

Out of the Ordinary since 1974

INVESTEC BANK PLC

Q & A fact sheet
May 2024



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 7 500+ 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 £107.6bn funds under management and administration (FUMA) as at 31 March 2024.

The combination brought together two reputable UK wealth management businesses with closely aligned cultures and operating models and establishes a long-term, strategic partnership which will enhance the client proposition across banking and wealth management services for both groups. The combination represents a significant value creation trajectory for both Investec and Rathbones stakeholders.

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

Key financial statistics

	31 March 2024	31 March 2023 [^]	% change
Operating income (£'000)	1 158 450	960 901	20.6%
Operating costs (£'000)	626 732	577 152	8.6%
Adjusted operating profit (£'000)	444 517	317 009	40.2%
Earnings attributable to ordinary shareholder (£'000)	719 609	313 609	129.5%
Cost to income ratio (%)	54.2%	60.1%	
Total capital resources (including subordinated liabilities) (£'000)	4 275 028	3 520 937	21.4%
Total equity (£'000)	3 606 218	2 789 454	29.3%
Total assets (£'000)	29 894 608	28 242 603	5.8%
Net core loans (£'000)	16 557 024	15 562 502	6.4%
Customer accounts (deposits) (£'000)	20 851 216	19 251 399	8.3%
Loans and advances to customers as a % of customer deposits	79.5%	80.9%	
Cash and near cash balances (£'million)	9 652	8 550	12.9%
Funds under management (£'million)*	2 130	42 422	(95.0%)
Total gearing ratio (i.e. total assets to equity)	8.3x	10.1x	
Total capital ratio	19.8%	18.5%	
Tier 1 ratio	15.9%	14.1%	
Common Equity Tier 1 ratio	13.3%	12.7%	
Leverage ratio	10.7%	9.8%	
Leverage ratio (fully loaded)	10.7%	9.6%	
Stage 3 exposure as a % of gross core loans subject to ECL	3.3%	2.3%	
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	2.6%	1.8%	
Credit loss ratio	0.58 %	0.37%	

[^] Restated to reflect continuing operations.

* Funds under management (FUM) as at 31 March 2023 reflect the funds managed by Investec Wealth and Investment Limited (IW&I UK) and Investec Bank (Switzerland) AG (IBSAG). Following the combination between Rathbones and IW&I UK, FUM as at 31 March 2024 reflects the funds managed by IBSAG.

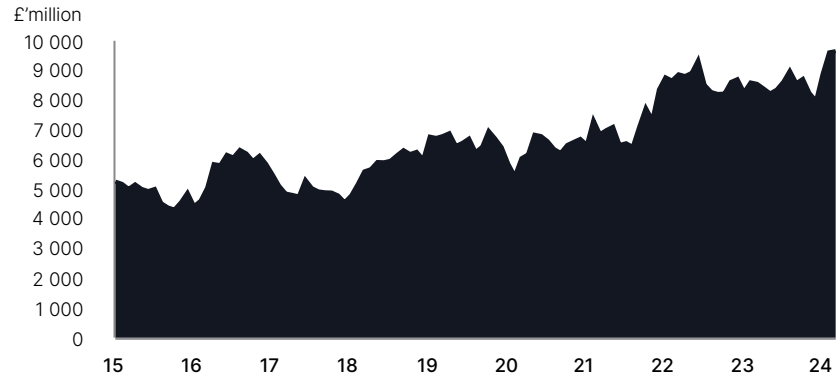
FINANCIAL INFORMATION

Liquidity and funding

£9.7 billion

cash and near cash

Cash and near cash trend*



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%. As at 31 March 2024, the bank had £9.7 billion of cash and near cash to support its activities, representing approximately 46.3% 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 £20.9 billion as at 31 March 2024 (31 March 2023: £19.3 billion).

Deposit guarantees

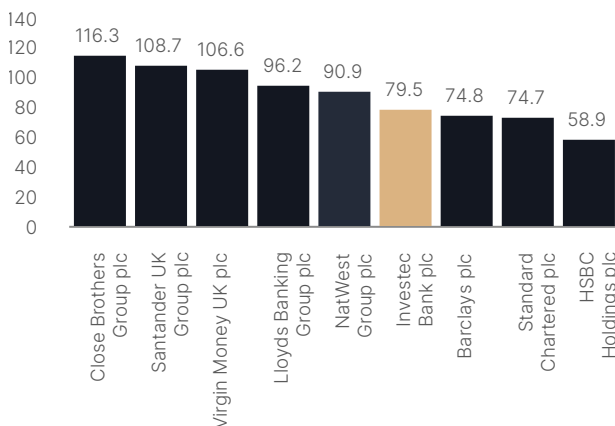
In terms of the Financial Services Compensation Scheme, the UK government guarantees a maximum deposit of £85 000 per individual per institution. Granularity of deposits is a key area of focus and Investec Bank plc has a substantial portion of eligible deposits that are covered by FSCS protection.

Loan to customer deposit ratio

79.5%

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.

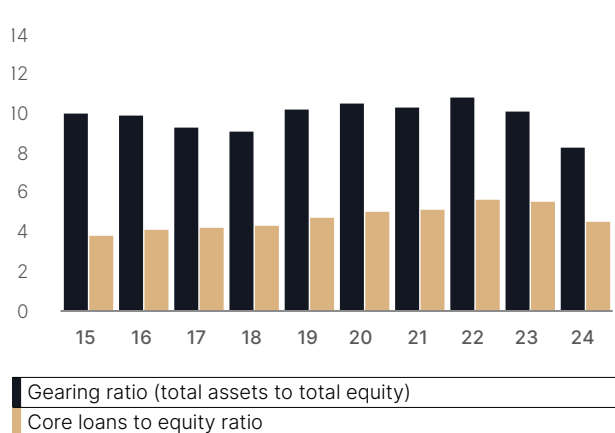
The loan to customer deposit ratio graph is sourced from the latest company interim/annual financial results available as at 22 May 2024 and reflects the balance sheet figures for loans and advances to customers and customer deposits.

Gearing

8.3x

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 8.3x.

* All information presented in the graphs are as at 31 March 2024 unless otherwise stated.

FINANCIAL INFORMATION
CONTINUED

Capital adequacy

19.8%

Total capital ratio

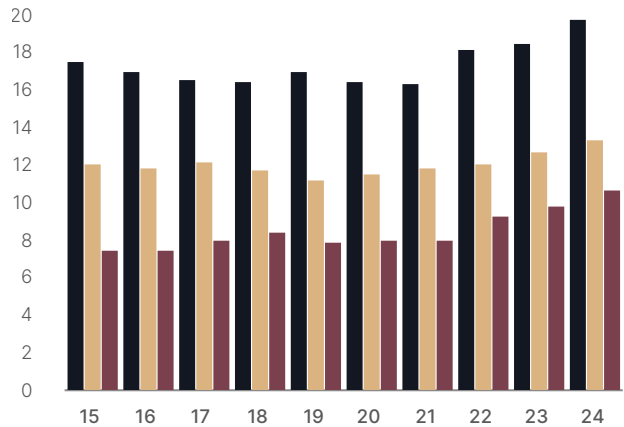
IBP holds capital in excess of regulatory requirements and intends to perpetuate this philosophy and ensure that it remains well capitalised. The bank has never required shareholder or government support. As at 31 March 2024, the total capital ratio of IBP was 19.8% and the common equity tier 1 ratio was 13.3%.

The bank's anticipated 'fully loaded' Common Equity Tier 1 (CET1) ratio and leverage ratio are 13.3% and 10.7% respectively (where 'fully loaded' assumes full adoption of IFRS 9). These disclosures incorporate the deduction of foreseeable charges and dividends. Excluding this deduction, the CET1 ratio would be 34bps (31 March 2023: 21bps) higher.

We currently apply the Standardised Approach to calculate capital requirements. 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

0.58%

credit loss ratio

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.

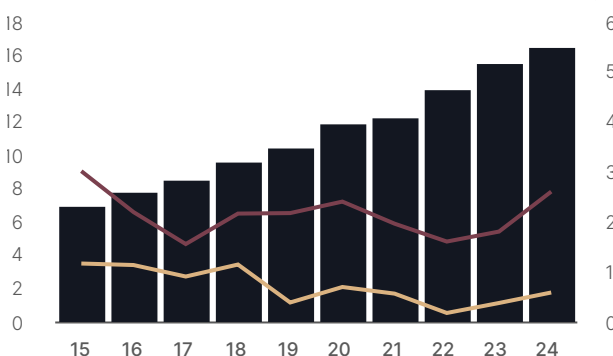
The total ECL impairment charges amounted to £86.0 million for the year ended 31 March 2024 (31 March 2023: £27.9 million). The credit loss ratio was 0.58% at 31 March 2024 (0.37% at 31 March 2023).

Stage 3 exposure net of ECL at 31 March 2024 amounted to £420 million (31 March 2023: £268 million). Stage 3 exposure net of ECL as a percentage of net core loans subject to ECL at 31 March 2024 amounted to 2.6% (31 March 2023: 1.8%).

Core loans and asset quality

£billion

Percentage



Net core loans (LHS)

Credit loss ratio (RHS)

Stage 3 exposure net of ECL as a % of net core loans subject to ECL (RHS)

Note: All information presented in the graphs are as at 31 March 2024 unless otherwise stated.

SUSTAINABILITY

Operate responsibly, finance and invest in a sustainable future and maintain our competitive sustainability position

Our impact SDGs

Net-zero commitments



- Committed to zero coal exposures in our loan book by 31 March 2027
- Coal as a % of loans and advances is 0.05% (Mar-23: 0.10%)
- Fossil fuels as a % of loans and advances is 2.50% (Mar-23: 2.43%).

Equality commitments



- 45% women and 27% ethnic diversity on our IBP Board
- Awarded best FTSE 250 strategy award at the INSEAD Alumni Balance in Business Initiative Awards 2024 recognising our commitment to achieving greater gender balance.

Sustainable finance

Specialist Banking

- Evolving and developing our Sustainable and Transition Finance Classification Framework has been a primary area of focus and will help to drive existing and future sustainable finance activity
- We were the Sole Mandated Lead Arranger and Bookrunner on an up to €110mn solar photovoltaic (PV) portfolio financing
- We provided €132mn green loan to support a world leader in concessions, energy and construction in supporting the German electric vehicle charging network tender
- We ranked 52nd among the top 100 companies globally in the Corporate Knights most sustainable companies.

Consistently well-positioned in international ESG rankings and ratings



Top 4%
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
Global Sustainable Companies – Corporate Knights



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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