

— OUT OF THE ORDINARY

Creating enduring worth

Investec plc

Q & A fact sheet
May 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. The Group was established in 1974 and currently has approximately 8 700+ 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 £42.4 billion funds under management as at 31 March 2023. 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	31 March 2023	31 March 2022	% change
Total operating income before expected credit loss impairment charges (£'000)	1 308 801	1 087 969	20.3%
Operating costs (£'000)	854 875	775 866	10.2%
Adjusted operating profit (£'000)	387 174	286 944	34.9%
Earnings attributable to ordinary shareholders (£'000)	293 131	235 854	24.3%
Cost to income ratio (%)	65.3%	71.3%	
Total capital resources (including subordinated liabilities) (£'000)	3 450 449	3 438 905	0.3%
Total equity (£'000)	2 718 966	2 680 166	1.4%
Total assets (£'000)	28 386 323	27 946 313	1.6%
Net core loans (£'000)	15 562 502	14 423 199	7.9%
Customer accounts (deposits) (£'000)	19 121 921	18 293 891	4.5%
Loans and advances to customers as a % of customer deposits	81.4%	78.9%	
Cash and near cash balances (£'mn)	8 550	8 871	(3.6%)
Funds under management (£'mn)	42 422	44 419	(4.5%)
Total gearing ratio (i.e. total assets to equity)	10.4x	10.4x	
Total capital ratio	17.2%	16.5%	
Tier 1 ratio	13.1%	12.8%	
Common Equity Tier 1 ratio	11.7%	11.4%	
Leverage ratio	9.2%	9.0%	
Leverage ratio (fully loaded)	9.0%	8.7%	
Stage 3 exposure as a % of gross core loans subject to ECL	2.3%	2.1%	
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	1.8%	1.6%	
Credit loss ratio	0.37%	0.17%	

FINANCIAL INFORMATION

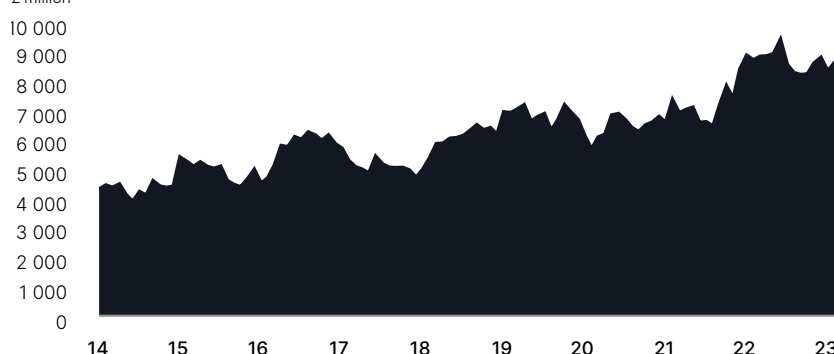
Liquidity and funding

£8.6 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 2023, Investec plc had £8.6 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 £19.1 billion as at 31 March 2023 (31 March 2022: £18.6 billion).

Deposit guarantees

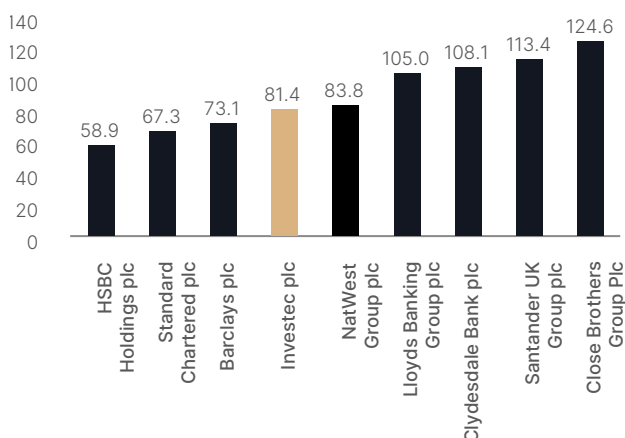
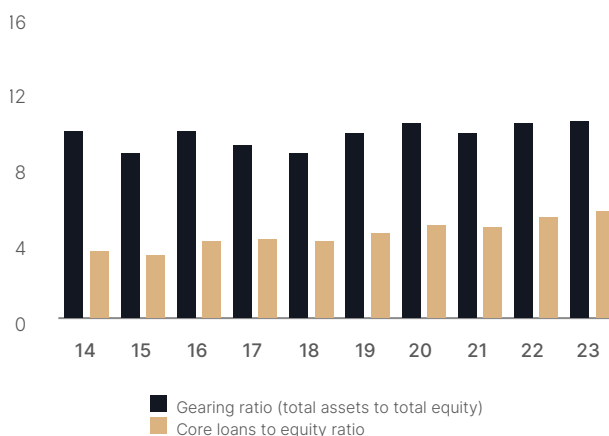
In terms of the Financial Services Compensation Scheme, the UK government guarantees a maximum deposit of £85 000 per individual per institution.

Loan to customer deposit ratio

81.4%

Gearing

10.4x

Loan to customer deposit ratio
PercentageGearing ratio
Times

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

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 10.4x.

Note: All information presented in the graphs are as at 31 March (the Group's financial year end) unless otherwise stated.

FINANCIAL INFORMATION

CONTINUED

Capital adequacy

17.2%

total capital ratio

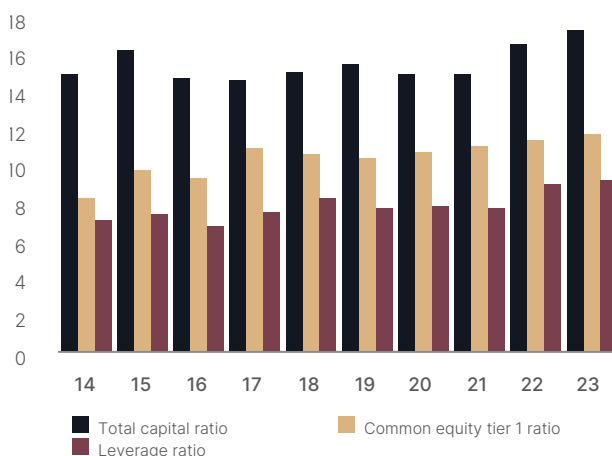
Investec plc holds capital in excess of regulatory requirements and intends to perpetuate this philosophy and ensure that it remains well capitalised. The bank has never required shareholder or government support. As at 31 March 2023, the total capital ratio of Investec plc was 17.2% and the common equity tier 1 ratio was 11.7%.

The bank's anticipated 'fully loaded' Basel III common equity tier 1 ratio and leverage ratio are 11.4% and 9.0%, 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 21bps (31 March 2022: 37bps) higher.

We are on the Standardised Approach in terms of Basel, thus our risk-weighted assets represent a large portion of our total assets. Investec plc is in the early stages of a process to migrate from the Standardised approach to the Internal Ratings Based (IRB) approach.

Basel capital ratios – standardised approach

Percentage



Asset quality and exposures

0.37%

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.

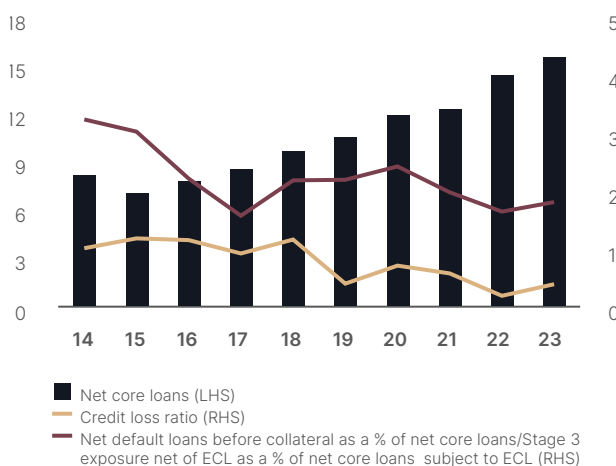
The total ECL impairment charges amounted to £66.8 million for the year ended 31 March 2023 (31 March 2022: £25.2million). The credit loss ratio increased from 0.17% at 31 March 2022 to 0.37% at 31 March 2023.

Stage 3 exposure net of ECL at 31 March 2023 amounted to £268 million (31 March 2022: £224 million). Stage 3 exposure net of ECL as a percentage of net core loans subject to ECL at 31 March 2023 amounted to 1.8% (31 March 2022: 1.6%).

Core loans and asset quality

£'billion

Percentage



Note: All information presented in the graphs are as at 31 March (the Group's financial year end) 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 0.10% (Mar-22: 0.05%)
- Fossil fuels** as a % of loans and advances is 2.43% (Mar-22: 2.04%)

Equality commitments



- 43% ethnic diversity** and **43% 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 2%
in the global diversified financial services sector (inclusion since 2006)



Top 14%
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 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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