



Investec plc

Non-Deal Roadshow

Debt Investor Presentation

February 2020

The information in this presentation is as at 30 September 2019,
unless otherwise indicated.



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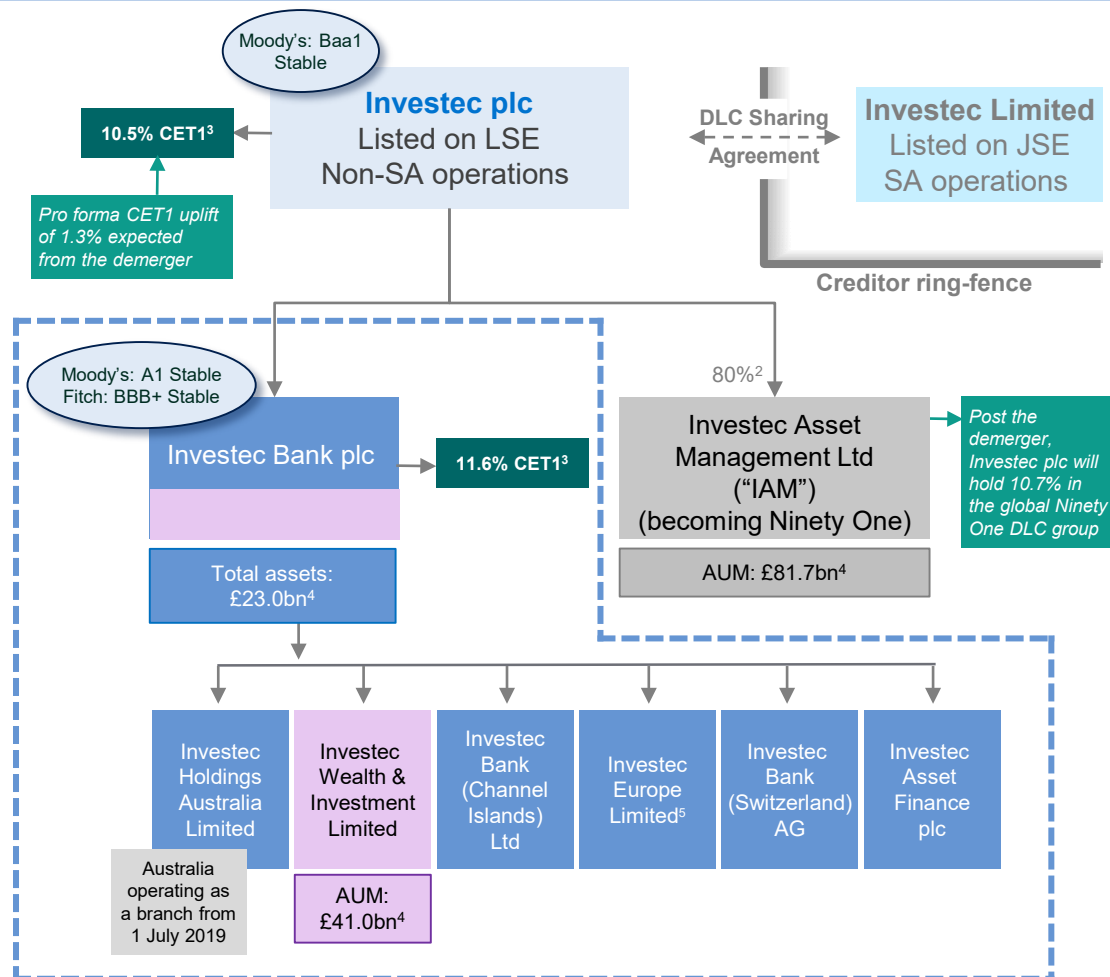
Investec plc: simplified structure and main operating subsidiaries

Features of Investec plc's structure

- Investec plc is the **holding company** of the Investec group's **UK operations**¹
- Investec plc is authorised by the PRA and is regulated by the FCA and the PRA on a consolidated basis**
- Two main operating subsidiaries: **Investec Bank plc** (which houses the **Specialist Banking** and **Wealth & Investment** activities) and **Investec Asset Management**

Features of the Investec Group's DLC structure

- Investec implemented a **Dual Listed Companies Structure** in July 2002
- Creditors are ring-fenced** to either Investec Limited or Investec plc as there are no cross guarantees between the companies
- Capital and liquidity are prohibited from flowing between the two entities under the DLC structure conditions**
- Shareholders have common economic and voting interests** (equivalent dividends on a per share basis; joint electorate and class right voting) as a result of a Sharing Agreement
- Investec operates as if it is a single unified economic enterprise** with the same Boards of Directors and management at the holding companies



Assets under management	Sep-19	Mar-19	Mar-18
<i>Investec plc</i>			
Investec Wealth & Investment	£41.0bn	£39.1bn	£36.9bn
Investec Asset Management	£81.7bn	£76.0bn	£69.4bn
Other	£0.6bn	£0.4bn	£0.3bn
Total third party assets under management	£123.3bn	£115.5bn	£106.6bn

- Specialist banking
- Asset Management
- Wealth & Investment

Investec plc excluding IAM (“Investec plc”) will comprise a **specialist bank** and private client **wealth manager** with **primary business in the UK**

Total Assets £23.1bn	Net core loans £10.8bn	Customer deposits £13.4bn	Third Party FUM £41.6bn	Employees (approx.) c.3,900
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Diversified revenue streams with high annuity base

- Balanced business model comprising two distinct business activities: **Specialist Banking and Wealth & Investment**
- Continued focus on growing our **capital light business**, 50% of Investec plc’s revenue
- Geographic and operational diversity with a **high level of annuity revenue**¹ accounting for 66% of total operating income
- Strong growth in third party FUM of Wealth & Investment** (3-year CAGR of 7.2%)
- De-risking of loan portfolio in line with our risk appetite has resulted in a **reduction in impairments**

Sound balance sheet

- Never required shareholder or government support**
- Robust capital base: 10.5% CET1 ratio**² and **strong leverage ratio of 7.6%** (9.0% under UK leverage ratio framework³) as reported; Investec Bank plc (main operating subsidiary) 11.6% CET1 ratio² and 8.0% leverage ratio (9.5% under UK leverage ratio framework³)
- Investec plc benefits from a substantial unlevered asset, being Wealth & Investment (AUM: £41.0bn)
- Strong liquidity ratios** with high level of readily available, high quality liquid assets representing 49.5% of customer deposits (cash and near cash: £6.6bn) for Investec plc as reported
- Diversified funding base** with strong retail deposit franchise and low reliance on wholesale funding
- We target a **diversified, secured loan portfolio**, lending to clients we know and understand

Strong culture

- Stable management** - senior management team average tenor of c.15 – 20 years
- Strong, entrepreneurial culture balanced with a strong risk awareness
- Employee ownership – long-standing philosophy

Rationale for the demerger of Investec Asset Management

Proposed demerger of Investec Asset Management (becoming Ninety One) from Investec Bank and Wealth

Conclusions of strategic review

- Investec Group comprises a number of successful businesses with different capital requirements and growth trajectories
- Compelling current and potential linkages between the Banking and Wealth businesses (clear geographic and client overlap)
- Limited synergies between these businesses and IAM
- Demerger simplifies and focuses the Group to improve resource allocation, performance and growth trajectory

Demerger benefits for Investec Bank and Wealth

Simplification and focus to improve long-term returns

- **Capital discipline:** A more disciplined approach to capital allocation, particularly where businesses are non-core to overall long-term growth and capital strategy
- **Driving growth:** Multiple initiatives to boost medium term growth, including delivering a more holistic, client-centric Specialist Banking offering, leveraging the investment in the UK Private Bank through client growth, and expanding Wealth & Investment's financial planning capabilities
- **Improved cost management:** reducing cost to income ratio through moderating investment spend, cost savings (including central costs) and top line growth
- **Greater connectivity:** Building on compelling linkages between the Bank and Wealth businesses and across geographies
- **Digitalisation:** Further developing digital capabilities, delivering an enhanced high-tech, high-touch proposition and greater connectivity and efficiency across businesses

Demerger proceeding as planned

Summary of the demerger

Ninety One's post demerger DLC shareholder structure

- **c.55%** – Shareholders of Investec plc and Investec Limited (c.69% of shares held by Investec Group distributed to shareholders)
 - Shareholders will receive one Ninety One plc / Limited Share for every two Investec plc / Limited Ordinary Shares held
- **c.10%** – New / existing institutional and certain other investors, subject to Ninety One share sale¹
- **c.15%** – **Investec plc (10.7%)** and Investec Limited (4.3%)
- **c.20%** – Management through Forty Two Point Two²

Financial effects

- Positive CET1 impact expected: On a pro-forma basis at 30 Sep 2019, **Investec plc uplift of c.1.3% to 11.8%**³
- The net proceeds to Investec of the Ninety One Share Sale will strengthen the capital position, support growth plans, and cover costs and tax relating to the demerger and Share Sale
- Accounting treatment: Investec's remaining minority holding in Ninety One will be recognised as an investment held at fair value through Equity. Fair value movements will be recognised in equity (not through profit or loss). Dividend income will be recognised in investment income
- Combined dividend capacity of Ninety One / Bank & Wealth expected to be unchanged and, based on proposed dividend policies, aggregate level of dividends received by shareholders will be initially comparable to scenario with no demerger

Timetable

- Announcement of the demerger: 14 September 2018
- Publication of Shareholder Circular: 29 November 2019
- Publication of Ninety One Registration Document: 31 January 2020
- General and Court Meetings for Shareholders to vote on proposals: 10 February 2020 (**resolutions passed with a 98% majority**)
- Publication of Ninety One Prospectus: 2 March 2020
- Admission of Ninety One Shares to LSE and JSE: 16 March 2020

¹ The proposed sale of c.10% of the total issued share capital of Ninety One by Investec plc and Investec Investments to institutional and certain other investors.

² The investment vehicle through which management and directors of Ninety One participate in the business.

³ Investec plc CET1 ratio of 11.8% shown after the deduction of foreseeable charges and dividends (12.0% before the deduction of foreseeable charges and dividends).

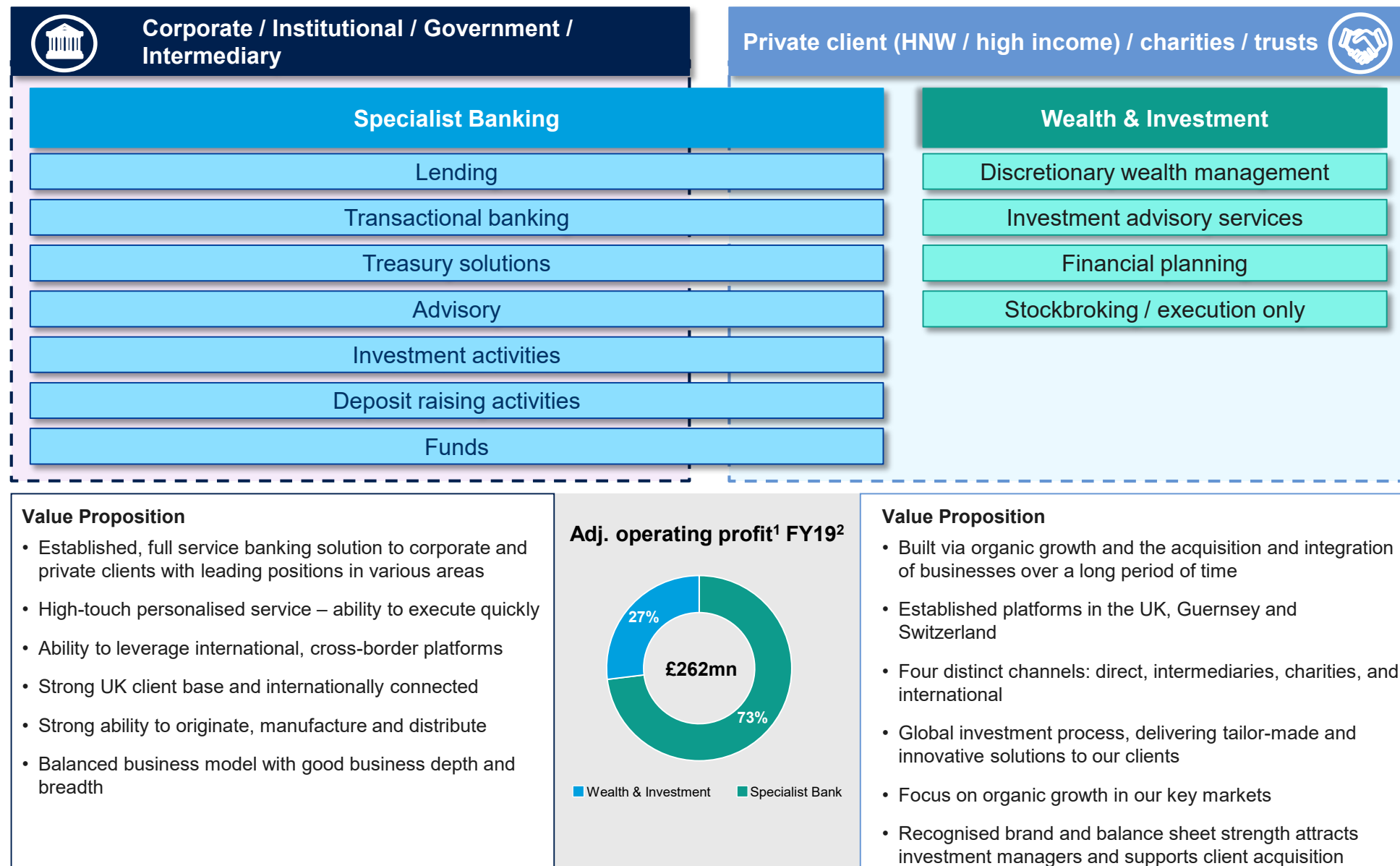
An overview of Investec plc

The information that follows in this presentation is as at 30 September 2019 and reflects the Investec plc business excluding Investec Asset Management (“Investec plc”), unless otherwise indicated by “Investec plc as reported”.



Overview of Investec plc post demerger

A domestically relevant, internationally connected specialist banking and wealth management group



¹ Operating profit before group costs, goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

² March 2019 information has been restated and excludes the financial impact of the rundown of the Hong Kong direct investments business and the impact of other group restructures as detailed in the September 2019 Interim Report.

Investec plc: balanced business model

- Realigned the business model since the global financial crisis and focused on **growing capital light businesses**
- At 30 Sept 2019, total capital light activities **accounted for 50% of Investec plc's revenue**
- Significantly **increased third party funds under management (FUM)** - a key capital light annuity income driver - in the Wealth & Investment business. FUM have grown from £14.9bn at March 2011 to £41.0bn at Sept 2019. Revenue from Wealth & Investment makes up 31.9% of Investec plc's total operating income at 30 Sept 2019.

Capital light activities

Third party funds management, advisory and transactional income

- Wealth management
- Advisory services
- Transactional banking services
- Funds

Balance sheet driven activities

Net interest, customer flow trading, investment and associate income

- Lending portfolios
- Trading income largely from client flow as well as balance sheet management and other
- Investment portfolios

Capital light Businesses

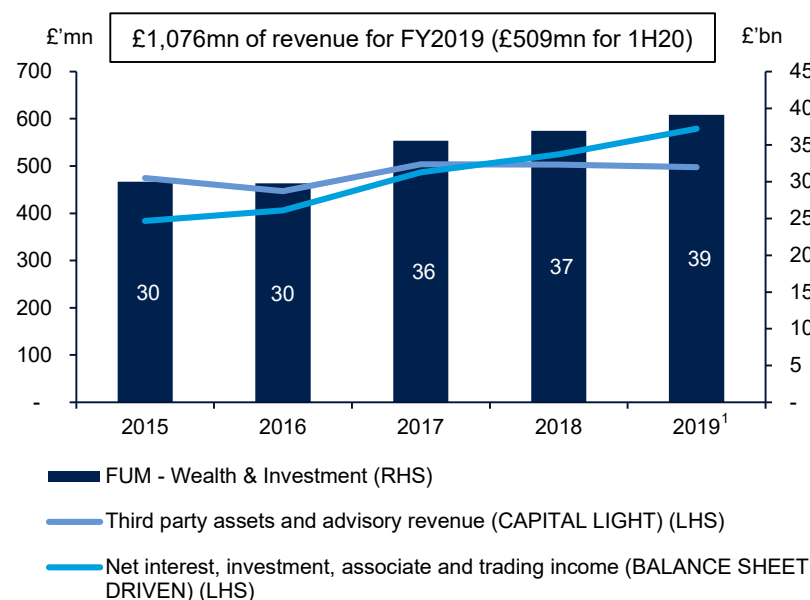
£497mn
46% of total revenue

Net fees and commissions of
£487mn
45% of total revenue

- Of which £182mn Specialist Bank
- Of which £305mn Wealth & Investment

Other of
£10mn
1% of total revenue

Investec plc revenues and FUM



Balance sheet driven Businesses

£579mn
54% of total revenue

Net interest income of
£386mn
36% of total revenue

Customer flow and other trading income of
£99mn
9% of total revenue

Investment and associate income of
£94mn
9% of total revenue

Fee and commission income

Types of income

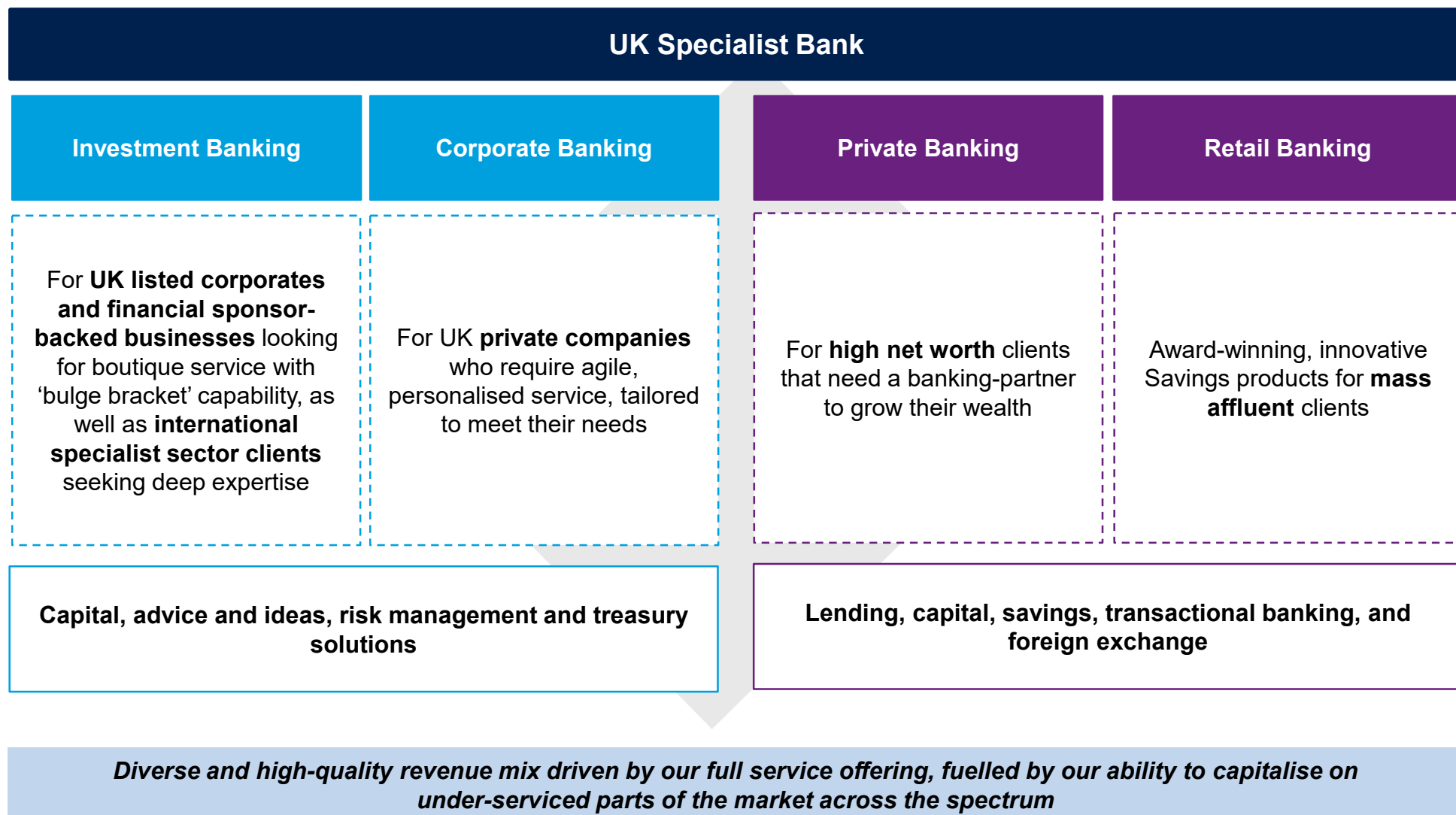
Net interest, customer flow trading, investment and associate income

The figures above are as at 31 March 2019 and reflect the Investec plc business excluding Investec Asset Management ("Investec plc"), unless otherwise specified.

¹ Reflected in the above trends, March 2019 information has been restated and excludes the financial impact of the rundown of the Hong Kong direct investments business and the impact of other group restructures as detailed in the September 2019 Interim Report. All prior year numbers have not been restated.

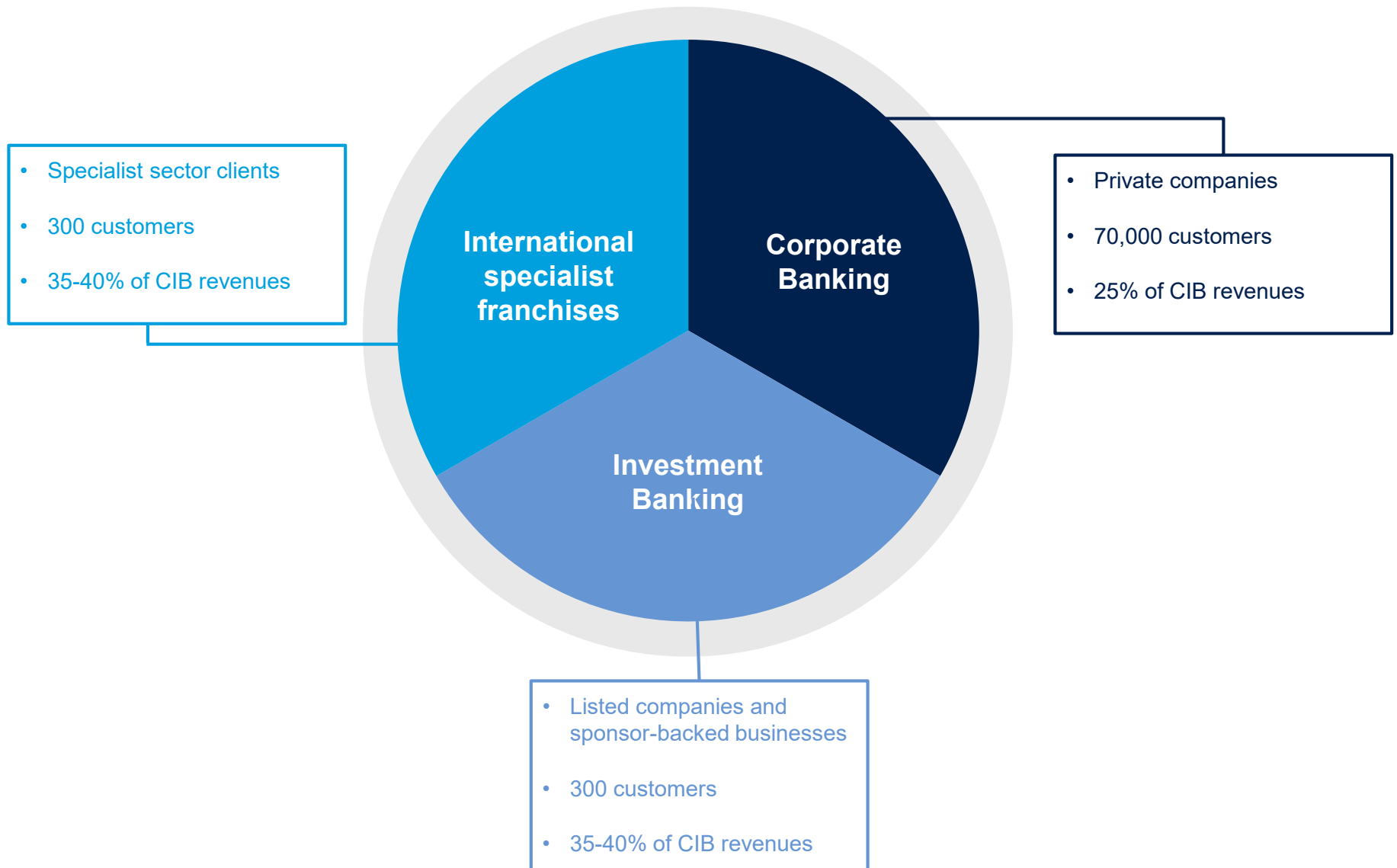
Specialist Banking – uniquely positioned in the UK market

We are uniquely positioned in a segment of the market where we have strong competitive advantage with our full service offering



Established, full service Corporate and Investment Banking (CIB) offering

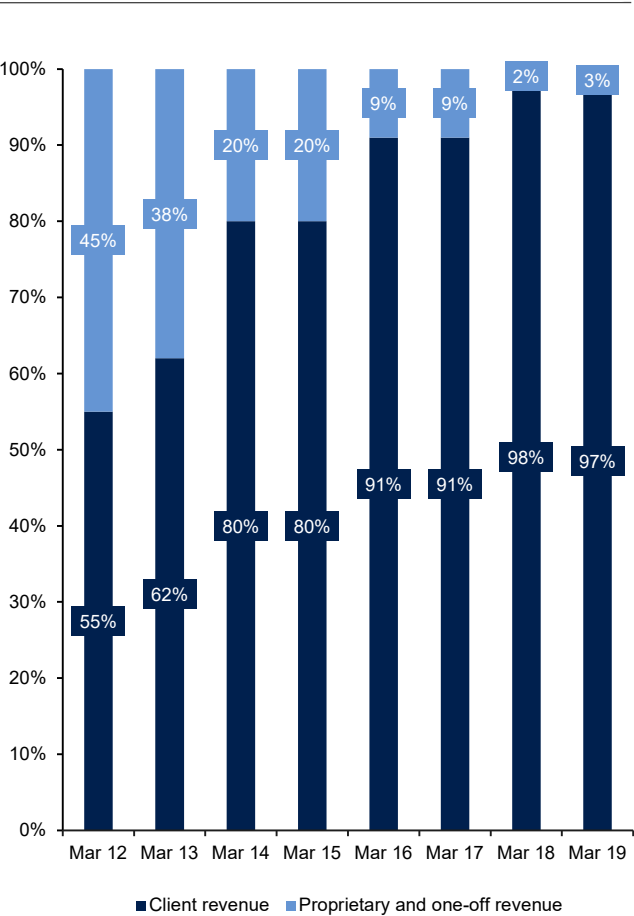
Consistently contributed c.35-40% of Global Specialist Bank revenues



Established, full-service CIB offering

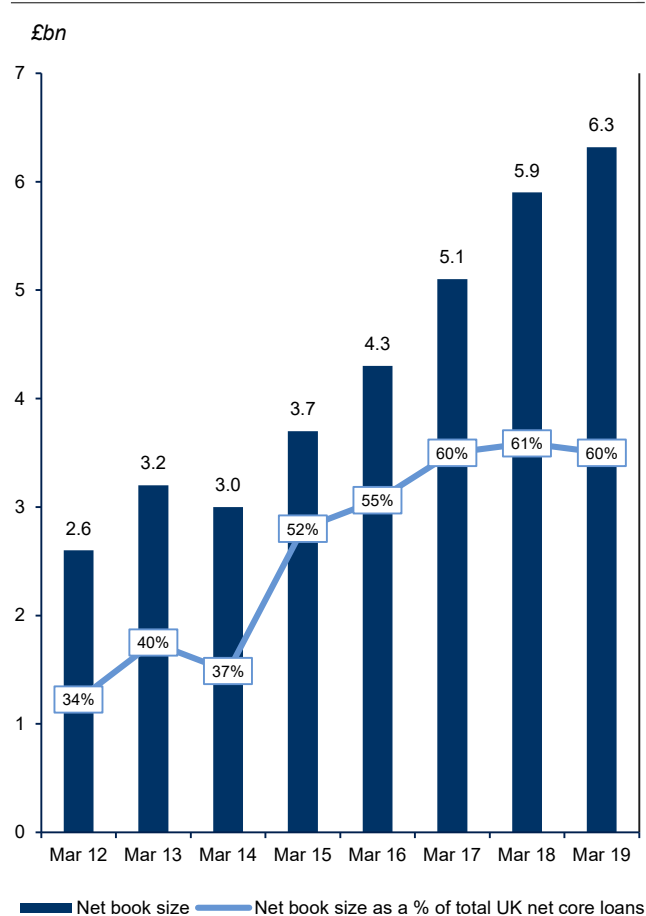
CIB focused on deepening well-established franchises and balancing fees and lending

CIB sustainable earnings



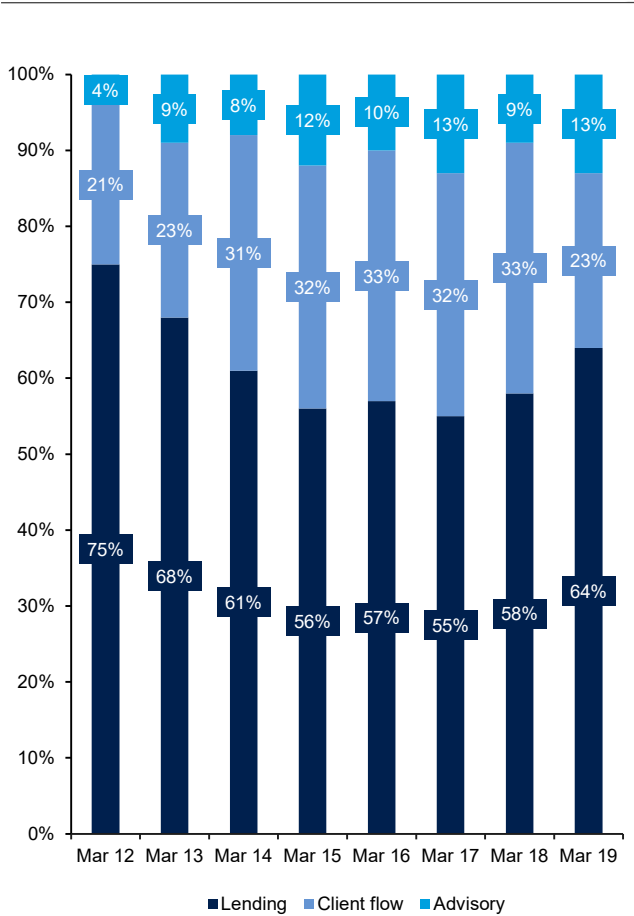
97% of earnings made up of client revenue

CIB loan book growth



14% CAGR of the loan book since 2012

CIB revenue mix

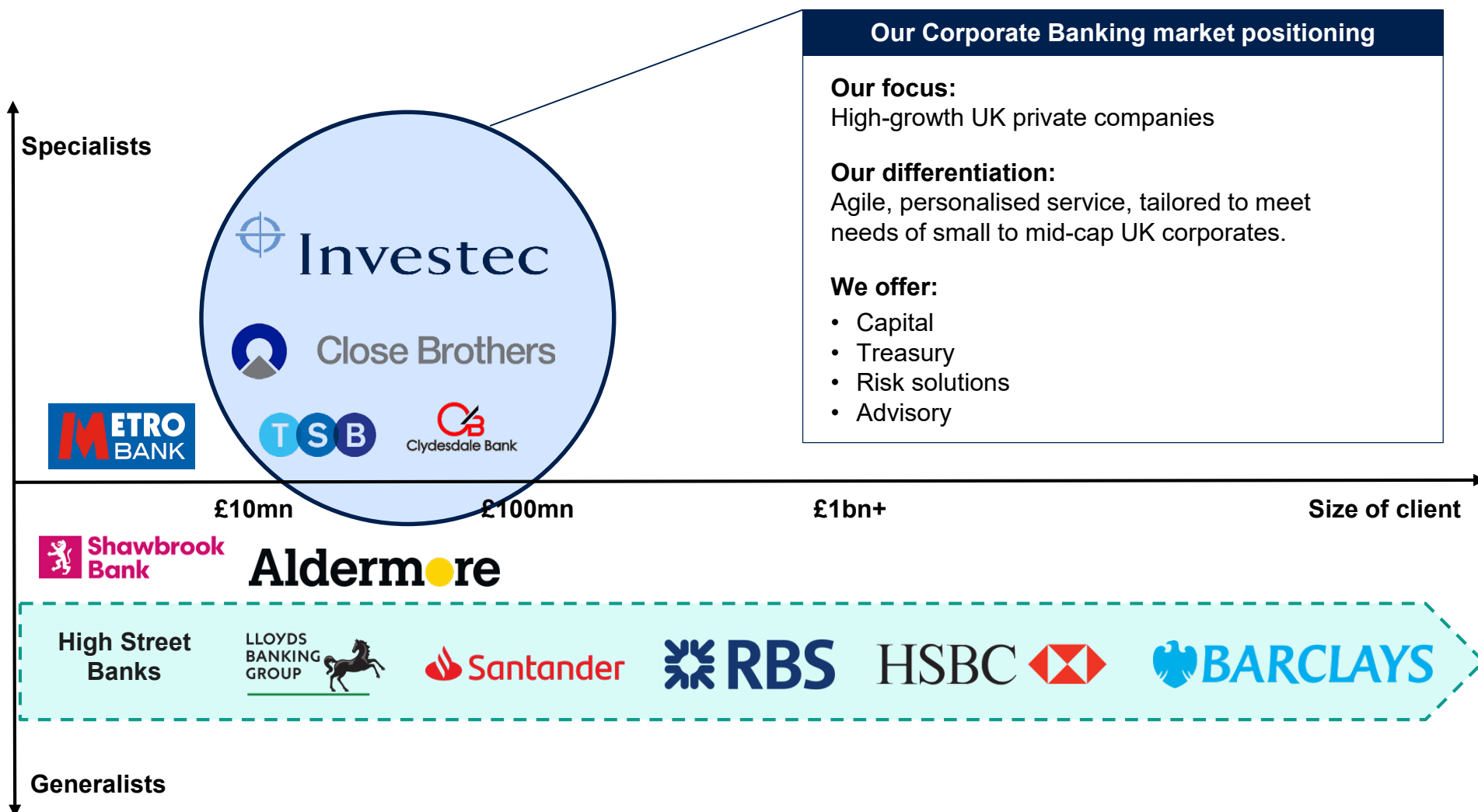


Balanced and diversified, quality revenue mix

UK Corporate Banking

A leading, client-centric UK mid-market SME proposition

Delivering a 'private banking' experience with investment banking quality of advice and service

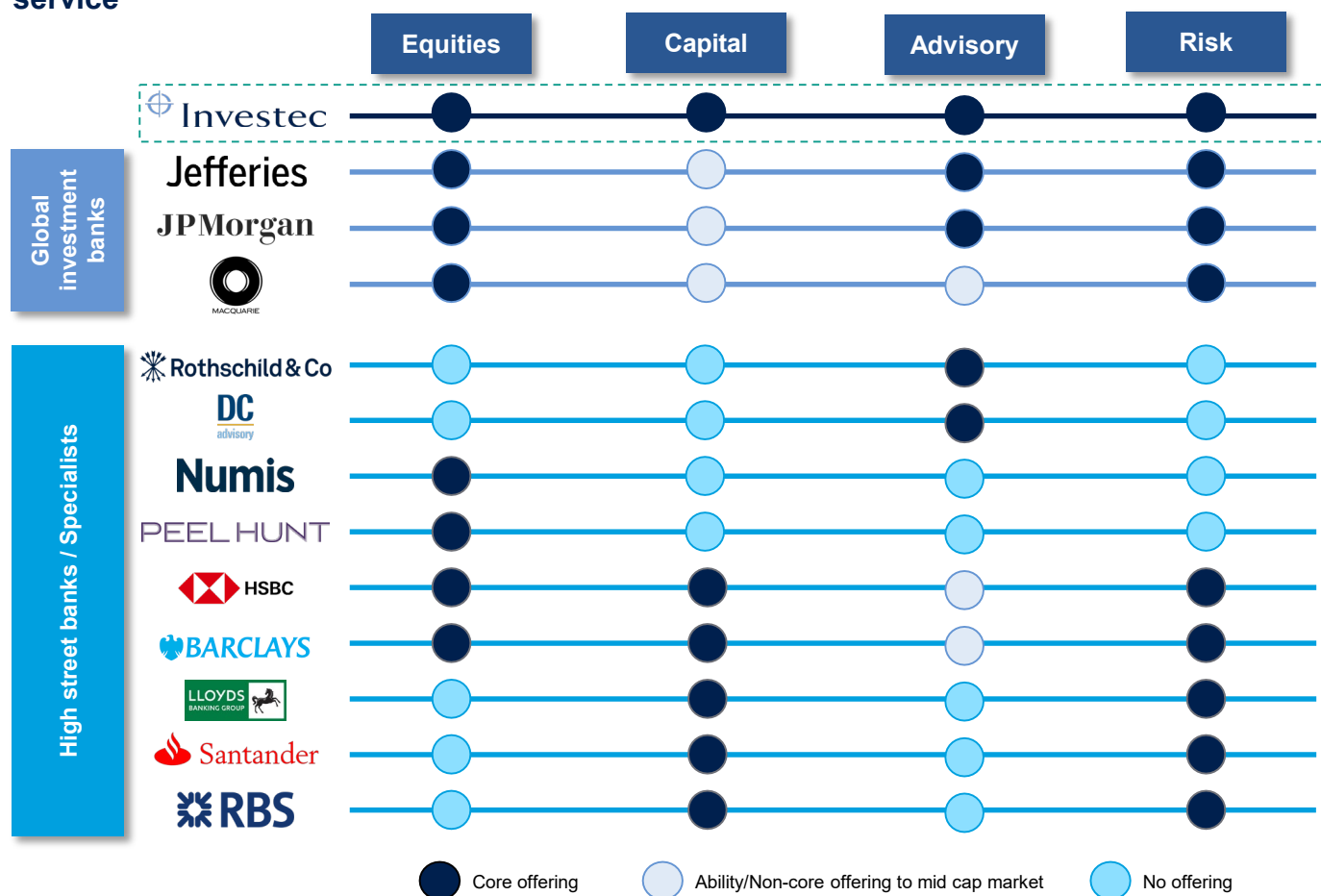


UK Investment Banking

Tailored offering to meet the needs of UK mid-market

Boutique service with 'bulge bracket' capability and award-winning franchises

- Tailored offering to meet the needs of UK mid-market corporates and financial sponsors
- We offer the **capabilities of the global investment banks** to the **UK mid-market**, where the global investment banks typically do not focus
- We compete with the specialists and high street on the **breadth of our capabilities and personalised service**



FTSE 250 brokerships

Top 3
in market

Ave. return achieved on IPOs

+218%
(Top 3 in market)

Combined IB transaction value

£20bn
across M&A and ECM in 2018¹

In 2018, advised on over

1/3
of all UK public M&A by value¹

Extel 2019 research rank

#1
in Technology & Insurance

Extel 2019 research rank

Top 3
in 8 out of 14 sectors covered

Net increase in broking clients

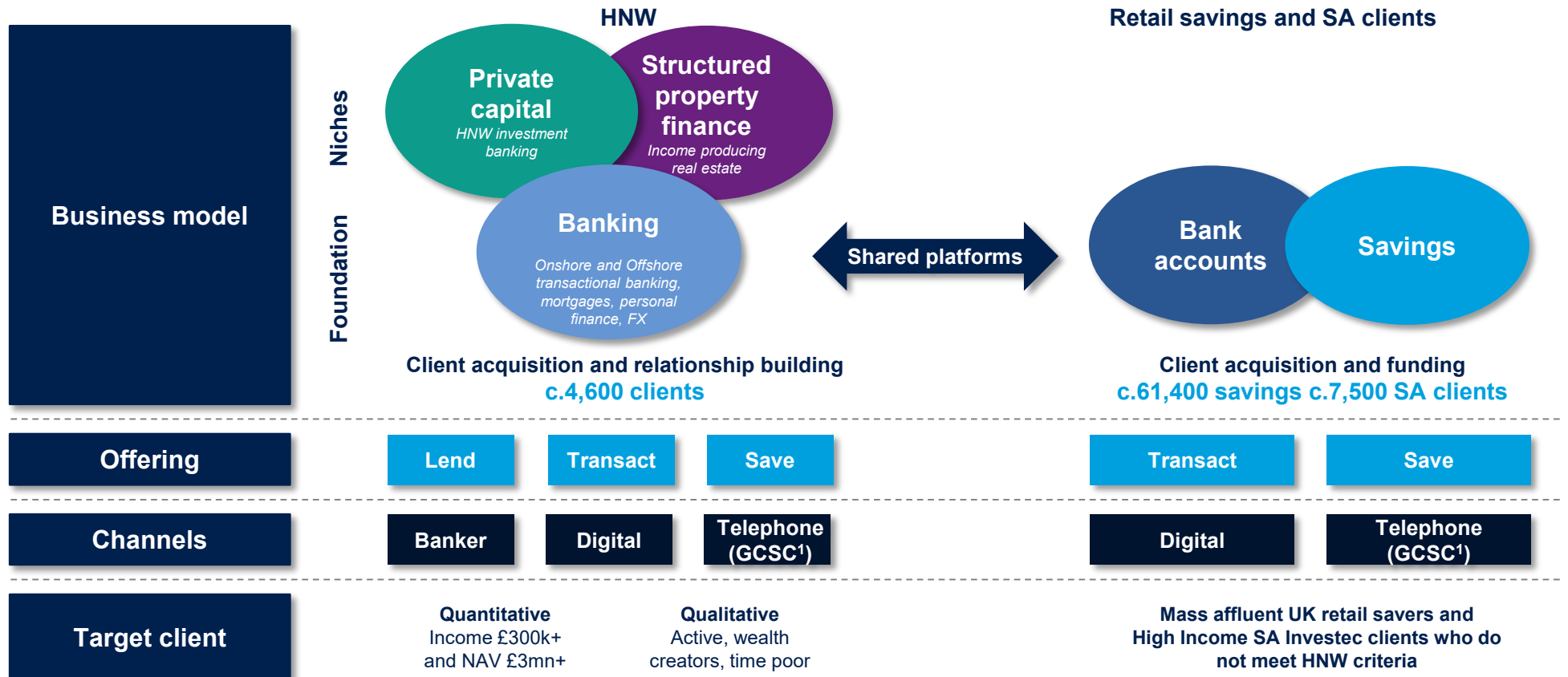
+18
in 1H20 (top in UK market)

UK market share rank

Top 10
in FTSE 250 (incl. bulge brackets)

UK Private Banking overview

Our value proposition	HNW offering <ul style="list-style-type: none"> • Client led (not product) • High touch, relationship based • Expertise and speed 	Retail offering <ul style="list-style-type: none"> • Product led • High tech, digital, self service • Innovative products
Ambition	<ul style="list-style-type: none"> • To build an aspirational HNW private bank which facilitates wealth creation integrated with wealth management 	
Clear target market	<ul style="list-style-type: none"> • Largely UK HNW active wealth creators 	<ul style="list-style-type: none"> • UK retail savers • SA Investec clients who do not meet our HNW criteria



UK Private Banking: clearly defined UK HNW target market

Our proposition is aligned with a clearly defined target client base

Quantitative criteria

£3mn NAV
+
£300k earnings

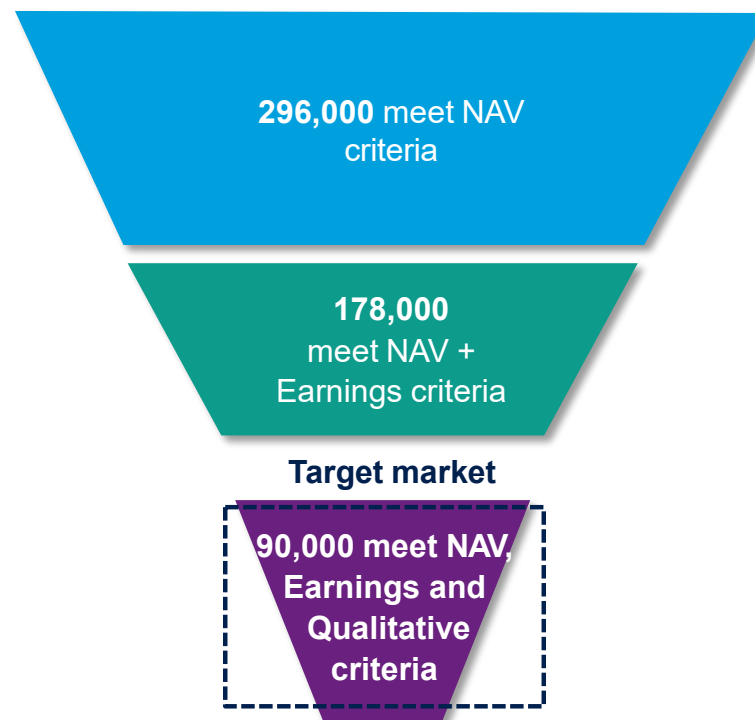
Qualitative criteria

- Actively creating wealth
- Entrepreneurially minded
- Time poor

Allows us to deal directly with clients, avoiding restrictive regulations requiring the broader retail market to deal via an IFA

Since 2009, the Residential mortgage book has incurred total impairment charges of only £4.0mn in total with actual losses attributable to only 9 mortgages. The annual credit loss ratio for the private bank residential mortgage portfolio was 3bps at 30 Sept 2019 and has been on average 5bps over the last ten and a half years.

Size of opportunity in the UK¹...



2022 Objective:

7-10% of UK target market

(c. 6,500 HNW clients)

Current UK HNW client base: 4,600

¹ Source: As per research from Scorpio, Oliver Wyman Ltd and Investec's Private Banking marketing team. Client numbers as of 30 Sept 2019.

UK Private Banking: clear HNW opportunity in UK market

Traditional Retail Banks

For customers that need a homogenous product



- High volume and low price
- Low flexibility
- Impersonal and product-led
- Time consuming and bureaucratic

A different kind of private bank

For clients that need a risk-partner to grow their wealth



- Primarily capital-led, with transactional banking and savings capability
- Flexible but rigorous lending criteria
- Not constrained by minimum client AUM
- Individual tailored service within a niche market seeking wealth creation
- Refreshingly human with high service level – ability to deal with complexity and execute quickly

Traditional Private Banks

For clients that need wealth preservation



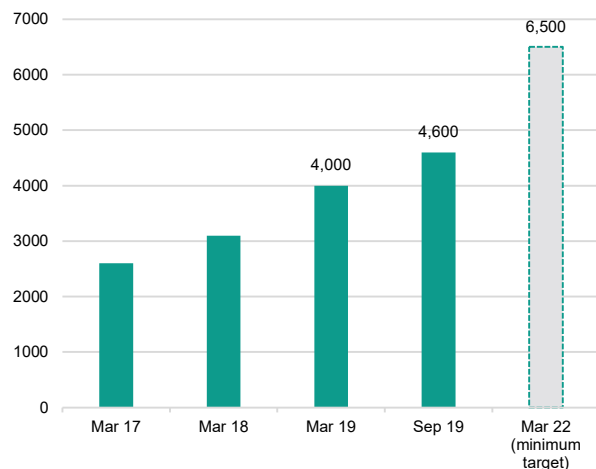
- Primarily investment-led
- Low volume, high price
- Focused on wealth preservation
- High minimum AUM thresholds for clients

UK Private Banking: traction in client acquisition

Strong growth across all three client groups, which is a reflection that our proposition is resonating in the market

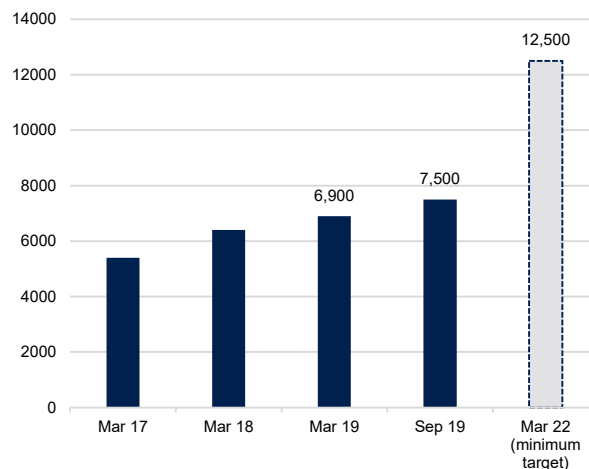
High Net Worth client growth

clients earning £300k+ and with £3m NAV who are actively creating wealth



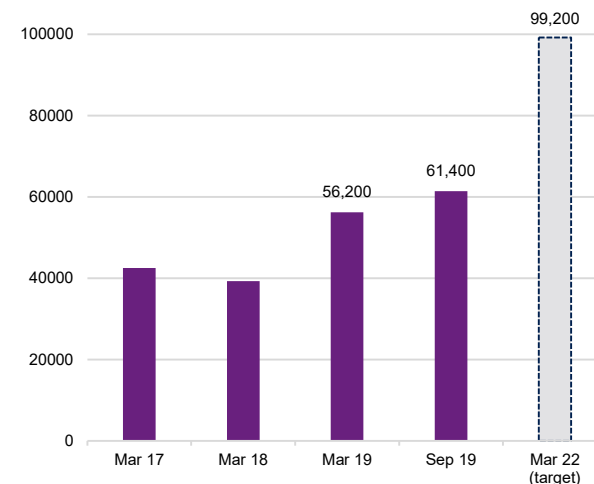
SA client growth

High Income Investec SA clients



Savings client growth

clients with £10k+ to deposit



Market proposition:

*A different type of private banking.
Refreshingly human with a high service level
– an ability to deal with complexity and
execute quickly*

Market proposition:

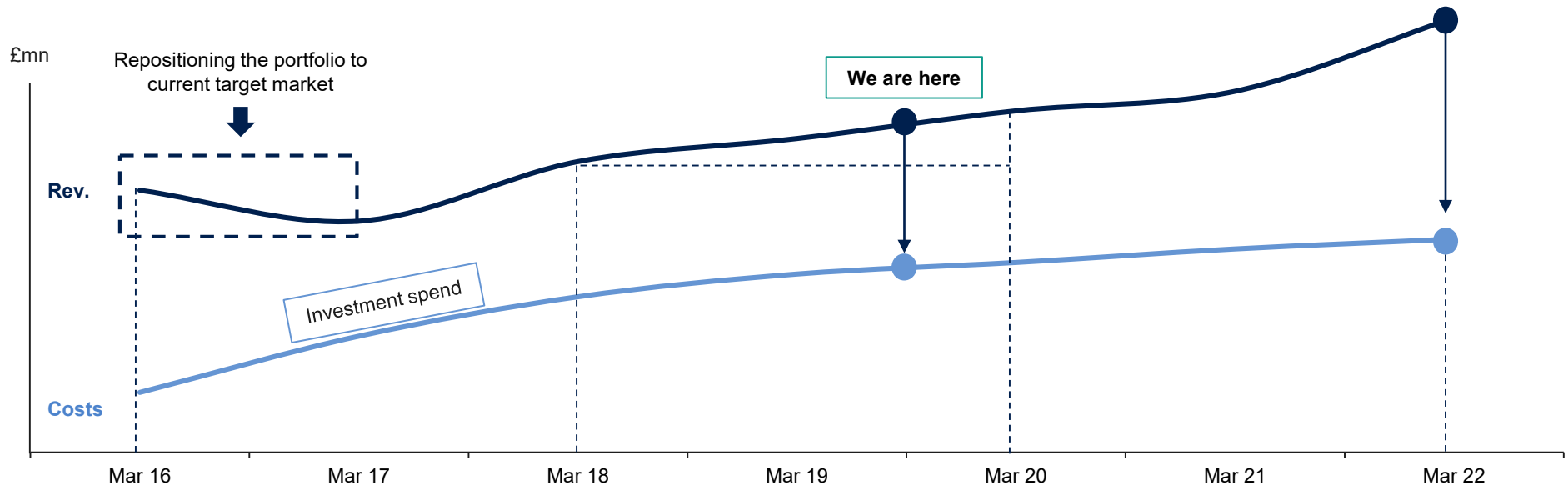
*A seamless offshore banking solution
integrated into One Investec through One
Place*

Market proposition:

*Highly competitive and award winning
innovative products, digitally focused and
with the opportunity to 'self serve' flexibly*

UK Private Banking: fully invested – now in leverage and growth phase

c. £67mn invested, now scaling and driving further client acquisition, loan book growth and funding



2022 Growth Plan

- 1 Build**
Address legacy impairments and invest to achieve a scalable platform for growth
- 2 Leverage**
Acquire clients, grow lending, increase funding and improve productivity
- 3 Accelerated Growth**
Group connectivity; continue building lending and funding; and diversifying with new products and revenue opportunities

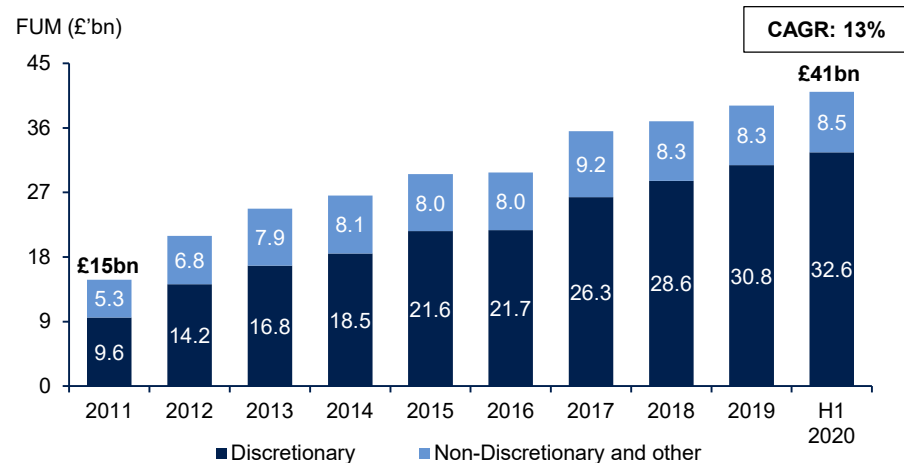
Ambition over 3 years: c. £3bn new mortgages @ £2mn average size = 1,500 mortgages (with c.1% NIM)

Wealth & Investment overview

Our offering	<ul style="list-style-type: none"> • Wealth management • Discretionary investment management
Our clients	<ul style="list-style-type: none"> • Private clients • Charities • Trusts
Our distribution channels	<ul style="list-style-type: none"> • Direct • Intermediaries • Investec Private Bank • International
International recognition	

Key facts ¹	Total FUM	£41.0bn ²
	% UK Discretionary	84%
	% UK Direct	c.84%
	Operating margin ³	18.8%
	Average yield	0.8%
	Target Client	> £250k
	# of UK Clients	c.60,000
	# of UK Offices	15
	# of UK IMs ⁴	c.360
	# of UK FPs ⁴	38

Growth in FUM



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

Investec plc: key developments over the past six months

Financial

Operational performance against challenging backdrop

- Adjusted operating profit¹ of £94.1mn
- ROE of 7.5% (9.3% at Mar 19)

Strong client franchises

- Net inflows of £0.4bn and growth in AUM of 5% to £41.0bn in Wealth & Investment
- Loan book growth (up 2.7%) supported by lending franchises in the Specialist Bank and deposits up 1.7%

Performance affected by

- Lower investment banking fees
- Base effects of liability management exercise in prior period

Strategic and operational

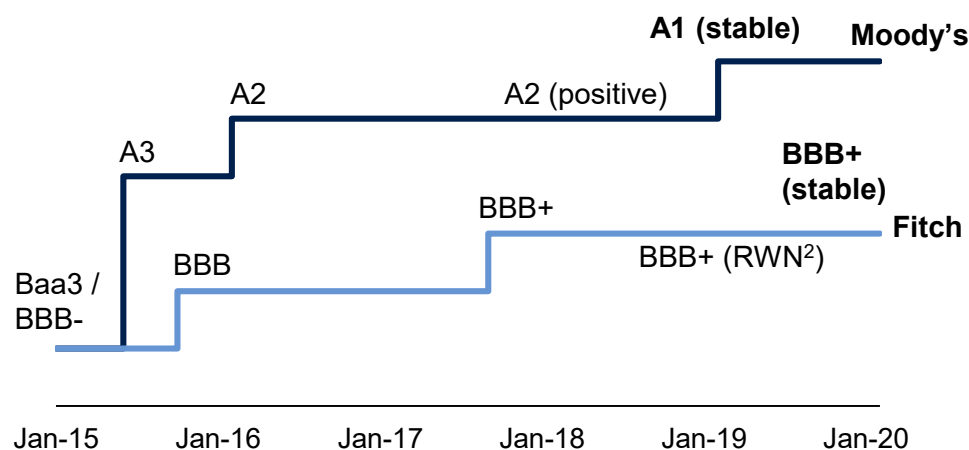
- **Demerger on track** – expected to conclude 16 March 2020
- **Decisive action taken in Bank and Wealth business**
 - Closure of Click & Invest
 - Closure and rundown of Hong Kong direct investments business
 - Sale of Irish Wealth & Investment business
- **Focused on cost containment**
 - UK Specialist Bank reduced operating costs by £25mn (9.1%)
 - To date, identified Group cost savings (c.£10m), and infrastructure rationalisation opportunities (c.£7.5m) for Bank and Wealth by end FY2021
- **Capital management**
 - Anticipate 1.3% uplift to Investec plc CET1 as a result of the demerger
- **Growth, connectivity and digitalisation**
 - Good traction in UK Private Bank
 - Launched iX digital platform for corporates
 - Expansion of Financial Planning and Advice in Wealth business
 - Launched Investec for Advisers (Bank and Wealth collaboration)
 - Digitalised retail deposits capability with launch of Notice Plus
 - Launch of Investec Open API - bringing Investec into the Open Banking marketplace

Investec plc operating fundamentals

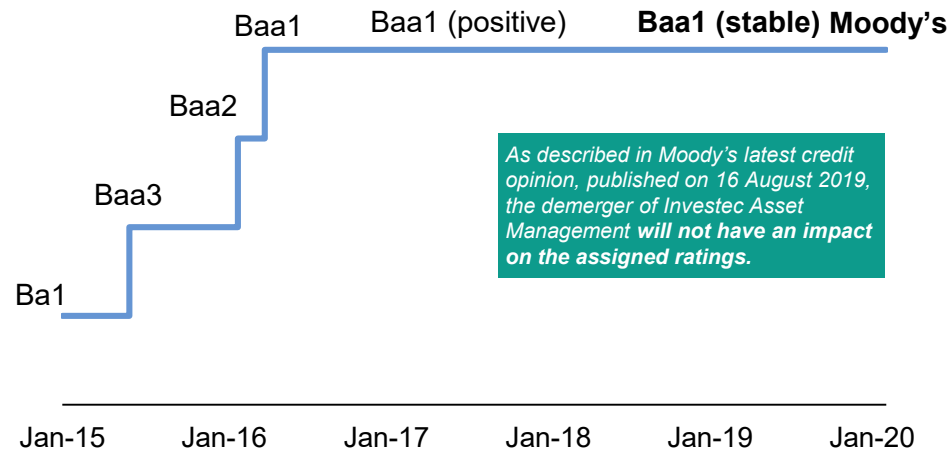


Investec plc as reported: positive credit rating¹ trajectory

IBP long-term ratings



Investec plc LT issuer and senior unsecured rating



Credit ratings

- In February 2019, **Moody's** upgraded **IBP's** long-term deposit rating to A1 (stable outlook) from A2 (positive outlook) and its baseline credit assessment (BCA) to baa1 from baa2.
- On 20 December 2019 **IBP's Fitch** rating was placed on stable outlook with the BBB+ rating affirmed. This followed Fitch's decision to remove the Rating Watch Negative on the UK sovereign given that the short-term risk of a disruptive 'no-deal' Brexit had reduced.
- Investec plc's** long-term issuer rating was upgraded by **Moody's** to Baa1 in April 2016. In February 2019, Moody's removed the one notch LGF uplift that was previously given to Investec plc's rating with respect to Investec Asset Management's potential market value, however maintained the rating at the current level with a stable outlook.
- The demerger is therefore expected to have no impact on the Baa1 (Stable) assigned Investec plc Moody's rating.**

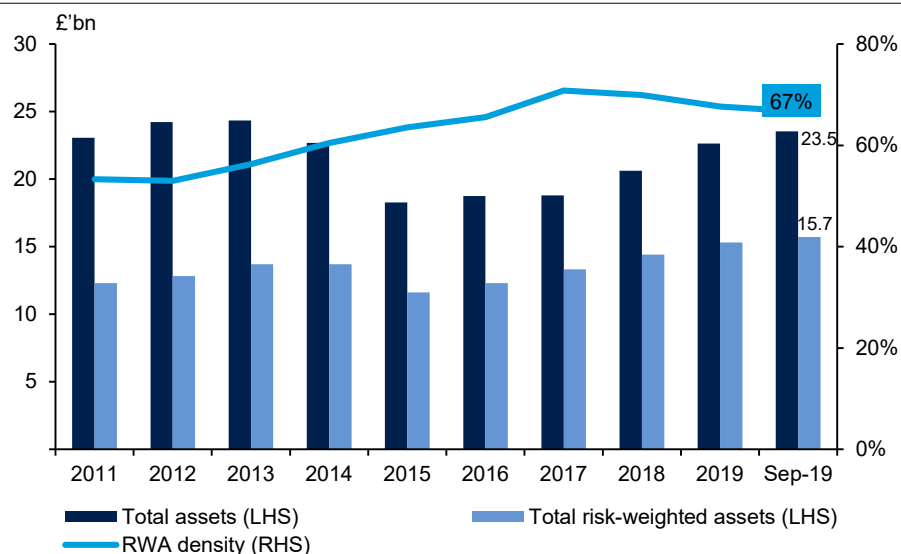
¹ A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

² Rating Watch Negative in line with UK sovereign rating and 19 UK banks including IBP.

Investec plc as reported: sound capital base and capital ratios

- Investec has **always held capital in excess of regulatory requirements** 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 coupon payment or failed to make an ordinary dividend payment
- In January 2019, 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)

Total risk-weighted assets: high RWA density



- As we use the **Standardised Approach** for our RWA calculations, our RWAs represent a large portion of our total assets
- Investec plc's **Total RWAs / Total assets is 67%** (Sept 19), which is higher relative to many UK banks on the Advanced Approach
- As a result we **inherently hold more capital**

Capital development

A summary of ratios at 30 Sept 2019

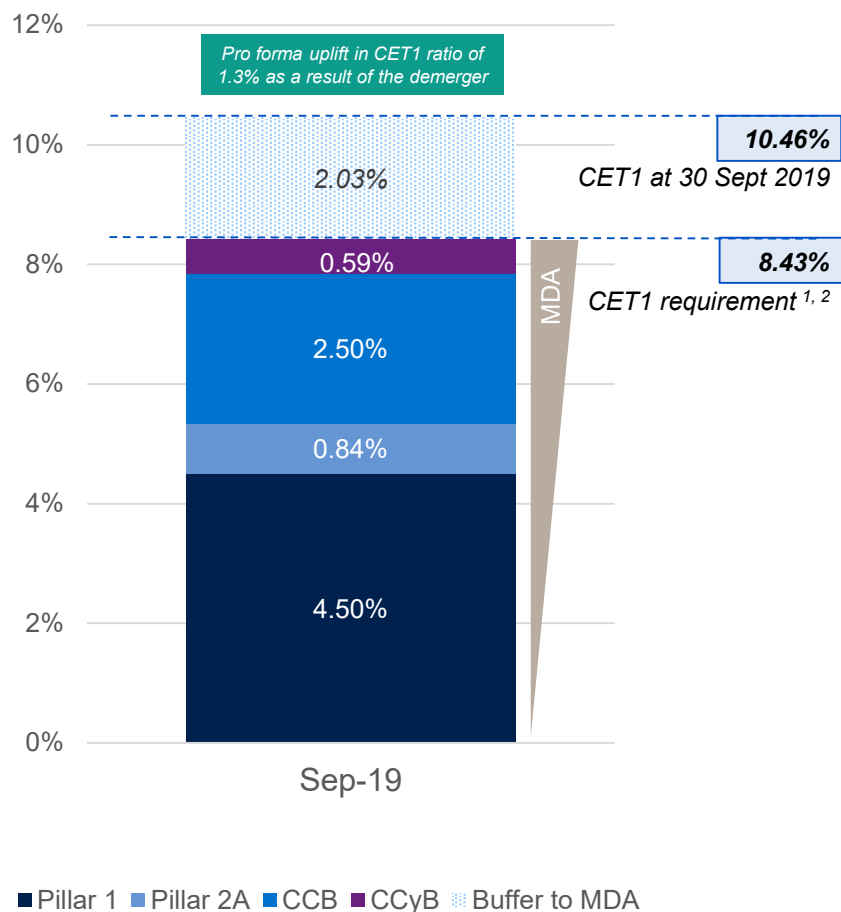
	Investec plc	Investec Bank plc	Target
Common equity tier 1 (as reported)	10.5%	11.6%	>10%
Common equity tier 1 ('fully loaded') ¹	10.1%	11.2%	
Tier 1 (as reported)	12.2%	13.3%	>11%
Total capital adequacy ratio (as reported)	15.2%	17.1%	14% to 17%
Leverage ratio ² – current	7.6%	8.0%	>6%
Leverage ratio ² – 'fully loaded' ¹	7.3%	7.8%	
Leverage ratio ² – current UK leverage ratio framework ³	9.0%	9.5%	
Pro forma CET1 ratio	11.8%	n/a	

¹ Based on the group's understanding of current regulations "fully loaded" is based on CRR requirements as fully phased in by 2022; including full adoption of IFRS 9. ² The leverage ratios are calculated on an end-quarter basis.

³ Investec plc is not subject to the UK leverage ratio framework, however, due to recent changes to the UK leverage ratio framework to exclude from the calculation of the total exposure measure those assets constituting claims on central banks where they are matched by deposits accepted by the firm that are denominated in the same currency and of identical or longer maturity, this has been included for comparative purposes.

Investec plc as reported: continued prudent management of capacity for distributions

Current MDA threshold



- The MDA threshold for Investec plc at 30 Sept 2019 of 8.43% RWAs is composed of:
 - 4.50% Pillar 1
 - 0.84% Pillar 2A (56% of 1.51%¹)
 - Combined buffer requirements
 - 2.50% capital conservation buffer ("CCB")
 - 0.59% countercyclical buffer² ("CCyB")
- Investec plc targets a minimum CET1 ratio of 10% and a total capital ratio of 14-17%
- Robust headroom of 2.03% above the MDA threshold** as at 30 Sept 2019
- Meaningful distance of 3.46% as at 30 Sept 2019 to the 7% permanent writedown AT1 trigger event
- Pro forma uplift in CET1 ratio of 1.3%** as a result of the demerger
- Ample capacity for distributions with Available Distributable Items ("**ADIs**") of **£355.4mn** as of 31 March 2019
- Payment of any discretionary AT1 distributions from Investec plc is not subject to any restrictions arising from the DLC Sharing Agreement with Investec Limited

¹ The Prudential Regulation Authority has issued Investec plc with a Pillar 2A requirement of 1.51% of risk-weighted assets, of which 56% has to be met from CET1 capital.

² Investec plc's CCyB requirement is composed of individual CCyB requirements applicable in the regions in which it operates. Does not include the announced increase in the UK CCyB from 1% to 2% in December 2020 which is currently expected to be offset by a reduction in banks' Pillar 2A requirements following a consultation period.

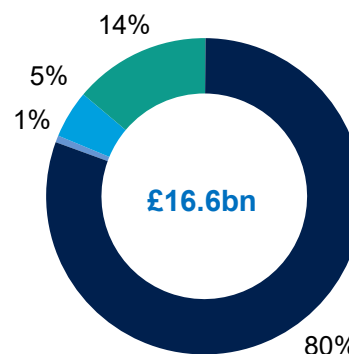
Investec plc: diversified funding strategy

- Investec's funding consists **primarily of customer deposits**
- Investec adopts a **conservative and prudent funding strategy**
- Investec Bank plc is not subject to the Banking Reform Act ring-fencing requirements**, which are applicable to all large UK deposit takers, as it falls below the £25bn of core deposits de minimis threshold

Conservative and prudent funding strategy



Selected funding sources



£'mn	30 Sept 2019
Customer deposits	13,367
Debt securities in issue	2,324 ¹
Subordinated Liabilities	812
Liabilities arising on securitisation of other assets	117
Total	16,620

Outstanding Investec plc and Investec Bank plc Debt Capital Markets Issuance (all GBP)

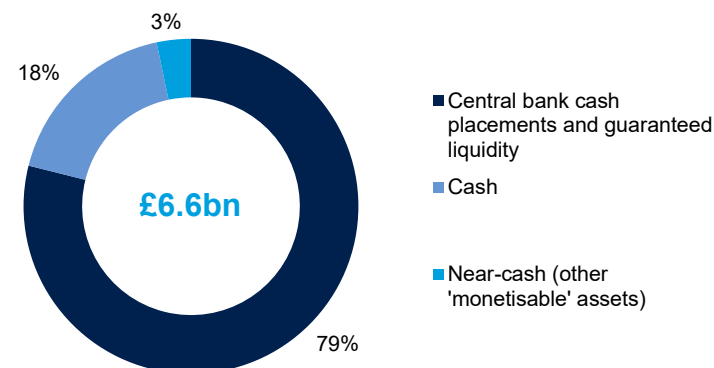
Issuer	Instrument	Issue Date	Ratings (M / F)	Coupon (%)	Notional outstanding (£m)	Call/ Maturity	Reset Rate (if applicable)
INVESTEC BANK PLC	Tier 2	17-Feb-11 Tapped on 29-Jun-11	Baa2 / BBB	9.625	308	- / 17-Feb-22	-
INVESTEC BANK PLC	Tier 2	24-Jul-18	Baa2 / BBB	4.250	420	24-Jul-23 / 24-Jul-28	G + 3.300%
INVESTEC PLC	HoldCo senior	05-May-15 Tapped on 07-Aug-17	Baa1 / NR	4.500	400	- / 05-May-22	-
INVESTEC PLC	Additional Tier 1	05-Oct-17	Ba2 / NR	6.750	250	05-Dec-24 / Perp	G + 5.749%

¹ Of the total £2.3bn Debt securities in issue at 30 Sept 2019, £884mn are issued to Retail clients through Structured Equity Notes.

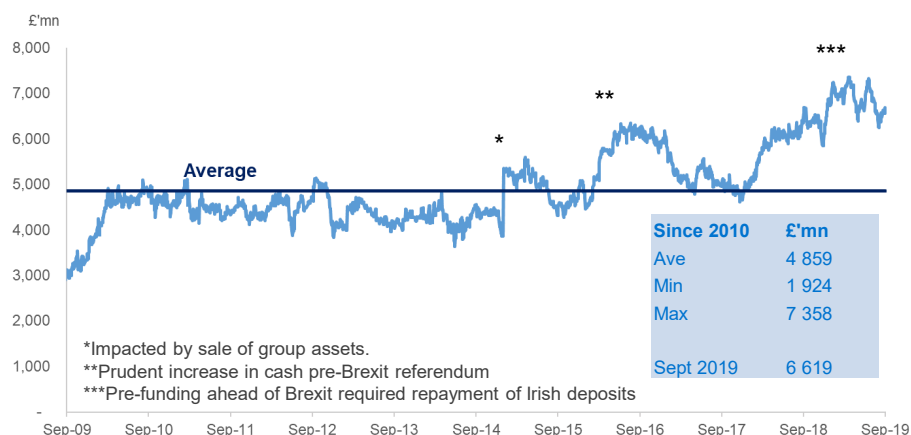
Investec plc as reported: maintaining robust surplus liquidity

- We **maintain** a high level of readily available, high quality **liquid assets** – maintaining a minimum cash to customer deposit ratio of 25%. These balances have increased significantly since 2008 to £6.6bn at 30 Sept 2019 (**representing 49.5% of customer deposits**)
- Investec plc **comfortably exceeds Basel liquidity requirements for the Liquidity Coverage Ratio (LCR)¹ and Net Stable Funding Ratio (NSFR)¹** in the UK. The LCR reported to the Prudential Regulatory Authority (“PRA”) at 30 Sept 2019 was 309% for Investec plc and the internally calculated NSFR was 126% - well ahead of the minimum levels required

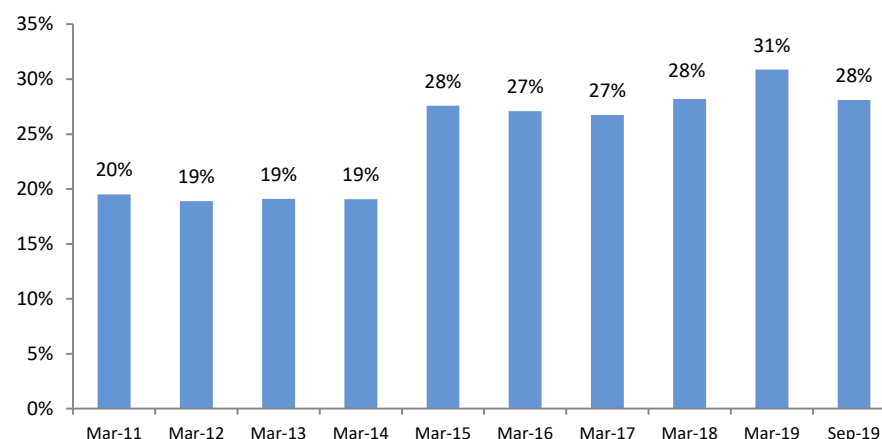
Cash and near cash composition



High level of cash and near cash balances



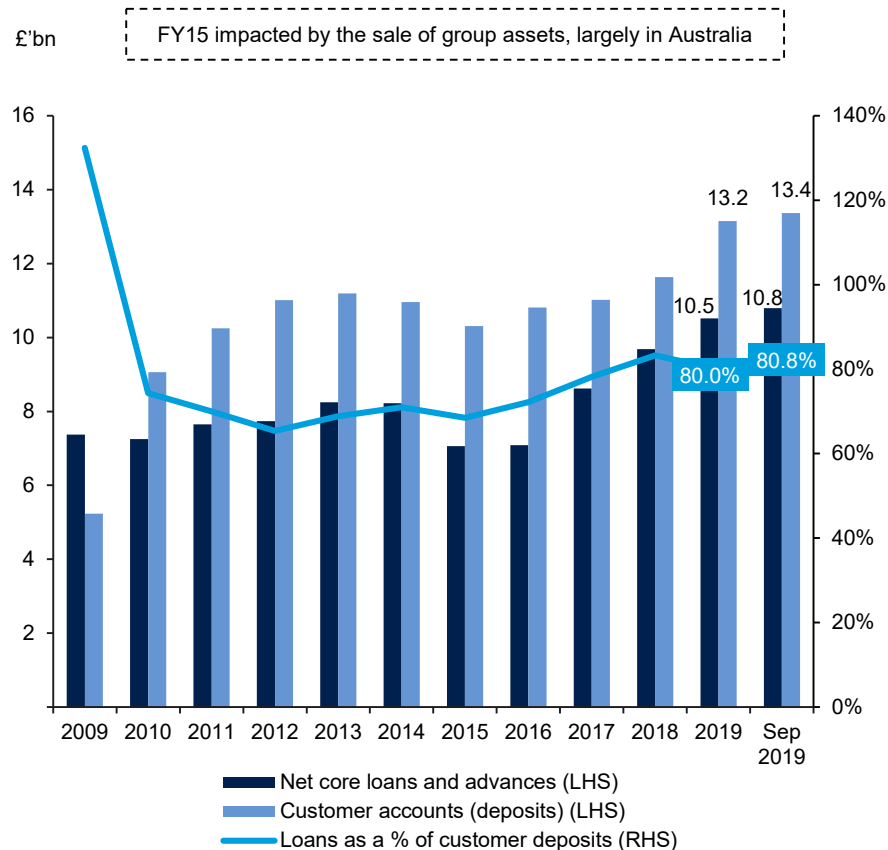
Cash and near cash as a proportion of total assets



¹ The LCR is calculated following the European Commission Delegated Regulation 2015/61 and our own interpretations where the regulation calls for it. The reported LCR may change over time with updates to our methodologies and interpretations. Banks are required to maintain a minimum LCR ratio of 100%. In June 2019, the CRR2/CRDV package was published in the EU Official Journal, including finalised rules for the calculation of the NSFR. This will become a binding metric in June 2021, at which point banks will be required to maintain a minimum NSFR of 100%. The internally calculated NSFR is based upon these rules, but is subject to change in response to any further clarifications or guidelines.

Investec plc as reported: primarily customer deposit funded with low loan-deposit ratio

Fully self funded: conservative loan to deposit ratio

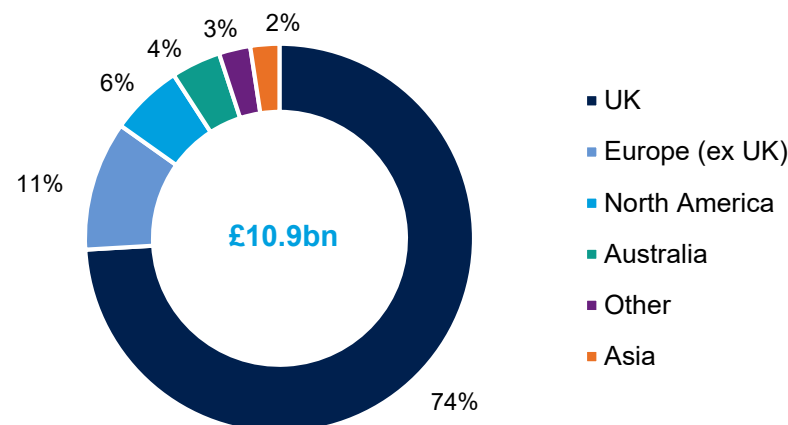


- **Loans as a percentage of customer deposits remains conservative at 80.8%**
- Customer deposits have grown by 155% (9.3% CAGR) since 2009 to £13.4bn at 30 Sept 2019
- Very low usage of central bank funding schemes as proportion of funding mix
- Increase in retail deposits and very little reliance on wholesale funding. **Significant portion of UK customer deposits form part of the FSCS eligibility framework**
- Fixed and notice deposits make up a large proportion of customer deposits and our customers display a strong 'stickiness' and willingness to reinvest in our suite of term and notice products

Investec plc: 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
 - Public sector bodies and institutions
- The majority of exposures reside **within the UK**
- We typically originate loans with the intent of holding these assets to maturity, thereby developing a 'hands-on' and **long-standing relationship with our clients**
- Net core loan annualised growth in 1H20 was 5% (FY19: 9%). Growth has been driven by our **residential mortgage portfolio** through acquisition of target clients in line with our Private Banking strategy
- Focus remains on redeployment of capital into core business activity and on ensuring that **concentration risk** to certain asset types, industries and geographies is **prudently managed, mitigated and controlled**

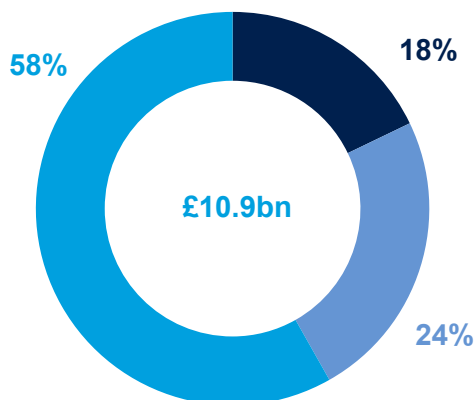
Gross core loans by country of exposure¹



Gross core loans by risk category¹

Corporate and other

Asset finance	17.6%
Corporate and acquisition finance	15.1%
Fund finance	10.5%
Other corporate, institutional, govt. loans	6.3%
Power & Infrastructure finance	4.4%
Asset based lending	4.0%
Resource finance	0.2%



Lending collateralised against property

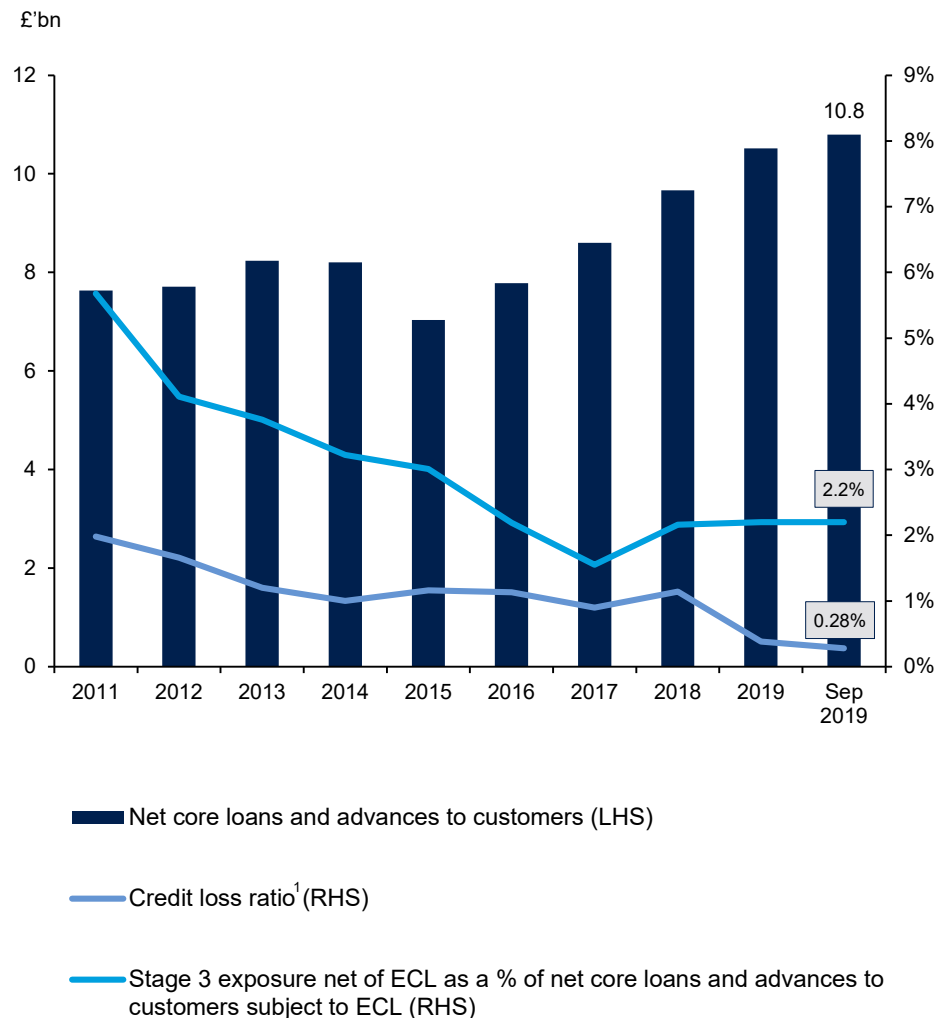
Commercial property investment	8.8%
Residential investment	3.7%
Residential property development	2.9%
Commercial property development	1.9%
Vacant land and planning	0.5%

High net worth and other private client

HNW and private client mortgages	18.7%
HNW and specialised lending	5.2%

Investec plc: sound and improving asset quality

Core loans and asset quality



Credit quality on core loans and advances for the six months ended 30 Sept 2019:

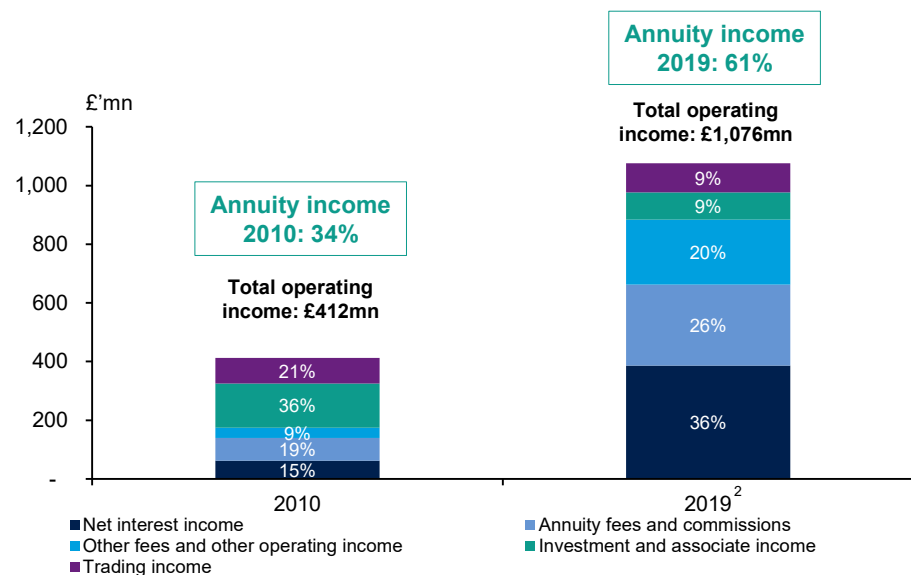
- **Total income statement ECL impairment charges** amounted to £16.1mn. The **credit loss ratio¹** is running at 0.28% (31 March 2019: 0.38%), within its **long term average range**
- **Stage 3 exposures net of ECL** totalled £225mn at 30 Sept 2019, of which £133mn relates to the Ongoing² portfolio. Ongoing stage 3 exposure net of ECL as a % of net core loans and advances subject to ECL totalled only 1.3% at 30 Sept 2019
- **Total Stage 3 exposure (Ongoing and Legacy) net of ECL as a % of net core loans and advances subject to ECL** remained stable since March 2019 at 2.2%. IBP's Tail risk from Legacy portfolio has reduced significantly (1.2% of net core loans) and we expect negligible impairments from this portfolio going forward as we have focused on fully provisioning it

¹ Expected credit loss (ECL) impairment charges on gross core loans and advances as a % of average gross core loans and advances subject to ECL.

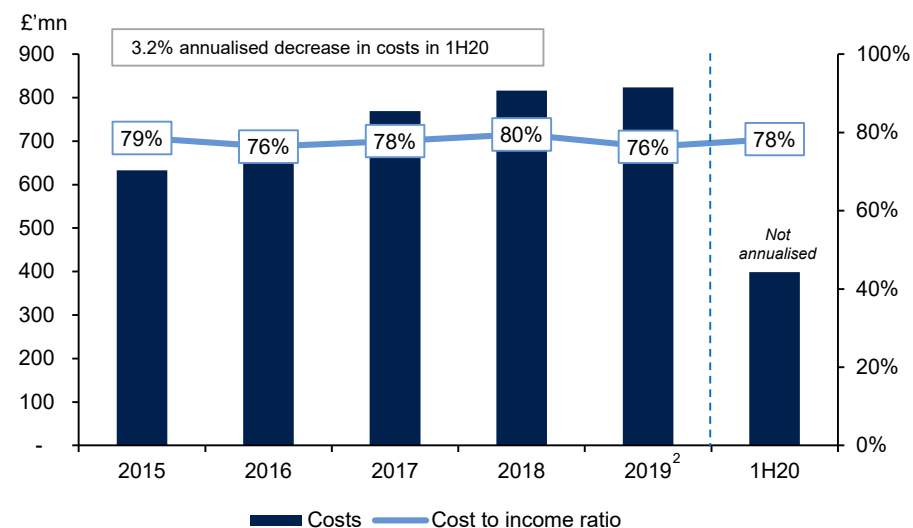
² Ongoing information excludes Legacy, as separately disclosed from 2014 to 2018, which comprises pre-2008 assets held on the UK bank's balance sheet, that had very low/negative margins and assets relating to business we are no longer undertaking.

Investec plc: profitability supported by diversified revenue streams

Annuity income^{1,3}



Costs and cost to income ratio³



- We have a **solid recurring income base (FY19: 61%)** comprising net interest income and annuity fees which has been enhanced by the growth in our wealth management business
- We have a **diversified, quality revenue mix**:
 - Lending franchises driving net interest income – c.36% of revenue
 - Investment Banking, specialised lending franchises and Wealth & Investment generating sound level of fees
 - Client treasury franchise resulting in recurring level of client flow
- **Capital light¹** activities = c.46% of revenue

- We are **focused on managing costs** while building for the future
 - Investment in our Private Banking business is fully expensed – now in leverage and growth phase
 - No longer incurring double premises costs
 - Leverage technology and existing capabilities to improve client experience and reduce costs – to date identified c.£7.5mn infrastructure rationalisation opportunities for the group by end FY2021
- **UK Specialist Bank** reduced operating costs by £25mn (9.1%) in 1H20

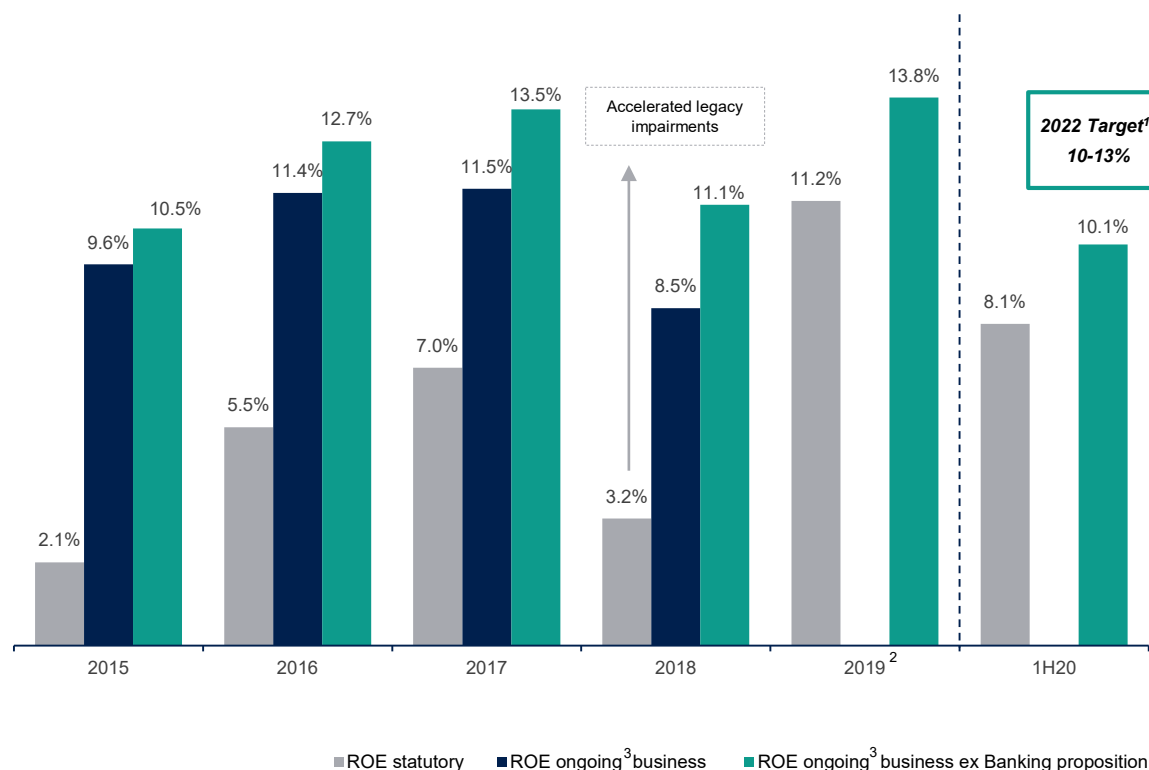
¹ Where annuity income is net interest income and annuity fees and capital light is fees and other operating income.

² March 2019 information has been restated and excludes the financial impact of the rundown of the Hong Kong direct investments business and the impact of other group restructures as detailed in the September 2019 Interim Report. All prior year numbers have not been restated. ³ Information for financial years pre 2019 reflects the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold). Information from FY19 onwards is presented on a statutory basis.

UK Specialist Bank: clear path to achieving ROE targets

ROE track record of ongoing business excluding Banking proposition is within target range

UK Specialist Bank ROE trend¹



A clear path for achieving our targets:

- Delivering scale while maintaining cost discipline
- Increasing capital light revenue
- Well capitalised, lowly leveraged balance sheet with improving capital generation
- RWA growth of c.7%-8% p.a.
- Greater connectivity across the business
- Focus on smart systems to support our growth and drive productivity

¹ Which we aim to deliver on over the three years to FY2022. ² March 2019 information has been restated and excludes the financial impact of the rundown of the Hong Kong direct investments business and the impact of other group restructures as detailed in the September 2019 Interim Report. All prior year numbers have not been restated. ³ Information for financial years 2015 to 2018 reflects the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold). Information from FY19 onwards is presented on a statutory basis.

Summary – credit highlights

A well-established profitable business

Investec plc

- Holding company of the Investec Group's **UK operations**¹ – operating in the UK since 1992
- **UK FTSE 250 listed entity** since 2002
- PRA and FCA regulated
- Long-term senior unsecured and issuer rating of **Baa1 (stable outlook); IBP: Moody's: A1 (stable outlook) and Fitch: BBB+ (stable outlook)**
- **Balanced and defensive business model** comprising Specialist Banking and Wealth & Investment – 28% of adjusted operating profit² from non-banking activities in 1H20
- Continued focus on growing our **capital light business**, contributing 50% of Investec plc's revenue
- High level of **annuity revenue**³ accounting for 66% of total operating income
- Listed debt instrument payments are met directly by the Specialist Bank and will continue to be post demerger
- **Creditor ring-fenced** from Investec Limited (holding company of the Investec Group's Southern African operations)
- **Capital and liquidity are not fungible** between Investec plc and Investec Limited – each entity is required to be self-funded and self-capitalised in adherence with the regulations in their respective jurisdictions

¹Also houses our other non-Southern African operations. ² Operating profit before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

³ Where annuity income is net interest income and annuity fees.

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Sustainability & ESG



Investec plc: Sustainability and ESG

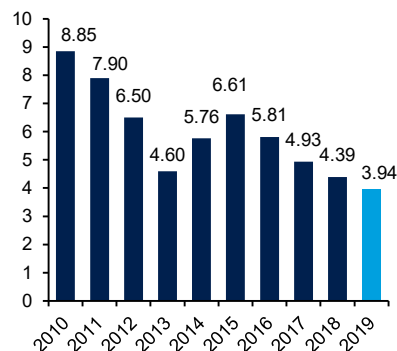
Key Messages

- Investec plays a **critical role in funding a sustainable economy** that is cognisant of the world's limited natural resources and promotes carbon reduction
- We recognise the **complexity and urgency of climate change**
- We have a **very low direct carbon impact** because of our niched business model that is not dependent on a branch network
- We have a **low exposure to fossil fuels (coal, oil and gas)** compared to others in our industry with and exposure of less than **1.8%** of on Balance Sheet assets for Investec plc
- The greatest impact we can have is to **partner with our clients to decarbonise their activities** and to **offer products and services that help accelerate a cleaner, healthier world.**

Going Net Zero

- We achieved **net-zero emission** status in February 2020
- Our first priority is to **minimise our direct carbon impact** and **encourage positive sustainable behaviour** within our operations
- Over the past ten years **our intensity indicators for Investec plc have steadily declined** while our average headcount has increased 107%

Tonnes of CO2e



Emissions per average headcount



since 2010

In the UK we are ISO 50001 and ISO 14001 certified



Note: The increase from 2013 to 2016 was due to increase data collection efforts including offices in New York, Toronto, Edinburgh, Reigate, Manchester, South Hampton and Zurich.

ESG Rankings and Ratings

We participate and have maintained inclusion in several globally-recognised sustainability indices.



- RobecoSam** Corporate Sustainability results released in January 2020. We remain in the **top 15%** in our industry (67/100 and industry average is 35/100)



- Top 6%** scoring **AAA** in the financial services sector



- Investec maintained its **B rating** in terms of the CDP a non profit global environmental disclosure platform (industry average C)



- We improved our rating **from Sustainalytics** from 72 to 73 and remain a Leader (9th out of 240 companies)



- Top 100** in the FTSE UK 100 ESG Select Index which measures the performance of ESG-rated companies within the FTSE All-Share Index

STOXX

- 1 of 43 banks** and financial services in the STOXX Global ESG Leaders (total of 439 components)

1 of 30 CEOs to join the UN CEO Alliance on Global Investment for Sustainable Development (GISD)



1 of the 8 banks in the UK to sign up to the Task Force for Climate Related Disclosures (TCFD)



Full participant in UN Global Compact (UNGC)



Investec plc's impact through the SDGs

We believe that the United Nations Sustainable Development Goals (SDGs) provide a solid framework for us to assess, align and prioritise our activities. We recognise the pivotal role that the private sector, and in particular, the financial sector, will have in their achievement.

We believe that our most significant contribution to the SDGs will be achieved through financing innovative solutions that will address socio-economic issues and investing responsibly for a more sustainable future. We can achieve this through enabling access to clean water (SDG 6) and affordable energy (SDG 7) as well as providing access to quality education (SDG 4). These are all vital for economic growth and job creation (SDG 8). At the same time, our business has established expertise in building and supporting infrastructure solutions (SDG 9) and funding sustainable cities and stronger communities (SDG 11)



Financing for education: Maths and English tuition through Investec Private Capital



Finance technology e.g. partnership with an Israeli late-stage technology venture capital fund that invests in funds such as Vayyar Imaging Ltd that detects tumours



Investec act as joint bookrunner in the £313mn IPO of ASA International (world's leading microfinance producer)



\$200mn funding arranged for Bluefield Solar Income Fund for the acquisition of six UK operational photovoltaic plants with a combined capacity of 104.5MW

Bluefield | Solar Income Fund

Investec Australia have delivered almost 500 affordable housing lots in both Victoria and the ACT alongside some of Australia's best-known developers

REVEGO

Committed **R1bn** to the clean energy fund in partnership with UK Climate Investments

Participate in **£1.6bn** renewable project globally

Funding **1 500** rapid EV charging stations in the UK contributing to sustainable transport systems



We recognise the risk of climate change and are committed to supporting the transition to a clean and energy-efficient global economy through climate action (SDG 13) and protecting our eco-system (SDG 15)



In the UK we are ISO 50001 and ISO 14001 certified



Investec plc is a supporter of the TCFD climate disclosures



One of 30 financial companies to partner with the Royal Foundation and United for Wildlife to combat illegal wildlife trade

As a foundation to achieving our ambitious SDG goals we address inequality (SDG 10) in everything we do. We will establish out of the ordinary partnerships (SDG 17) with integrity, moral strength and strong governance (SDG 16)



GISD Global Investors for Sustainable Development Alliance

Our CEO, Fani Titi is **one of 30** CEO's to join the GISD Alliance in April 2019



Investec plc is a member of the 30% club

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