

Out of the Ordinary since 1974

INVESTEC LIMITED

Q & A fact sheet
May 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 7 500+ 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. 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	31 March 2024	31 March 2023 [^]	% change
Total operating income before expected credit loss impairment charges (R'million)	20 625	19 263	7.1%
Operating costs (R'million)	10 849	10 028	8.2%
Operating profit before goodwill and acquired intangibles (R'million)	9 939	8 946	11.1%
Headline earnings attributable to ordinary shareholders (R'million)	7 269	6 581	10.5%
Cost to income ratio	52.6%	52.1%	
Total capital resources (including subordinated liabilities) (R'million)	62 392	68 746	(9.2%)
Total equity (R'million)	55 109	60 998	(9.7%)
Total assets (R'million)	645 964	651 165	(0.8%)
Net core loans (R'million)	343 678	325 139	5.7%
Customer accounts (deposits) (R'million)	450 371	448 513	0.4%
Loans and advances to customers as a % of customer accounts (deposits)	74.9%	71.2%	
Cash and near cash balances (R'million)	160 712	171 400	(6.2%)
Funds under management (R'million)	450 273	398 371	13.0%
Total gearing ratio (i.e. total assets excluding intergroup loans to equity)	11.7x	10.6x	
Total capital adequacy ratio	17.5%	18.3%	
Tier 1 ratio	15.0%	15.9%	
Common equity tier 1 ratio	13.6%	14.7%	
Leverage ratio	6.2%	6.5%	
Stage 3 as a % of gross core loans subject to ECL	3.5%	2.7%	
Stage 3 net of ECL as a % of net core loans subject to ECL	3.0%	2.2%	
Credit loss ratio	(0.04%)	0.09%	
Net Stable Funding Ratio % (NSFR)	115.3%	116.4%	
Liquidity Coverage Ratio % (LCR)	159.4%	153.6%	

[^] Restated

FINANCIAL INFORMATION

Unless the context indicates otherwise, all comparatives referred to below relate to the year ended 31 March 2023 (FY2023). For the year ended 31 March 2024, Investec Limited reported an increase in headline earnings attributable to ordinary shareholders of 10.5% to R7 269 million (FY2023: R 6 581 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

Capital adequacy

17.5%

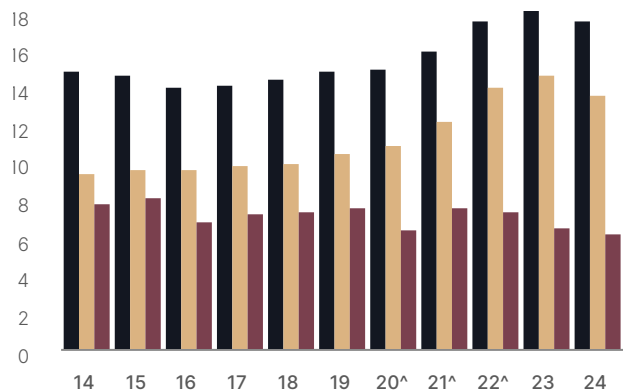
Total capital adequacy ratio

Investec Limited holds capital in excess of regulatory requirements and intends to perpetuate this philosophy to ensure that it remains well capitalised. As at 31 March 2024, the total capital adequacy ratio of Investec Limited was 17.5% and the common equity tier 1 (CET1) ratio was 13.6%.

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**

** The leverage ratio has only been disclosed since 2014. Historic information has been estimated.

^ FY22 is on increased AIRB scope; FY20 and FY21 are on FIRB; all prior years are on the Standardised approach.

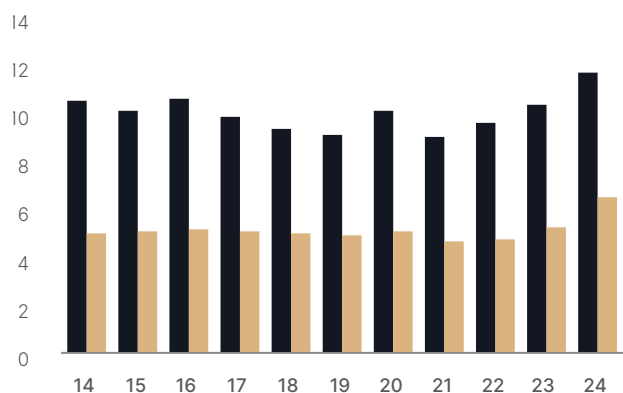
Gearing

11.7x

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 31 March 2024 was 11.7x.

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 31 March 2024 unless otherwise stated.

FINANCIAL INFORMATION
CONTINUED

Asset quality and exposures

(0.04)%

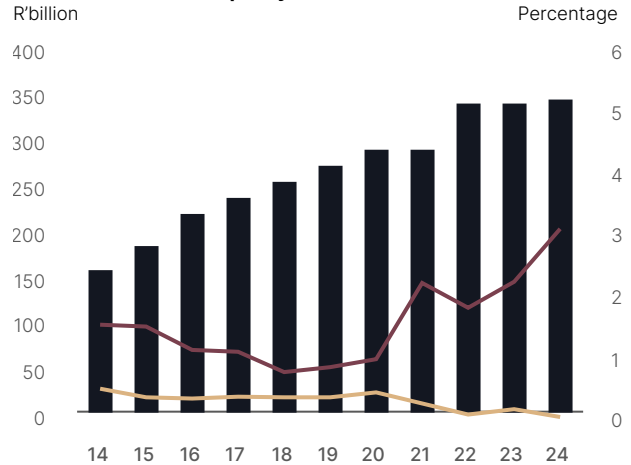
credit loss ratio

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 R163 million for the year ended 31 March 2024 (31 March 2023: R289 million). The credit loss ratio was (0.04%) at 31 March 2024 (31 March 2023: 0.09%).

Stage 3 exposures net of ECL at 31 March 2024 amounted to R10 324 million (31 March 2023: R6 981 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: 2.2%).

Core loans and asset quality



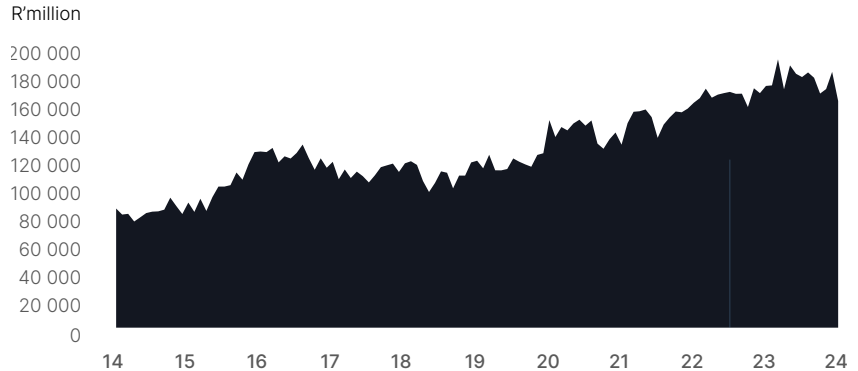
Net core loans (LHS)
Credit loss ratio (RHS)
Stage 3 exposure net of ECL as a % of net core loans subject to ECL (RHS)

Liquidity and funding

R160.7 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 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. Investec Limited targets a diversified funding base, avoiding undue concentrations by investor types, maturity and market source, instrument and currency.

Customer deposits have increased by 0.4% since 31 March 2023 to R450.4 billion at 31 March 2024 (31 March 2023: R448.5 billion) The bank’s loans and advances as a % of customer accounts (deposits) was 74.9% as at 31 March 2024 (31 March 2023: 71.2%).

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

Note: All information presented in the graphs are as at 31 March 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 0.08% (Mar-23: 0.10%)
- Fossil fuels as a % of loans and advances is 1.35% (Mar-23: 1.19%).

Equality commitments



- 58% women and 42% ethnic diversity on our Group Board
- Level 1 BBBEE.

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 \$56.5mn (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



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



FTSE4Good



Top 30
in the FTSE/JSE Responsible Investment Index

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:

	Fitch	Moody's	Standard & Poors	GCR
Investec Limited				
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			
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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