

— OUT OF THE ORDINARY

Creating enduring worth

Investec plc

Q & A fact sheet
November 2023



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. 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 product 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.

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 2023	30 Sept 2022 [^]	% change	31 March 2023 [^]
Total operating income before expected credit loss impairment charges (£'000)	568 387	448 469	26.7%	961 125
Operating costs (£'000)	325 033	292 195	11.2%	598 966
Adjusted operating profit (£'000)	204 287	128 371	59.1%	295 407
Earnings attributable to ordinary shareholders (£'000)	554 641	124 138	>100.0%	293 131
Cost to income ratio (%)	57.2%	65.2%		62.3%
Total capital resources (including subordinated liabilities) (£'000)	3 877 727	3 328 847	16.5%	3 450 449
Total equity (£'000)	3 210 411	2 620 266	22.5%	2 718 966
Total assets (£'000)	29 456 631	29 124 396	1.1%	28 386 323
Net core loans (£'000)	16 270 723	15 348 588	6.0%	15 562 502
Customer accounts (deposits) (£'000)	19 921 545	18 880 502	5.5%	19 121 921
Loans and advances to customers as a % of customer deposits	81.7%	81.3%		81.4%
Cash and near cash balances (£'million)	8 708	8 871	(1.8%)	8 550
Funds under management (£'million)	1 962	40 473	(95.2%)	42 422
Total gearing ratio (i.e. total assets to equity)	9.2x	11.1x		10.4x
Total capital ratio	16.7%	15.7%		17.2%
Tier 1 ratio	12.8%	12.2%		13.1%
Common Equity Tier 1 ratio	11.5%	10.8%		11.7%
Leverage ratio	8.6%	8.0%		9.2%
Leverage ratio (fully loaded)	8.6%	7.8%		9.0%
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

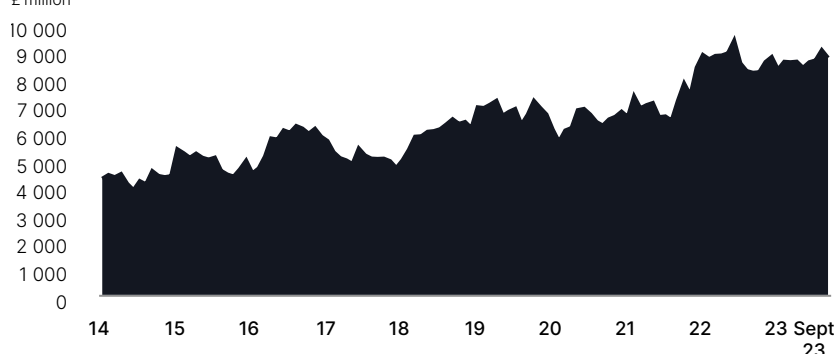
Liquidity and funding

£8.7 billion

cash and near cash

Cash and near cash trend

£'million



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 2023, Investec plc had £8.7 billion of cash and near cash to support its activities, representing approximately 44.7% 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 £19.9 billion as at 30 September 2023 (31 March 2023: £19.1 billion).

Deposit guarantees

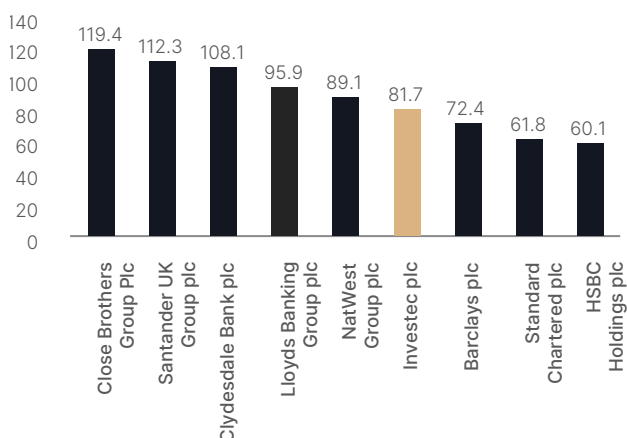
In terms of the Financial Services Compensation Scheme, the UK government guarantees a maximum deposit of £85 000 per individual per institution.

Loan to customer deposit ratio

81.7%

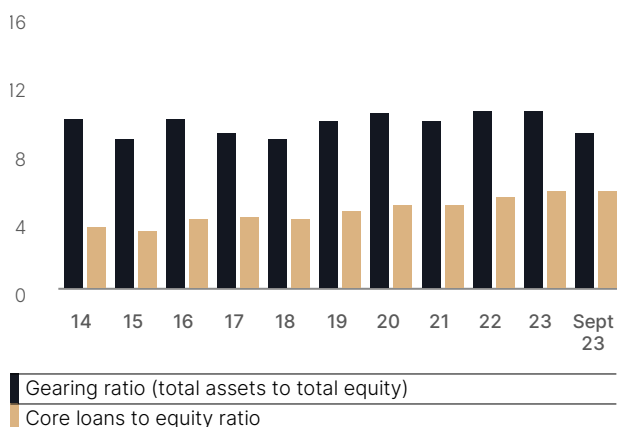
Gearing

9.2x

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 16 November 2023 and reflects the balance sheet figures for loans and advances to customers and customer deposits.

Gearing ratio
Times

Gearing ratio (total assets to total equity)

Core loans to equity ratio

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 9.2x.

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

FINANCIAL INFORMATION

CONTINUED

Capital adequacy

16.7%

total capital ratio

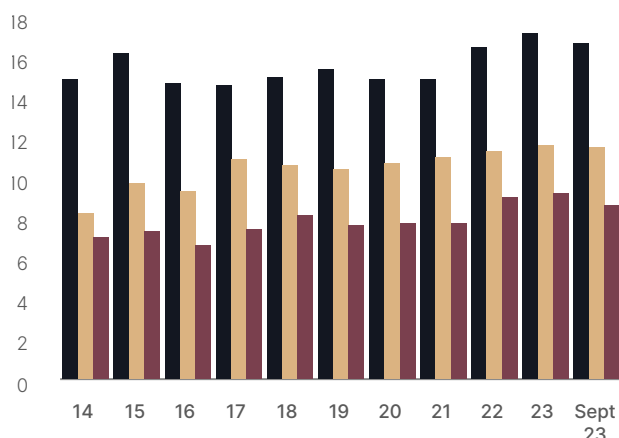
Investec plc holds capital in excess of regulatory requirements and intends to perpetuate this philosophy and ensure that it remains well capitalised. The bank has never required shareholder or government support. As at 30 September 2023, the total capital ratio of Investec plc was 16.7% and the common equity tier 1 ratio was 11.5%.

The bank's anticipated 'fully loaded' Basel III common equity tier 1 ratio and leverage ratio are 11.4% and 8.6%, 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 as required by the regulations. Excluding this deduction, the common equity tier 1 ratio would be 24bps (31 March 2023: 31bps) 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

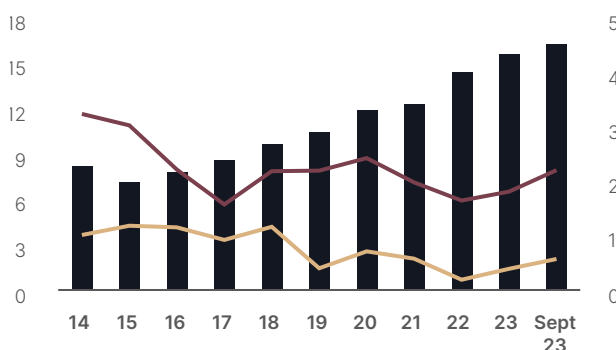
0.55%

credit loss ratio

Core loans and asset quality

£'billion

Percentage



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 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 £39.3 million for the six months ended 30 September 2023 (30 September 2022: £27.9million). 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

Sustainability highlights

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



- 50% ethnic diversity** and **55% women** on our Group 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
Global Sustainable Companies - Corporate Knights



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 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

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