

# *Out of the Ordinary* since 1974

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INVESTEC BANK PLC

Q & A fact sheet  
November 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 7 700+ 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. 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 £108.8 billion funds under management and administration (FUMA) as at 30 September 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

	30 Sept 2024	30 Sept 2023	% change	31 March 2024
Operating income (£'000)	586 010	574 942	1.9 %	1 158 450
Operating costs (£'000)	290 910	310 656	(6.4%)	626 732
Adjusted operating profit (£'000)	241 477	225 215	7.2%	444 517
Earnings attributable to ordinary shareholder (£'000)	171 133	571 246	(70.0%)	719 609
Cost to income ratio (%)	49.7%	54.0%		54.2%
Total capital resources (including subordinated liabilities) (£'000)	4 380 455	3 990 447	9.8%	4 275 028
Total equity (£'000)	3 680 153	3 323 131	10.7%	3 606 218
Total assets (£'000)	29 915 714	29 306 471	2.1%	29 894 608
Net core loans (£'000)	16 746 325	16 270 723	2.9%	16 557 024
Customer accounts (deposits) (£'000)	21 765 399	20 002 201	8.8%	20 851 216
Loans and advances to customers as a % of customer deposits	77.0%	81.4%		79.5%
Cash and near cash balances (£'million)	9 769	8 708	12.2%	9 652
Funds under management (£'million)*	2 675*	1 962*	36.3%	2 130*
Total gearing ratio (i.e. total assets to equity)	8.1x	8.8x		8.3x
Total capital ratio	19.9%	18.0%		19.8%
Tier 1 ratio	16.0%	14.0%		15.9%
Common Equity Tier 1 ratio	13.5%	12.6%		13.3%
Leverage ratio	10.4%	9.3%		10.7%
Leverage ratio (fully loaded)	10.4%	9.2%		10.7%
Stage 3 exposure as a % of gross core loans subject to ECL	3.2%	2.8%		3.3%
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	2.6%	2.2%		2.6%
Credit loss ratio	0.67%^	0.55%^		0.58 %

\* Funds under management (FUM) reflect the funds managed by Investec Bank (Switzerland) AG (IBSAG).

^ Annualised.

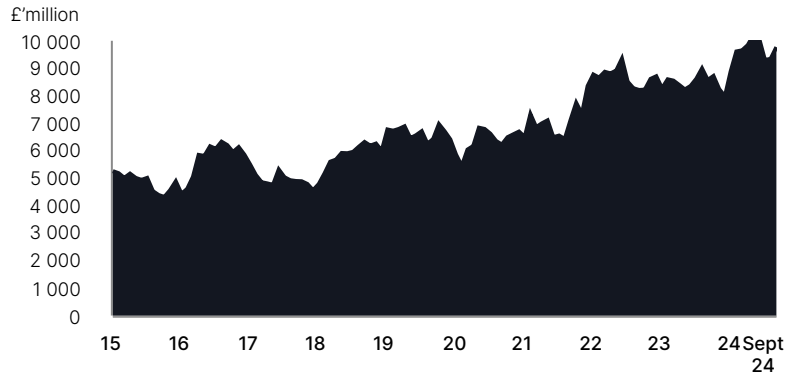
FINANCIAL INFORMATION

Liquidity and funding

£9.8 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 30 September 2024, the bank had £9.8 billion of cash and near cash to support its activities, representing approximately 44.9% 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 £21.8 billion as at 30 September 2024 (31 March 2024: £20.9 billion).

Deposit guarantees

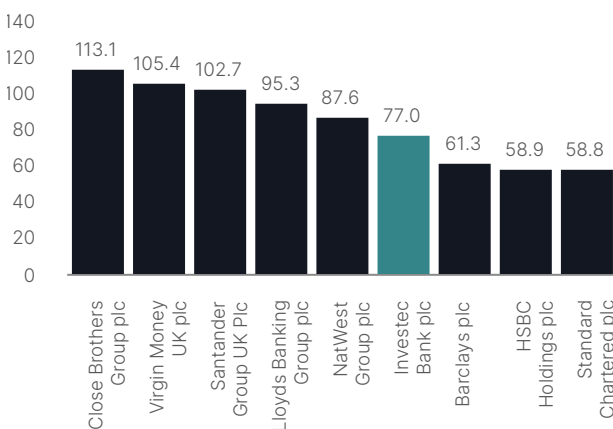
In terms of the Financial Services Compensation Scheme, the UK government guarantees a maximum deposit of £85 000 per individual per institution. Granularity of deposits is a key area of focus and Investec Bank plc has a substantial portion of eligible deposits that are covered by FSCS protection.

Loan to customer deposit ratio

77.0%

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.

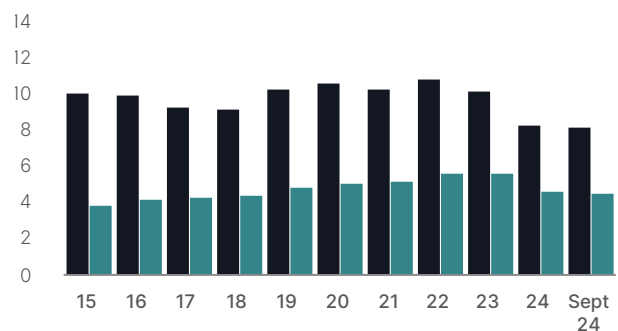
The loan to customer deposit ratio graph is sourced from the latest company interim/annual financial results available as at 21 November 2024 and reflects the balance sheet figures for loans and advances to customers and customer deposits.

Gearing

8.1x

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 8.1x.

\* All information presented in the graphs are as at 30 September 2024 unless otherwise stated.

FINANCIAL INFORMATION  
CONTINUED

Capital adequacy

19.9%

Total capital ratio

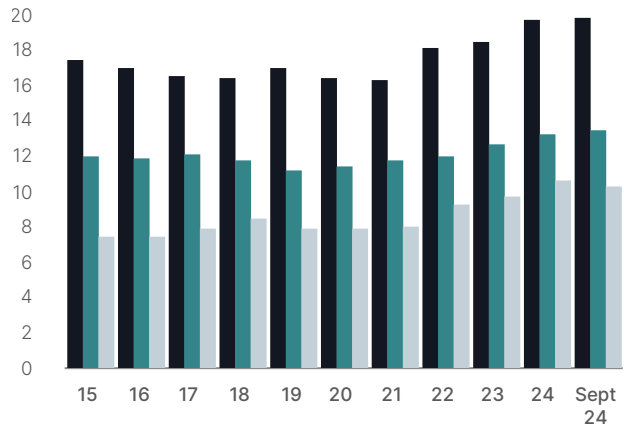
IBP holds capital in excess of regulatory requirements and intends to perpetuate this philosophy and ensure that it remains well capitalised. The bank has never required shareholder or government support. As at 30 September 2024, the total capital ratio of IBP was 19.9% and the common equity tier 1 ratio was 13.5%.

The bank's anticipated 'fully loaded' Common Equity Tier 1 (CET1) ratio and leverage ratio are 13.5% and 10.4% 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 35bps (31 March 2024: 34bps) 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

0.67%

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.

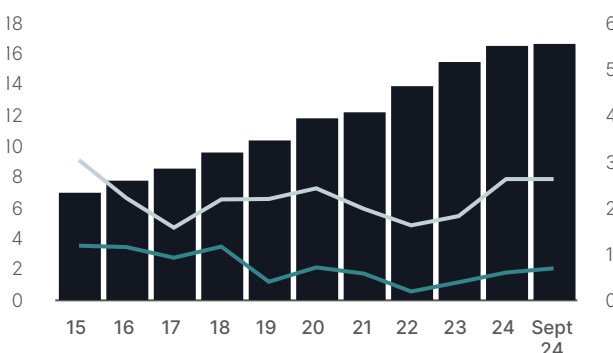
The total ECL impairment charges amounted to £52.8 million for the six months ended 30 September 2024 (30 September 2023: £39.3 million). The annualised credit loss ratio was 0.67% at 30 September 2024 (31 March 2024: 0.58%).

Stage 3 exposure net of ECL at 30 September 2024 amounted to £426 million (31 March 2024: £420 million). Stage 3 exposure net of ECL as a percentage of net core loans subject to ECL at 30 September 2024 amounted to 2.6% (31 March 2024: 2.6%).

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 30 September 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 0.00% (Mar-24: 0.05%)
- Fossil fuels as a % of loans and advances is 1.79% (Mar-24: 2.50%).

### Equality commitments



- 44% women and 22% 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

- Following our recently enhanced Sustainable and Transition Finance Classification Framework, a primary area of focus has been developing and rigorously testing sustainable and transition finance targets, to drive existing and future sustainable and transition finance activity
- We provided c.£100 million financing for a renewable energy developer to acquire a biomass renewable plant
- Supporting the transition to zero-emission transportation, we arranged a €65 million financing package for a Dutch electric vehicle (EV) charging business, and co-arranged a \$100 million debt facility for an EV charging infrastructure business in the United States of America
- Our first integrated asset-based and cashflow lending transaction in the Netherlands funded the acquisition of an education business which supports UN SDG 4: Quality Education and UN SDG 10: Reduced Inequalities.

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



**Top 4%**  
in the global diversified financial services sector (inclusion since 2006)

**Top 8%**  
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)	A-
Outlook	Stable

**For further information:****Investor Relations**

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