

— OUT OF THE ORDINARY

Built on strong foundations

Investec plc

Q and A fact sheet
November 2021



OVERVIEW OF INVESTEC AND INVESTEC PLC

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. The group was established in 1974 and currently has approximately 8 200+ employees.

In July 2002, the Investec group implemented a dual listed companies (DLC) structure with linked companies listed in London and Johannesburg. Investec plc is a FTSE 250 company.

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

Investec Bank plc (IBP) is the main banking subsidiary of Investec plc and also houses the Wealth & Investment business, which is one of the largest private client wealth managers in the UK, with £44.7 billion funds under management as at 30 September 2021. It generates substantial capital light non-banking income. Investec plc is regulated by the Prudential Regulatory Authority and the Financial Conduct Authority and is a member of the London Stock Exchange.

Key financial statistics

Key financial statistics	30 Sept 2021	30 Sept 2020	% change	31 March 2021
Total operating income before expected credit loss impairment charges (£'000)	512 689	428 828	19.6%	946 400
Operating costs (£'000)	380 426	357 880	6.3%	766 367
Adjusted operating profit (£'000)	127 413	31 574	>100.0%	109 698
Earnings attributable to ordinary shareholders (£'000)	108 425	18 890	>100.0%	69 772
Cost to income ratio (%)	74.2%	83.4%		80.9%
Total capital resources (including subordinated liabilities) (£'000)	3 375 859	3 250 573	3.9%	3 277 938
Total equity (£'000)	2 613 354	2 460 268	6.2%	2 506 457
Total assets (£'000)^	25 468 465	24 492 221	4.0%	24 801 508
Net core loans (£'000)	13 692 364	11 978 740	14.3%	12 330 652
Customer accounts (deposits) (£'000)	16 701 989	15 644 774	6.8%	16 077 671
Loans and advances to customers as a % of customer deposits	82.0%	76.6%		76.7%
Cash and near cash balances (£'mn)	7 315	6 222	17.6%	6 857
Funds under management (£'mn)	44 704	38 018	17.6%	41 708
Total gearing ratio (i.e. total assets to equity)	9.7x	10.0x		9.9x
Total capital ratio	14.6%	14.7%		14.9%
Tier 1 ratio	12.5%	12.3%		12.7%
Common Equity Tier 1 ratio	10.9%	10.6%		11.0%
Leverage ratio	7.7%	7.7%		7.8%
Leverage ratio (fully loaded)	7.3%	7.3%		7.4%
Stage 3 exposure as a % of gross core loans subject to ECL	2.1%	3.0%		2.8%
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	1.6%	2.2%		2.0%
Credit loss ratio	0.09%*	0.60%*		0.56%

^ Restated as detailed in the Investec plc annual report available on our website.

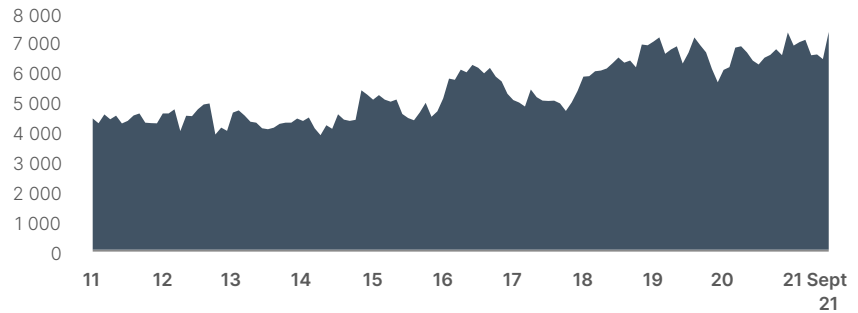
* Annualised.

FINANCIAL INFORMATION

Liquidity and funding

£7.3 billion

cash and near cash

Cash and near cash trend
£'million

Investec plc has a liquidity management philosophy that has been in place for many years. The bank continues to focus on maintaining a high level of readily available high-quality liquid assets targeting a minimum cash to customer deposit ratio of 25%. At 30 September 2021, Investec plc had £7.3 billion of cash and near cash to support its activities, representing approximately 43.8% of customer deposits.

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 plc targets a diversified funding base, avoiding undue concentrations by investor types, maturity and market source, instrument and currency. Customer deposits amounted to £16.7 billion as at 30 September 2021 (31 March 2021: £16.1 billion).

Deposit guarantees

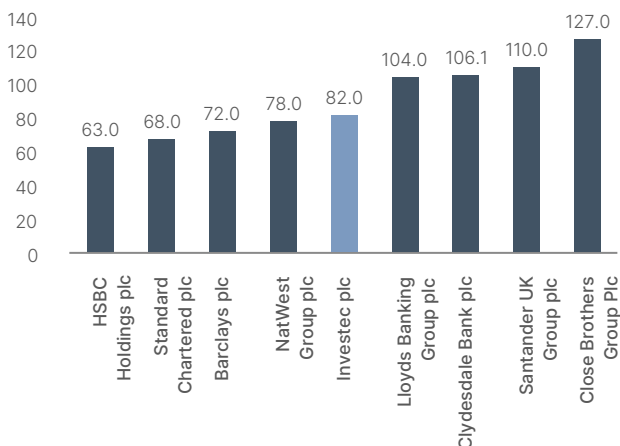
In terms of the Financial Services Compensation Scheme, the UK government guarantees a maximum deposit of £85 000 per individual per institution.

Loan to customer deposit ratio

82.0%

Loan to customer deposit ratio

Percentage



Investec plc's loan to customer deposit ratio is conservative in comparison to peers and further illustrates Investec plc's strong liquidity position.

The loan to customer deposit ratio graph is sourced from the latest company interim/annual financial results available as at 17 November 2021 and reflects the balance sheet figures for loans and advances to customers and customer deposits.

Gearing

9.7x

Gearing ratio

Times



Investec plc is not a highly geared bank. A number of banks that have come into difficulty in the past have been in excess of 40x geared. Investec plc's comparative ratio would be 9.7x.

FINANCIAL INFORMATION

Capital adequacy

14.6%

total capital ratio

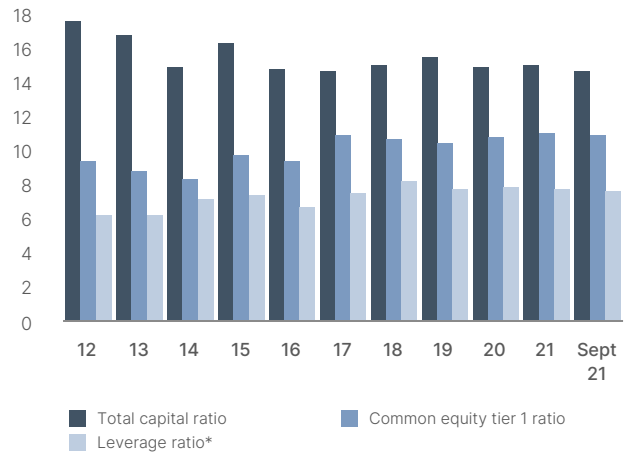
Investec plc holds capital in excess of regulatory requirements and intends to perpetuate this philosophy and ensure that it remains well capitalised. The bank has never required shareholder or government support. As at 30 September 2021, the total capital ratio of Investec plc was 14.6% and the common equity tier 1 ratio was 10.9%.

The bank's anticipated 'fully loaded' Basel III common equity tier 1 ratio and leverage ratio are 10.5% and 7.3%, respectively (where 'fully loaded' assumes full adoption of IFRS 9 and full adoption of all CRD IV rules). These disclosures incorporate the deduction of foreseeable charges and dividends as required by the regulations. Excluding this deduction, the common equity tier 1 ratio would be 26bps (31 March 2021: 17bps) higher.

We are on the Standardised Approach in terms of Basel, thus our risk-weighted assets represent a large portion of our total assets.

Basel capital ratios – standardised approach

Percentage



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

Asset quality and exposures

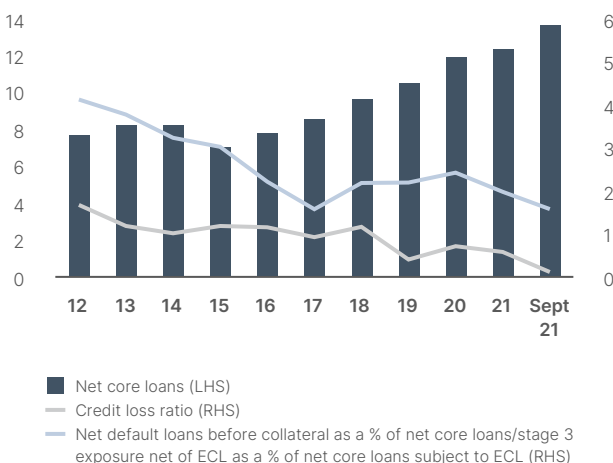
0.09%

annualised credit loss ratio

Core loans and asset quality

£'billion

Percentage



The bulk of Investec plc's credit and counterparty risk arises through its private client and corporate client activities. The bank lends to high net worth individuals, mid- to large-sized corporates, public sector bodies and institutions. The majority of Investec plc's credit and counterparty exposures reside within its principal operating geography, namely the UK.

The total ECL impairment charges amounted to £4.9 million for the six months ended 30 September 2021 (2020: £39.9 million). The annualised credit loss ratio decreased from 0.60% at 30 September 2020 to 0.09% at 30 September 2021.

Stage 3 exposure net of ECL at 30 September 2021 amounted to £202 million (31 March 2021: £231 million). Stage 3 exposure net of ECL as a percentage of net core loans subject to ECL at 30 September 2021 amounted to 1.6% (31 March 2021: 2.0%).



SUSTAINABILITY

Sustainability highlights

Ensuring that we do no harm, contribute positively, lend and invest responsibly and maintain our competitive ESG position

Governance	Sustainable finance	Positioning
<ul style="list-style-type: none"> Created a framework linking executive directors' remuneration to ESG KPIs Deepened our ESG skills on the group board with the addition of two new non-executive directors, Nicky Newton-King and Jasandra Nyker 	<ul style="list-style-type: none"> \$600 million raised for Investec Bank plc through a sustainability-linked loan (3x oversubscribed) \$30.6 million raised by Investec Wealth & Investment at 30 September 2021 through the launch of a Global Sustainable Equity Fund 	<ul style="list-style-type: none"> Received a low-risk rating from Sustainalytics (16.6) Aligned to the UN SDGs: Obtained 5-star rating from Support the Goals 

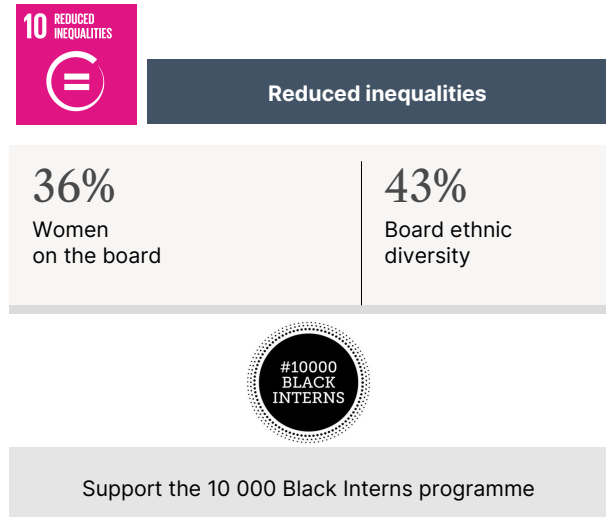
Consistently well-positioned in international ESG rankings and ratings

			
Top 15% in the global diversified financial services sector (inclusion since 2006)	Top 16% of globally-assessed companies in the Global Sustainability Leaders Index	Top 2% in the financial services sector in the MSCI Global Sustainability Index	Score B against an industry average of B (formerly Carbon Disclosure Project)
			
Top 20% of the ISS ESG global universe Top 14% of diversified financial services	1 of 43 banks and financial services in the Global ESG Leaders Index (total of 439 components)	Included in the FTSE UK 100 ESG Select Index (out of 641) Included in the FTSE4Good Index	Ranked 55 (out of 5 500) and 9th in the social category

SUSTAINABILITY
CONTINUED

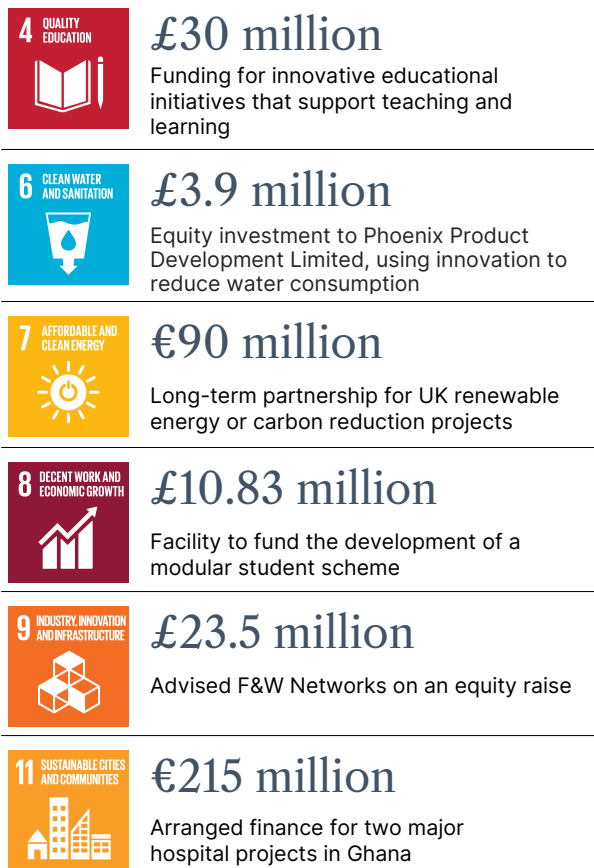
Addressing climate change and reducing inequalities

Through our focus on the UN Sustainable Development Goals



Providing profitable, impactful and sustainable products and services and innovative sustainability offerings

Some examples are shown below



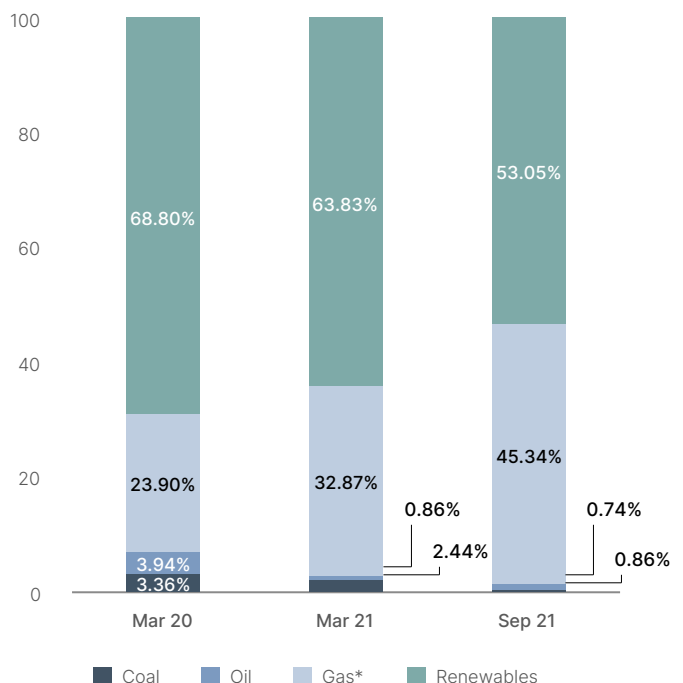
Minimal exposure to coal

0.05% Coal as a percentage of loans and advances (31 March 2021: 0.13%)

0.86% Coal as a percentage of energy lending (31 March 2021: 2.44%)

Breakdown of our energy lending portfolio

Percentage



* Majority is natural gas.

CREDIT RATINGS

Investec plc (holding company)

Moody's	
Long-term Issuer and senior unsecured rating	Baa1
Outlook	Stable

Investec Bank plc (main banking subsidiary)

Moody's	
Long-term deposit rating	A1
Outlook	Stable

Fitch	
Long-term Issuer Default rating (IDR)	BBB+
Outlook	Stable

FOR FURTHER INFORMATION:

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