

Out of the Ordinary since 1974

INVESTEC BANK LIMITED

Q & A fact sheet
May 2024



OVERVIEW OF INVESTEC AND INVESTEC BANK LIMITED

Investec partners with private, institutional and corporate clients, offering international banking, investments and wealth management services in two principal markets, South Africa and the UK, as well as certain other countries. In the UK, wealth management services are offered through our strategic long-term partnership with Rathbones. The group was established in 1974 and currently has approximately 7 500+ employees.

In July 2002, the Investec group implemented a dual listed companies (DLC) structure with linked companies listed in London and Johannesburg.

Investec Limited (housing the Southern African operations) and Investec plc (housing the non-Southern African operations) form a single economic enterprise where shareholders have common economic and voting interests. Creditors, however, are ring-fenced to either Investec Limited or Investec plc as there are no cross guarantees between the companies.

Investec Bank Limited (IBL) is the main banking subsidiary of Investec Limited while Investec Bank (Mauritius) Limited is IBL's main operating subsidiary. IBL is regulated by the South African Prudential Authority.

Key financial statistics

Key financial statistics	31 March 2024	31 March 2023 [^]	% change
Operating income (R'million)	18 347	16 908	8.5 %
Operating costs (R'million)	8 783	7 980	10.1 %
Operating profit before goodwill and acquired intangibles (R'million)	9 727	8 639	12.6 %
Headline earnings attributable to ordinary shareholders (R'million)	7 718	6 537	18.1 %
Cost to income ratio	47.9%	47.2%	
Total capital resources (including subordinated liabilities) (R'million)	56 732	53 716	5.6 %
Total equity (R'million)	49 449	45 968	7.6 %
Total assets (R'million)	611 674	595 089	2.8 %
Net core loans and advances (R'million)	341 566	322 580	5.9 %
Customer accounts (deposits) (R'million)	448 635	448 718	— %
Loans and advances to customers as a % of customer accounts (deposits)	74.7%	70.6%	
Cash and near cash balances (R'million)	160 712	171 400	(6.2)%
Total gearing ratio (i.e. total assets excluding intergroup loans to equity)	11.7x	12.1x	
Total capital ratio	20.5%	21.2%	
Tier 1 ratio	17.8%	18.2%	
Common Equity Tier 1 ratio	16.5%	17.1%	
Leverage ratio	7.1%	7.2%	
Stage 3 as a % of gross core loans subject to ECL	3.6%	2.7%	
Stage 3 net of ECL as a % of net core loans subject to ECL	3.0%	2.1%	
Credit loss ratio	(0.04%)	0.09%	
Net Stable Funding Ratio % (NSFR)	115.0%	116.4%	
Liquidity Coverage Ratio % (LCR)	159.4%	153.6%	

[^] Restated

FINANCIAL INFORMATION

Unless the context indicates otherwise, all comparatives referred to in the financial information relate to the year ended 31 March 2023 (FY2023). For the financial year ended 31 March 2024 (FY2024), IBL reported an increase in headline earnings attributable to ordinary shareholders of 18.1% to R 7 718 million (FY2023: R 6 537 million). IBL has sound capital and liquidity buffers.



Further details on IBL's results can be found on Investec's website at www.investec.com

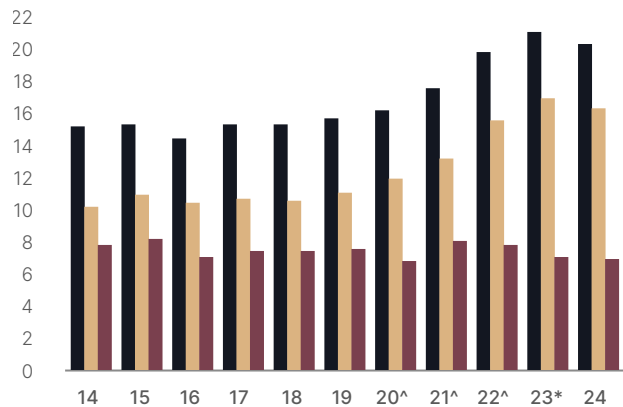
Capital adequacy

20.5%

Total capital adequacy ratio

IBL holds capital in excess of regulatory requirements and intends to perpetuate this philosophy to ensure that it remains well capitalised. As at 31 March 2024, the total capital adequacy ratio of IBL was 20.5% and the common equity tier 1 ratio (CET1) was 16.5%.

From 31 January 2023 Investec Limited received approval to adopt the AIRB approach for measurement of capital on the Income Producing Real Estate portfolio (IPRE). Investec Limited also migrated the High Value Commercial Real Estate (HVCRE) portfolio to the slotting approach, a subset of the Foundation Internal Rating Based (FIRB) approach.

Basel capital ratios
Percentage

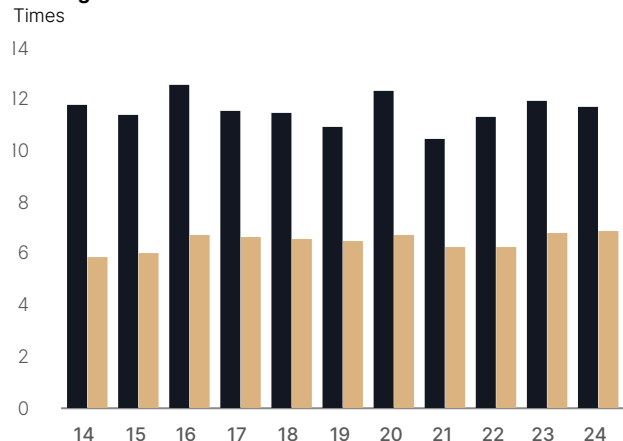
Total capital ratio
Common equity tier 1 ratio
Leverage ratio

* The full adoption of the advanced internal ratings based (AIRB) approach
[^] FY22 is based on increased AIRB scope; FY20 and FY21 are on the FIRB approach; all prior years are on the Standardised approach.

Gearing

11.7x

IBL is not a highly geared bank. A number of banks that have experienced difficulty in the past have been in excess of 40 times geared. IBL's gearing ratio at 31 March 2024 was 11.7x.

Gearing ratio
Times

Gearing ratio (assets excluding intergroup loans to total equity)
Core loans to equity ratio

Note: All information presented in the graphs are as at 31 March 2024 unless otherwise stated.

FINANCIAL INFORMATION
CONTINUED

Asset quality and exposures

(0.04)%

credit loss ratio

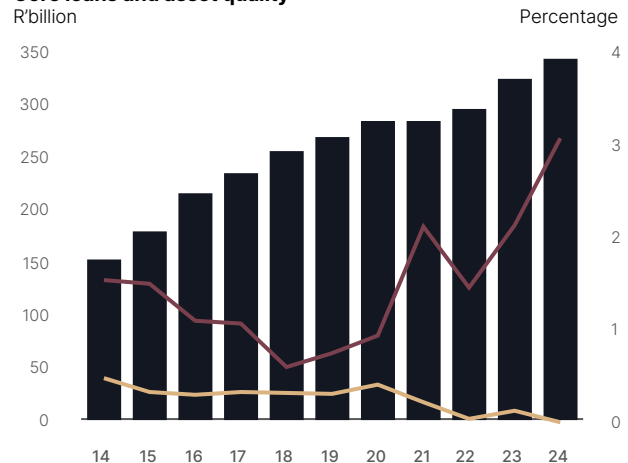
The majority of IBL’s credit and counterparty risk arises through its private and corporate client activities in South Africa. The bank lends to high net worth and high income individuals, mid-to large-sized corporates, public sector bodies and institutions.

The total ECL impairment charges were a net release of R163 million for the year ended 31 March 2024 (31 March 2023: R167 million). The credit loss ratio was (0.04%) (31 March 2023: 0.09%).

Stage 3 exposures net of ECL at 31 March 2024 amounted to R10 324 million (31 March 2023: R6 724 million).

Stage 3 exposure net of ECL as a percentage of net core loans subject to ECL as at 31 March 2024 amounted to 3.0% (31 March 2023: 2.1%).

Core loans and asset quality



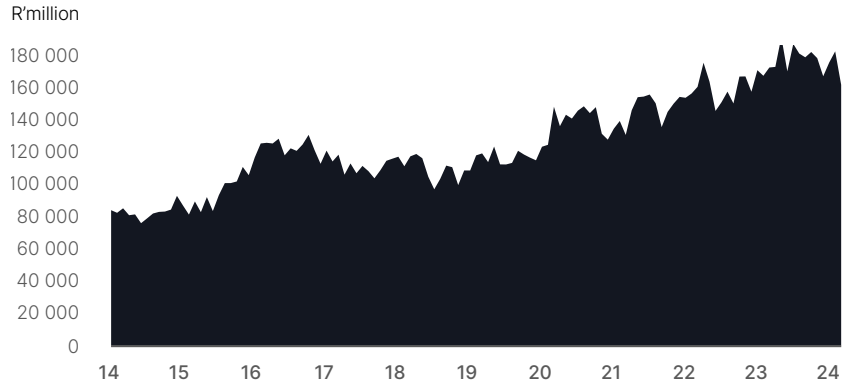
Net core loans (LHS)
Credit loss ratio (RHS)
Stage 3 net of ECL as a % of net core loans subject to ECL (RHS)

Liquidity and funding

R160.7 billion

Cash and near cash

Cash and near cash trend



IBL has a liquidity management philosophy that has been in place for many years. The bank continues to focus on maintaining a stock of readily available, high-quality liquid assets targeting a minimum cash to customer deposit ratio of 25%.

As at 31 March 2024, the bank had R160.7 billion of cash and near cash to support its activities. Furthermore, the bank maintains an appropriate mix of term funding, placing a low reliance on interbank wholesale funding to fund core lending asset growth. IBL targets a diversified funding base, avoiding undue concentrations by investor types, maturity and market source, instrument and currency.

Customer deposits increased by 0.4% to R448.6 billion at 31 March 2024 (31 March 2023: R448.2 billion). The bank’s loans and advances to customers as a % of customer accounts (deposits) was 74.7% as at 31 March 2024 (31 March 2023: 70.6%).

The Corporation for Deposit Insurance became fully operational from 1 April 2024.

Note: All information presented in the graphs are as at 31 March 2024 unless otherwise stated.

Sustainability highlights

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

Our impact SDGs

Net-zero commitments



- Committed to zero thermal coal in our loan book by 31 March 2030
- Coal as a % of loans and advances is 0.11% (Mar-23: 0.13%^)
- Fossil fuels as a % of loans and advances is 1.37% (Mar-23: 1.21%^).

Equality commitments



- 50% ethnic diversity and 30% women on our IBL Board
- Level 1 BBEE.

Sustainable finance

Specialist Banking

- Evolving and developing our Sustainable and Transition Finance Classification Framework has been a primary area of focus and will help to drive existing and future sustainable finance activity
- We ranked 52nd among the top 100 companies globally in the Corporate Knights most sustainable companies.

Wealth & Investment

- Signatory to Climate Action 100+
- Raised \$54.4mn (since inception) through our Global Sustainable Equity Fund at 31 March 2024
- Ranked 1st for Best Private Bank and Wealth Manager in Africa for philanthropy services 2023, by the Financial Times.

Consistently well-positioned in international ESG rankings and ratings

S&P Global



Top 4%
in the global diversified financial services sector (inclusion since 2006)

Top 7%
of diversified banks and included in the Global Sustainability Leader Index

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

Score A-
against an industry average of B



Top 20%
of the ISS ESG global universe
Rated Prime – best in class

Top 100
Global Sustainable Companies - Corporate Knights

Included
in the FTSE4Good Index

Top 30
in the FTSE/JSE Responsible Investment Index

^ Restated

CREDIT RATINGS

IBL's long-term and short-term credit ratings from Fitch, Moody's, Standard & Poor's and GCR are in line with its larger domestic peers and are listed below:

	Fitch	Moody's	Standard & Poors	GCR
Investec Bank Limited				
National long-term rating	AA+(zaf)	Aaa.za	za.AA	AA+(za)
National short-term rating	F1+(zaf)	P-1.za	za.A-1+	A1+(za)
Foreign currency long-term rating	BB-	Baa3	BB-	BB
Foreign currency short-term rating	B	P-3	B	B
Outlook	Stable	Stable	Positive	Stable

For further information:

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