

— OUT OF THE ORDINARY

Creating enduring worth

Investec Bank plc

Q & A fact sheet
November 2023



OVERVIEW OF INVESTEC AND INVESTEC BANK 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. 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 7 400+ 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. We provide our clients with specialist banking services and access to a diversified wealth management offering to deliver an extensive depth and breadth of products and services.

On 21 September 2023, Investec Group completed the all-share combination of Investec Wealth and Investment UK (IW&I UK) and Rathbones Group plc creating the UK's leading discretionary wealth manager with c.£100bn funds under management and administration (FUMA).

This marks the beginning of a long-term strategic partnership between Investec and Rathbones, with a co-ordinated banking and wealth management offering for clients.

IBP is regulated by the Prudential Regulatory Authority and the Financial Conduct Authority and is a member of the London Stock Exchange.

Key financial statistics

	30 Sept 2023	30 Sept 2022 [^]	% change	31 March 2023 [^]
Total operating income before expected credit loss impairment charges (£'000)	574 942	448 861	28.1%	960 901
Operating costs (£'000)	310 656	286 460	8.4%	577 152
Adjusted operating profit (£'000)	225 215	134 511	67.4%	317 009
Earnings attributable to ordinary shareholder (£'000)	571 246	127 577	>100.0%	571 247
Cost to income ratio (%)	54.0%	63.8%		60.1%
Total capital resources (including subordinated liabilities) (£'000)	3 990 447	3 371 598	18.4%	3 520 937
Total equity (£'000)	3 323 131	2 663 017	24.8%	2 789 454
Total assets (£'000)	29 306 471	28 995 794	1.1%	28 242 603
Net core loans (£'000)	16 270 723	15 348 588	6.0%	15 562 502
Customer accounts (deposits) (£'000)	20 002 201	19 019 095	5.2%	19 251 399
Loans and advances to customers as a % of customer deposits	81.4%	80.7%		80.9%
Cash and near cash balances (£'million)	8 708	8 463	2.9%	8 550
Funds under management (£'million)	1 962	40 473	(95.2%)	42 422
Total gearing ratio (i.e. total assets to equity)	8.8x	10.9x		10.1x
Total capital ratio	18.0%	17.4%		18.5%
Tier 1 ratio	14.0%	13.1%		14.1%
Common Equity Tier 1 ratio	12.6%	11.6%		12.7%
Leverage ratio	9.3%	8.4%		9.8%
Leverage ratio (fully loaded)	9.2%	8.2%		9.6%
Stage 3 exposure as a % of gross core loans subject to ECL	2.8%	2.0%		2.3%
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	2.2%	1.6%		1.8%
Credit loss ratio	0.55%*	0.32%*		0.37%

* Annualised

[^] Restated to reflect continuing operations

FINANCIAL INFORMATION

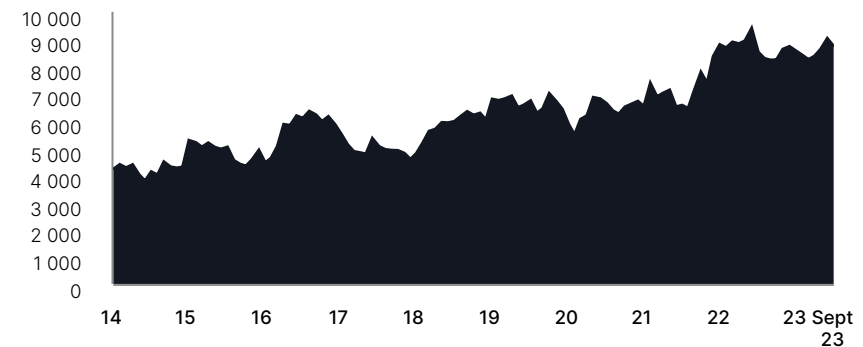
Liquidity and funding

£8.7 billion

cash and near cash

Cash and near cash trend*

£'million



IBP 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 2023, the bank had £8.7 billion of cash and near cash to support its activities, representing approximately 43.5% of customer deposits.

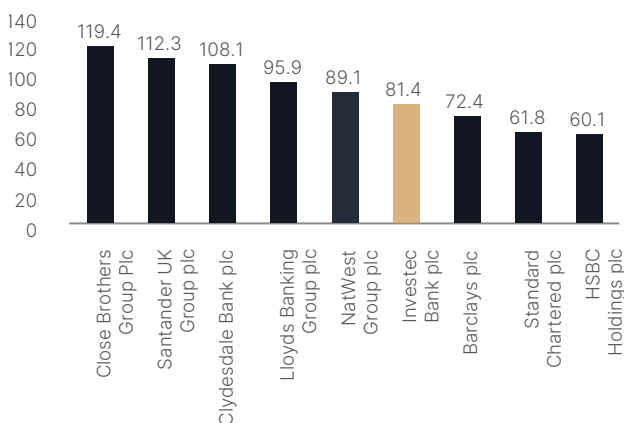
Furthermore, the bank maintains an appropriate mix of term funding, placing a low reliance on interbank wholesale funding to fund core lending asset growth. IBP targets a diversified funding base, avoiding undue concentrations by investor types, maturity and market source, instrument and currency. Customer deposits amounted to £20.0 billion as at 30 September 2023 (31 March 2023: £19.3 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

81.4%

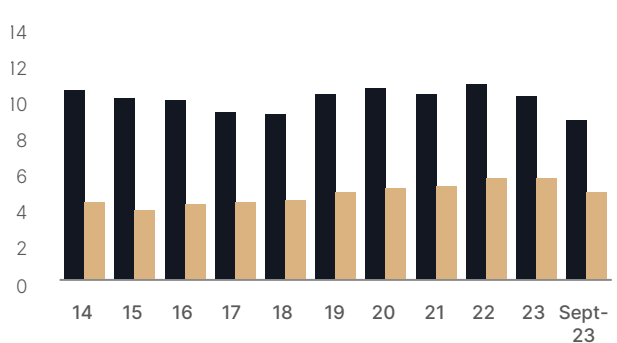
Loan to customer deposit ratio
Percentage

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

The loan to customer deposit ratio graph is sourced from the latest company interim/annual financial results available as at 16 November 2023 and reflects the balance sheet figures for loans and advances to customers and customer deposits.

Gearing

8.8x

Gearing ratio*
Times

Gearing ratio (total assets to total equity)

Core loans to equity ratio

IBP 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. IBP's comparative ratio would be 8.8x.

* All information presented in the graphs are as at 30 September 2023 unless otherwise stated.

FINANCIAL INFORMATION

CONTINUED

Capital adequacy

18.0%

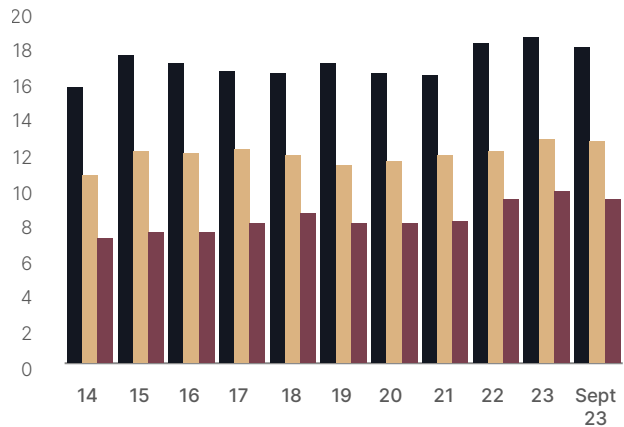
total capital ratio

IBP 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 2023, the total capital ratio of IBP was 18.0% and the common equity tier 1 ratio was 12.6%.

The bank's anticipated 'fully loaded' Common Equity Tier 1 (CET1) ratio and leverage ratio are 12.5% and 9.2% respectively (where 'fully loaded' assumes full adoption of IFRS 9 including the 'quick fix' regulation). These disclosures incorporate the deduction of foreseeable charges and dividends. Excluding this deduction, the CET1 ratio would be 31bps (31 March 2023: 21bps) higher.

We are currently on the Standardised Approach in terms of Basel. We continue our efforts to build Internal Ratings Based (IRB) approach models.

Basel capital ratios – standardised approach
Percentage



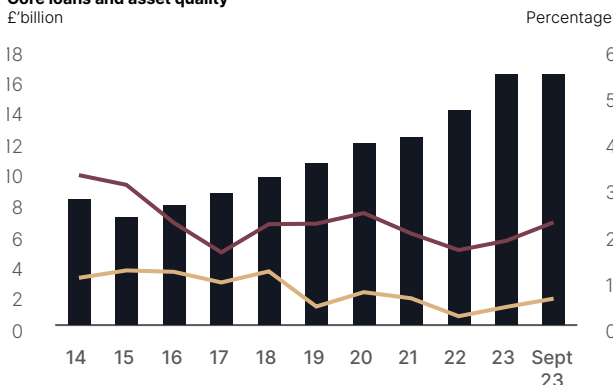
Total capital ratio
Common equity tier 1 ratio
Leverage ratio

Asset quality and exposures

0.55%

annualised credit loss ratio

Core loans and asset quality
£'billion



Net core loans (LHS)
Credit loss ratio (RHS)
Net default loans before collateral as a % of net core loans/
stage 3 exposure net of ECL as a % of net core loans subject
to ECL (RHS)

The bulk of IBP'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 IBP's credit and counterparty exposures reside within its principal operating geography, namely the UK.

The total ECL impairment charges amounted to £39.3 million for the six months ended 30 September 2023 (30 September 2022: £27.9 million). The credit loss ratio increased from 0.37% at 31 March 2023 to 0.55% annualised at 30 September 2023.

Stage 3 exposure net of ECL at 30 September 2023 amounted to £341 million (31 March 2023: £268 million). Stage 3 exposure net of ECL as a percentage of net core loans subject to ECL at 30 September 2023 amounted to 2.2% (31 March 2023: 1.8%).

Note: All information presented in the graphs are as at 30 September 2023 unless otherwise stated.

SUSTAINABILITY

Operate responsibly, finance and invest for a sustainable future and maintain our competitive ESG position

Progress made on our impact SDGs

Net-zero commitments



- Committed to **zero coal exposures** in our loan book **by 31 March 2027**
- Thermal coal** as a % of loans and advances is 0.07% (Mar-23: 0.10%)
- Fossil fuels** as a % of loans and advances is 3.00% (Mar-23: 2.43%)

Equality commitments



- 30% ethnic diversity** and **50% women** on our IBP Board
- 1mn meals** in response to the cost of living crisis in the UK
- Became a proud member of the **Business Disability Forum**

Sustainable finance

Specialist Banking

- Ranked 7th** in the Corporate Knights Sustainable Revenues Ranking, 2022
- Won the Best Specialist ESG Research** in the ESG Investing Awards in the UK, 2022

Wealth & Investment

- Signatory to Climate Action 100+**
- Joined the **Institutional Investors Group on Climate Change** (IIGCC)
- Investec UK Charities team **ranked 8th** by the Charity Finance Fund Management Survey by size of charitable funds managed

Consistently well-positioned in international ESG rankings and ratings

S&P Global

Top 5%
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
in the Global sustainable companies in the world



Included in the FTSE UK 100 ESG Select Index (out of 641)
Included in the FTSE4Good Index



Top 30
in the FTSE/JSE Responsible Investment Index

CREDIT RATINGS

Investec Bank plc (IBP)**Moody's**

Long-term deposit rating	A1
Outlook	Stable

Fitch

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

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