

# *Out of the Ordinary* since 1974

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INVESTEC PLC

Q & A fact sheet  
for the year ended 31 March 2024



## 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 7 500+ 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 product and services.

On 21 September 2023, an all-share combination of IW&I UK and Rathbones was completed, resulting in the Investec Group owning a 41.25% economic interest in the combined Rathbones Group, and creating the UK's leading discretionary wealth manager. Rathbones Group reported FUMA of £107.6 billion 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.

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

## Key financial statistics

Key financial statistics	31 March 2024	31 March 2023 <sup>^</sup>	% change
Operating income (£'000)	1 170 211	961 125	21.8%
Operating costs (£'000)	656 599	598 966	9.6%
Adjusted operating profit (£'000)	426 413	295 407	44.3%
Earnings attributable to ordinary shareholders (£'000)	706 210	293 131	>100.0%
Cost to income ratio (%)	56.2%	62.3%	
Total capital resources (including subordinated liabilities) (£'000)	4 140 427	3 450 449	20.0%
Total equity (£'000)	3 471 617	2 718 966	27.7%
Total assets (£'000)	30 060 887	28 386 323	5.9%
Net core loans (£'000)	16 557 024	15 562 502	6.4%
Customer accounts (deposits) (£'000)	20 790 611	19 121 921	8.7%
Loans and advances to customers as a % of customer deposits	79.7%	81.4%	
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)	8.7x	10.4x	
Total capital ratio	18.4%	17.2%	
Tier 1 ratio	14.6%	13.1%	
Common Equity Tier 1 ratio	12.1%	11.7%	
Leverage ratio	10.0%	9.2%	
Leverage ratio (fully loaded)	9.9%	9.0%	
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%	

<sup>^</sup> 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

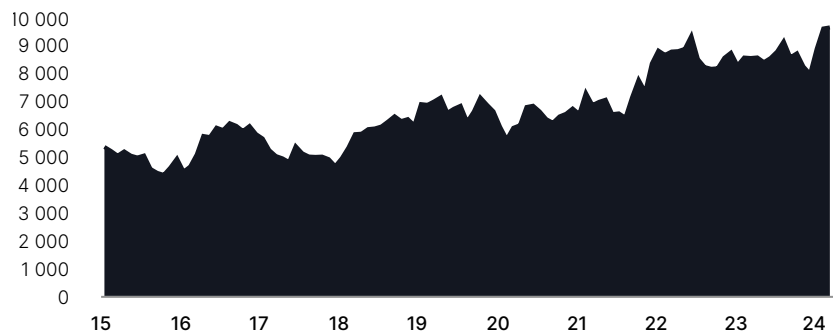
## Liquidity and funding

# £9.7 billion

cash and near cash

## Cash and near cash trend

£'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 2024, Investec plc had £9.7 billion of cash and near cash to support its activities, representing approximately 46.4% 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 £20.8 billion as at 31 March 2024 (31 March 2022: £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. Granularity of deposits is a key area of focus and Investec plc has a substantial portion of eligible deposits that are covered by FSCS protection.

## Loan to customer deposit ratio

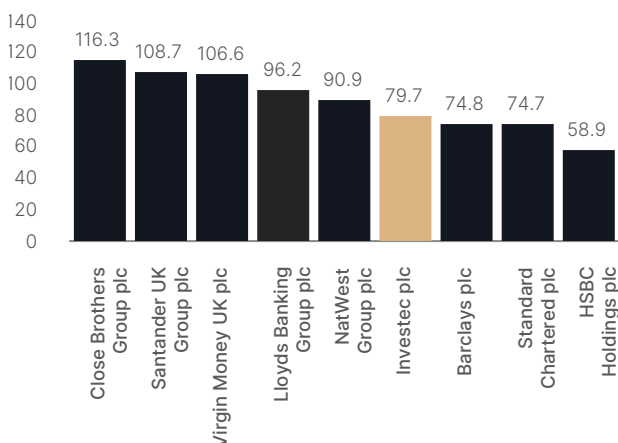
# 79.7%

## Gearing

# 8.7x

### Loan to customer deposit ratio

Percentage

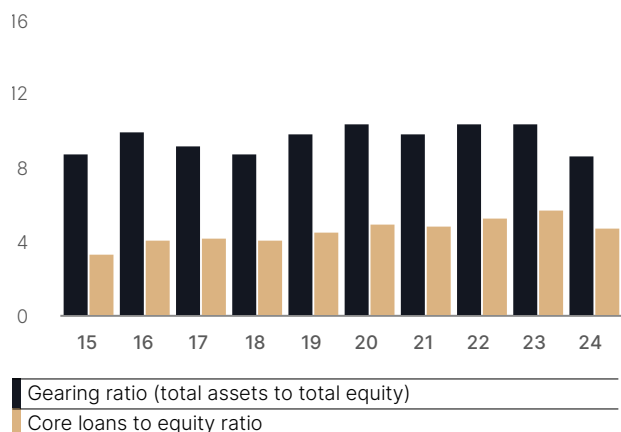


Investec plc's loan to customer deposit ratio is conservative in comparison to peers and further illustrates Investec plc's strong liquidity position.

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

### 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 8.7x.

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

## FINANCIAL INFORMATION CONTINUED

### Capital adequacy

# 18.4%

total capital ratio

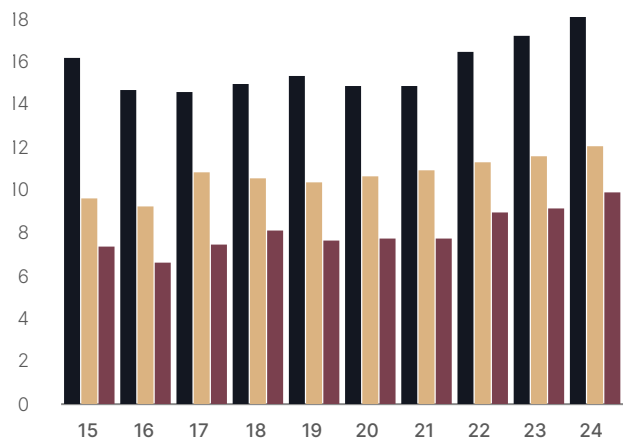
Investec plc holds capital in excess of regulatory requirements and intends to perpetuate this philosophy and ensure that it remains well capitalised. The bank has never required shareholder or government support. As at 31 March 2024, the total capital ratio of Investec plc was 18.4% and the common equity tier 1 ratio was 12.1%.

The bank's anticipated 'fully loaded' Basel III common equity tier 1 ratio and leverage ratio are 12.0% and 9.9%, respectively (where 'fully loaded' assumes full adoption of IFRS 9). 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 30bps (31 March 2023: 31bps) 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

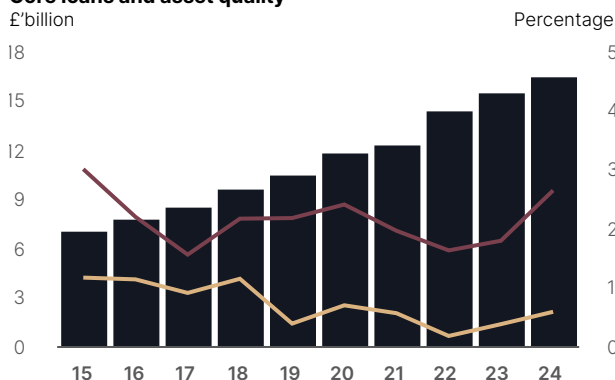
The bulk of Investec plc's credit and counterparty risk arises through its private client and corporate client activities.

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 £86.0 million for the year ended 31 March 2024 (31 March 2023: £66.8 million). The credit loss ratio is 0.58% at 31 March 2024 (0.37% at 31 March 2023) in line with guidance provided in November 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



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

# Sustainability highlights

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



- 58% women and 42% ethnic diversity on our Group 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 a €132mn green loan to support a world leader in concessions, energy and construction in supporting the German electric vehicle charging network tender
- We ranked 52<sup>nd</sup> among the top 100 companies globally in the Corporate Knights most sustainable companies.

## Consistently well-positioned in international ESG rankings and ratings

**S&P Global**



**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 plc (holding company)****Moody's**

Long-term Issuer and senior unsecured rating	Baa1
Outlook	Positive

**Investec Bank plc (main banking subsidiary)****Moody's**

Long-term deposit rating	A1
Outlook	Stable

**Fitch**

Long-term Issuer Default rating (IDR)	A-
Outlook	Stable

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