

# *Out of the Ordinary* since 1974

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INVESTEC LIMITED

Q & A fact sheet  
November 2024



## OVERVIEW OF INVESTEC AND INVESTEC 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 7 700+ 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. Investec Limited also has a 36.4% interest in the Bud Group Holdings (Proprietary) Limited. IBL is regulated by the South African Prudential Authority.


## Key financial statistics

Key financial statistics	30 Sept 2024	30 Sept 2023	% change	31 March 2024
Total operating income before expected credit loss impairment charges (R'million)	12 056	10 250	17.6%	20 625
Operating costs (R'million)	5 886	5 360	9.8%	10 849
Operating profit before goodwill and acquired intangibles (R'million)	5 842	4 723	23.7%	9 939
Headline earnings attributable to ordinary shareholders (R'million)	4 200	3 390	23.9%	7 269
Cost to income ratio	48.8%	52.3%		52.6%
Total capital resources (including subordinated liabilities) (R'million)	63 374	60 128	5.4%	62 392
Total equity (R'million)	56 188	52 175	7.7%	55 109
Total assets (R'million)	655 720	644 651	1.7%	645 964
Net core loans (R'million)	346 203	338 433	2.3%	343 678
Customer accounts (deposits) (R'million)	434 687	460 358	(5.6%)	448 458
Loans and advances to customers as a % of customer accounts (deposits)	78.0%	72.1%		75.2%
Cash and near cash balances (R'million)	170 860	177 700	(3.8%)	160 712
Funds under management (R'million)	479 105	420 021	14.1%	450 273
Total gearing ratio (i.e. total assets excluding intergroup loans to equity)	11.6x	12.3x		11.6x
Total capital adequacy ratio	18.8%	17.0%		17.5%
Tier 1 ratio	16.2%	14.3%		15.0%
Common equity tier 1 ratio	14.8%	13.2%		13.6%
Leverage ratio	6.3%	5.9%		6.2%
Stage 3 as a % of gross core loans subject to ECL	2.7%	3.8%		3.5%
Stage 3 net of ECL as a % of net core loans subject to ECL	2.2%	3.1%		3.0%
Credit loss ratio	0.16%*	0.08%*		(0.04%)
Net Stable Funding Ratio % (NSFR)	122%	113.4%		115.0%
Liquidity Coverage Ratio % (LCR)	176%	182.9%		159.4%

\* Annualised.

## FINANCIAL INFORMATION

Unless the context indicates otherwise, all comparatives referred to below relate to the six months ended 30 September 2023 (1H2024). For the six months ended 30 September 2024, Investec Limited reported an increase in headline earnings attributable to ordinary shareholders of 23.9% to R4 200 million (30 September 2024: R 3 390 million). Investec Limited has sound capital and liquidity buffers.

 Further details on Investec Limited's results can be found on Investec's website at [www.investec.com](http://www.investec.com)

## Capital adequacy

# 18.8%

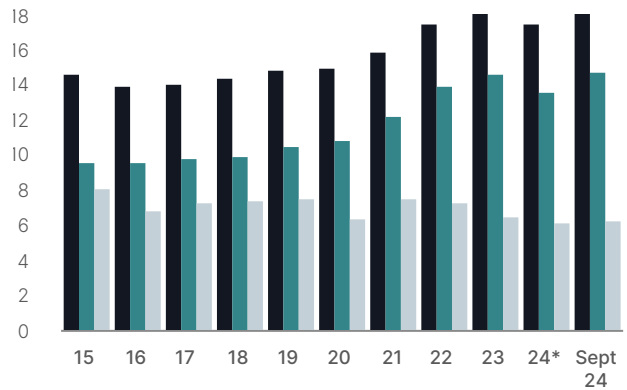
Total capital adequacy ratio

Investec Limited holds capital in excess of regulatory requirements and intends to perpetuate this philosophy to ensure that it remains well capitalised. As at 30 September 2024, the total capital adequacy ratio of Investec Limited was 18.8% and the common equity tier 1 (CET1) ratio was 14.8%.

From 31 January 2023 Investec Limited adopted 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 adequacy ratio

Common equity tier 1 ratio

Leverage ratio

\* Full adoption of the advanced internal ratings based (AIRB) approach.

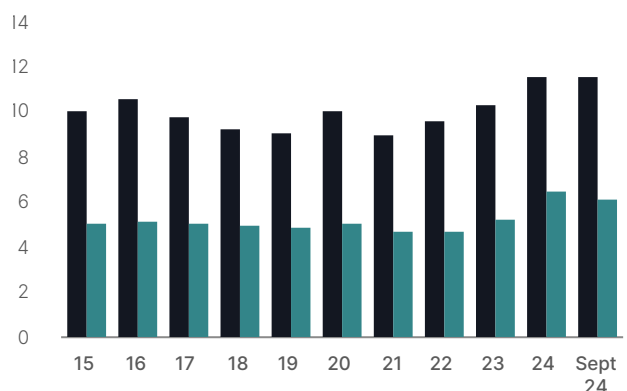
## Gearing

# 11.6x

Investec Limited is not highly geared. A number of bank holding companies that have experienced difficulty in the past were in excess of 40 times geared. Investec Limited's gearing ratio at 30 September 2024 was 11.6x.

## Gearing ratio

Times



Gearing ratio (total assets excluding assurance assets to equity)

Core loans to equity ratio

**Note:** All information presented in the graphs are as at 30 September 2024 unless otherwise stated.

## FINANCIAL INFORMATION

### CONTINUED

### Asset quality and exposures

# 0.16%

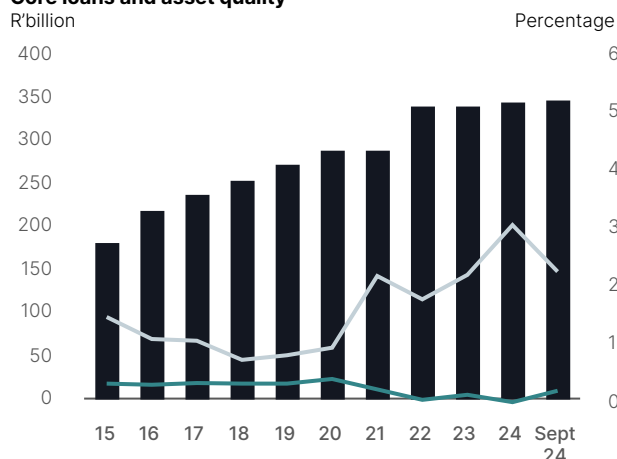
credit loss ratio

The bulk of Investec Limited'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 amounted to R328 million for the six months ended 30 September 2024 (30 September 2024: R167 million). The annualised credit loss ratio was 0.16% at 30 September 2024 (31 March 2024: (0.04)%).

Stage 3 exposures net of ECL at 30 September 2024 amounted to R7 631 million (31 March 2024: R10 325 million). Stage 3 exposure net of ECL as a percentage of net core loans subject to ECL as at 30 September 2024 amounted to 2.2% (31 March 2024: 3.0%).

### Core loans and asset quality



Net core loans (LHS)

Credit loss ratio (RHS)

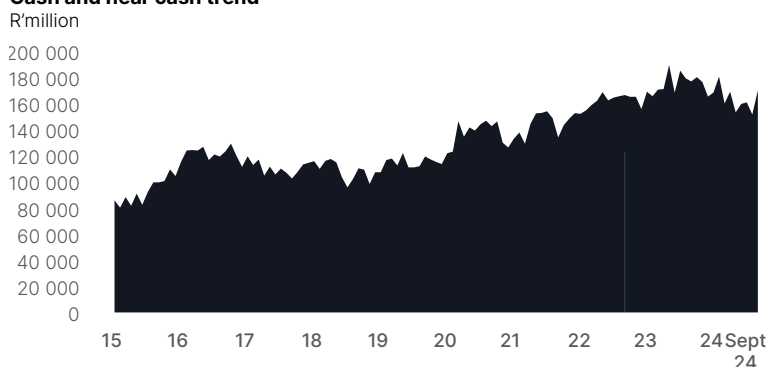
Stage 3 exposure net of ECL as a % of net core loans subject to ECL (RHS)

### Liquidity and funding

# R170.9 billion

Cash and near cash

### Cash and near cash trend



Investec Limited has a liquidity management philosophy that has been in place for many years. The bank holding company 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 30 September 2024, the bank had R170.9 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. Investec Limited targets a diversified funding base, avoiding undue concentrations by investor types, maturity and market source, instrument and currency.

Customer deposits have decreased by 3.1% since 31 March 2024 to R434.7 billion at 30 September 2024 (31 March 2024: R448.5 billion). The bank's loans and advances as a % of customer accounts (deposits) was 78.0% as at 30 September 2024 (31 March 2024: 75.2%).

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

**Note:** All information presented in the graphs are as at 30 September 2024 unless otherwise stated.

SUSTAINABILITY

# 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 0.13% (Mar-24: 0.11%)
- Fossil fuels as a % of loans and advances is 0.90% (Mar-24: 1.20%^).

### Equality commitments



- 50% women and 30% ethnic diversity on our Group Board
- Level 1 BBBEE.

## Sustainable finance

### Specialist Banking

- Following our recently enhanced Sustainable and Transition Finance Classification Framework, a primary area of focus has been developing and rigorously testing sustainable and transition finance targets, to drive existing and future sustainable and transition finance activity
- Participated in Pick n Pay's R4.5 billion sustainability-linked loan, incorporating KPIs to reduce food waste (SDG 12) and greenhouse gas emissions (SDG 13) through the use of natural refrigerants.

### Wealth & Investment

- Raised \$64mn (since inception) through our Global Sustainable Equity Fund at 31 March 2024
- Launched an ESG and Responsible Investing Guidebook for trustees and investors
- Developed a Responsible Investment Engagement Playbook to advance our ESG integration and stewardship capabilities.

## Consistently well-positioned in international ESG rankings and ratings



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



**Top 8%**  
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

Investec Limited's and its main banking subsidiary, Investec Bank Limited's long-term and short-term credit ratings from Fitch, Moody's, Standard & Poor's and GCR are in line with their larger domestic peers and are listed below:

	<b>Fitch</b>	<b>Moody's</b>	<b>Standard &amp; Poors</b>	<b>GCR</b>
<b>Investec Limited</b>				
National long-term rating	AA+(zaf)			
National short-term rating	F1+(zaf)			
Foreign currency long-term rating	BB-			
Foreign currency short-term rating	B			
Outlook	Stable			
<b>Investec Bank Limited</b>				
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:

#### Investor Relations

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