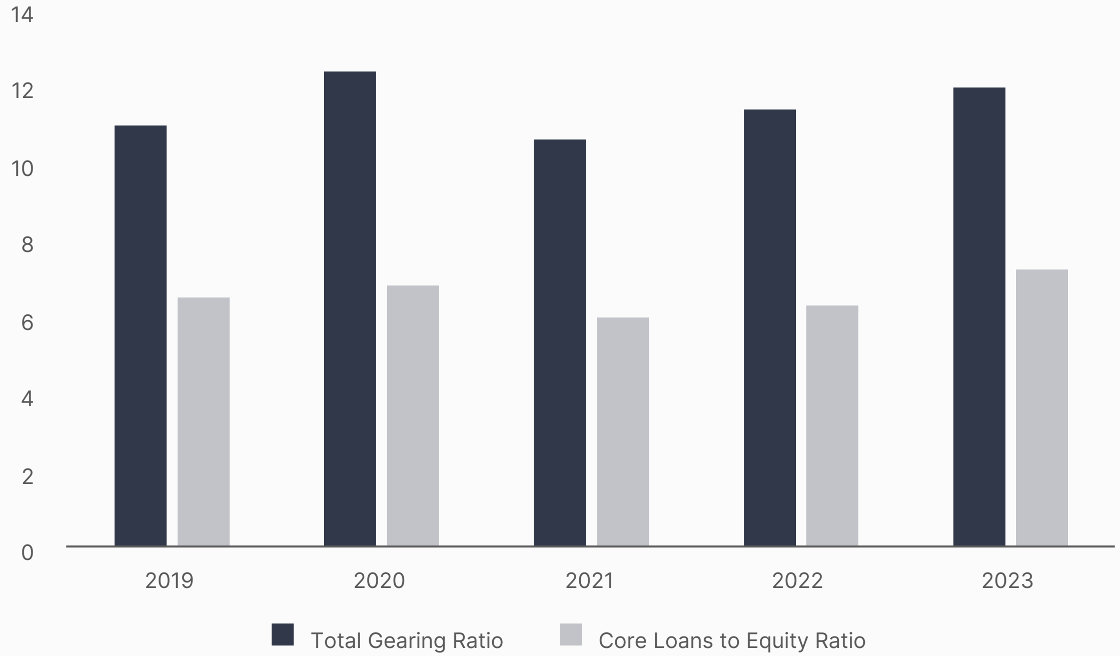
- FY2023 and FY2022 shown on increased AIRB Scope, all prior years on FIRB
- IBL maintained a sound capital position with a CET1 ratio of 17.1% and a total capital adequacy ratio of 21.2%
- Leverage ratios remain robust

Consistent asset growth, gearing ratios remain low

Total assets composition



Gearing remains low[1]



- We have reported a **CAGR of c.8% 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**

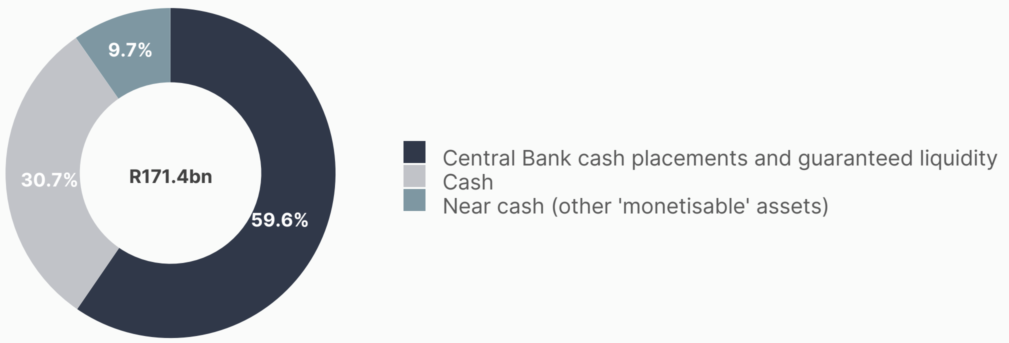
- We have **maintained low gearing ratios**[1] with total gearing at 12.0x as at 31 March 2023 and an average of 11.1 since 2013.

[1] Gearing ratio calculated as total assets divided by total equity.

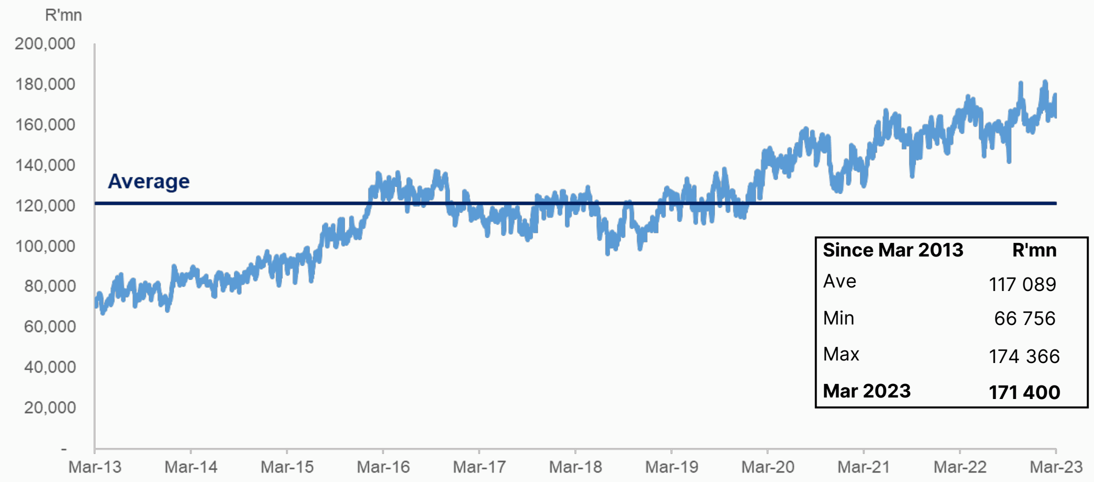
Substantial surplus liquidity

- 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 31 March 2013 (9% CAGR) to R171.4bn at 31 March 2023 (representing 38.2% 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 157.7%*
- IBL's (bank solo) Net Stable Funding Ratio (NSFR) was 115.6% (ahead of minimum requirements of 100%)

Cash and near cash balances

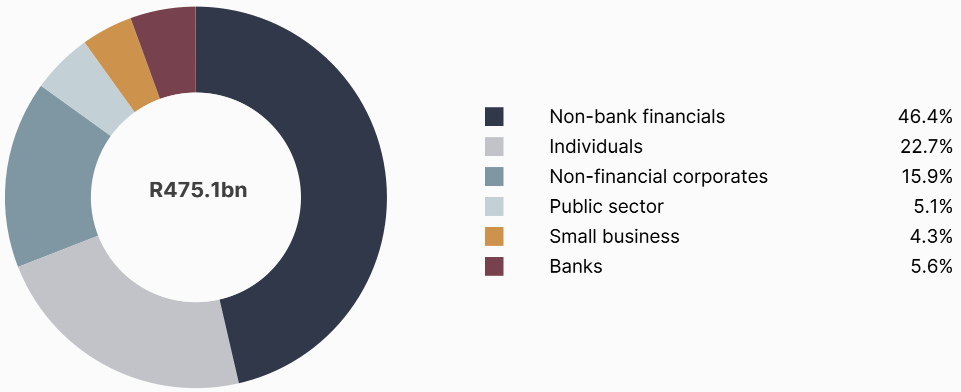


Cash and near cash balances



Since Mar 2013	**R'mn**
Ave	117 089
Min	66 756
Max	174 366
Mar 2023	**171 400**

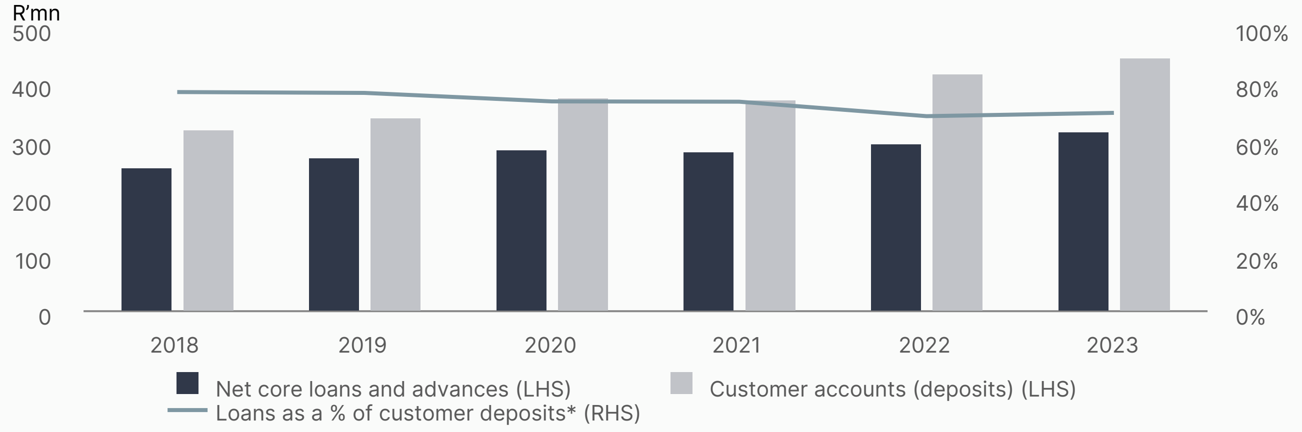
Depositor concentration by type at 31 March 2023



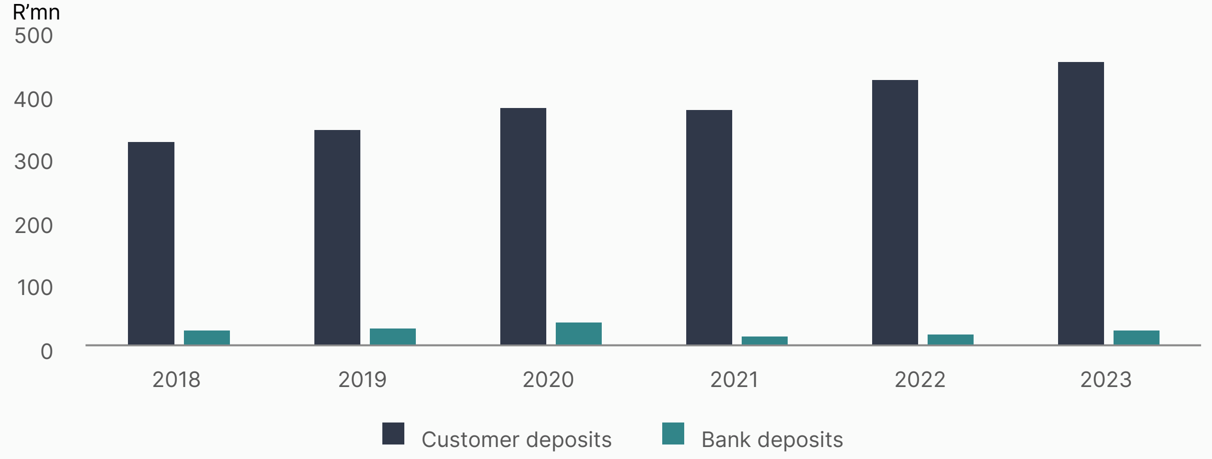
* In 2020, part of the Prudential Authority's response to the expected negative impact of COVID-19 on liquidity in financial markets was to reduce the LCR requirement for banks from 100% to 80%. On 1 September 2021, the Prudential Authority communicated that the LCR requirement will increase to 90% on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

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 142.1% (c.9.2% CAGR p.a.) since 2013 to R448.7bn** at 31 March 2023
- Loans and advances as a percentage of customer deposits **amounts to 69.6%**

- 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

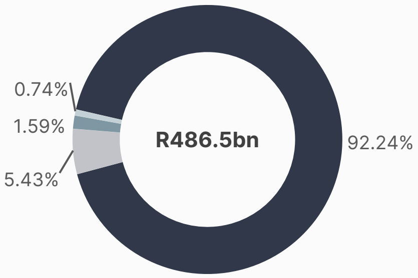
Diversified funding strategy

- 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



R'mn	31 March 2023
Customer deposits	448 718
Deposits by banks	26 420
Subordinated liabilities	7 748
Securitisation liabilities	3 594
Total	**486 481**

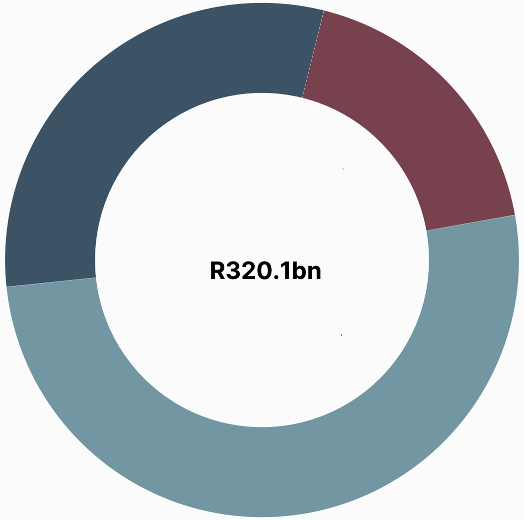
- **Customer deposits account for 92.2% of selected funding sources** as at 31 March 2023
- Customer deposits are supplemented by deposits from banks (5.43%), subordinated debt (1.6%) and securitisation liabilities (0.7%)
- We do not place **reliance on any single deposit channel,** nor do we overly 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

Corporate and other lending	31%
Corporate and acquisition finance	21.7%
Fund Finance	4.1%
Financial institutions and governments	1.1%
Small ticket asset finance	0.9%
Aviation finance	0.8%
Power and infrastructure finance	1.9%

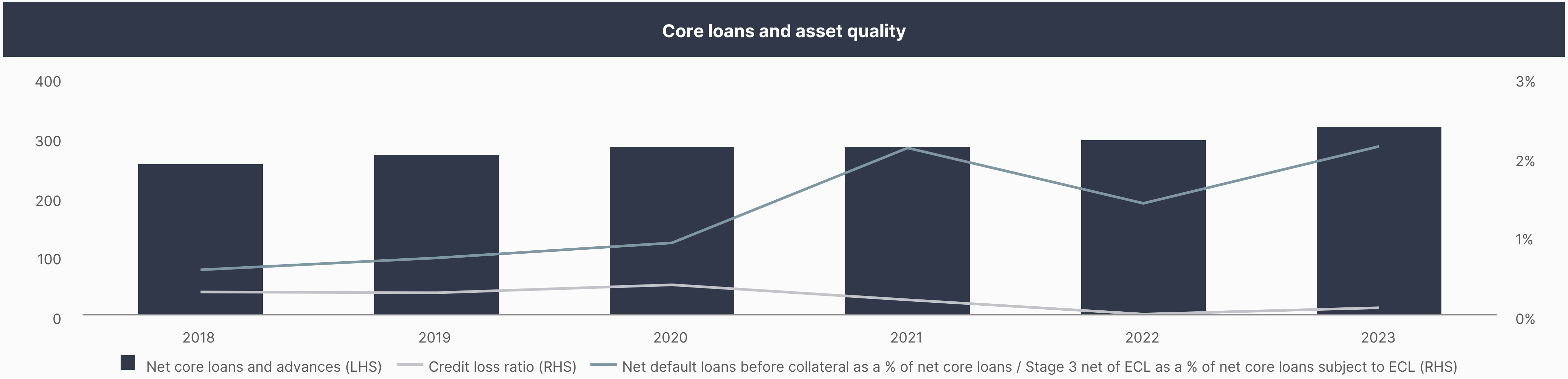


Lending collateralised by property	18%
Commercial real estate investment	15.8%
Commercial real estate development	0.7%
Commercial vacant land and planning	0.2%
Residential real estate investment	0.7%
Residential real estate development	0.6%
Residential vacant land and planning	0.3%

High net worth and other private clients	51%
HNW and private client - mortgages	28.3%
HNW and specialised lending	22.8%

* Gross core loans subject to ECL

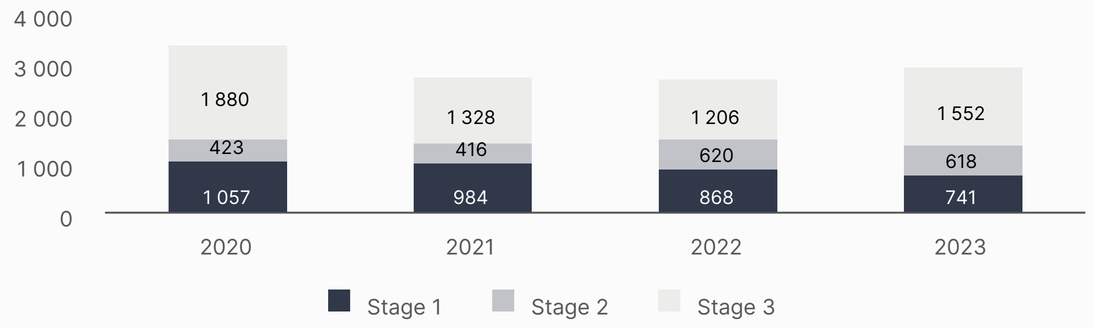
Asset quality



- Credit quality metrics on core loans and advances for the interim period ending 31 March 2023 are as follows:
- **Expected credit loss (ECL) impairment charges** increased to R289 million (2022: R9 million) resulting in a credit loss ratio (CLR) of 0.08% (2022: nil). The higher charge was primarily driven by the idiosyncratic stage 3 ECL charges on certain exposures. Post-model management overlays of R106 million previously held for anticipated migration risk in Private Bank have been released and are now catered for in-model.
- There has been a **decrease in Stage 2 to 5.0% of gross core loans subject to ECL** at 31 March 2023 (31 March 2022: 5.9%), mainly due to various corporate exposures which have improved post COVID-19 as well as single name exposure migrating to Stage 3
- **Stage 3** exposures increased to 2.7% of gross core loans subject to ECL at 31 March 2023 (31 March 2022: 1.8%)

Asset quality metrics

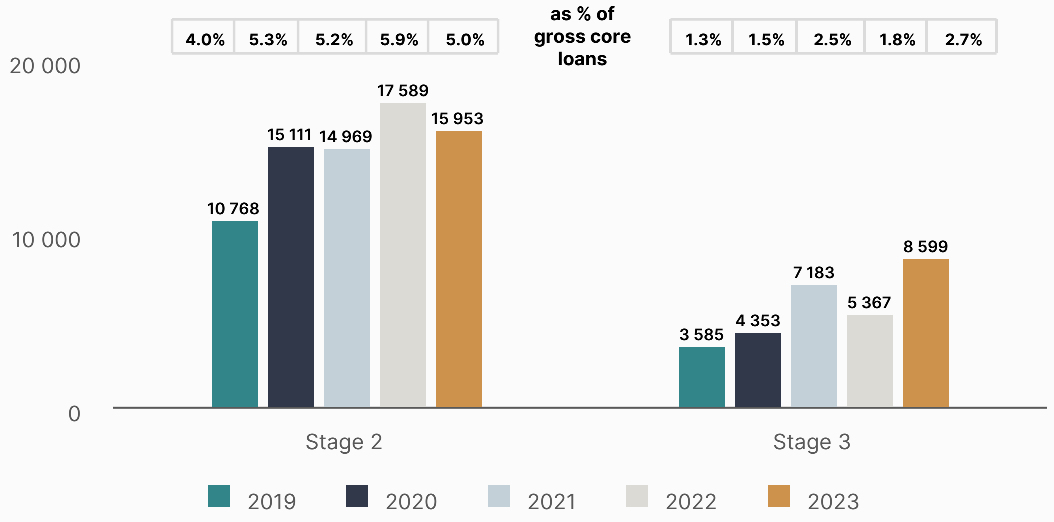
Provision build
R'mn



ECL coverage ratio	FY 2020	FY 2021	FY 2022	FY 2023
Stage 1	0.40%	0.38%	0.32%	0.25%
Stage 2	2.8%	2.8%	3.5%	3.9%
Stage 3	43.2%	18.5%	22.5%	21.9%

- **Stage 1** provisions decreased 14.6% from R868mn at 31 March 2022 to R741mn at 31 March 2023. As a result, Stage 1 ECL coverage ratio decreased from 0.32%to 0.25%
- **Stage 2** provisions decreased 0.3% from R620mn at 31 March 2022 to R618mn at 31 March 2023. Stage 2 ECL coverage ratio increased from 3.5% to 3.9%
- **Stage 3** provisions increased 56.1% from R1 206mn at 31 March 2022 to R1 883mn at 31 March 2023. Stage 3 ECL coverage ratio decreased from 22.5% to 21.9%.

Gross core loans by stage
R'mn



- **Stage 2** exposures decreased to 5.0% of gross core loans subject to ECL at 31 March 2023 (31 March 2022: 5.9%)
- **Stage 3** exposures increased to R8.6 billion or 2.7% of gross core loans subject to ECL at 31 March 2023 (1.8% at 31 March 2022) and is attributable to single name exposures migrating from Stage 2 and Stage 1.

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	
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	Stable
National scale short-term rating	za.A-1+	
Foreign currency long-term issuer credit rating	BB-	
Foreign currency short-term credit rating	B	

* Changes reflect downgrades of the sovereign of South Africa

Historical credit ratings				
Long-Term Foreign Currency Deposit Rating	**Current**	**Nov-20***	**May-20***	**Apr-20***
Moody's	Ba2	Ba2	Ba1	Ba1
Fitch	BB-	BB-	BB	BB
S&P	BB-	BB-	BB-	BB

- 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:

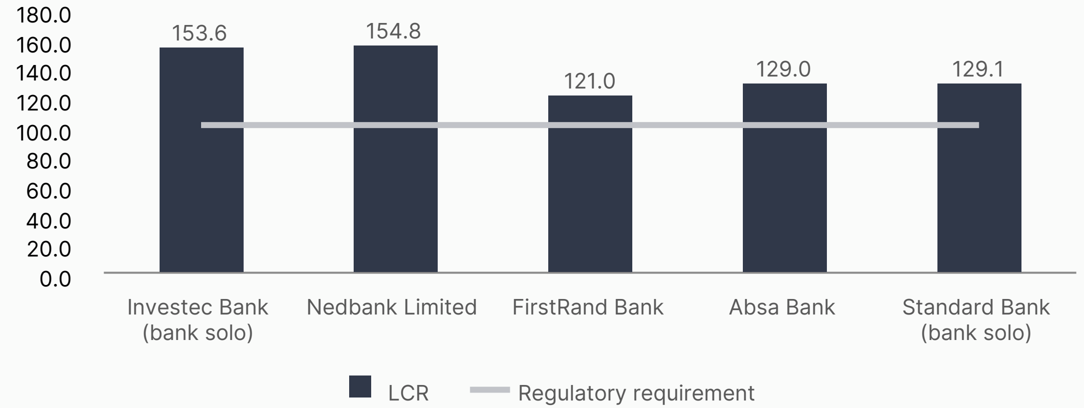
Short-term ratings should be used for investments less than a one-year time horizon and long-term ratings for periods greater than a year. Foreign currency ratings should be used when one is considering foreign denominated investments. Investments in Rand should be assessed against local currency and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

Comparative ratings have been sourced from the respective company websites and recent press releases as at 17 November 2022 and may be subject to changes for which we cannot be held accountable. It is advisable to discuss the ratings of the various companies with the companies themselves as this information merely reflects our interpretation thereof. *Impacted by the rating downgrades of the South African Sovereign.

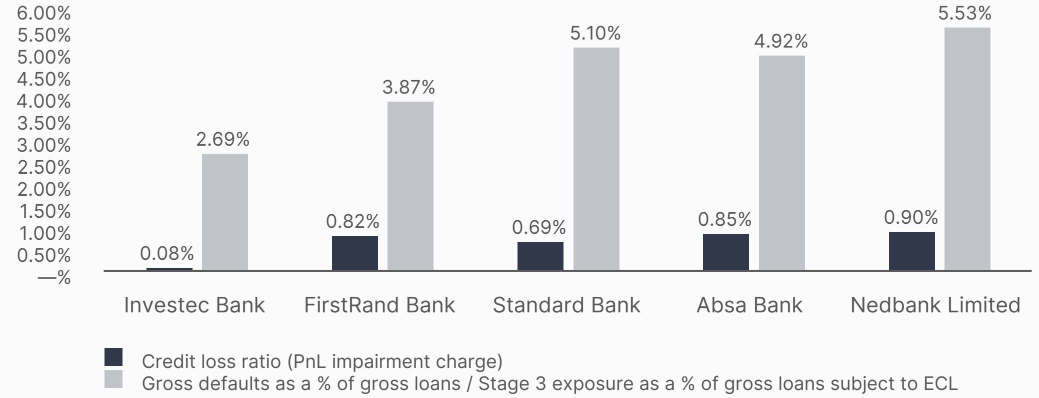
Peer group companies* (cont.)

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

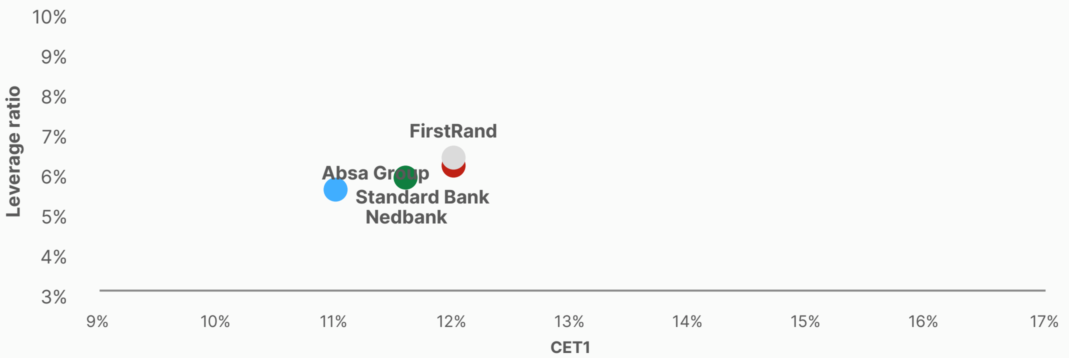
Liquidity: regulatory liquidity coverage ratio



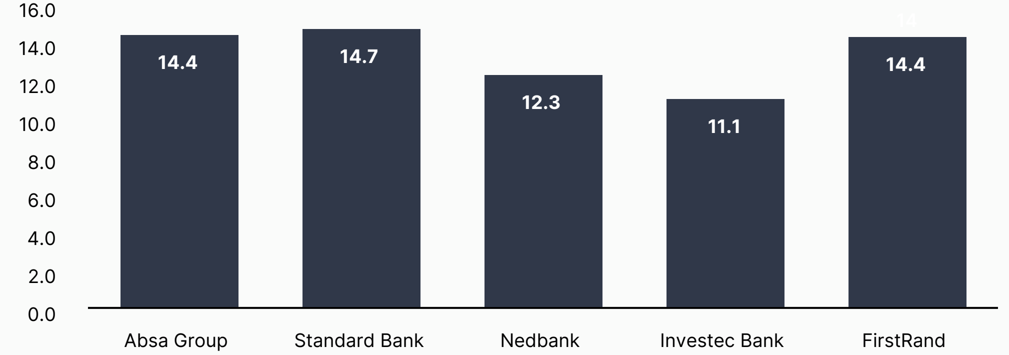
Asset quality ratios



Capital ratios



Gearing ratio



* Source: Latest company interim and annual results available September 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

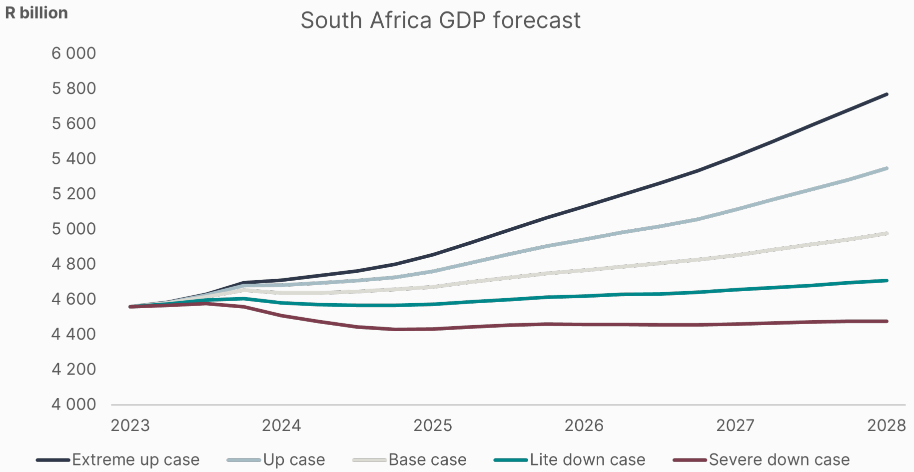
Investec

Investec Bank Limited Appendices

Macroeconomic scenarios – 31 March 2023

Key judgements at 31 March 2023

- After careful review of portfolio performance, the current design of the ECL models and updated published market data, management reduced the ECL overlay of R219 million at 31 March 2022 to R113 million at 31 March 2023 in the Private Bank portfolio.
- The remaining management overlay at year end of R113 million (FY2022: R219 million) accounts for emerging risks assessed as inadequately reflected in the forward-looking model for commercial real estate lending clients. ECL charged was positively impacted by the reversal of impairments and recoveries on previously impaired loans.
- 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.



South Africa

	At 31 March 2023 average 2023– 2028					At 31 March 2022 average 2022 – 2027				
Macro-economic scenarios	**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	4.2	2.8	1.5	0.4	(0.5)	6.1	4.4	2.4	1.0	(0.6)
Repo rate	5.0	5.7	6.8	8.2	10.3	3.9	4.6	6.0	6.5	7.5
Bond yield	9.2	9.7	10.3	11.4	12.5	7.9	9.1	9.7	10.4	11.8
CPI Inflation	3.2	4.0	4.6	5.6	6.4	3.8	4.4	4.9	5.6	6.9
Residential property price growth	5.8	4.8	3.7	2.6	1.5	7.4	6.3	4.8	4.0	2.5
Commercial property price growth	3.5	2.0	0.9	(0.8)	(2.6)	5.9	1.8	0.7	(1.4)	(2.6)
Exchange rates (South African Rand : US Dollar)	14.6	15.7	17.0	18.6	20.6	12.5	14.2	15.6	16.9	19.9
Scenario weightings	**1**	**1**	**48**	**40**	**10**	**1**	**2**	**51**	**40**	**6**

IBL: salient financial features

Key financial statistics	31 March 2023	31 March 2022	% change
Total operating income before expected credit loss impairment charges (R'million)	17 054	14 304	19.2%
Operating costs (R'million)	8 126	7 048	15.3%
Operating profit before goodwill and acquired intangibles (R'million)	8 639	7 247	19.2%
Headline earnings attributable to ordinary shareholders (R'million)	6 537	5 260	24.3%
Cost to income ratio	47.6%	49.3%	
Total capital resources (including subordinated liabilities) (R'million)	54 474	55 973	(2.7)%
Total equity (R'million)	46 726	46 840	(0.2)%
Total assets (R'million)^	597 174	554 723	7.7%
Net core loans and advances (R'million)	318 152	294 757	7.9%
Customer accounts (deposits) (R'million)	448 718	420 072	6.8%
Loans and advances to customers as a % of customer accounts (deposits)	69.6%	68.4%	
Cash and near cash balances (R'million)	171 400	159 454	7.5%
Total gearing ratio (i.e. total assets excluding intergroup loans to equity)	12.0x	11.4x	
Total capital ratio	21.2%	20.0%	
Tier 1 ratio	18.2%	16.6%	
Common Equity Tier 1 ratio	17.1%	15.8%	
Leverage ratio	7.2%	7.9%	
Stage 3 as a % of gross core loans subject to ECL	2.7%	1.8%	
Stage 3 net of ECL as a % of net core loans subject to ECL	2.1%	1.4%	
Credit loss ratio	0.1%	0.0%	
Net Stable Funding Ratio % (NSFR)	116.4%	112.6%	
Liquidity Coverage Ratio % (LCR)**	153.6%	138.9%	

^ Restated
* Annualised

IBL: income statement

R'million	Year to 31 March 2023	Year to 31 March 2022	% change
Interest income	38 112	26 230	45.3%
Interest expense	(25 347)	(16 020)	58.2%
Net interest income	**12 765**	**10 210**	**25.0%**
Fee and commission income	4 106	3 609	13.8%
Fee and commission expense	(728)	(539)	35.0%
Investment income	274	241	14.0%
Share of post-taxation (loss)/profit of associates	(3)	53	(106.1)%
Trading income arising from			
– customer flow	597	724	(17.5)%
– balance sheet management and other trading activities	42	5	740.0%
Other operating income	1	1	167.7%
Total operating income before expected credit loss impairment charges	**17 054**	**14 304**	**19.2%**
Expected credit loss impairment charges	(289)	(9)	3 206.8%
Operating income	**16 765**	**14 295**	**17.3%**
Operating costs	(8 126)	(7 048)	15.3%
Operating profit before goodwill and acquired intangibles	**8 639**	**7 247**	**19.2%**
Impairment of goodwill	(1)	(3)	
Amortisation of acquired intangibles	(51)	(51)	–%
Profit before taxation	**8 587**	145	**5 822.1%**
Taxation on operating profit before acquired intangibles	(1 809)	(1 703)	6.2%
Taxation on acquired intangibles	14	15	(7.7)%
Profit after taxation	**6 792**	**(1 543)**	(540.2)%
Profit after taxation attributable to ordinary shareholders	6 536	(1 810)	
Profit after taxation attributable to perpetual preference shareholders and Other Additional Tier 1 security holders	256	267	

IBL: balance sheet

R'million	31 March 2023	31 March 2022	31 March 2021
Assets			
Cash and balances at central banks	22 761	11 893	9 653
Loans and advances to banks	10 502	19 609	24 666
Non-sovereign and non-bank cash placements	14 133	13 176	8 956
Reverse repurchase agreements and cash collateral on securities borrowed	49 995	56 437	30 221
Sovereign debt securities	77 456	57 380	53 009
Bank debt securities	16 019	27 955	21 862
Other debt securities	11 676	15 439	14 170
Derivative financial instruments	16 449	17 144	18 531
Securities arising from trading activities	6 735	2 276	2 869
Investment portfolio	2 926	2 865	4 923
Loans and advances to customers	312 164	287 529	275 056
Own originated loans and advances to customers securitised	5 988	7 228	8 184
Other loans and advances	1	108	181
Other securitised assets	547	592	578
Interests in associated undertakings	33	31	5 149
Current taxation assets	1	2	35
Deferred taxation assets	2 077	2 255	2 412
Other assets	6 334	7 107	8 850
Property and equipment	3 306	3 427	2 740
Investment properties	–	1	1
Goodwill	171	172	175
Software	127	46	95
Other acquired intangible assets	13	64	118
Loans to Group companies	37 760	21 489	17 410
Non-current assets classified as held for sale	319	498	474
	597 493	**554 723**	**510 318**

IBL: balance sheet (cont.)

R'million	31 March 2023	31 March 2022	31 March 2021
Liabilities			
Deposits by banks	26 420	18 721	17 144
Derivative financial instruments	33 242	28 398	23 837
Other trading liabilities	1 542	3 309	3 388
Repurchase agreements and cash collateral on securities lent	17 933	12 091	16 593
Customer accounts (deposits)	448 718	420 072	374 369
Debt securities in issue	2 585	2 845	2 126
Liabilities arising on securitisation of own originated loans and advances	3 594	4 585	3 271
Current taxation liabilities	848	557	684
Deferred taxation liabilities	19	17	32
Other liabilities	7 087	7 089	7 421
Loans from Group companies	712	1 066	1 972
	542 699	**498 750**	**450 837**
Subordinated liabilities	7 748	9 133	12 936
	550 448	**507 883**	**463 773**
Equity			
Ordinary share capital	32	32	32
Ordinary share premium	14 250	14 250	14 250
Other reserves	2 910	1 017	411
Retained income	26 824	28 981	29 188
Ordinary shareholders' equity	**44 016**	**44 280**	**43 881**
Perpetual preference share capital and premium	–	–	1 481
Shareholders' equity excluding non-controlling interests	**44 016**	**44 280**	**45 362**
Other Additional Tier 1 securities in issue	2 710	2 560	1 183
Total equity	**46 726**	**46 840**	**46 545**
Total liabilities and equity	**597 174**	**554 723**	**510 318**

IBL: asset quality

R'million	31 March 2023	31 March 2022
Gross core loans	**321 394**	**297 451**
of which subject to ECL*	320 098	296 094
of which FVPL (excluding fixed rate loans above)	1 296	1 357
Gross core loans subject to ECL	**320 098**	**296 094**
Stage 1	295 546	273 138
Stage 2	15 953	17 589
of which past due greater than 30 days	747	328
Stage 3	8 599	5 367
ECL	(3 242)	**(2 694)**
Stage 1	(741)	(868)
Stage 2	(618)	(620)
Stage 3	(1 883)	(1 206)
Coverage ratio		
Stage 1	0.3%	0.3%
Stage 2	3.9%	3.5%
Stage 3	21.9%	22.5%
Credit loss ratio^	**0.1%**	**–%**
ECL impairment charges on core loans	(259)	(7)
Average gross core loans subject to ECL	308 096	290 320
An analysis of Stage 3 gross core loans subject to ECL		
Stage 3 net of ECL	6 716	4 161
Aggregate collateral and other credit enhancements on Stage 3	8 340	5 734
Stage 3 as a % of gross core loans subject to ECL	2.7%	1.8%
Total ECL as a % of Stage 3 exposure	37.7%	50.2%
Stage 3 net of ECL as a % of net core loans subject to ECL	2.1%	1.4%

* 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 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. R14.5 billion of the drawn exposure falls into Stage 1 (31 March 2022: R17.0 billion), R16 million falls in Stage 2 (31 March 2022: R1.4 billion) and the remaining R1.0 billion falls into Stage 3 (31 March 2022: R907 million). The ECL on the Stage 1 portfolio is R42.2 million (31 March 2022: R57.8 million), ECL on Stage 2 is R0.1 million (31 March 2022: R17.9 million) and the ECL on Stage 3 portfolio is R237.4 million (31 March 2022: R196.0 million)..

IBL: analysis of core loans by risk category

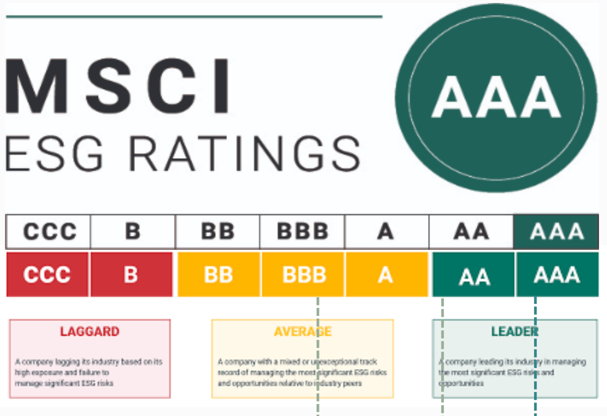
At 31 March 2023 R'million	Gross core loans at amortised cost and FVPL (subject to ECL)								Gross core loans at FVPL (not subject to ECL)	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
	Gross Exposure	ECL	Gross Exposure	ECL	Gross Exposure	ECL	Gross Exposure	ECL		
Lending collateralised by property	**48 763**	**(157)**	**6 530**	**(140)**	**3 357**	**(529)**	**58 650**	**(826)**	**—**	**58 650**
Commercial real estate	**44 020**	**(140)**	**6 265**	**(136)**	**3 142**	**(524)**	53 427	(800)	**–**	**53 427**
Commercial real estate – investment	41 890	(134)	5 661	(135)	3 111	(521)	50 662	(790)	–	50 662
Commercial real estate – development	1 534	(4)	598	(1)	–	–	2 132	(5)	–	2 132
Commercial vacant land and planning	596	(2)	6	–	31	(3)	633	(5)	–	633
Residential real estate	4 743	(17)	265	(4)	215	(5)	5 223	(26)	–	5 223
Residential real estate – development	2 098	(5)	140	(3)	36	–	2 274	(8)	–	2 274
Residential vacant land and planning	1 869	(8)	110	(1)	–	–	1 979	(9)	–	1 979
High net worth and other private client lending	**155 659**	**(296)**	**5 333**	**(288)**	**2 688**	**(531)**	**163 680**	**(1 115)**	**–**	**163 680**
Mortgages	84 511	(99)	4 744	(256)	1 469	(244)	90 724	(599)	–	90 724
High net worth and specialised lending*	71 148	(197)	589	(32)	1 219	(287)	72 956	(516)	–	72 956
Corporate and other lending	**91 124**	**(288)**	**4 090**	**(190)**	**2 554**	**(823)**	**97 768**	**(1 301)**	**1 296**	**99 064**
Corporate and acquisition finance	64 653	(211)	2 779	(184)	2 090	(710)	69 522	(1 105)	1 296	70 818
Fund finance	13 097	(24)	–	–	–	–	13 097	(24)	–	13 097
Financial institutions and governments	2 892	(6)	755	(4)	–	–	3 647	(10)	–	3 647
Small ticket asset finance	2 670	(5)	87	–	109	(58)	2 866	(63)	–	2 866
Aviation finance*	2 544	(16)	154	–	–	–	2 698	(16)	–	2 698
Power and infrastructure finance	5 268	(26)	315	(2)	355	(55)	5 938	(83)	–	5 938
Gross core loans and advances	**295 546**	**(741)**	**15 953**	**(618)**	**8 599**	**(1 883)**	**320 098**	**(3 242)**	**1 296**	**321 394**

* There are additional aviation exposures of R1.5 billion (31 March 2022: R640 million) in Corporate and acquisition finance and nil (31 March 2022: R213 million) in Financial institutions and governments.

Top of SA peers across the most credible international ratings

1 MSCI ESG Ratings

TOP 2% in the financial services sector in the **MSCI Global Sustainability Index**



Investec
Nedbank

Standard Bank
ABSA
FirstRand

Capitec

2 Sustainalytics Ratings

TOP 14% of globally assessed companies in the **Global Sustainability Leaders Index**

SUSTAINALYTICS
a Morningstar company

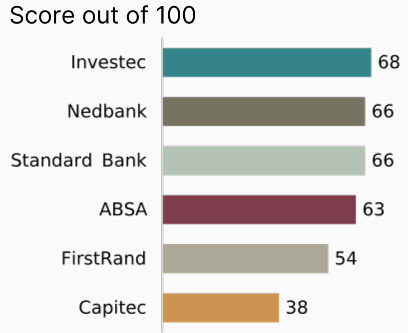
Negligible	Low	Medium	High	Severe
0 - 10	10 - 20	20 - 30	30 - 40	40+

Investec: 17.3
Nedbank: 17.2

Capitec: 22.8
Standard Bank: 23.4
ABSA: 28.0
FirstRand: 28.6

3 S&P Corporate Sustainability Assessment

TOP 2% of diversified financials in the **S&P Corporate Sustainability Assessment rating**



MEMBER OF
Dow Jones Sustainability Indices
In collaboration with SAM

Only Investec and Nedbank included

"A company leading its industry in managing the most significant ESG risks and opportunities"

Ratings as at 31 May 2023