

— OUT OF THE ORDINARY

Built on strong foundations

Investec plc

Q and A fact sheet
July 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.

In March 2020, the Asset Management business was demerged from the Investec group and separately listed as Ninety One.

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.

Key financial statistics

Key financial statistics	31 March 2021	31 March 2020	% change
Total operating income before expected credit loss impairment charges (£'000)	946 400	948 249	(0.2%)
Operating costs (£'000)^	766 367	742 199	3.3%
Adjusted operating profit (£'000)	109 698	129 386	(15.2%)
Earnings attributable to ordinary shareholders (£'000)	69 772	645 521	(89.2%)
Cost to income ratio (%)	80.9%	78.3%	
Total capital resources (including subordinated liabilities) (£'000)	3 277 938	3 175 859	3.2%
Total equity (£'000)	2 506 457	2 388 829	4.9%
Total assets (£'000)^	24 801 508	24 826 119	(0.1%)
Net core loans (£'000)	12 330 652	11 870 160	3.9%
Customer accounts (deposits) (£'000)	16 077 671	15 280 302	5.2%
Loans and advances to customers as a % of customer deposits	76.7%	77.7%	
Cash and near cash balances (£'million)	6 857	6 040	13.5%
Funds under management (£'million)	41 708	33 465	24.6%
Total gearing ratio (i.e. total assets to equity)	9.9x	10.4x	
Total capital ratio	14.9%	14.9%	
Tier 1 ratio	12.7%	12.4%	
Common equity tier 1 ratio	11.0%	10.7%	
Leverage ratio	7.8%	7.8%	
Leverage ratio (fully loaded)	7.4%	7.4%	
Stage 3 exposure as a % of gross core loans subject to ECL	2.8%	3.3%	
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	2.0%	2.4%	
Credit loss ratio	0.56%	0.69%	

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

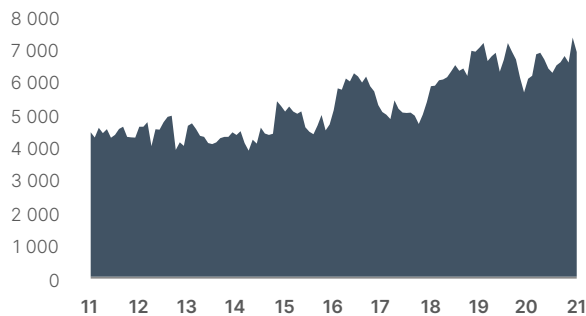
FINANCIAL INFORMATION

Liquidity and funding

£6.9 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 31 March 2021, Investec plc had £6.9 billion of cash and near cash to support its activities, representing approximately 42.6% 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 £16.1 billion as at 31 March 2021 (31 March 2020: £15.3 billion).

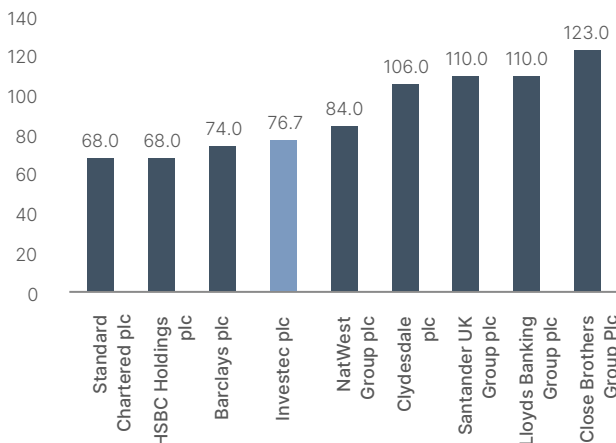
Deposit guarantees

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

76.7%

Loan to customer deposit ratio
Percentage



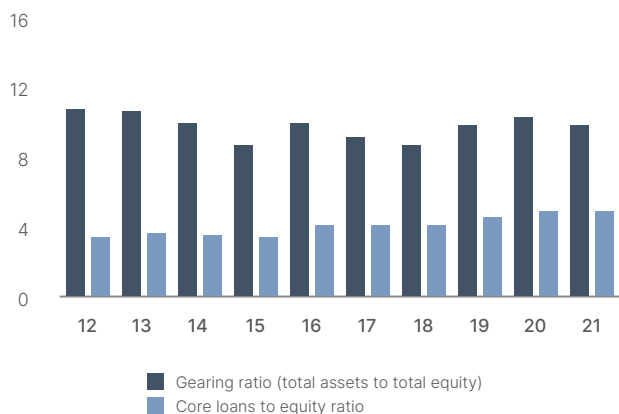
Investec plc's loan to customer deposit ratio is conservative in comparison to peers and further illustrates Investec plc's strong liquidity position.

The loan to customer deposit ratio graph is sourced from the latest company interim/annual financial results available as at 14 July 2021 and reflects the balance sheet figures for loans and advances to customers and customer deposits.

Gearing

9.9x

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 9.9x.

FINANCIAL INFORMATION

Capital adequacy

14.9%

total capital ratio

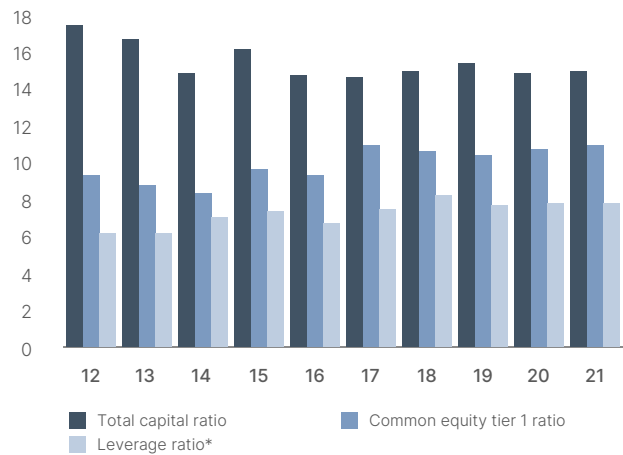
Investec plc holds capital in excess of regulatory requirements and intends to perpetuate this philosophy and ensure that it remains well capitalised. The bank has never required shareholder or government support. As at 31 March 2021, the total capital ratio of Investec plc was 14.9% and the common equity tier 1 ratio was 11.0%.

The bank's anticipated 'fully loaded' Basel III common equity tier 1 ratio and leverage ratio are 10.5% and 7.4%, respectively (where 'fully loaded' is based on Basel III requirements as fully phased in by 2022). 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 17 bps (31 March 2020: 0bps) 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

0.56%

credit loss ratio

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.

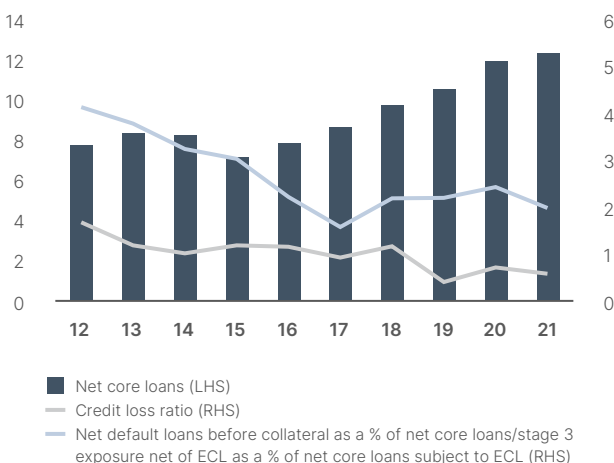
The total ECL impairment charges amounted to £71.2 million for the financial year ended 31 March 2021 (2020: £75.8 million). The credit loss ratio decreased from 0.69% at 31 March 2020 to 0.56% at 31 March 2021.

Stage 3 exposure net of ECL at 31 March 2021 amounted to £231 million (31 March 2020: £272 million). Stage 3 exposure net of ECL as a percentage of net core loans subject to ECL at 31 March 2021 amounted to 2.0% (31 March 2020: 2.4%).

Core loans and asset quality

£'billion

Percentage



SUSTAINABILITY

Integrating sustainability into business strategy

We aim to:

- Build long-term value for all our stakeholders
- Reduce harm through ethical conduct and ESG screening
- Contribute to a clean carbon transition and inclusive society
- Provide profitable, impactful and sustainable products and services
- Maximise impact by aligning to the Sustainable Development Goals (SDGs)

Investec's sustainability framework is based on:

- Living sustainably within our operations
- Partnering with clients and offering sustainability products and services
- Creating active economic participants through our community initiatives
- Promoting sustainable thinking
- Working with industry in the UK and SA to ensure policy coherence

Two core SDG priorities



Addressing climate and inequality issues is fundamental to the success of our business

Secondary SDG priorities



We maintained our strong position in key sustainability rankings and ratings

- S&P Global CSA: Top 15% in the global diversified financial services sector
- Sustainalytics: Top 20% of globally assessed companies in the Global Sustainability Leaders Index
- CDP: Score B (industry average B)
- ISS ESG: Top 20% of the global universe and Top 14% of diversified financial services
- MSCI ESG Research: Top 2% scoring AAA in the financial services sector
- Financial Sector Code: Level 1 rating in South Africa

Sustainability highlights for the year ended 31 March 2021

Environment: Took action to address climate issues

- Achieved net-zero in our Scope 1 and Scope 2 emissions
- Received shareholder support for climate disclosure commitments
- Published our TCFD standalone report
- Disclosed our fossil fuel exposures in alignment with our fossil fuel policy

Social: Continued to make progress to encourage equality

- Contributed £0.8 million in COVID-19 relief to communities
- Signed up to the Race at Work Charter in the UK
- Made progress with our diversity targets

Governance: Strengthened our sustainability governance

- Implemented a more robust ESG screening process
- Enhanced the skills and knowledge of the executive on ESG issues
- Created a framework to link executive directors remuneration to ESG KPIs

Business strategy: Embedded sustainability into business strategy

- Launched several sustainability products and services including the first European mid-market ESG-linked subscription lines, the UK's first retail ESG-linked Deposit Plan and Investec Wealth and Investment's Global Sustainability Equity Fund
- Created a Sustainable Finance Framework

Commitment: Deepened our commitment to several international memberships

- Signed up to the following:
- UN Environment Programme Finance Initiative (UNEP FI)
 - UN Principles for Responsible Banking (UN PRB)
 - UN Principles for Responsible Investment (UN PRI)

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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