Sale of Investec Bank (Australia) Limited’s (IBAL’s) Professional Finance and Asset Finance and Leasing businesses and deposit book

The Board of Investec (comprising Investec plc and Investec Limited) refers you to the announcement made by Bank of Queensland Limited (BOQ) today.

Investec confirms that it has entered into a definitive contract with BOQ to purchase IBAL’s Professional Finance and Asset Finance and Leasing businesses and its deposit book. A total team of over 310 people will be transferring to BOQ. The consideration price has been agreed at an AUD210 million premium to tangible net asset value (NAV), for the shares in IBAL.

Upon conclusion of the transaction, IBAL will repatriate its entire NAV to Investec Holdings Australia Limited. The consideration price for the sale assets is prior to transaction costs and any costs that may arise following the restructure. Furthermore, it is a requirement of the transaction to transfer all non-sale assets and liabilities and contractual agreements out of IBAL prior to conclusion of the sale.

It is estimated that upon completion of the sale and restructure, Investec plc’s common equity tier 1 ratio will increase by approximately 1.5% to about 10.6%.

The agreement with BOQ represents a significant opportunity for both the Professional Finance and Asset Finance and Leasing businesses as they pursue their next phase of growth and recognises Investec’s investment in these businesses over the past few years.

The transaction is subject to regulatory approval. Further details will be provided when the transaction becomes unconditional.

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About Investec
Investec is an international specialist bank and asset manager that provides a diverse range of financial products and services to a niche client base in three principal markets, the United Kingdom, South Africa and Australia as well as certain other countries. The group was established in 1974 and currently has approximately 8,200 employees.

Investec focuses on delivering distinctive profitable solutions for its clients in three core areas of activity namely, Asset Management, Wealth & Investment and Specialist Banking.

In July 2002 the Investec group implemented a dual listed company structure with listings on the London and Johannesburg Stock Exchanges. The combined group’s current market capitalisation is approximately GBP4.5 billion.

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