

Investec Group overview

MAY 2021



Overview
of Investec

Financial
performance

Appendix



The information in this presentation relates to the year ended 31 March 2021, unless otherwise indicated.

A photograph of an older man with a grey beard and hair, wearing a light blue suit, white shirt, and yellow tie. He is standing with his arms crossed, looking out of a large window. The window has white frames and brass-colored handles. The lighting is soft, coming from the window, creating a contemplative mood.

Overview of Investec

Overview of Investec

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

Key client groups and our offering

Corporate / Institutional / Government / Intermediary		Private clients (HNW / high income) / Charities / Trusts	
Specialist Banking		Wealth & Investment	
Lending		Discretionary wealth management	
Transactional banking		Investment advisory services	
Treasury solutions		Financial planning	
Advisory		Stockbroking / execution only	
Investment activities			
Deposit raising activities			

2

Principal geographies
(SA & UK)

2

Core areas of activity (Specialist
Banking and Wealth & Investment)

8,200[^]

Employees

£26.4bn

Core loans

£34.4bn

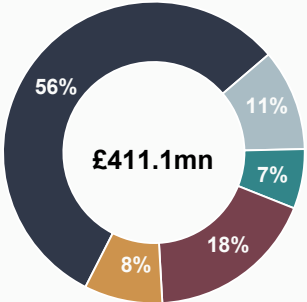
Customer deposits

£58.4bn

Funds under management

Financial year ended 31 March 2021
Adjusted operating profit*
(excluding group costs)

- SA Bank
- UK Bank
- SA Wealth & Investment
- UK Wealth & Investment
- Group Investments



Investec 2021

Note: All figures on this page relate to the Investec group as at 31 March 2021.

[^] Including temporary employees and contractors.

* Operating profit before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

Investment case

Poised to deliver shareholder value in the long term

- 1 Clearly articulated plan to improve returns, underpinned by:
 - Increased focus on capital discipline and cost rationalisation
 - Reinforcement of the existing linkages between bank and wealth businesses and the UK and South African operations
 - Strategies to participate in new profit pools which are underway and gaining traction
- 2 Well capitalised and highly liquid balance sheet, both ahead of regulatory and internal targets
- 3 Specialist Bank has leading client franchises in chosen niches / areas of specialisation
- 4 Leading wealth management franchises in both the UK and South Africa, underpinning steady annuity income
- 5 Our clients have historically shown resilience through difficult macro environments
- 6 Strategy to manage down direct equity investments de-risks future performance and improves earnings visibility

Market-leading specialist client franchises

We are not all things to all people: we serve select niches where we can compete effectively



Specialist client franchises span infrastructure, fund finance, aviation...



Specialist Banking

5th

Largest bank by assets

1st

Top Private Bank



Top tier

Corporate advisory and equity sales



Specialist Banking



Top tier

Corporate advisory and equity sales



Top tier

Small ticket asset finance provider



Top tier

Treasury risk solutions



Wealth & Investment



Top tier

One of the leading wealth managers in SA



Top tier

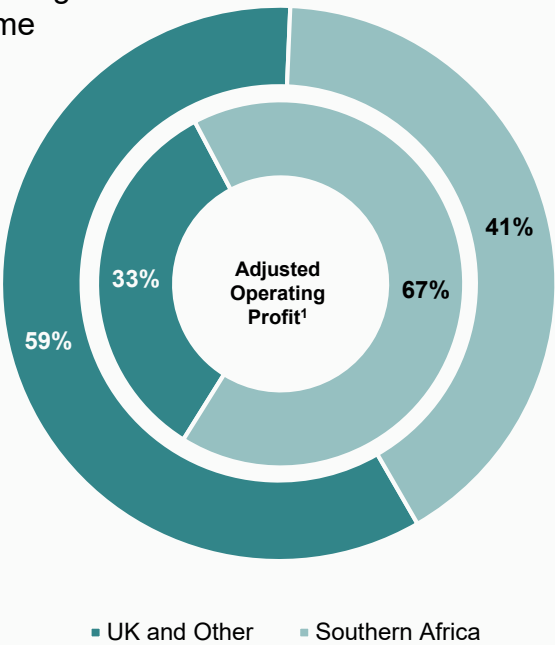
One of the largest wealth managers in the UK

Diversified mix of businesses

Diversified geographic business with diverse income streams

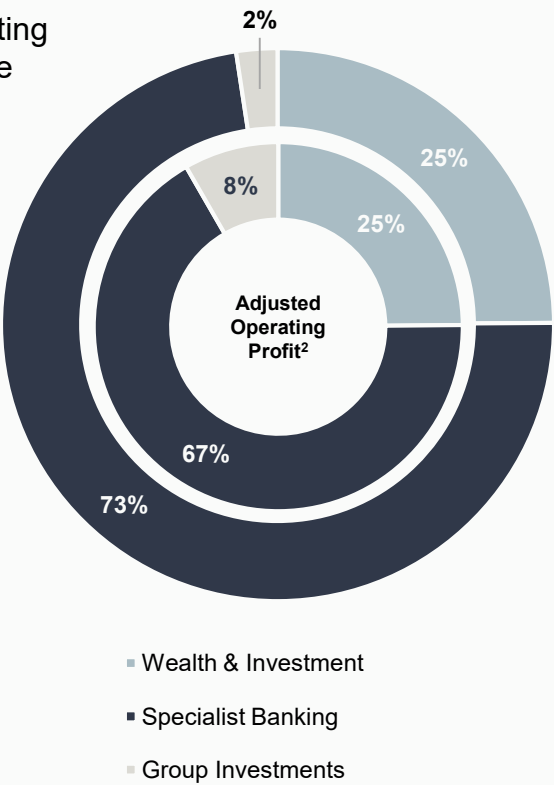
Geography

Mar 2021
Operating Income



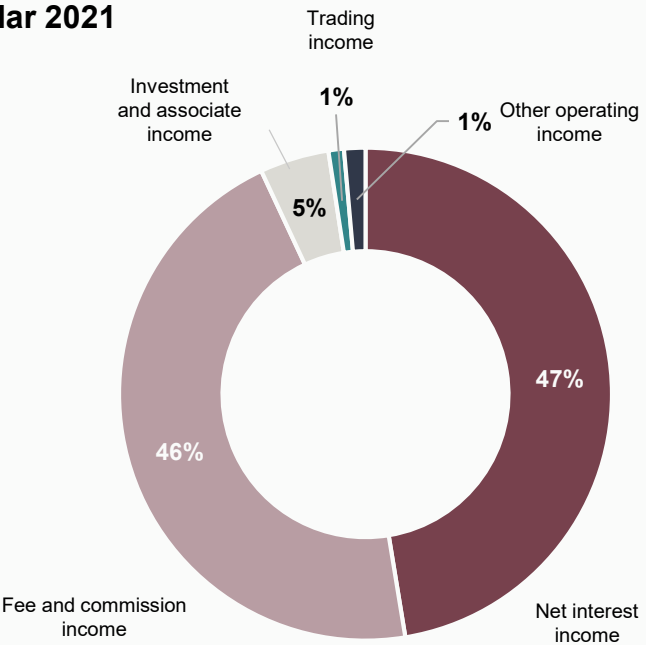
Business

Mar 2021
Operating Income



Income stream

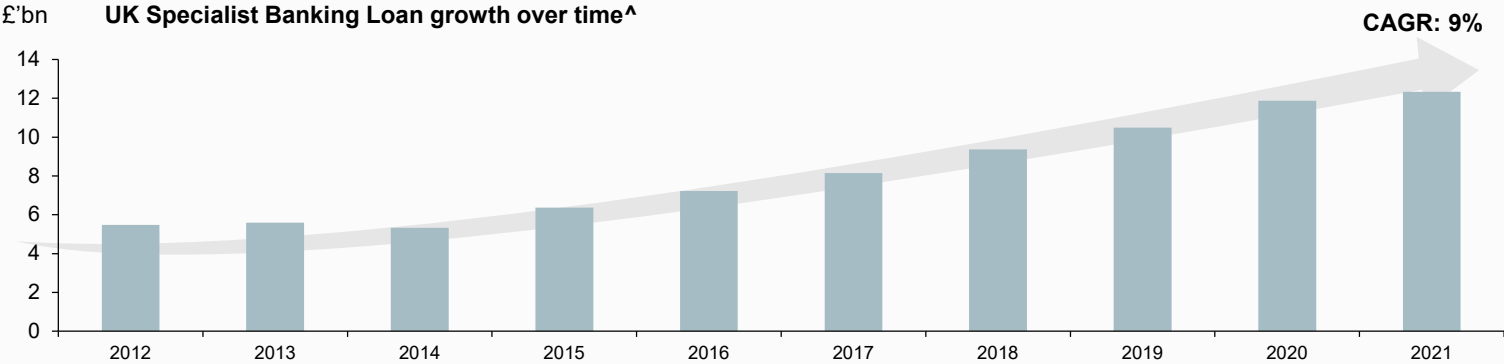
Mar 2021



Specialist Banking UK

Winning in under-served parts of the market through dynamic, full service offering

Private clients	Private companies	Private equity and sponsor-backed companies	Publically listed companies	Specialist sectors
For high net worth clients that need a banking partner to provide intellectual and financial capital to achieve their vision of success	For UK mid-market founder and entrepreneur-led businesses looking for a banking partner to support their needs, along every stage of their journey	For UK mid-market Private Equity clients looking for boutique service with 'bulge bracket' capability and award-winning franchises	For UK mid-market listed companies looking for top-ranked corporate broking and equity research and strategic advisory	International specialist sector clients looking for a corporate finance and banking partner with deep expertise and an innovative approach
Mortgages & Personal Lending, Cash Management & Foreign Exchange, Private Capital, integrated with Wealth Mgmt.	Growth & Leveraged Finance, Working Capital & Asset Finance, Specialist Lending, M&A Advisory, Equity Capital Markets, Treasury & Risk Solutions			



Permanent employees	c.2,200
% Contribution to adjusted operating profit* of Investec	c.12%
% Contribution to loan book of Investec	c.47%

Investec 2021

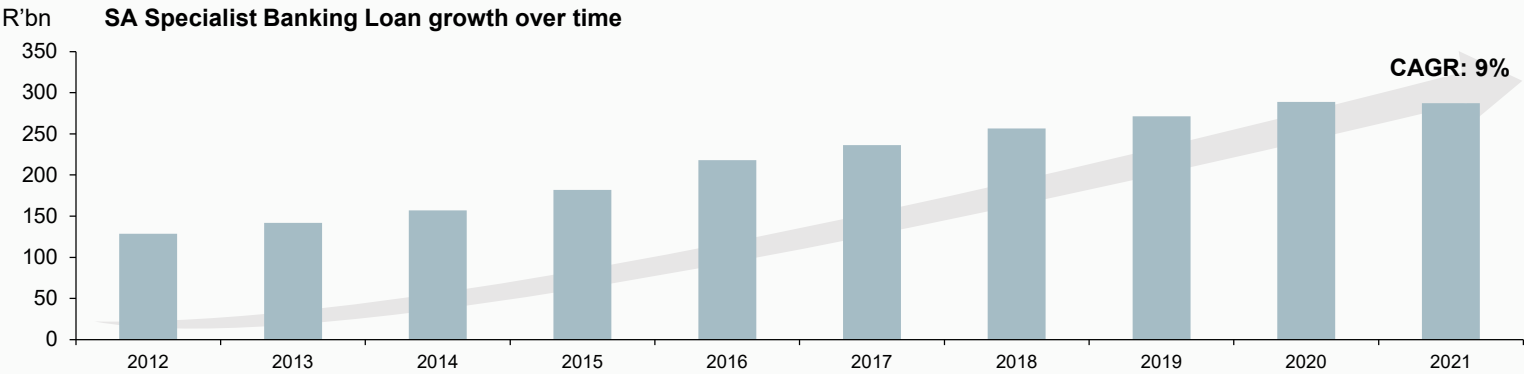
^Loan growth shown above on an ongoing basis (excluding UK Specialist Bank legacy assets and businesses sold), except from the 2019 year onwards which is on a statutory basis.

*Operating profit before group costs, goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

Specialist Banking SA

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



Permanent employees	c.4,000
% Contribution to adjusted operating profit* of Investec	c.61%
% Contribution to loan book of Investec	c.53%

*Operating profit before group costs, goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

Wealth & Investment

Offering scale, international reach and depth of investment processes

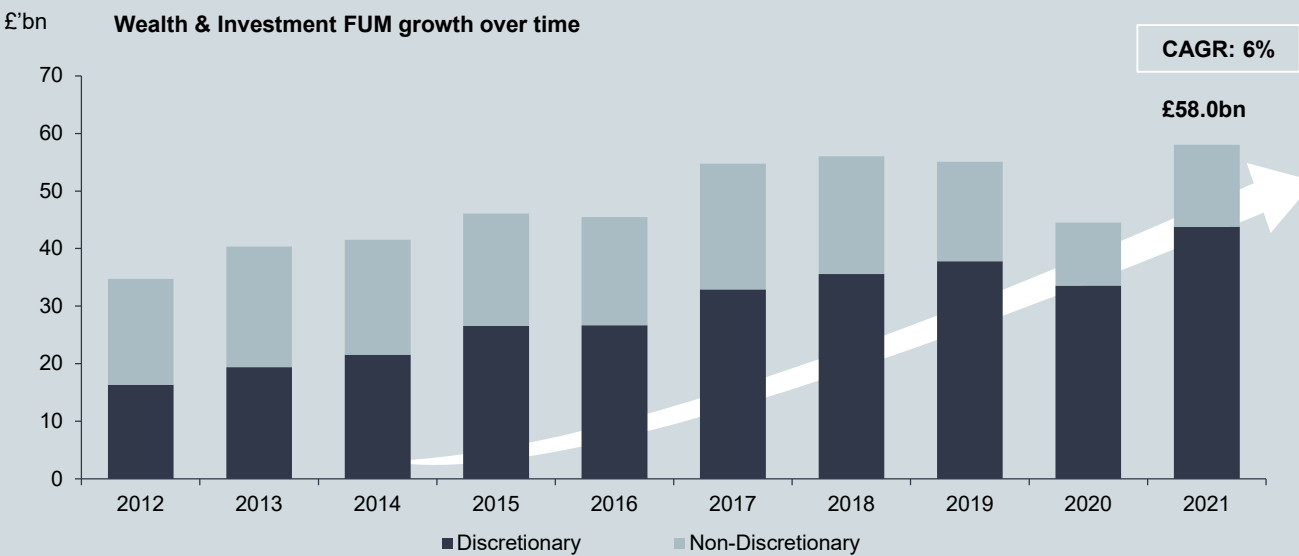
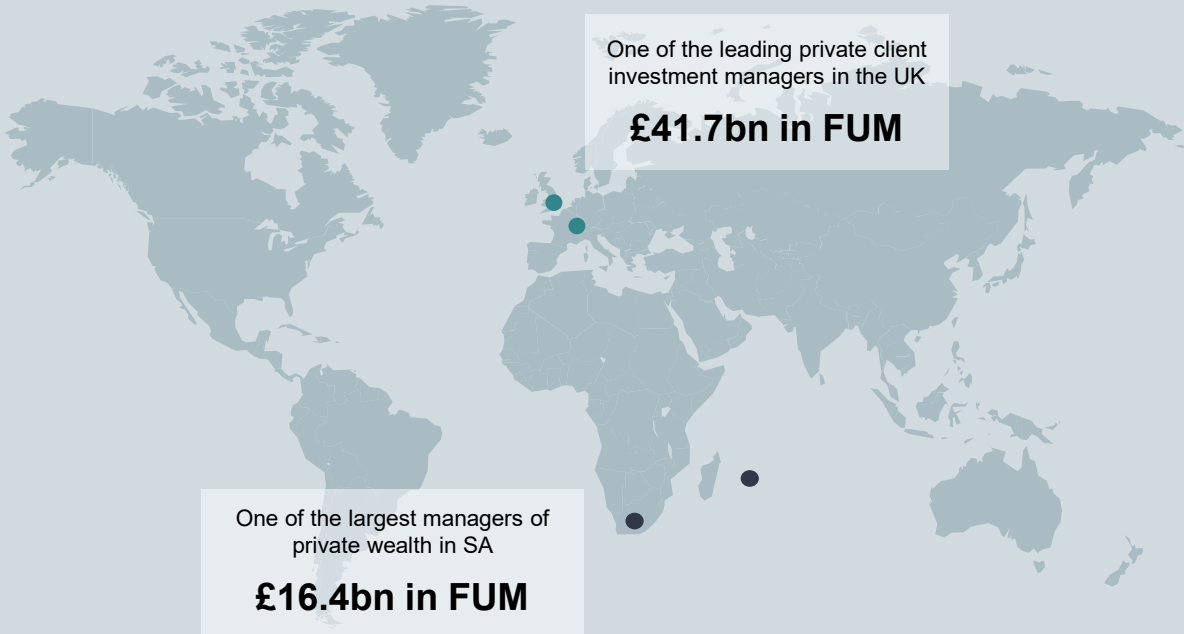
UK and SA Wealth & Investment

For **domestic and international private clients** and **clients of professional advisors** looking for a holistic approach to help grow and preserve their money

For **charities and trusts** that require expert and bespoke investment management services

Discretionary and advisory portfolio management, financial planning advice, retirement and succession planning, specialist portfolio management services for international clients

Specialist investment management services, bespoke advice and independent financial reviews



Initiatives to enhance shareholder returns

We are focused on five key initiatives to enhance returns for shareholders

1. 

Capital Discipline

More disciplined approach to capital allocation

- Rightsizing the direct equity investment portfolio in line with our stated strategy
- Aggregate investment sell down in our direct equity portfolio since our Capital Markets Day in Feb 2019 of c.R3bn in South Africa
- AIRB application approved in SA: c.70bps pro-forma uplift to the CET1 ratio

2. 

Growth Initiatives

Clear set of opportunities to deliver revenue growth

- Continue growing scale in our UK Private Banking business
- Launched online business banking in South Africa, and are starting to acquire clients – progressing our corporate strategy
- Expansion of Financial Planning and Advice in Wealth business – new Investment Management team focused on UK Bank HNW clients
- Continue growing scale in our core client franchises

3. 

Cost Management

Improved management of cost base

- Continued review of subscale operations:
 - Announced exit from Australia after 23 years of operation
 - Completed a JV partnership for our India business with the largest bank in India
- Group costs reduced by 28% since FY2019 and are expected to remain stable
- UK Specialist Banking fixed costs reduced by c.£56mn since FY2019 and expected to decline in the medium term

4. 

Connectivity

Drive greater connectivity throughout the organisation

- One Place™ in SA
- Build out of My Investments in SA
- Launched Investec for Intermediaries / Advisers
- Integration and collaboration between Investec Life and Private Bank in SA
- Global Investment Strategy integrating investment process across the regions
- Closer integration of business enabling functions in UK Bank
- One Investec offering to target client groupings

5. 

Digitalisation

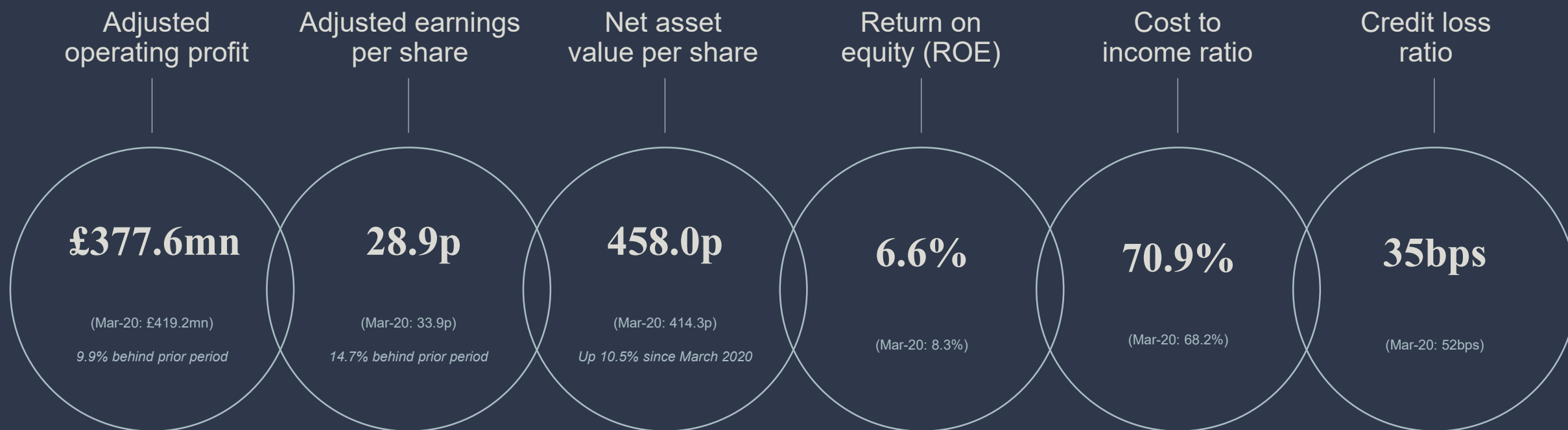
Continue to invest in digital capabilities

- Launch of the Investec for Intermediaries mobile app
- Build out of Investec Business Online in SA
- Launch of new digital savings proposition and Online Flexi Saver product
- New mobile app for UK private clients' banking and wealth management needs

Financial performance

Financial performance

Financial highlights for the financial year ended 31 Mar 2021 (FY 2021)

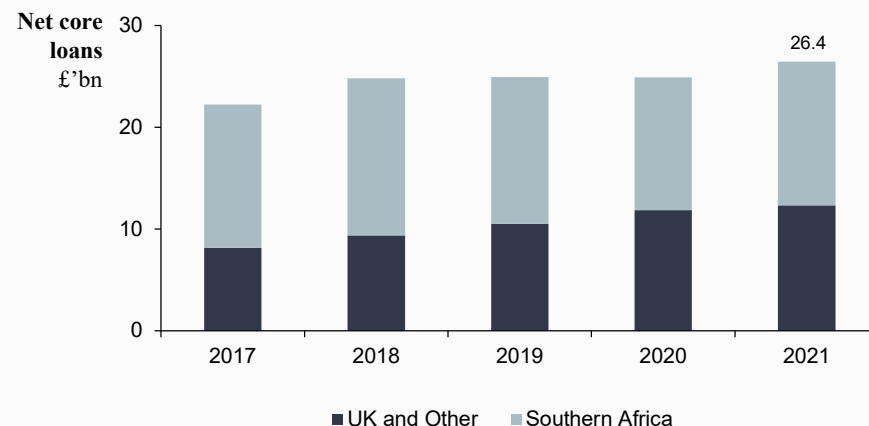


Full year dividend **13.0p** (FY 2020: 11.0p), resulting in 45% pay out ratio

Earnings drivers and financial position

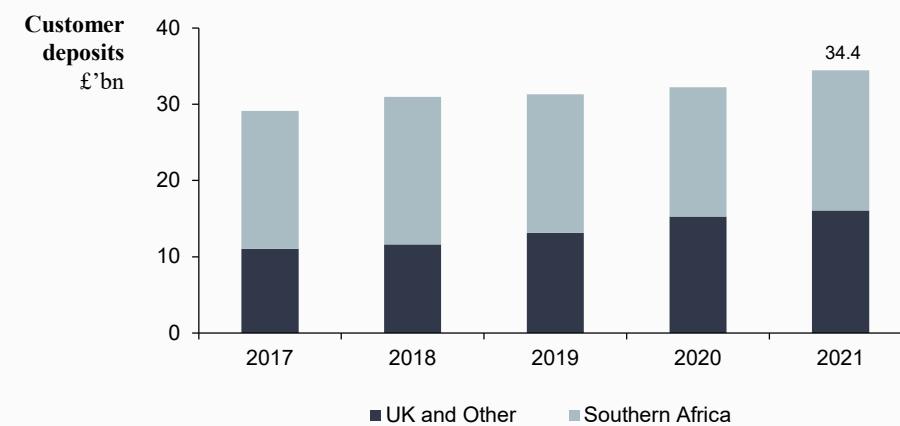
Strong momentum across our businesses, underpinned by our high-quality client franchises

Stable key earnings drivers...

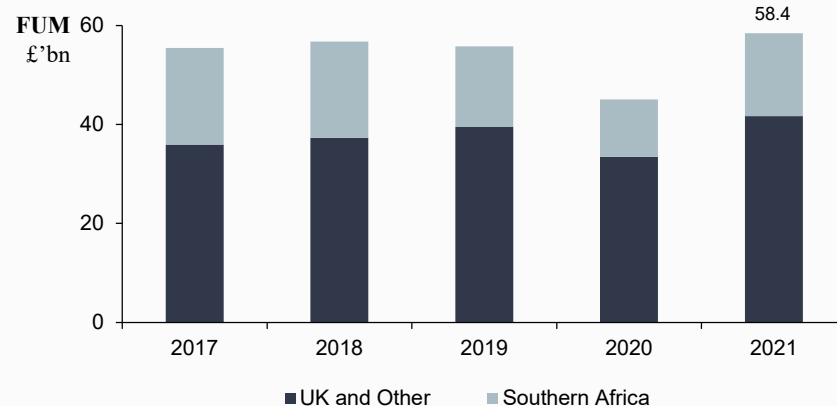


Net core loans have grown from **£22.2bn** in 2017 to **£26.4bn** in Mar 2021, a **CAGR of 4%**

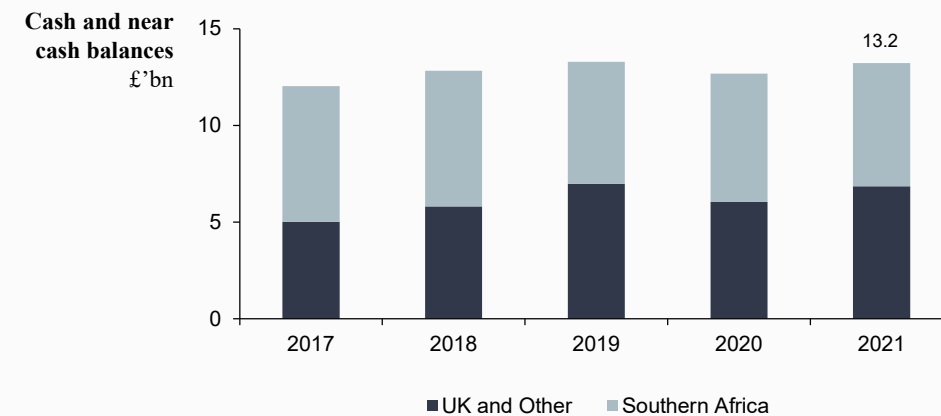
...supported by robust balance sheet



Customer deposits have grown from **£29.1bn** in 2017 to **£34.4bn** in Mar 2021, a **CAGR of 4.3%**



Funds under management totaled **£58.4bn** at 31 Mar 2021

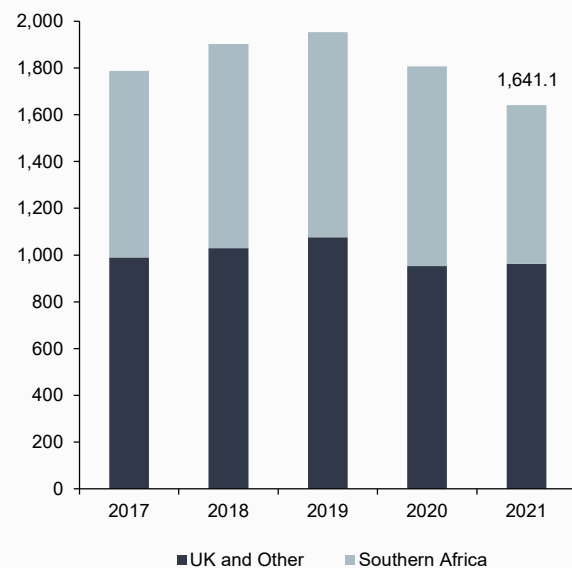


Robust balance sheet, with significant portion of cash and near cash balances of **£13.2bn** at 31 Mar 2021

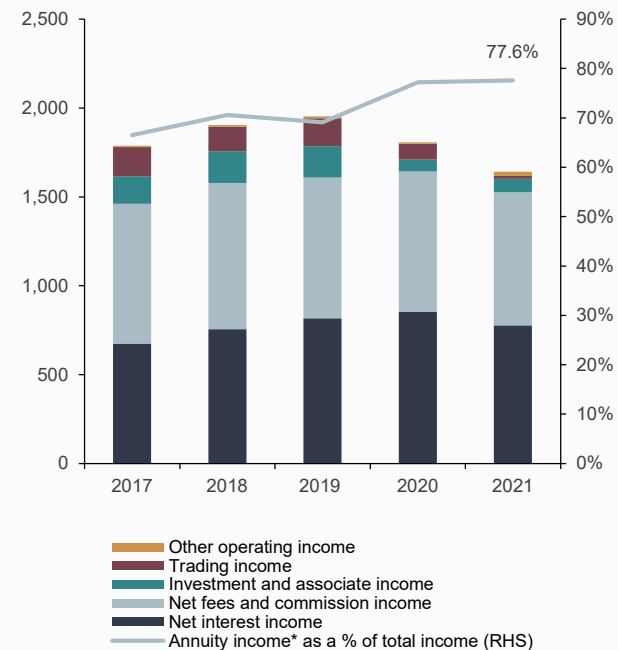
Operating income and costs

Resulting in a stable revenue base

Operating Income
£'mn

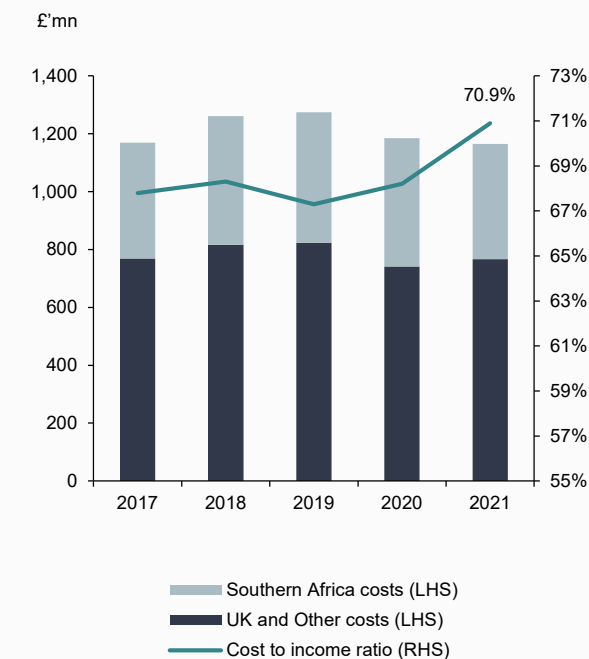


Operating Income Mix
£'mn



Operating Costs
£'mn

Our cost to income reflects investment in recent years and revenue pressure especially in 2H20 and 1H21



We have **delivered resilient revenue growth** in our client franchises despite revenue headwinds due the macroeconomic environment, with over **50% generated in the UK**

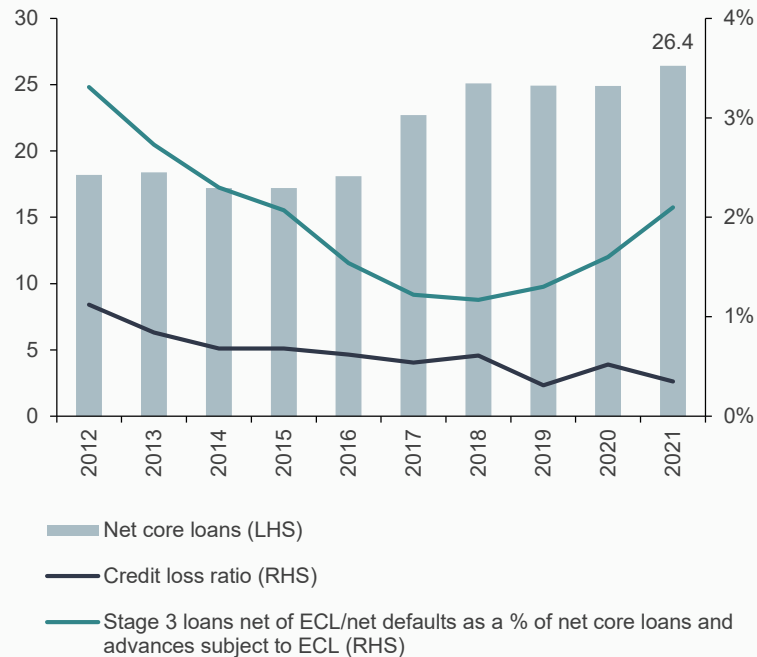
We have a **diversified business model** anchored by **stable recurring income base** and earnings through varying market conditions

We have made **strategic investments** to build a highly **scalable platform** – focus is now on **leveraging** this investment

Asset quality

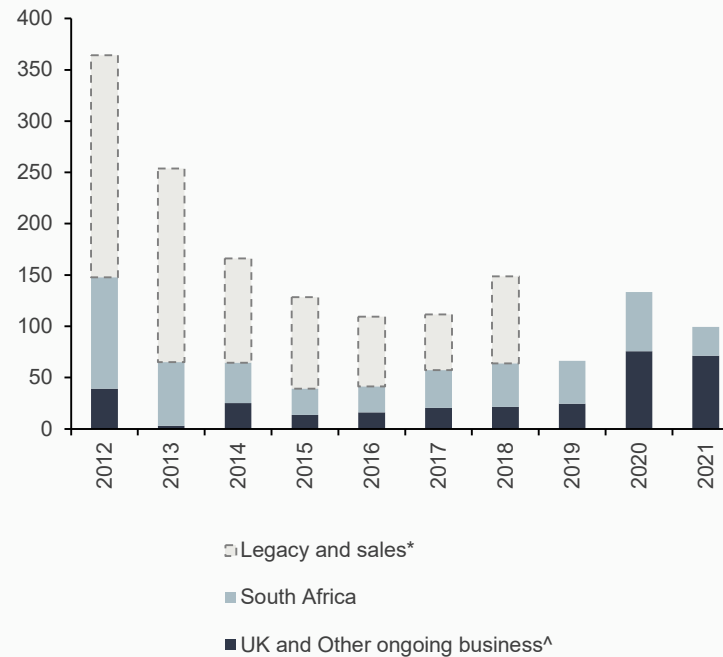
Asset quality has improved over recent years as the legacy portfolio has been managed down

Core loans and credit loss ratio
£'bn



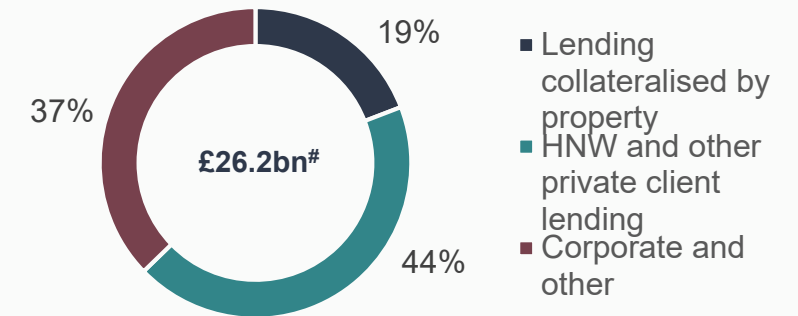
Credit loss ratio was 0.35% in Mar 2021 (Mar 2020: 0.52%) and Stage 3 net of ECL as a percentage of net core loans was 2.1% in Mar 2021 (Mar 2020: 1.6%)

Expected credit loss (ECL) impairment charges
£'mn



Ongoing portfolio continues to have **low levels of impairments and defaults**. 2021 impacted by tough economic backdrop exacerbated by COVID-19

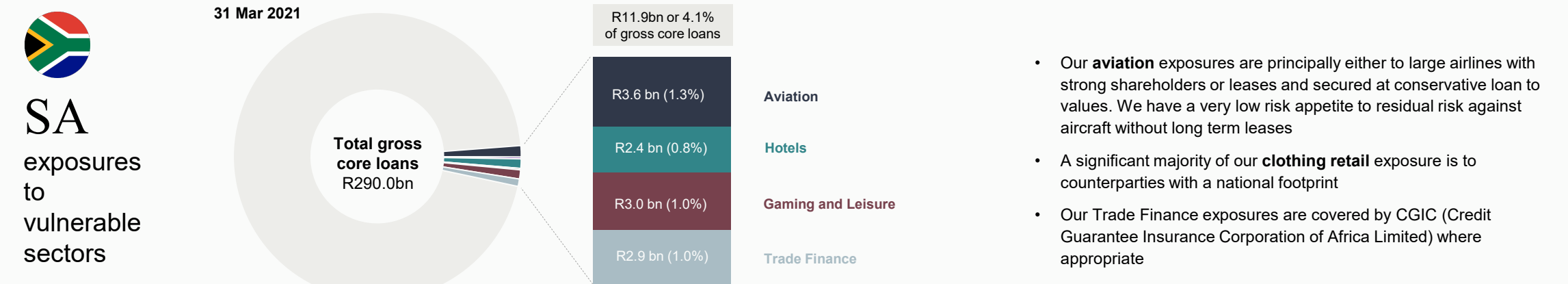
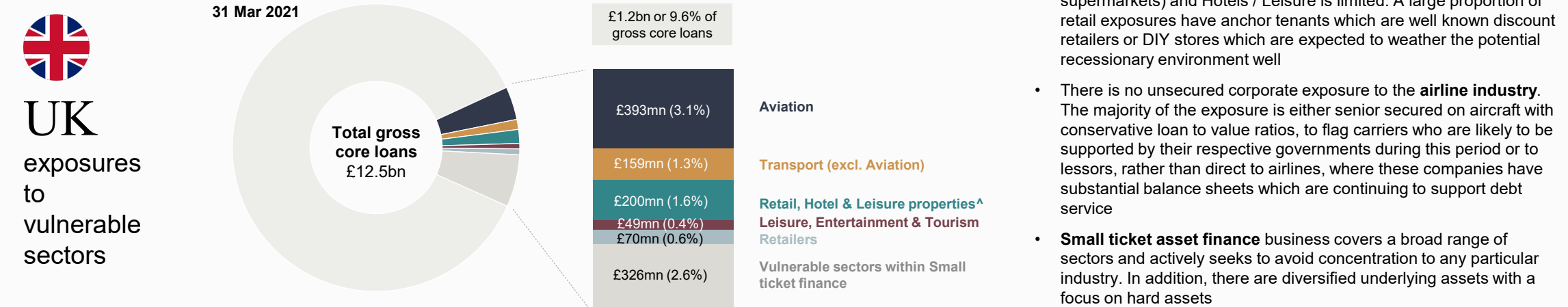
Core loan analysis
Mar 2021



Largest sub-categories	
Commercial investment property	19%
HNW and private client mortgages	28%
HNW and specialised lending	16%
Other corporates, financial institutions, governments	3%
Corporate and acquisition finance	15%
Small ticket asset finance	10%
Fund finance	6%
Power and infrastructure finance	3%
Resource finance	0%

Sectors particularly affected by COVID-19

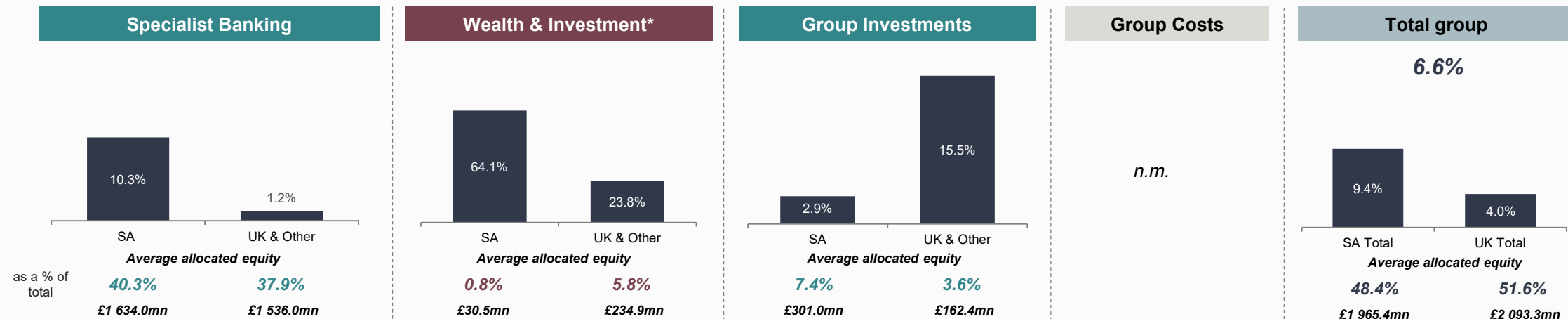
We have a diversified portfolio across sectors. Government stimulus and support measures are expected to somewhat mitigate the impact on vulnerable sectors



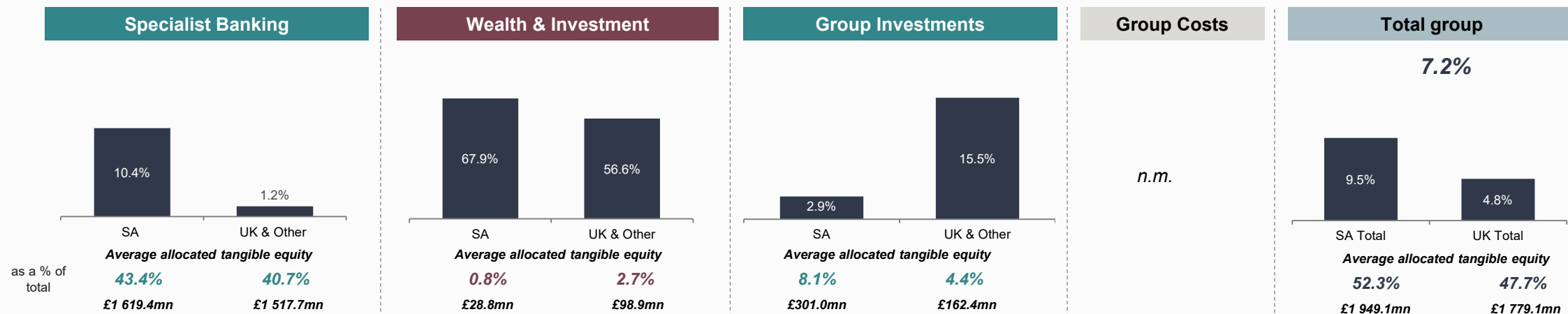
[^]Retail properties which have no underlying tenants that are either food retailers or other essential goods and services.

ROE / ROTE

Divisional ROE

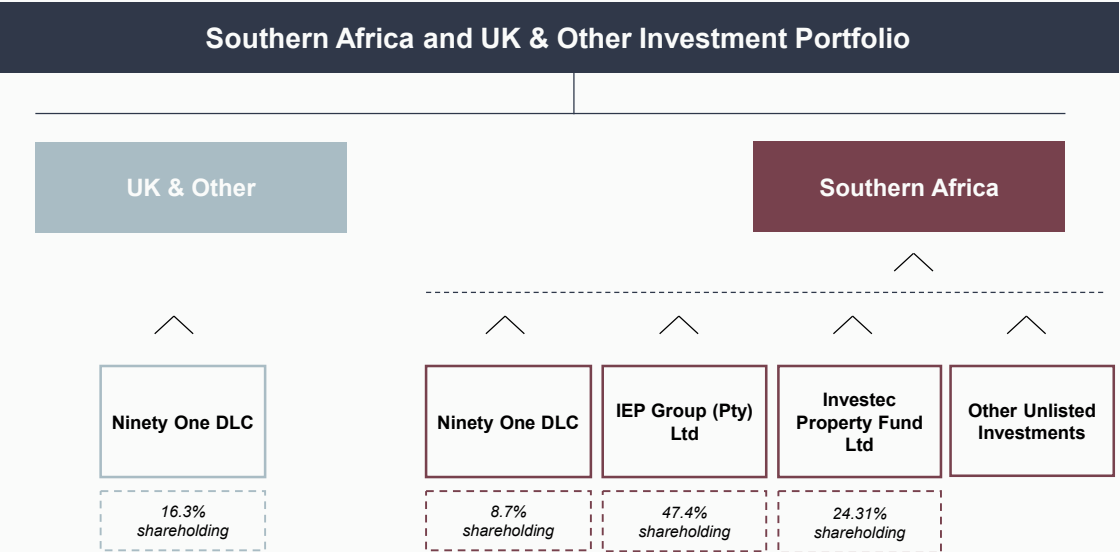


Divisional ROTE

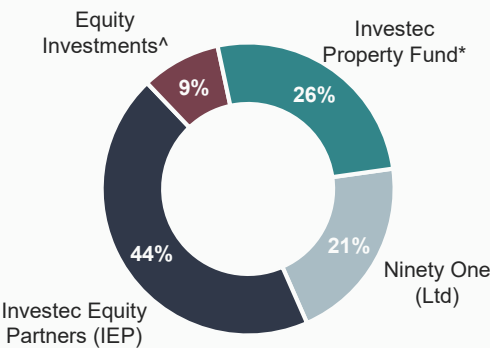


Group Investments overview

Group Investments pillar consists of equity investments held outside the group’s banking activities



SA Total
Equity Exposure
%



Ninety One DLC

- Investec accounts for its combined 25% investment in Ninety One by applying equity accounting, and the value of the associate investment was £362.6 million at 31 Mar 2021

IEP Group (Pty) Ltd

- IEP is an investment holding company that was born out of the Investec Private Equity portfolio. It holds a controlling stake in the Bud Group, an operational services, manufacturing and distribution group
- The investment is equity accounted with a carrying value of £251.3mn as at 31 Mar 2021
- The Bud Group has diversified growth businesses across four chosen platforms: Chemicals and Minerals, Industrial Services, Building Materials and Financial Services

Investec Property Fund Limited (IPF)

- IPF is a South African Real Estate Investment Trust (REIT) which listed on the Johannesburg Stock Exchange (JSE) in 2011. The R23.6 billion investment portfolio comprises direct and indirect real estate investments in South Africa and Europe
- Investec consolidates the fund with a net asset value of £658.1mn

Investec Australia Property Fund (IAPF)

- Investec disposed of its 9.1% holding in IAPF in FY21.

^ Does not include equity investments residing in our corporate and private client businesses.
* The proportionate NAV consolidated for the group's investment holding of 24.31% in the Investec Property Fund

Financial year ended 31 March 2021 (FY 2021) group results

Financial

The group navigated a challenging macro backdrop

- Adjusted operating profit* of £377.6mn, 9.9% behind the prior year (Mar 20: £419.2mn)
- Adjusted EPS decreased by 14.7% to 28.9p
- ROE of 6.6% (Mar 20: 8.3%)
- Tangible NAV per share increased by 12.7% since Mar 20 to 423.6p
- Full year dividend of 13.0p declared

Client franchises showed resilience despite revenue headwinds

- Wealth & Investment businesses achieved growth in FUM of 30.4% since Mar 20 to £58.0bn. IW&I UK saw net inflows of £1.1bn and IW&I SA saw net discretionary inflows of R7.6bn.
- Net core loans grew 6.1% since Mar 20 to £26.4 billion, with strong loan book growth in the UK Private Banking business offset by subdued corporate lending activity in both geographies and higher repayments

Performance affected by

- COVID-19 and associated lockdowns resulting in reduced economic activity and increased market volatility
- Sharply lower interest rates

Strategic and operational

Substantially completed our simplification process

- Concluded sale of the IAPF management company, and continue to consider other actions around the world
- Announced exit from Australia after 23 years of operation
- Completed a JV partnership for our India business with the largest bank in India
- Closer integration of business enabling functions in UK Bank

Continued cost discipline

- Group costs reduced by 28% since FY2019 and are expected to remain stable
- UK Specialist Banking fixed costs reduced by c.£56mn since FY2019 and expected to decline in the medium term

Capital optimisation

- Rightsizing the direct equity investment portfolio in line with our stated strategy
- Aggregate investment sell down in our direct equity portfolio since CMD of c.R3bn in South Africa

Focus on growth

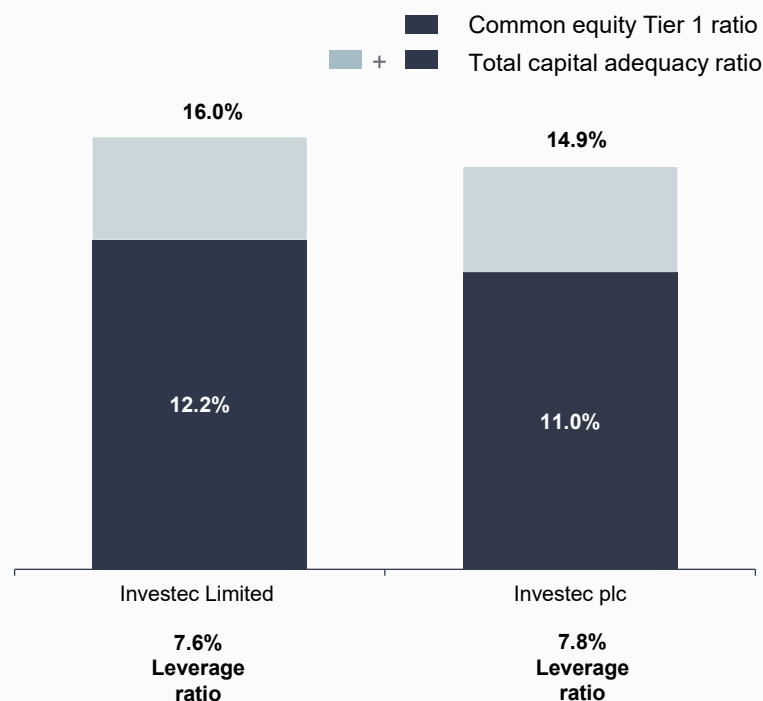
- UK HNW mortgage lending on track to achieve milestones set at CMD, client acquisition and originations remained strong despite constraints brought by COVID-19
- Launched online business banking in South Africa, and starting to acquire clients – progressing our corporate strategy

Capital generation

Well capitalised, lowly leveraged balance sheet with improving capital generation

Healthy capital position

CET 1 Ratios



Existing capital generation supports growth and dividends

Positive capital generation across businesses

- Capital and leverage ratios remain ahead of both internal board-approved minimum targets and regulatory requirements
- The group targets a minimum CET1 ratio above 10%, a tier 1 ratio above 11% and a total capital adequacy ratio range of 14% to 17% on a consolidated basis for each of Investec plc and Investec Limited, respectively.
- Investec has a stated dividend policy of 30% to 50% pay out ratio
- Capacity to support RWA growth of c.8-10% p.a. (c.7%-8% UK Bank, c.8-10% SA Bank)
- Maintain appropriate capital adequacy / buffer across Investec plc and Investec Limited
- Dividends from the Wealth & Investment business will continue to be passed through to shareholders
- Managing down our non-core equity investments portfolio, releasing material capital and offering optionality

Appendix

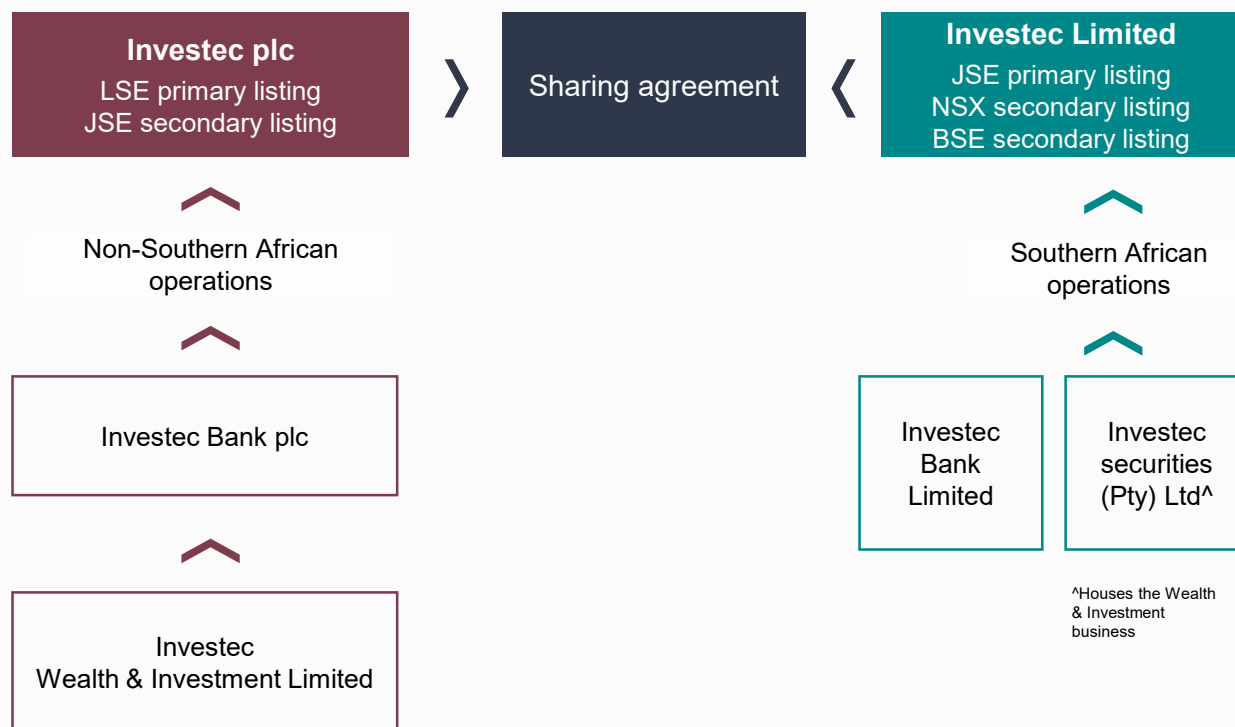
- **Investec organisational structure**
- **Specialist Banking**
 - UK Specialist Banking overview
 - SA Specialist Banking overview
- **Wealth & Investment**
 - UK Wealth & Investment overview
 - SA Wealth & Investment overview
- **Capital**
- **Asset Quality**
- **Credit Ratings**
- **Sustainability**
- **Restatements**



Investec organisational structure

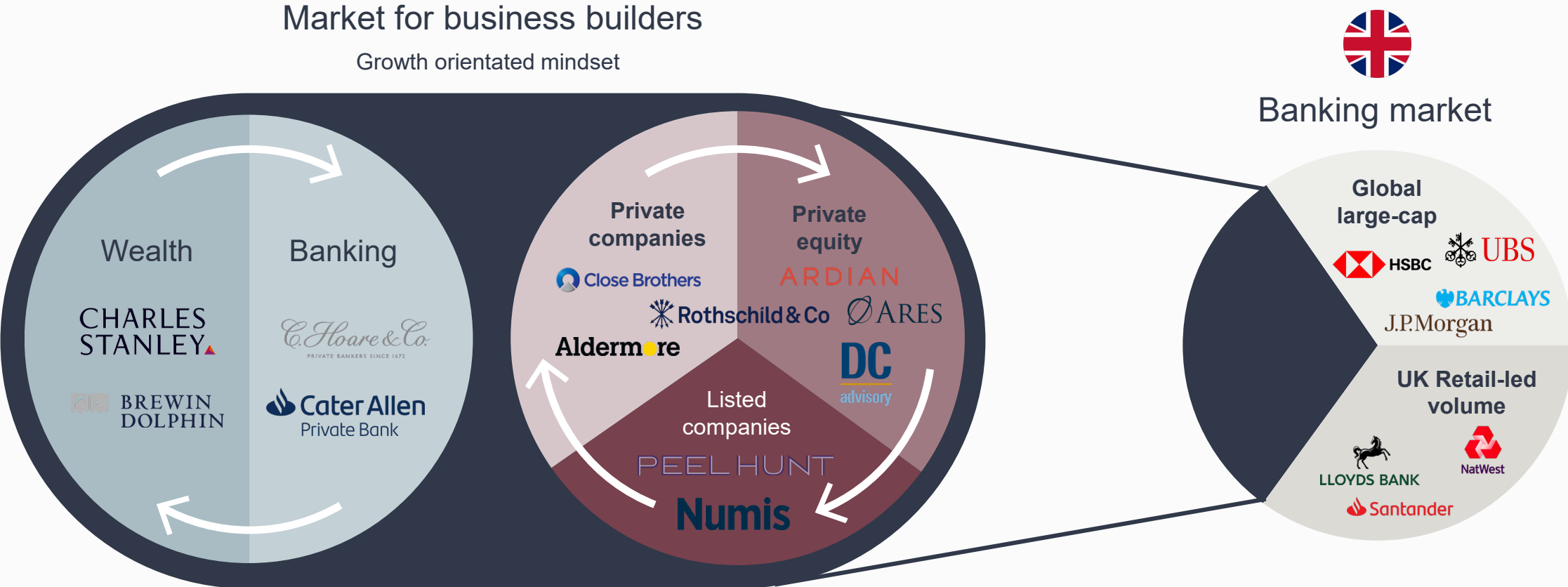
Dual Listed Companies (DLC) structure with linked companies listed in London and Johannesburg

DLC structure and main operating subsidiaries

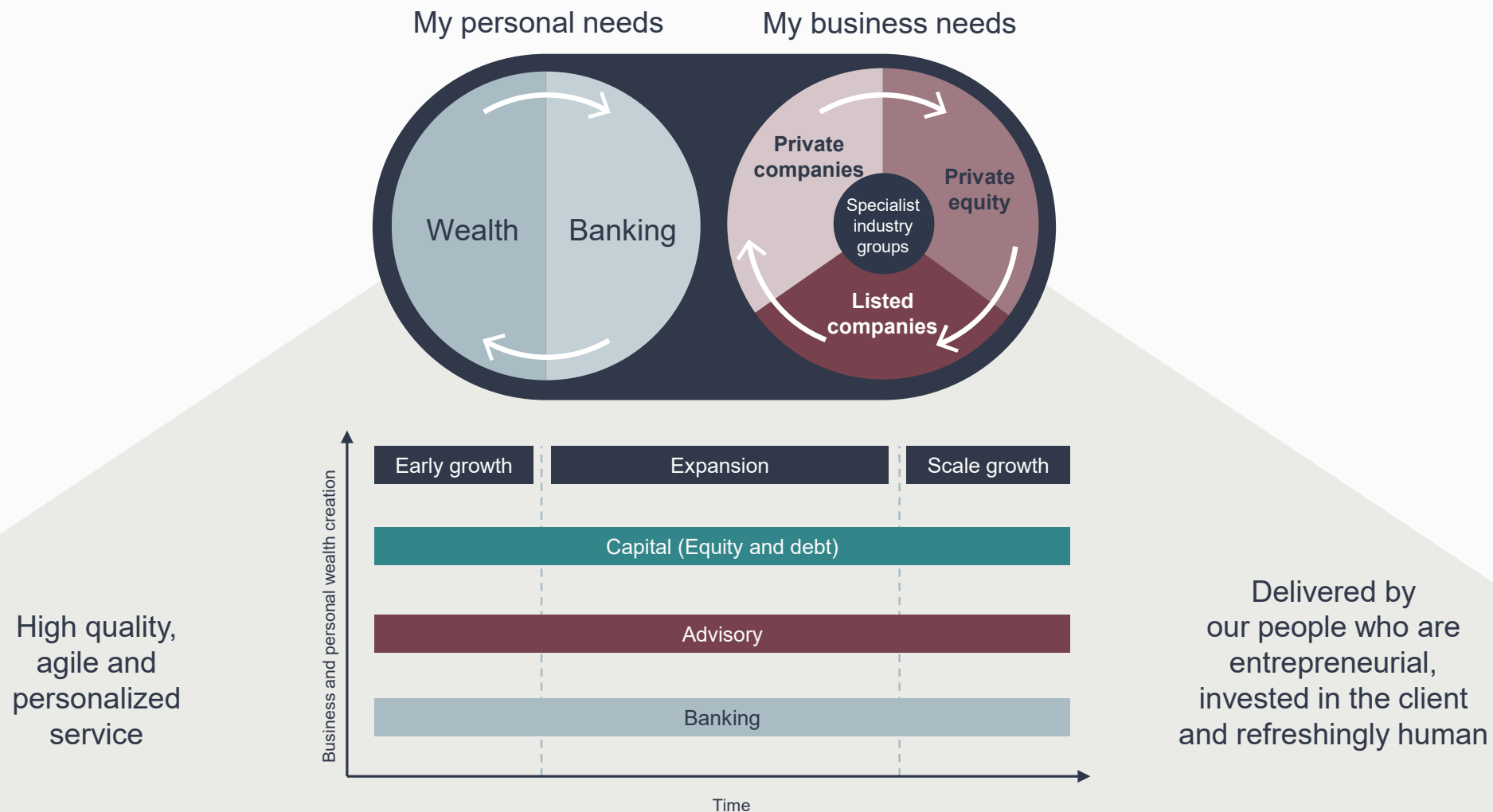


- Investec plc and Investec Limited are **separate legal entities and listings**, but are bound together by contractual agreements and mechanisms
- Investec operates as if it is a **single unified economic enterprise**
- Shareholders have **common economic and voting interests** as if Investec plc and 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
- In March 2020, Investec completed the demerger and separate listing of Ninety One (formerly Investec Asset Management). Investec retained a 25% shareholding in the Ninety One group, with 16.3% held through Investec plc and 8.7% held through Investec Limited.

UK Specialist Banking: Strong market position; uniquely positioned



UK Specialist Banking: Delivering a breadth of capabilities



UK Specialist Banking: private clients

Now positioned for accelerated growth

Franchise

Large addressable market

90,000 UK individuals meet the target criteria*

Fully invested

Invested in talent, platforms, marketing and digital

Growing to plan

Book growth | 35.2% 4yr CAGR

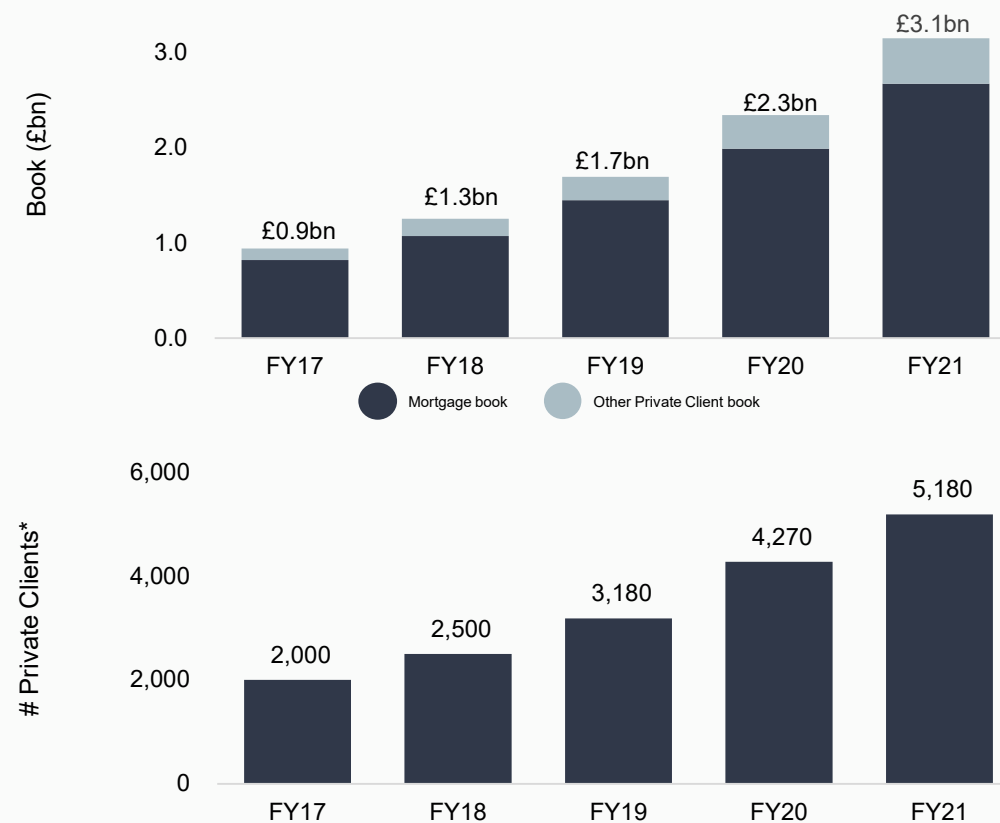
Private client growth | 26.9% 4yr CAGR

Award winning products



2019
Private bank of the year

Growth



UK Specialist Banking: private companies

Scale of this underserved market represents significant opportunity for growth

 Franchise

Scale of UK private companies market

20,000 UK private companies identified as potential new corporate clients

Breadth of solutions

Full suite of banking products for this significant underserved community

Growing to plan

Book growth | 20.7% 4yr CAGR
Asset Finance client growth | 9.8% 4yr CAGR

Award winning products



Winner - Best Leasing & Asset Finance Provider ('19 - '21)



Winner - Best Business FX Provider ('21)



UK Specialist Banking: private equity

Low capital, low cost intensity model for growth



Franchise

Large addressable market

c. 200 Funds active across the UK, Benelux and DACH regions

Fully integrated

Scale & diversified client proposition – capital & advice

Growing to plan

Book growth | 4.9% 4yr CAGR

Average revenue per client & average # products per client growing

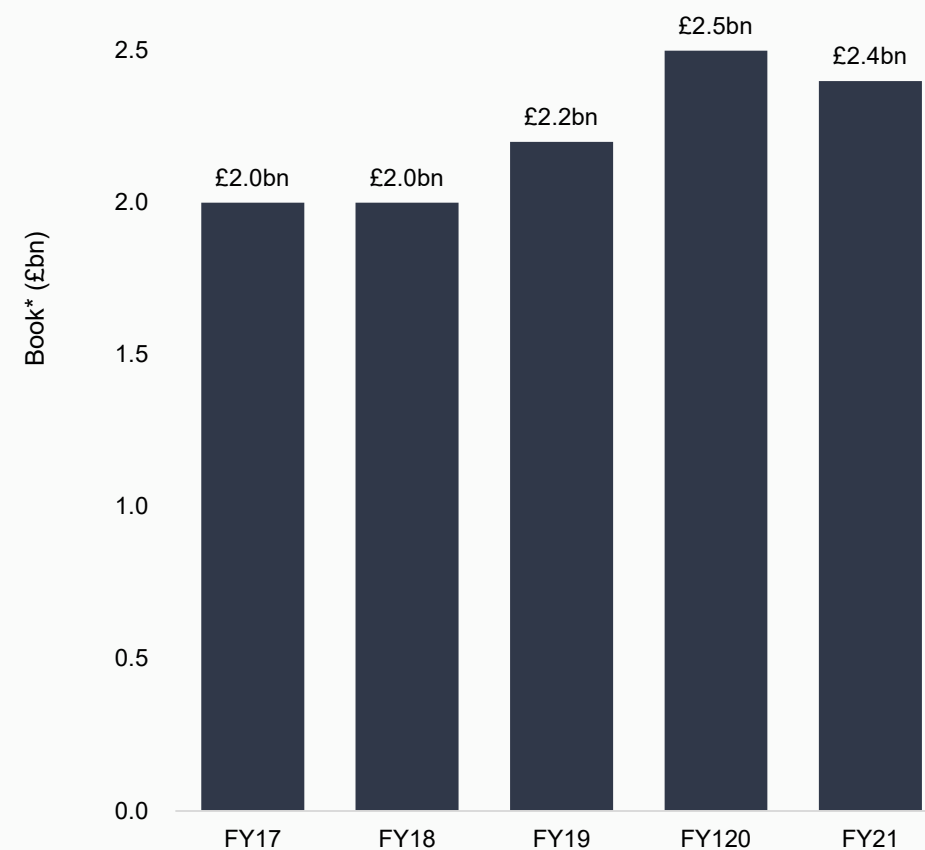
Award winning products



Investec named 'Bank of the Year' at the 2020 & 2019 Real Deals Private Equity Awards.



Growth



UK Specialist Banking: listed companies

Market leading broker poised for further growth

 Franchise

Top ranked UK Broker

Raised £3.5bn in equity fundraisings across 30 corporate clients in FY21

Breadth of capabilities

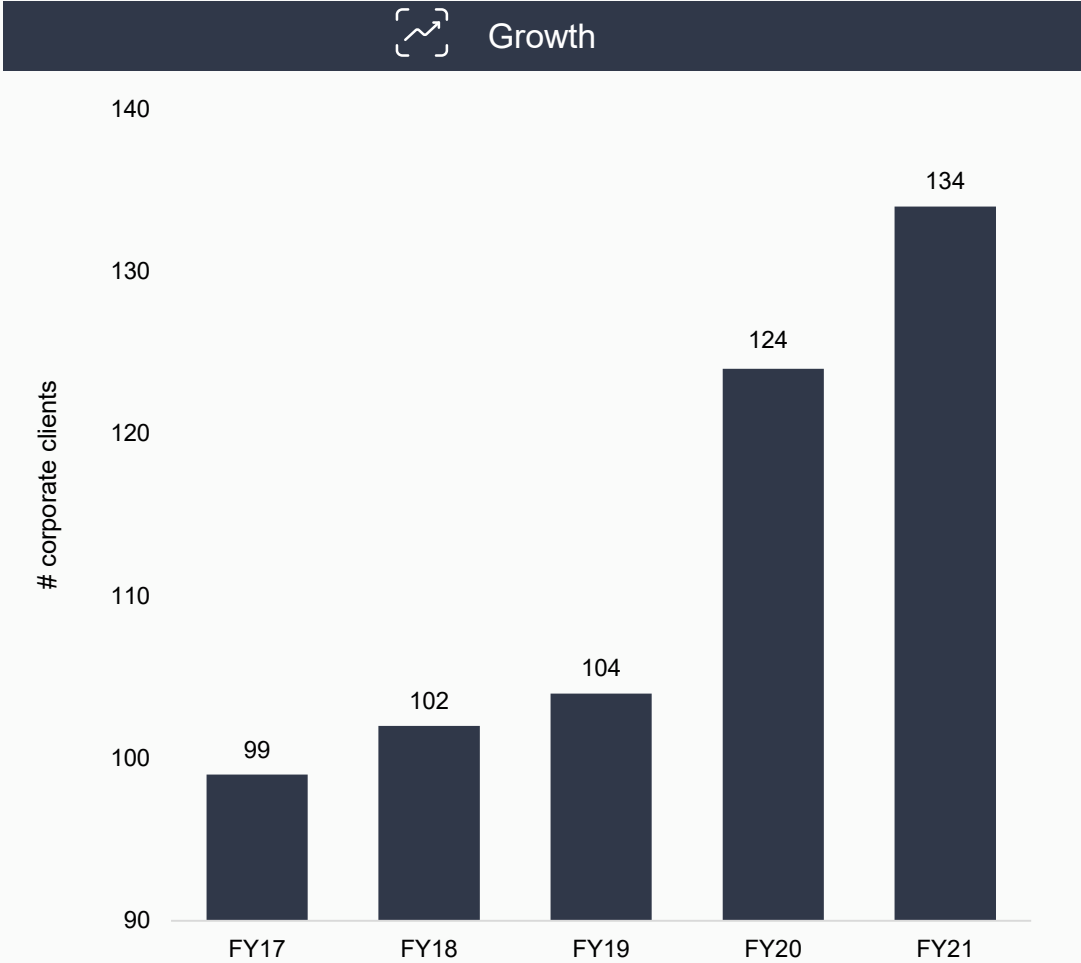
‘Not just a broker’ – 39% multi-product clients

Growing to plan

Corporate client growth | 7.9% 4yr CAGR

Award winning products

Institutional Investor 2020	1 st	Corporate Broking team (2019: 4 th)	1 st	6 top-ranked analysts More than any other Broker
	1 st	Research team in 7 sectors (2019: 1 st in 2 sectors)	2 nd	Equity Sales team (2019: 3 rd)



UK Specialist Banking: specialist industry groups

Deep sector expertise in our award-winning specialist areas



Aviation

Recognised international leader

Market recovery opportunity

Global airlines & lessors

Current book size	➤	£390mn
Debt Fund AUM	➤	£417mn
Equity Fund AUM	➤	£108mn
Client numbers	➤	31



Power & Infrastructure Finance

US & UK strength

Strong thematic growth

Corporates & funds

Current book size*	➤	£759mn
Client numbers*	➤	100



Real Estate

UK-focused

Resilient target market

Individuals, corporates & funds

Current book size**	➤	£2.1bn
Client numbers**	➤	93



SA 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-tech and high-touch 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**



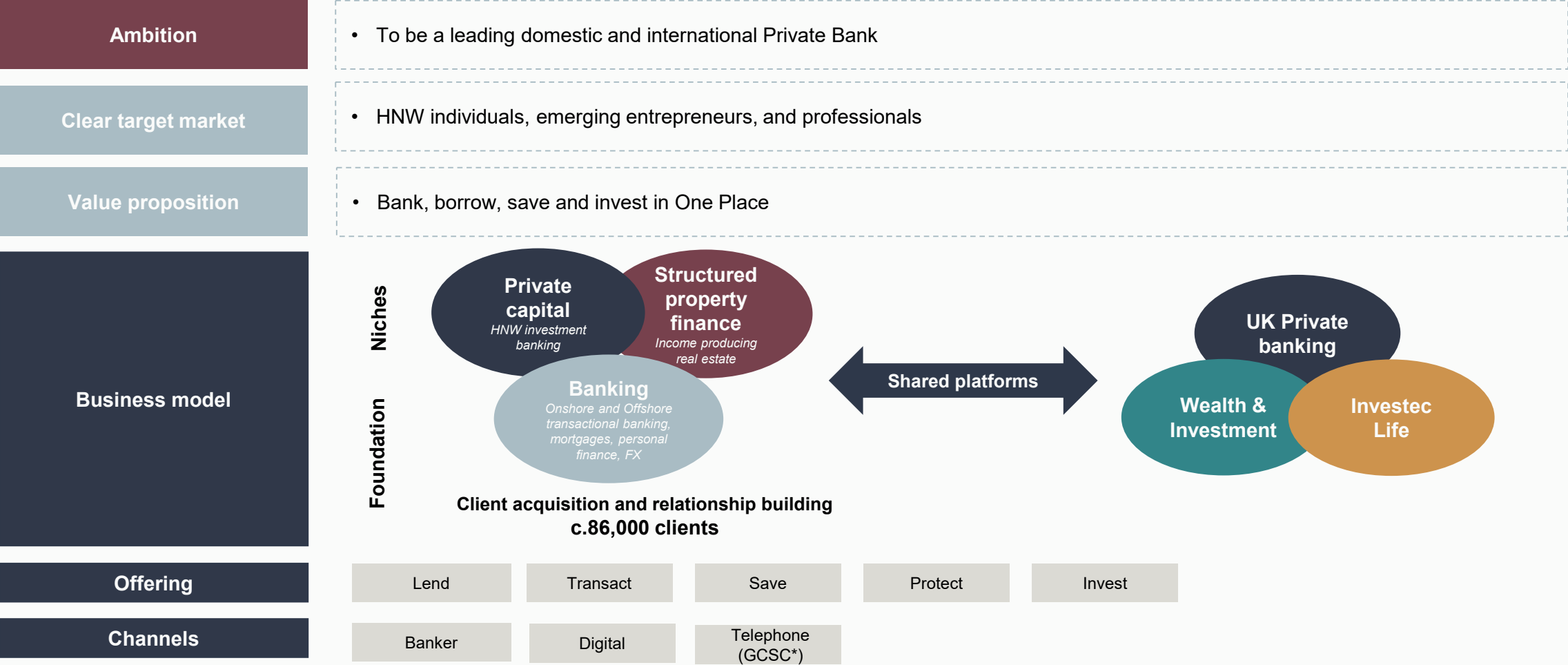
- **Maintaining cost efficiency** with low cost to income ratios



- 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**

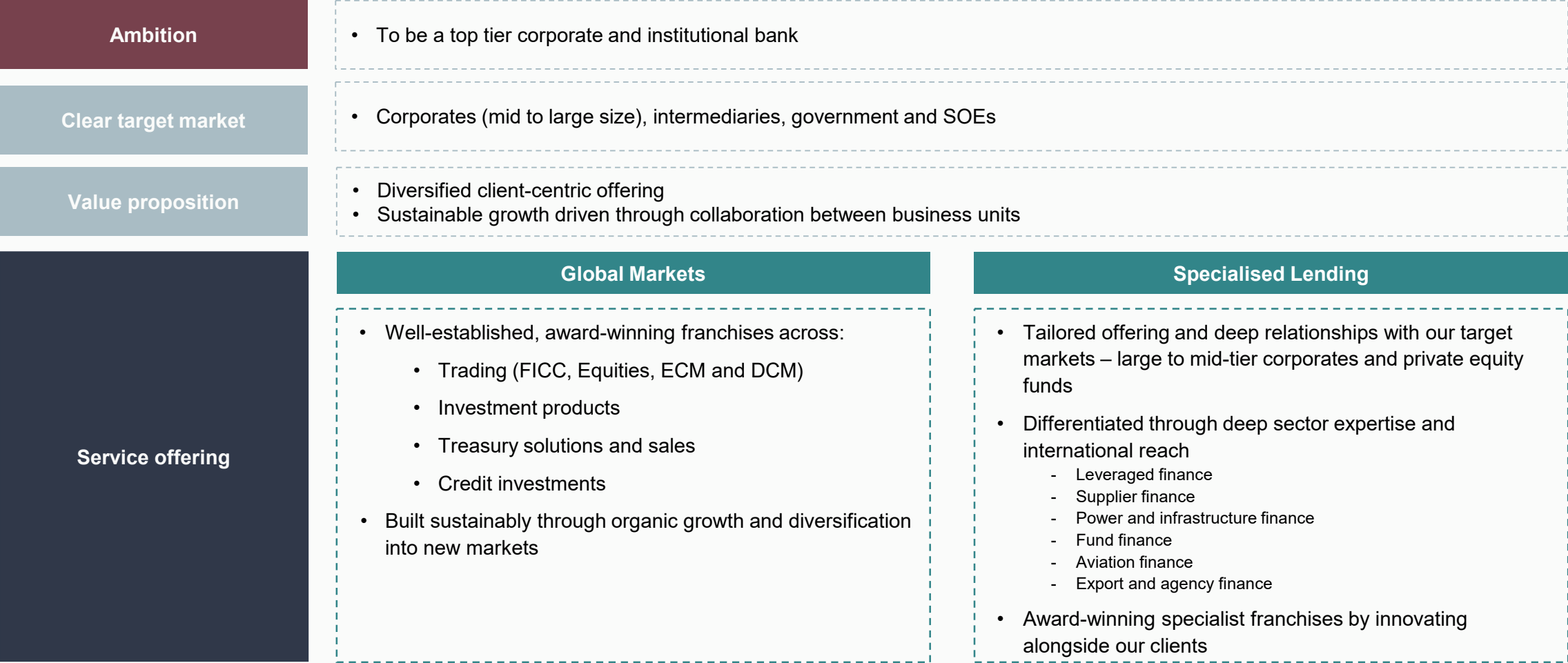
SA Specialist Banking: Private Banking

A full-service Private Banking offering integrated into One Place



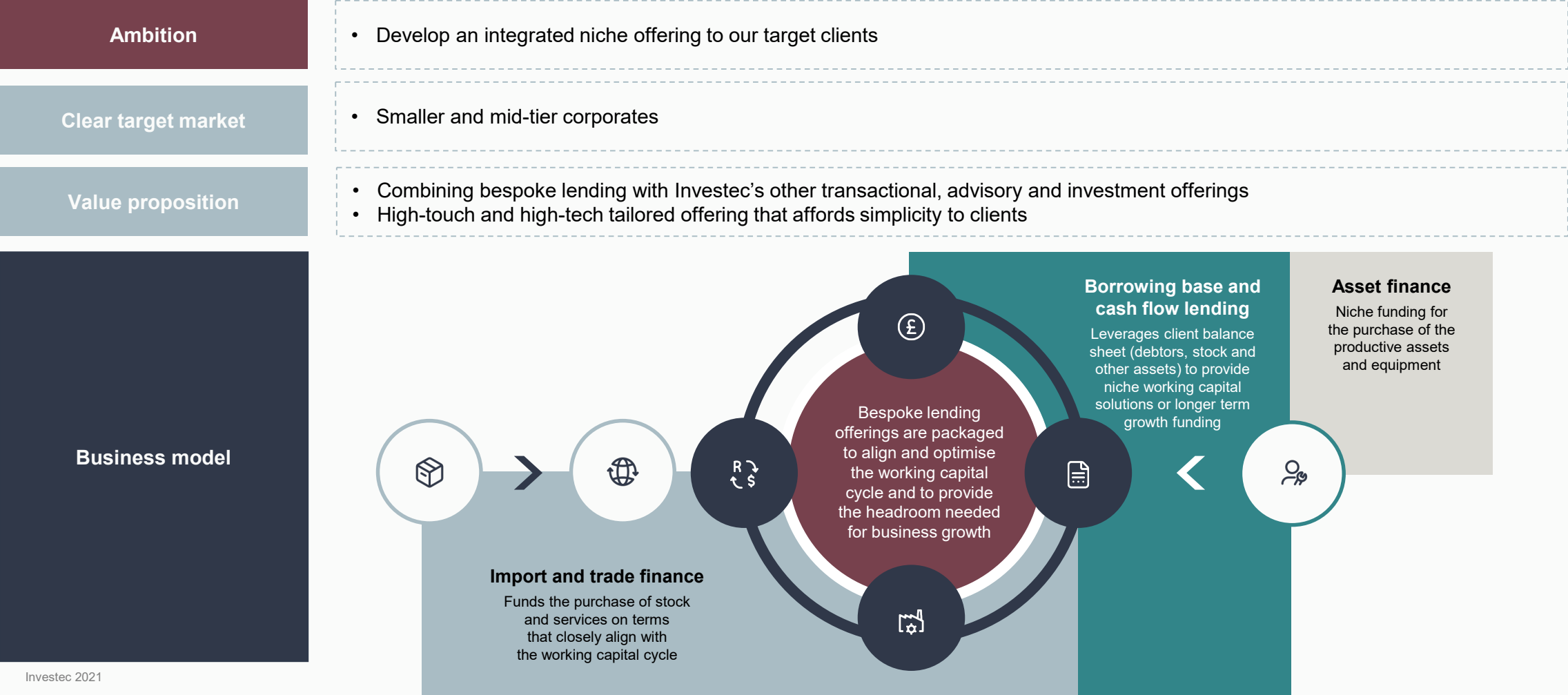
SA Specialist Banking: Corporate and Institutional Banking

Strong franchise value and leading market position in our niche markets



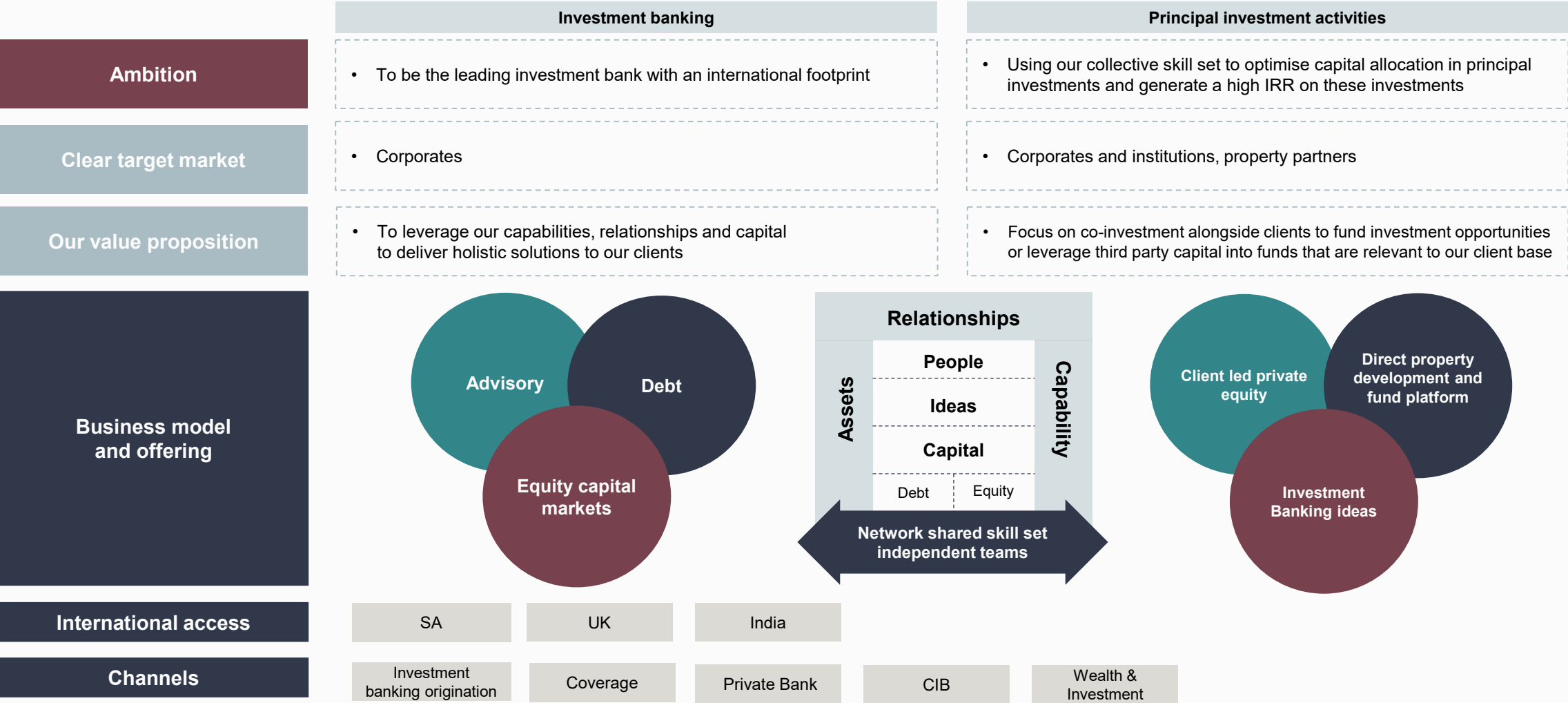
SA Specialist Banking: Investec for Business

Bespoke lending offerings for working capital optimisation and business growth



SA Specialist Banking: Investment Banking and Principal Investments

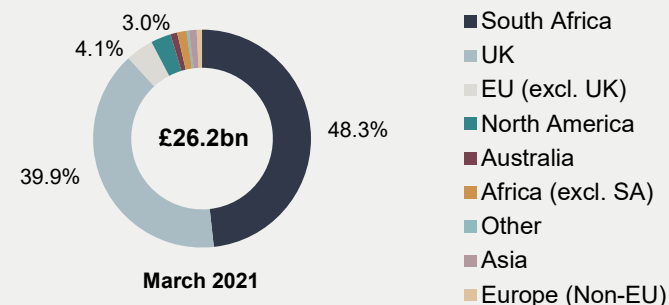
Delivering holistic investment solutions to clients



UK and SA Specialist Banking: exposures in a select target market

Credit and counterparty exposures are to a select target market: HNW and high income clients, mid to large corporates and public sector bodies and institutions

- The majority of exposures reside in the **UK and South Africa**
- 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



Gross core loans* by risk category

South Africa

Corporate and other

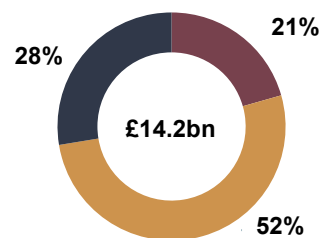
Acquisition finance	18.9%
Fund finance	2.6%
Asset finance	2.5%
Power & Infrastructure Finance	2.3%
Financial institutions and governments	1.2%
Resource finance	0.0%

Lending collateralised by property

Commercial real estate investment	17.8%
Residential vacant land and planning	2.8%

High net worth and other private client

HNW and private client - mortgages	28.3%
HNW and specialised lending	23.5%



UK and other

Corporate and other

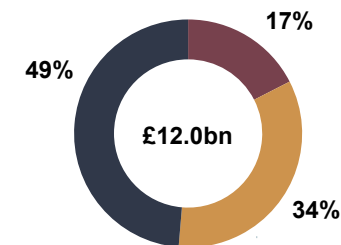
Acquisition finance	11.2%
Fund finance	10.3%
Other corporate, institutional, govt. loans	4.8%
Power & Infrastructure Finance	3.8%
Asset based lending	2.7%
Asset finance	15.6%
Resource finance	0.2%

Lending collateralised by property

Commercial real estate	11.7%
Residential real estate	5.8%

High net worth and other private client

HNW and private client - mortgages	26.6%
HNW and specialised lending	7.2%

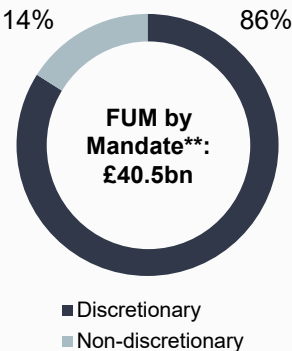


UK Wealth & Investment

A leading UK private client manager targeting mass affluent and increasingly high net worth client base

Key facts*

Total FUM	£41.7bn [^]
% UK discretionary	86% ^{^^}
% UK direct	c.83%
Target client	> £250k
# of UK client relationships	c.40,000
# of UK offices	15
# of UK IMs	323
# of UK FPs	42

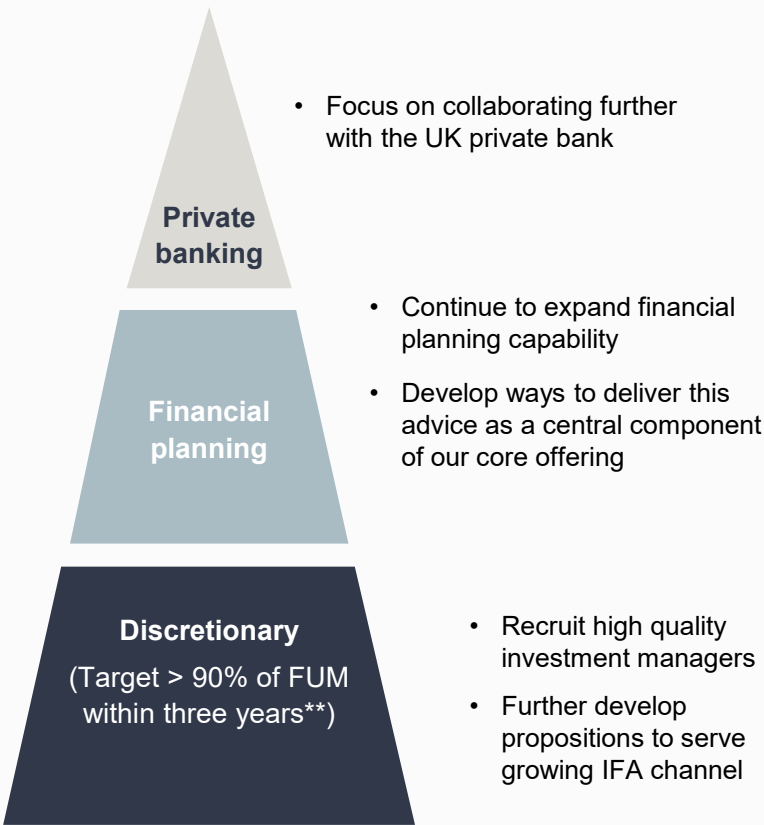


The UK operation is conducted through Investec Wealth & Investment Limited. The other Wealth & Investment operations are conducted through Investec Bank Switzerland and Investec Wealth & Investment Channel Islands.

Market factors

- Well placed to benefit from evolving UK market
- Supportive demographic factors with continued growth in household wealth
- “Advice gap” post Retail Distribution Review (RDR) and Pension Freedoms underpinning strong demand for financial advice and long-term savings solutions
- Competitive market remains relatively fragmented, providing opportunities for potential consolidation

Future growth drivers



* Information as at 31 Mar 2021. [^]Comprises UK, Guernsey and Switzerland. UK comprises c.96% of total FUM. ^{**} Split based on UK business only. ^{^^} UK discretionary FUM based on UK business only. Where IMs is investment managers and FPs is financial planners.

SA Wealth & Investment

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

Key facts*

Total FUM	R333.0bn
% discretionary and annuity	53%
% of disc. and annuity offshore	65%
Operating margin	31.2%
Average yield disc. and annuity	90 bps
Target client	> R5mn
# of clients	c.38,500
# of offices	10
# of investment managers	111

47%

53%

FUM
R333.0bn

Discretionary and annuity

Non-discretionary

Market factors

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

Future growth drivers

Fiduciary

Alternative investments

Private banking

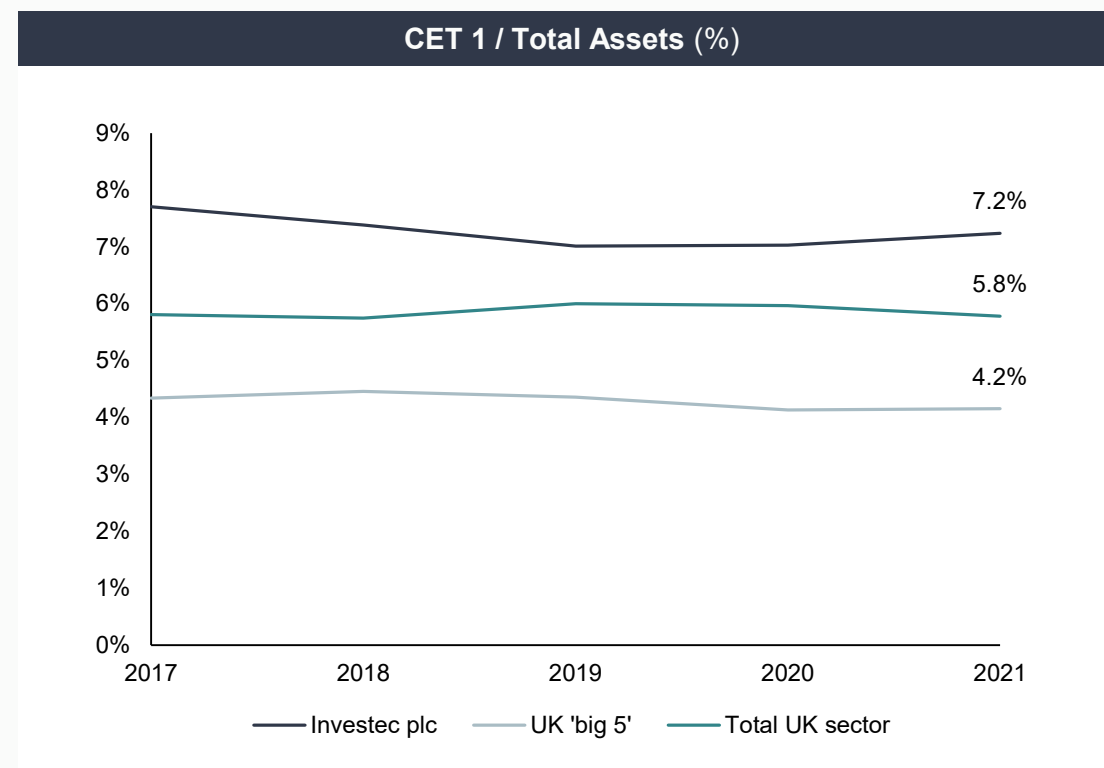
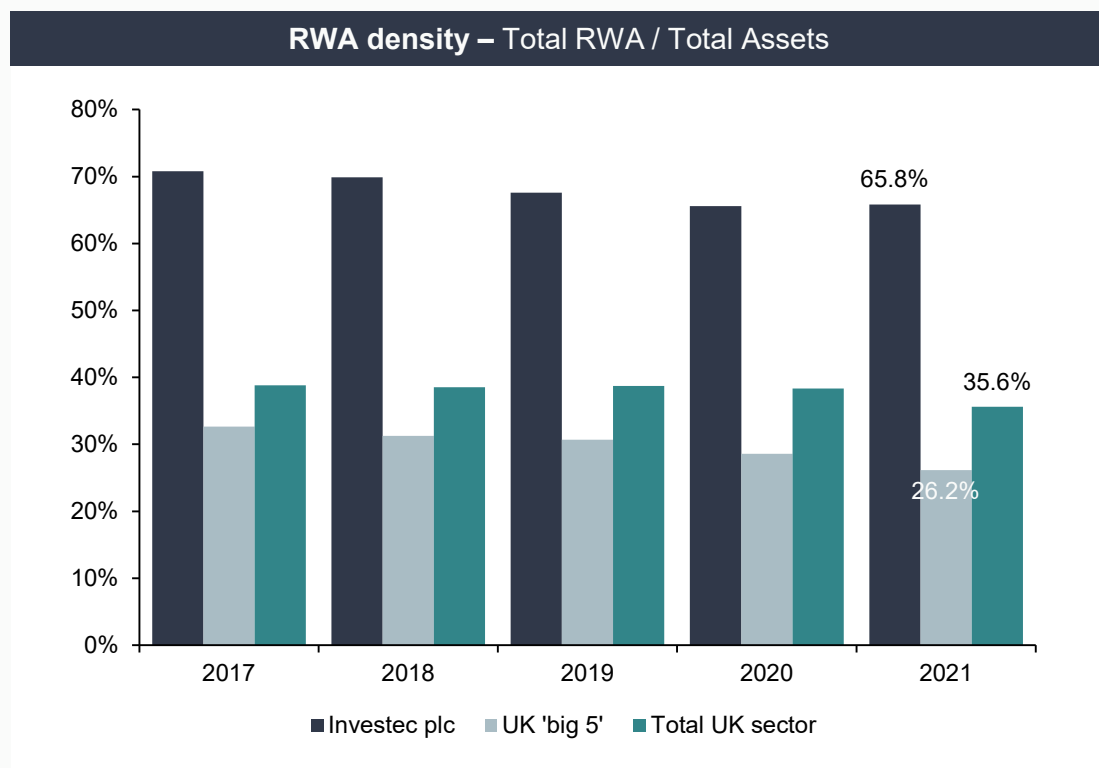
Offshore

Discretionary / annuity

- Enhance our fiduciary and tax planning services
- Expand the breadth and depth of our alternative investment offering
- Elevate our High-Net-Worth private client value proposition in conjunction with the private bank
- Focus on acquisition across growth segment of client base and digital offering through my Investments
- Implement a multi-asset class, multi-currency and multi-geography client investment platform
- Leverage our expanded international investment offering into new distribution channels
- Build on strength of client relationships while remaining digitally driven
- Continued development of ESG integration and sustainable investment opportunities

Investec plc: we inherently hold more capital per unit of risk

As we use the standardised approach for RWA calculations, our capital ratios are not directly comparable with peers

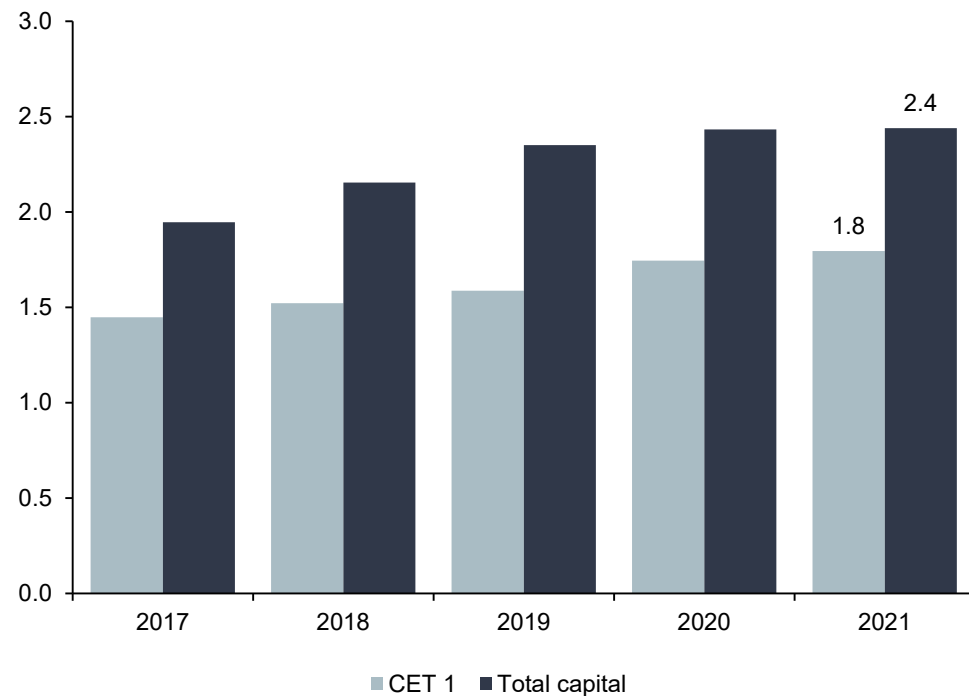


- We use the **standardised approach** for our RWA calculations – while peers are largely on the advanced approach
- The result is that our **RWA density at 65.8% is above** the sector average of 35.6%
- Our **RWA density is more than 2x higher** than the 'big 5' UK peers

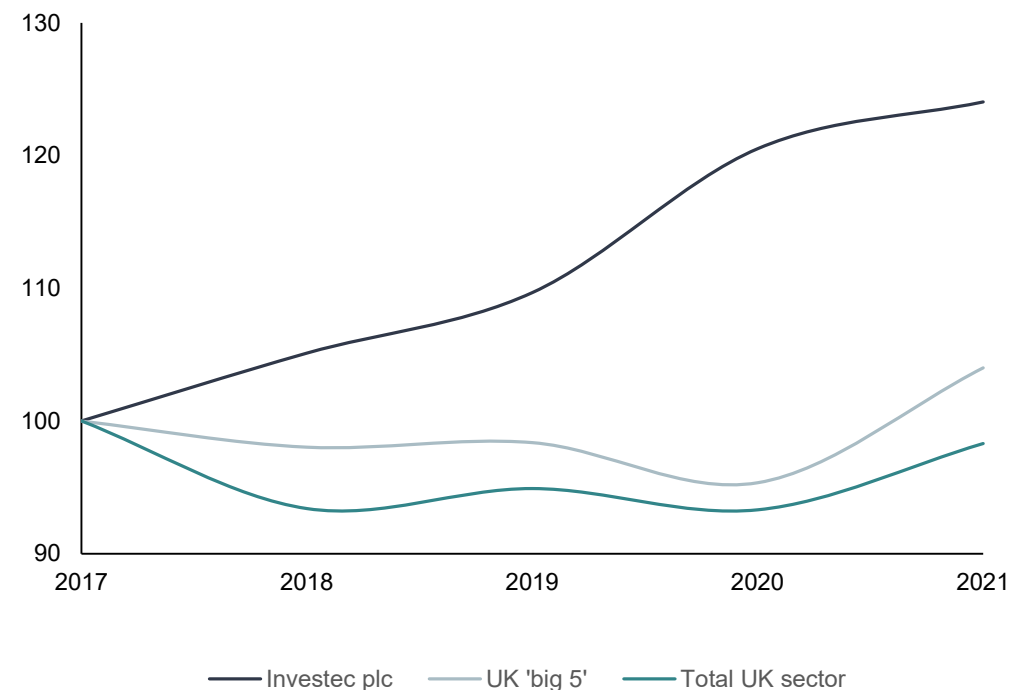
- We hold more **CET 1 to our total assets than our peer group does** – primarily as a result of higher RWA density from using the standardised approach
- Our **CET 1 / Total assets is 7.2%** - which is 140bps higher than the UK sector on a similar measure

Investec plc: strong internal capital generation

Total capital (£'bn)



Common equity tier 1 – rebased to 100



- Investec has **strong organic capital generation** and has not required recourse to government or shareholders
- CET 1 and total capital levels have both grown robustly** at c.6% CAGR each since 2017

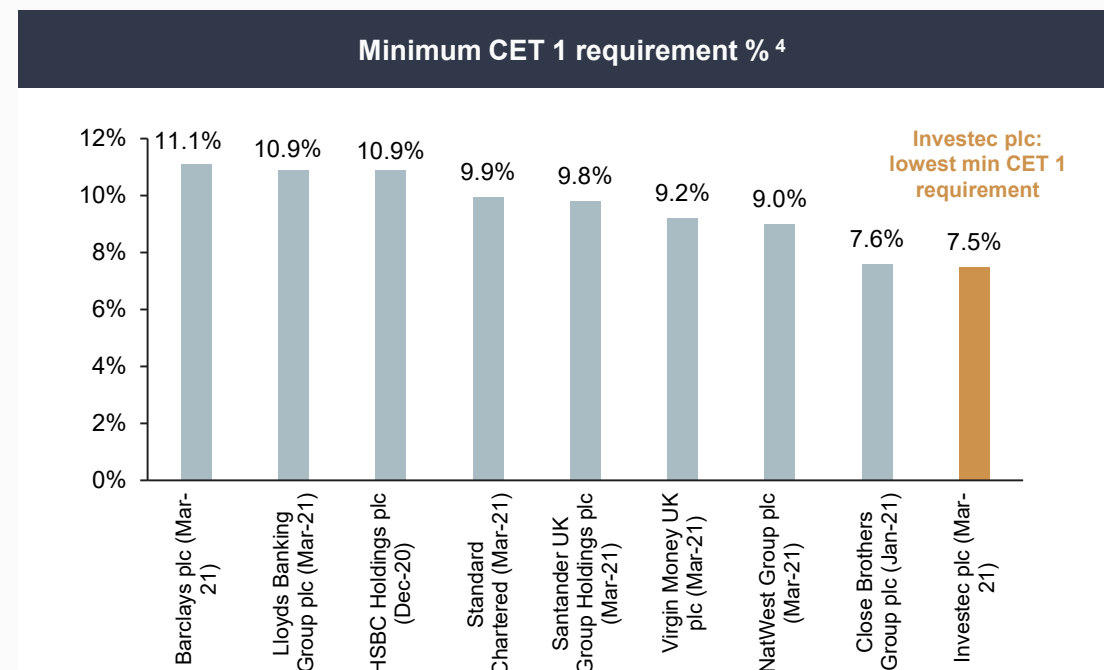
- Investec plc's CET 1 has grown faster** (c.6% CAGR) than both the sector (flat) and the UK 'big 5' (c.1% CAGR) since 2017

Investec plc: sound capital ratios in excess of internal and regulatory minimums

Robust headroom of 3.5% above the MDA threshold as at 31 March 2021

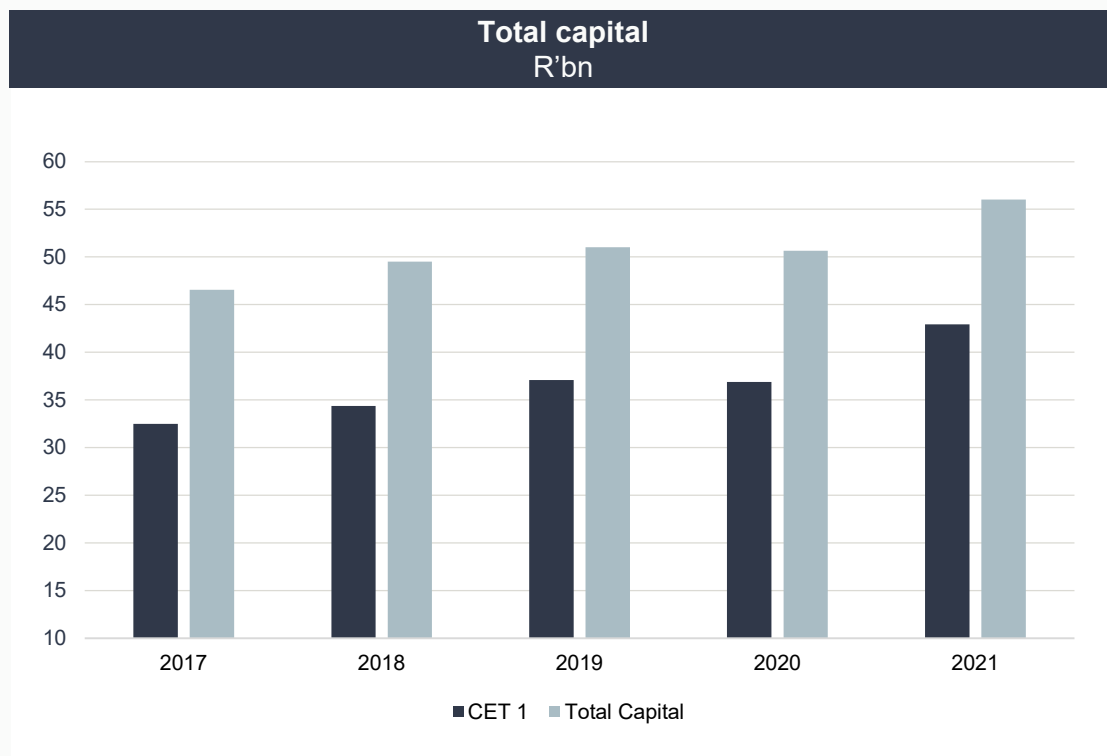
Capital ratios [^] at 31 Mar 2021			
	Investec plc	Investec Bank plc	Target
Common equity tier 1 (as reported)	11.0%	11.8%	>10%
Common equity tier 1 ('fully loaded') ¹	10.5%	11.3%	
Tier 1 (as reported)	12.7%	13.4%	>11%
Total capital ratio (as reported)	14.9%	16.4%	14% to 17%
Leverage ratio ² – current	7.8%	8.0%	>6%
Leverage ratio ² – 'fully loaded' ¹	7.4%	7.7%	
Leverage ratio ² – current UK leverage ratio framework ³	9.0%	9.4%	

- Investec holds capital in excess of regulatory requirements and internal capital targets and intends to perpetuate this philosophy and ensure that it remains well capitalised
- The bank has never required shareholder or government support and we have never missed a preference share or AT1 instrument coupon payment
- In January 2020, the Bank of England re-confirmed the preferred resolution strategy for Investec Bank plc to be 'modified insolvency'. As a result, the BoE has therefore set Investec Bank plc's MREL requirement as equal to its regulatory capital requirements (Pillar 1 + Pillar 2A)

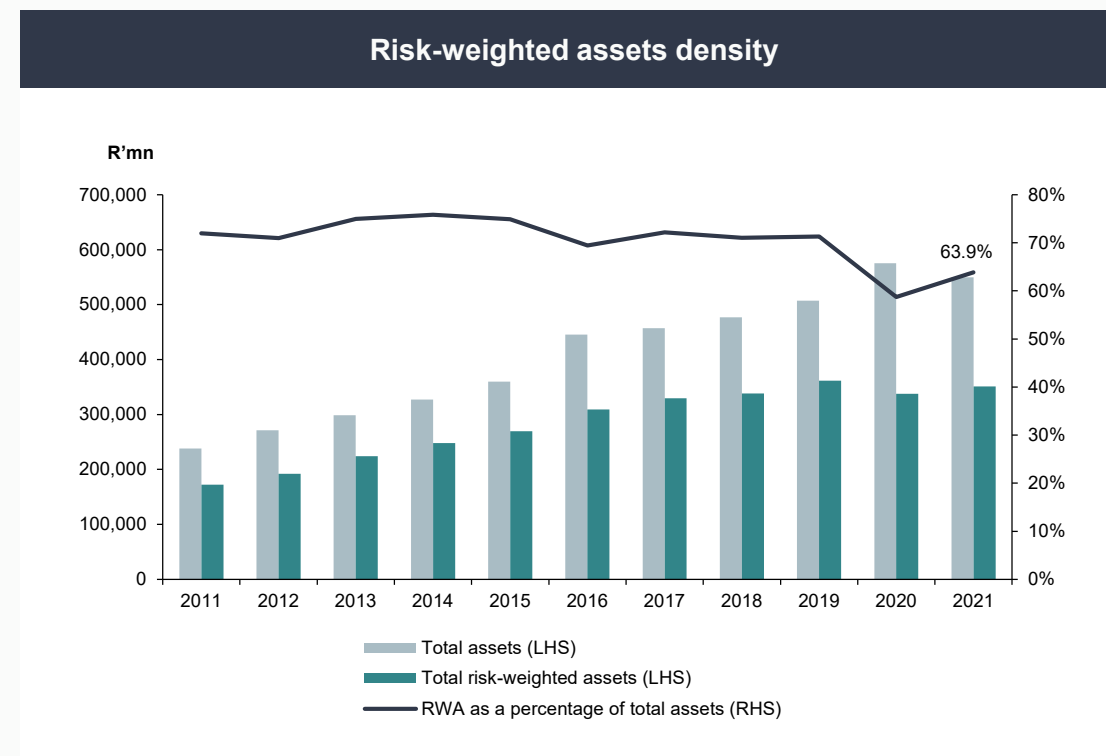


- Under our current capital requirements, Investec plc CET 1 regulatory minimum is 7.5% while Investec plc's reported ratio was 11.0% at 31 March 2021, providing a 3.5% surplus relative to the regulatory minimum before buffers (which are also allowed to be used in times of stress)
- Investec plc's Pillar 2A capital requirement has been converted into a nominal amount and, expressed as a percentage of RWAs at 31 March 2021, amounted to 0.83% of RWAs, of which 0.47% has to be met with CET1 capital
- Investec plc continues to have the lowest PRA prescribed Pillar 2A capital requirement of all UK holding companies shown above

Investec Limited: sound capital base



- Investec has **strong organic capital generation** and has not required recourse to government or shareholders
- CET 1 and total capital levels have grown robustly** at 7.3% and 4.8% CAGR respectively since 2017

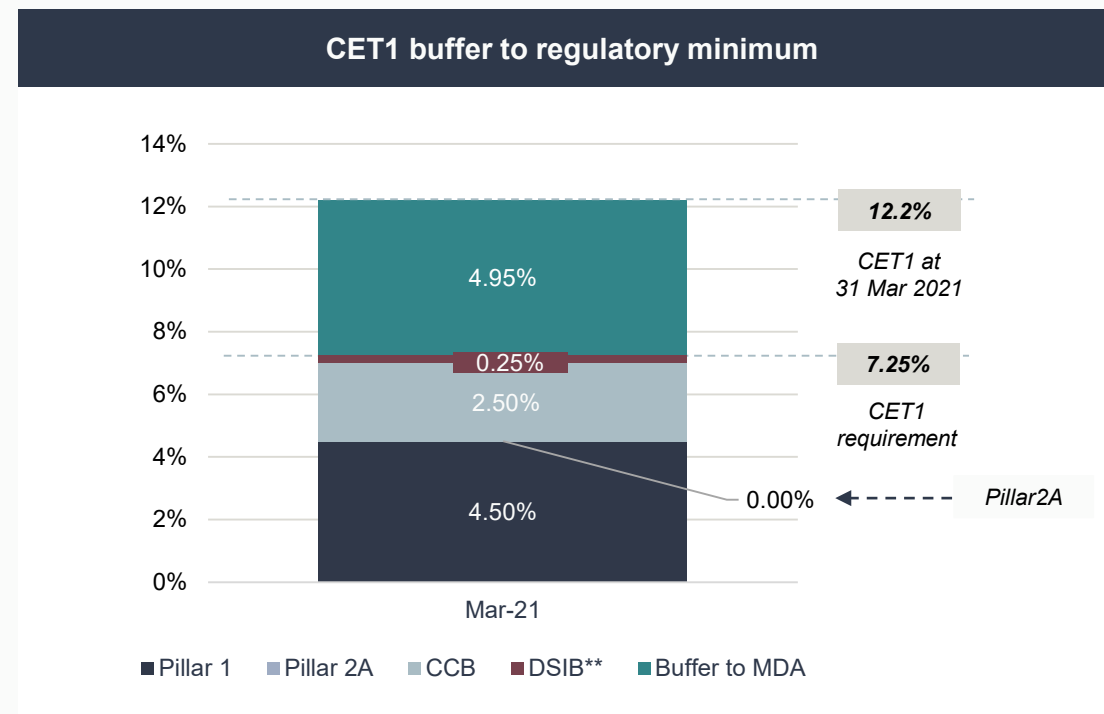


- Effective 1 April 2019, the Foundation Internal Ratings-Based ('**FIRB**') measurement of credit capital was adopted resulting in **lower RWA density and a positive impact on Investec Limited's capital ratios** (1.1% CET1 uplift)
- Investec Limited's Total RWAs / Total assets is 63.9% on FIRB (Mar 2020: 58.7% on standardised)
- Approval was received to adopt the advanced internal ratings based (**AIRB**) approach for the SME and Corporate models effective 1 April 2021, resulting in an approximate 70bps pro-forma uplift to the CET1 ratio on FIRB

Investec Limited: sound capital ratios in excess of internal and regulatory minimums

Capital ratios		
	31 Mar 2021	31 Mar 2020
CET1 (as reported)	12.2%	10.9%
CET1 (fully loaded) #	12.2%	10.9%
Tier 1 (as reported)	12.8%	11.5%
Total capital adequacy ratio (as reported)	16.0%	15.0%
Leverage ratio* (current)	7.6%	6.4%
Leverage ratio* (fully loaded) #	7.5%	6.3%

- Investec Limited **maintained a sound capital position** with a CET1 ratio of 12.2% and a total capital adequacy ratio of 16.0% at 31 Mar 2021. **Leverage ratios remain robust** at 7.6% at 31 Mar 2021
- Investec received regulatory permission to adopt the FIRB approach, effective 1 April 2019
- Approval was received to adopt the Advanced Internal Ratings Based (**AIRB**) approach for the SME and Corporate models effective 1 April 2021, resulting in an approximate 70bps pro-forma uplift to the CET1 ratio on FIRB

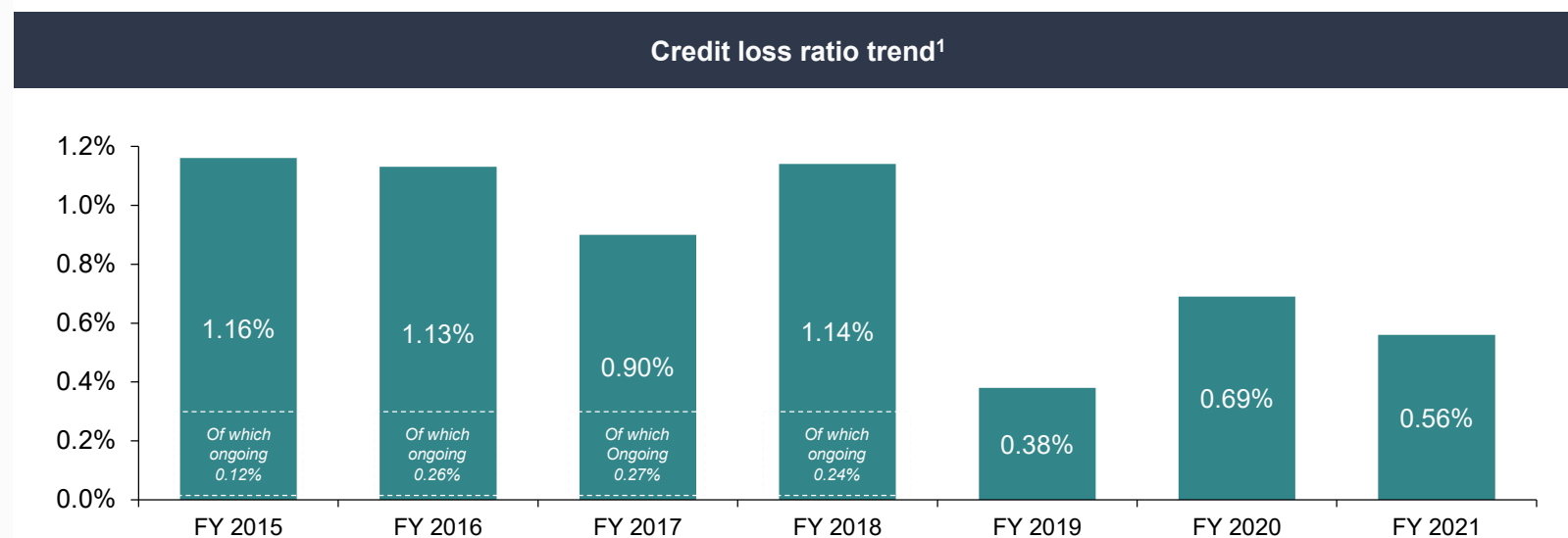
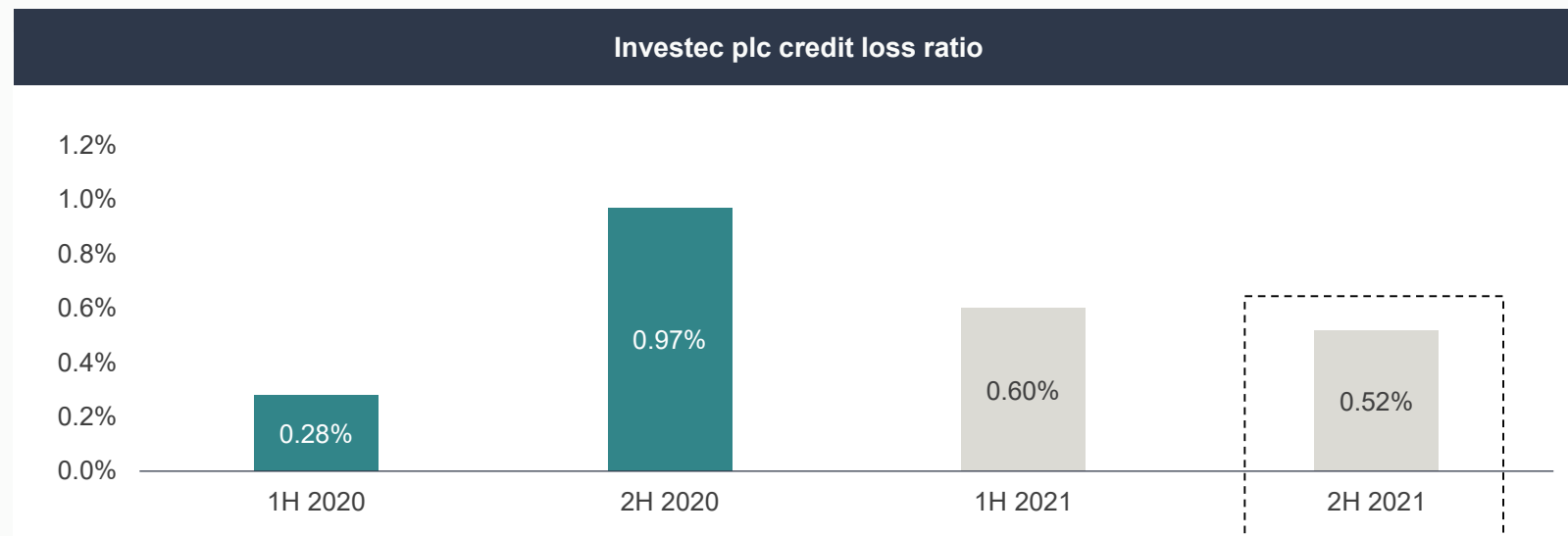


- Under our current capital requirements, Investec Limited's CET 1 regulatory minimum is 7.25% while our reported ratio was 12.2% at 31 Mar 2021, providing a **4.95% surplus relative to the regulatory minimum before buffers**
- On 6 April 2020, the SA Prudential Authority announced that the SA Pillar 2A rate be reduced to 0%. At 31 March 2021 the SA Pillar 2A rate has remained at 0%, however it is expected to be fully reinstated to 1% by 1 January 2022

Investec plc: asset quality

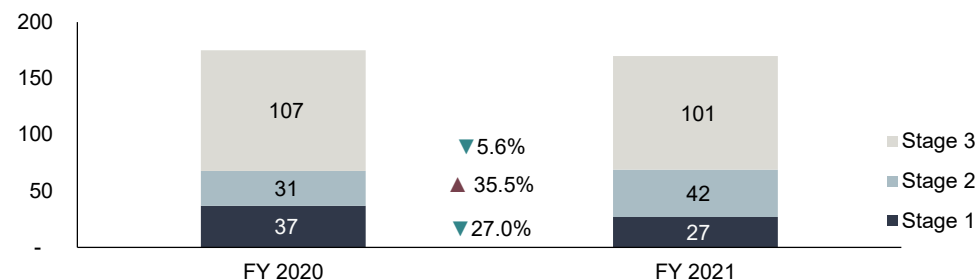
Credit loss ratio

- Pre COVID-19, Investec plc's credit loss ratio was calculated at 0.28% for 1H 2020, however taking into account the impact of COVID-19 resulted in an overall credit loss ratio of 0.97% for 2H 2020 and 0.60% for 1H 2021
- While there has been moderation, the 2H 2021 credit loss ratio remains elevated due to:
 - Updated macroeconomic scenarios
 - COVID-19 related stage 3 ECL charge and other unrelated specific impairments



Investec plc: asset quality (cont.)

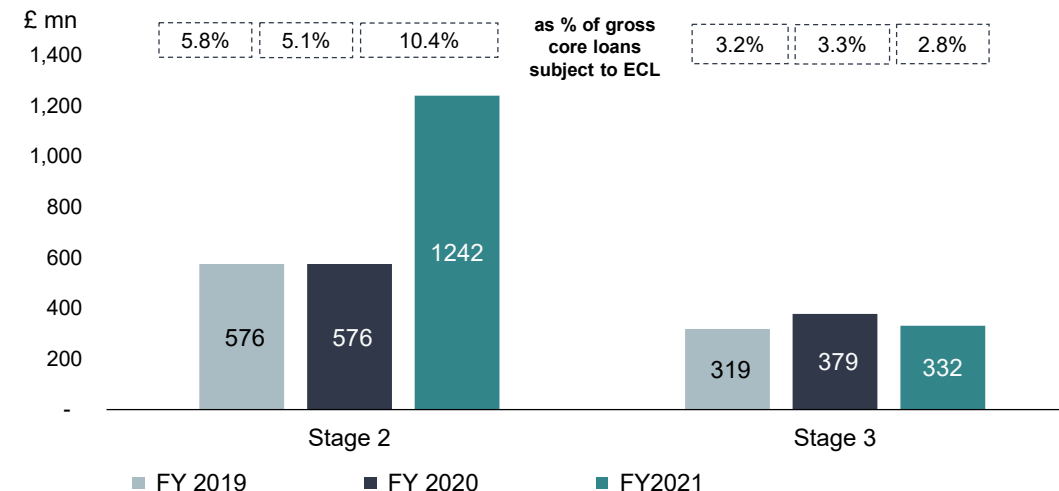
Provision build due to COVID-19 under IFRS 9
£'mn



ECL coverage ratio	FY 2020	FY 2021
Stage 1	0.4%	0.3%
Stage 2	5.4%	3.4%
Stage 3	28.2%	30.4%
of which ongoing stage 3	24.9%	26.8%

- Overall coverage for Stage 1 and Stage 2 remains elevated at 31 March 2021, reflecting the ongoing uncertainty arising from the COVID-19 pandemic. A slight reduction in coverage reflects the greater proportion of the portfolio made up of high net worth mortgage lending relative to prior years, which typically has a lower coverage ratio given the strong credit quality of the underlying borrowers
- Previous assumptions were made at the onset of the COVID-19 pandemic at 31 March 2020 resulting in ECL overlays totalling £26 million being applied to the performing book to capture risks not yet identified in the models. Since then, the bank's methodology has changed to incorporate the deteriorated macro-economic scenarios resulting in an uptick in Stage 1 and Stage 2 ECL (excluding overlays). This increase has been offset by a reduction in the ECL overlay applied to the performing book from £26 million to £16 million at 31 March 2021 as a result of this change in approach

Gross core loans by stage
£'mn

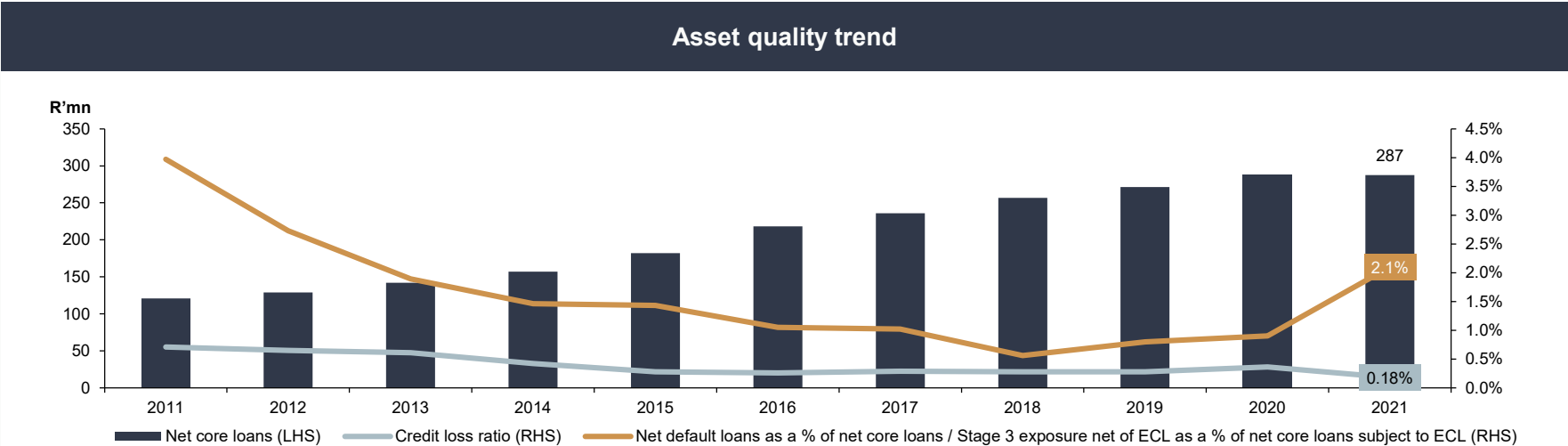
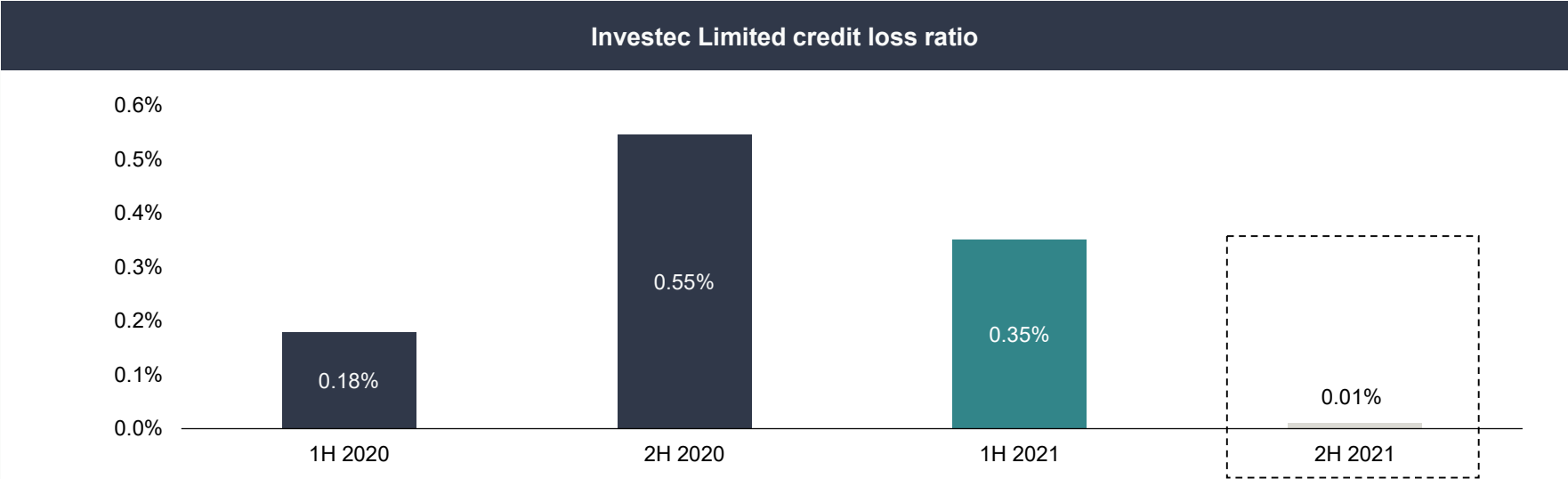


- The increase in Stage 2 loans was driven largely by deteriorated macro-economic scenarios and a change in weightings as a result of the COVID-19 pandemic, offset by the sale of certain Australian corporate loans in Stage 2
- Stage 3 in the Ongoing book (excluding Legacy) reduced to £231mn or 1.9% of gross core loans subject to ECL at 31 March 2021 (31 March 2020: 2.2%), driven by a number of exits and limited new defaults. Tail risk from Legacy portfolio has reduced significantly (0.7% of net core loans)
- In line with regulatory and accounting bodies guidance, exposures that have been granted COVID-19 relief measures such as payment holidays are not automatically considered to have been subject to a significant increase in credit risk and therefore do not alone result in a transfer across stages
- At 31 March 2021, 2.7% of UK gross core loans exposure was under some form of COVID-19 relief, compared to the peak of 13.7% in June 2020

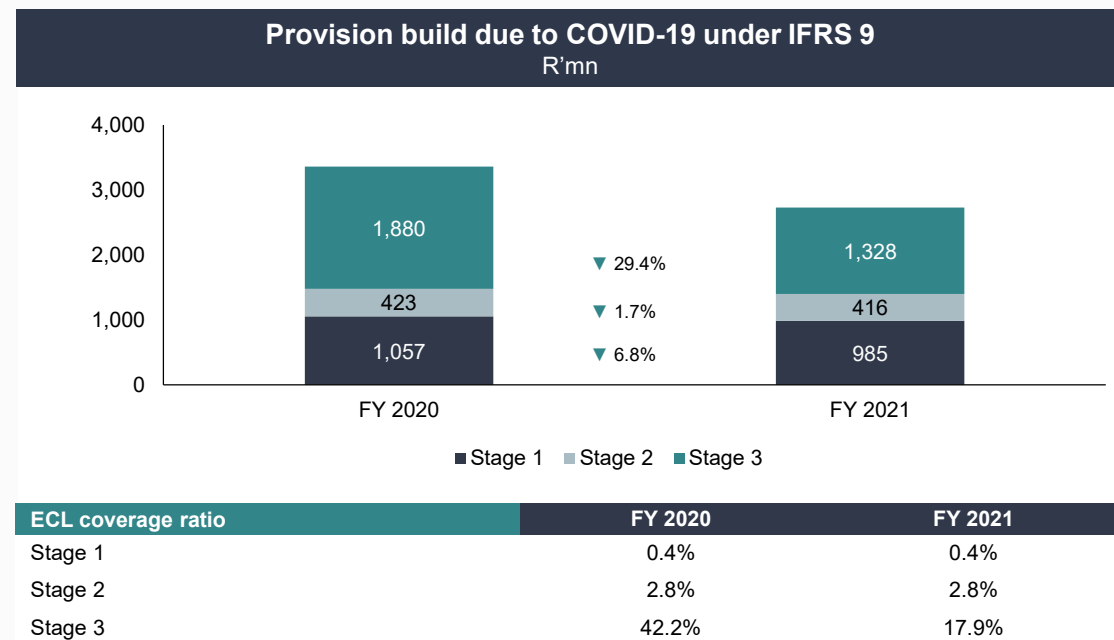
Investec Limited: asset quality

Solid asset quality despite COVID-19 related impairment charges

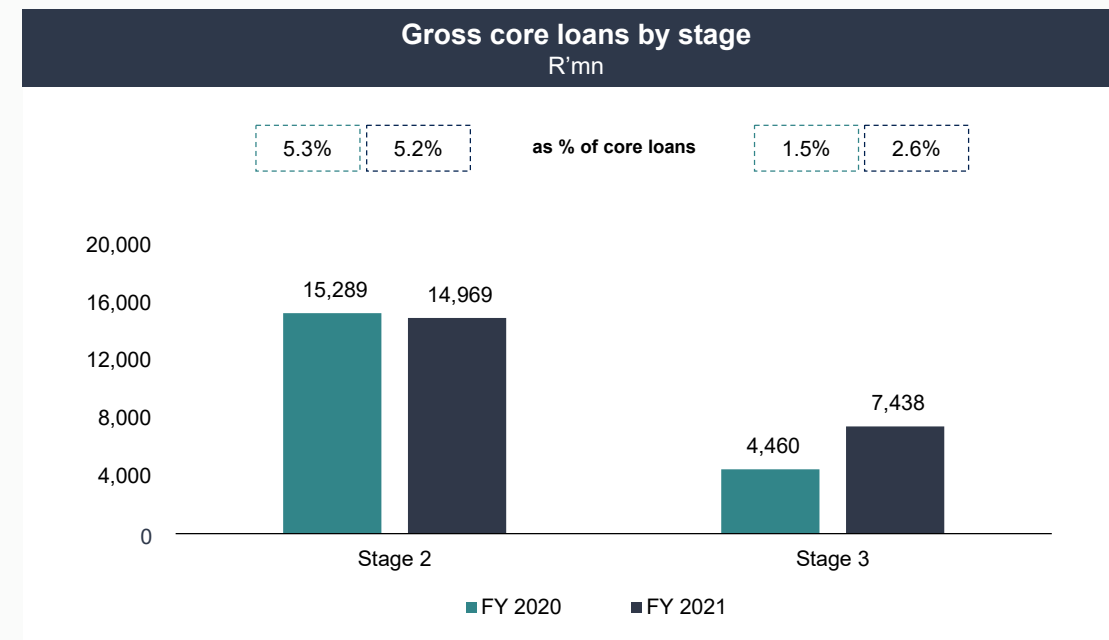
- Pre COVID-19, Investec Limited's credit loss ratio was calculated at 0.18% for 1H 2020, however taking into account the impact of COVID-19 resulted in an overall credit loss ratio of 0.55% for 2H 2020, 0.35% for 1H 2021 and 0.01% for 2H 2021.
- The 2H 2021 credit loss ratio has improved due to:
 - Updated macroeconomic scenarios
 - Increased recoveries



Investec Limited: asset quality (cont.)



- The Stage 1 coverage ratio remained broadly flat at 0.4% (31 March 2020: 0.4%) driven by a stable forward-looking IFRS 9 provision build
- Stage 2 coverage also remained broadly flat, while the decrease in Stage 3 coverage relates to the mix impact of some deals written off and some highly secured counterparties moving into Stage 3



- Stage 2 exposures decreased marginally due to model-driven migrations from updated macro-economic scenarios
- Stage 3 exposures increased by R3.0 billion to R7.4 billion or 2.6% of gross core loans subject to ECL at 31 March 2021 (1.5% at 31 March 2020). The increase relates to the migration of a number of deals across various sectors. Stage 3 coverage ratio totals 17.9% and the remaining net exposure is considered well covered by collateral
- In line with regulatory and accounting bodies guidance, exposures that have been granted COVID-19 relief measures such as payment holidays are not automatically considered to have been subject to a significant increase in credit risk and therefore do not alone result in a transfer across stages
- At the peak, Investec Limited had provided some form of relief measures to loans equivalent to 23.0% of the book (mainly lending collateralised by property and Investec for Business). As at 31 March 2021, 1.3% of loans are under some form of relief

Credit ratings

Investec Bank Limited *				
	Fitch	Moody's	S&P	GCR
Long term ratings				
Foreign currency	BB-	Ba2	BB-	BB
National	AA+(zaf)	Aa1.za	za.AA	AA(za)
Short term ratings				
Foreign currency	B	NP	B	-
National	F1+ (zaf)	P-1.za	za.A-1+	A1+(ZA)
Outlook	Negative	Negative	Stable	Negative

Investec Limited *	
	Fitch
Long term ratings	
Foreign currency	BB-
National	AA+(zaf)
Short term ratings	
Foreign currency	B
National	F1+ (zaf)
Outlook	Negative

Investec Bank plc			
	Fitch	Moody's	GCR
Long term ratings			
Foreign currency	BBB+	A1	BBB+
Short term ratings			
Foreign currency	F2	P-1	A2
Outlook	Negative	Stable	

Investec plc	
	Moody's
Long term ratings	
Foreign currency	Baa1
Short term ratings	
Foreign currency	P-2
Outlook	Stable

Living our purpose to create enduring worth, living in, not off, society

Investec's sustainability principles:

- Creating **long-term value** for all our stakeholders
- **Do no harm:** ethical conduct and ESG screening
- Committed to a **clean carbon transition**
- Providing **profitable, impactful and sustainable** products and services
- **Maximising impact:** through a focus on the sustainable development goals (SDGs)

Two core SDG priorities

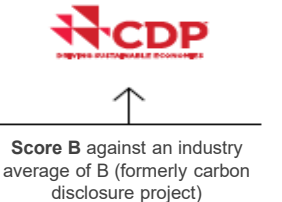
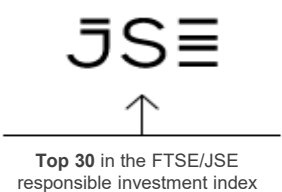
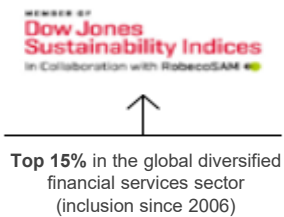


Addressing climate and inequality issues is fundamental to the success of our business

Secondary SDG priorities



Well positioned in ESG rankings and ratings



Actions taken in the past year

Environment Took action to address climate issues	<ul style="list-style-type: none">Achieved net-zero direct emissions for the second year as part of our commitment to ongoing carbon neutrality in our scope 1 and scope 2 emissions.Received shareholder support for climate commitments and published our first TCFD standalone report
Social Continued to make progress on diversity and equality	<ul style="list-style-type: none">Improved our gender diversity performance at senior leadership levelMaintained our Level 1 rating under the financial sector code in South Africa and signed up to the UK race at work charterContributed £3.2mn in COVID-19 relief to communities
Governance Strengthened our sustainability governance	<ul style="list-style-type: none">Established an ESG executive committee to align sustainability activities across the organisationImplemented a more robust ESG screening processCreated a framework to link executive directors remuneration to ESG KPIs
Strategy Embedded sustainability into business strategy	<ul style="list-style-type: none">Launched several sustainability products and services including the first European mid-market ESG-linked subscription lines, the UK's first retail ESG-linked deposit plan and Investec Wealth & Investment's launch of a global sustainability equity fundCreated a sustainable finance framework
Commitment Deepened our commitment by signing up to several international memberships	<ul style="list-style-type: none">UN environment programme finance initiative (UNEP FI)UN principles for responsible banking (UN PRB)UN principles for responsible investment (UN PRI)

Restatements

The group remains committed to its objective to simplify and focus the business in pursuit of disciplined growth over the long-term

- In this regard, the following strategic actions were effected in the prior financial year ended 31 March 2020:
 - Demerger of the asset management business
 - Closure of click and invest which formed part of the UK wealth management business
 - Sale of the Irish Wealth & Investment business
 - Restructure of the Irish branch
 - Sale of UK property fund
 - Closure and rundown of the Hong Kong direct investments business
- We elected to separately disclose the financial impact of these strategic actions as the financial impact from group restructures and the rundown of portfolios where operations have ceased
- The effective date of the asset management business demerger was 13 March 2020 and admission of the Ninety One Limited shares and the Ninety One plc shares to the Johannesburg Stock Exchange and London Stock Exchange was effected on 16 March 2020. The global asset management business has been disclosed as a discontinued operation and the income statement for the prior period has been appropriately re-presented



Financial impact of strategic actions

£'000	Year to 31 March 2021	Year to 31 March 2020
Closure and rundown of the Hong Kong direct investments business*	7 386	(89 257)
Financial impact of group restructures	–	(25 725)
Closure of Click & Invest	–	(4 309)
Sale of the Irish Wealth & Investment business	–	19 741
Restructure of the Irish branch	–	(41 110)
Other	–	(47)
Financial impact of strategic actions – continuing operations	7 386	(114 982)
Taxation on financial impact of strategic actions from continuing operations	(1 390)	19 856
Net financial impact of strategic actions – continuing operations	5 996	(95 126)
Gain on distribution of Ninety One shares net of taxation and implementation costs	–	806 420
Net financial impact of strategic actions – total group	5 996	711 294