OUT OF THE ORDINARY

Investec

Distinct
Agile
Resilient

Investec Integrated Annual Report

Vol 1
Investec strategic report incorporating environmental, social and governance (ESG) and the remuneration report

Alternative performance measures
We supplement our IFRS figures with alternative performance measures used by management internally and which provide valuable, relevant information. These measures are highlighted with the symbol shown here. The description of alternative performance measures and their calculation is provided in the alternative performance measures section.

Audited information
Denotes information in the risk and remuneration reports that forms part of the group's audited annual financial statements.

Page references
Refers readers to information elsewhere in this report.

Website
Indicates that additional information is available on our website: **www.investec.com**

Group sustainability
Refers readers to further information in our 2021 group sustainability and ESG supplementary report available on our website: **www.investec.com**

Reporting standard
Denotes our consideration of a reporting standard.

Unaudited information
Indicates information which has not been audited.

Strategic report
Section 414A of the UK Companies Act 2006 (the UK Companies Act) requires the directors to present a strategic report in the annual report and accounts.

Sections one, two, three and four of Volume 1 of the Investec group's 2021 integrated annual report (together the strategic report) provide an overview of our strategic position, performance during the financial year and outlook for the business.

This should be read in conjunction with Volume 2 of the Investec group's 2021 integrated annual report which elaborates on some of the aspects highlighted in the strategic report.

Feedback
We value feedback and invite questions and comments on our reporting. To give feedback please contact our Investor Relations division.

For queries regarding information in this document:

Investor relations
Tel: (27) 11 286 7070
(44) 20 7597 5546
Email: investorrelations@investec.com

www.investec.com/en_za/welcome-to-investec/about-us/investor-relations.html

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OUR REPORTING SUITE

We produce a full suite of reports to cater for the diverse needs of our stakeholders.

As a requirement of our Dual Listed Company (DLC) structure, we comply with the disclosure obligations contained in the applicable listing rules of the UK Listing Authority (UKLA), the JSE Limited (JSE) and other exchanges on which our shares are listed. We further comply with any public disclosure obligations as required by the UK regulators and the South African Prudential Authority, as well as the recommendations of the King IV Code and the UK Governance Code 2018.

Annual Integrated Report
This report covers the period 1 April 2020 to 31 March 2021 and includes material issues up to the date of board approval on 22 June 2021.

This report covers all our operations across the various geographies in which we operate and has been structured to provide stakeholders with relevant financial and non-financial information.

All references in this report to Investec, the Investec group, or the group relate to the combined Investec DLC group comprising Investec plc and Investec Limited.

Annual Integrated Report

Volume 1

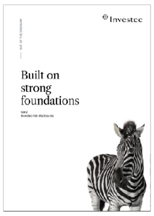
Strategic report incorporating environmental, social and governance (ESG), as well as the remuneration report

Business review
Outlines the group's strategic focus and financial performance

Governance report
Sets out the governance practices of the group

Social and environmental report
Sets out our group sustainability and ESG practices

Remuneration report
Sets out our remuneration policies and implementation thereof



Volume 2

Risk disclosures
Sets out the management of risks relating to the Investec group's operations

Volume 3

Annual financial statements
Sets out the full DLC audited annual financial statements, including the report of the group audit committee

The following reports can be found in separate documents available on our website:

Group sustainability and ESG supplementary report
This report provides a holistic view of Investec group's social and environmental impact within our operations including our contribution to the Sustainable Development Goals (SDGs). We incorporate material information from the main geographies in which we operate.

Pillar III disclosure reports
These reports provide disclosures that allow market participants to assess the scope of application by banks of the Basel committee's framework and the rules in their jurisdiction – their capital condition, risk exposure, risk management process and their capital adequacy.

Corporate profile
This report serves as a reference for the investment community and other interested parties. It provides an introduction to Investec.

01

Strategic focus

WHO WE ARE

"May you live in interesting times," goes the traditional curse. The "interesting times" of the past year go far beyond the experience of most of us. At Investec we've responded as only we know how: with our clients' needs first and foremost in our mind. We hold that the ordinary ways of yesterday are not enough to progress. Now, more than ever, our determination to be out of the ordinary is critical to the future success of our business.

This attitude is seen in the way our people have pulled together to overcome unforeseen challenges, and the resources we've invested in our community response to the COVID-19 pandemic in South Africa and the UK.

WHO WE ARE
CONTINUED

WHO WE ARE
CONTINUED

WHO WE ARE
CONTINUED

Investec's commitment to our clients has been unwavering, and we take pride in having provided assistance to those who needed it most: be they individuals whose income was disrupted or businesses who found themselves suddenly unable to pay suppliers or staff.

This response was possible only because of our disciplined approach to managing risk and maintaining a balance sheet robust enough to see us through times like these – a resilience that is reflected in this year's creditable performance and return to shareholders.

Investec. Out of the Ordinary.

OUR BUSINESS AT A GLANCE

One Investec

Our purpose

Our purpose is to create enduring worth, living in, not off, society.

Our mission

Investec is a distinctive bank and wealth manager, driven by commitment to our core philosophies and values. We deliver exceptional service to our clients in the areas of banking and wealth management, striving to create long-term value for all of our stakeholders and contributing meaningfully to our people, communities and planet.

Our distinction

The Investec distinction is embodied in our entrepreneurial culture, supported by a strong risk management discipline, client-centric approach and an ability to be nimble, flexible and innovative. We do not seek to be all things to all people. Our aim is to build well-defined, value-adding businesses focused on serving the needs of select market niches where we can compete effectively and build scale and relevance.

Our unique positioning is reflected in our iconic brand, our high-tech and high-touch approach and our positive contribution to society, macro-economic stability and the environment. Ours is a culture that values innovative thinking and stimulates extraordinary performance. We take pride in the strength of our leadership team and we employ passionate, talented people who are empowered and committed to our mission and values.

Our strategic direction

The One Investec strategy is, first and foremost, a commitment to drawing on the full breadth and depth of relevant capabilities to meet the needs of each and every client, regardless of specialisation or geography.

One Investec is also about improving internal operating efficiencies; ensuring that investments in infrastructure and technology support our differentiated service offering across the entire group, not just within specific operating units or geographies.

And in our allocation of capital, the One Investec strategy demands a disciplined approach to optimising returns, not merely for one region or business area but for the group as a whole.

Our values

Investec exists to create enduring worth for all of our stakeholders: our clients, our people and the communities in which we operate. This purpose is expressed in five key values that shape the way that we work and live within society.

1

Cast-iron integrity

We believe in long-term relationships built on mutual trust, open and honest dialogue and cast-iron integrity.

2

Distinctive performance

We thrive on energy, ambition and outstanding talent. We are open to fresh thinking. We believe in diversity and respect for others.

3

Client focus

We are committed to genuine collaboration and unwavering dedication to our clients' needs and goals.

4

Entrepreneurial spirit

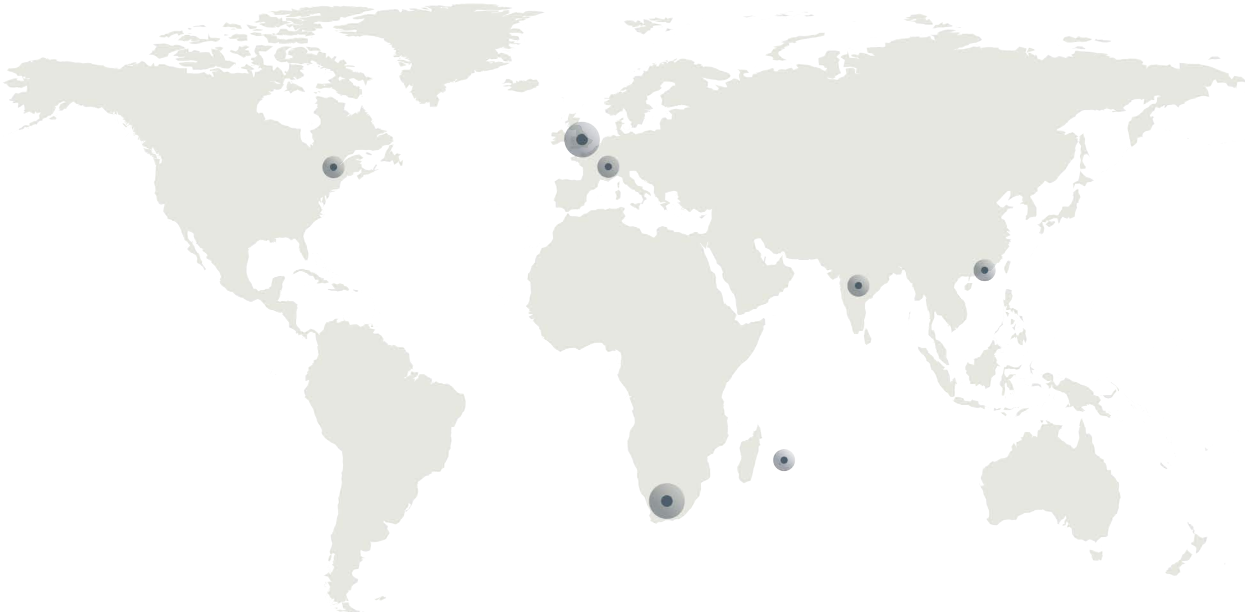
We are pioneers at heart. Shaped by our non-traditional origin and evolution, we share with our clients a willingness to challenge the status quo in pursuit of a better, more sustainable tomorrow.

5

Dedicated partnership

We collaborate unselfishly in pursuit of group performance, through open and honest dialogue – using process to test decisions, seek challenge and accept responsibility.

OUR BUSINESS AT A GLANCE
CONTINUED



Since inception, we have expanded through a combination of substantial organic growth and a series of strategic acquisitions. Our focus today is on growth in our chosen markets.

Our journey so far

1974
Founded as a leasing company in Johannesburg

1980
We acquired a banking licence

1986
We were listed on the JSE Limited South Africa

2002
In July 2002, we implemented a dual listed companies (DLC) structure with linked companies listed in London and Johannesburg

2003
We concluded a significant empowerment transaction in which our empowerment partners collectively acquired a 25.1% stake in the issued share capital of Investec Limited

2020
We successfully completed the demerger of Investec Asset Management which separately listed as Ninety One in March 2020

2021
Today, we have an efficient, integrated international business platform, offering all our core activities in the UK and South Africa

Refer to the Divisional Review section for more information on where we operate

Investment proposition
Well positioned to pursue long-term growth

- Well capitalised and highly liquid balance sheet
- Diversified mix of business by geography, income and business
- Rightsized the cost structure of the business
- Improved capital allocation – anticipate excess capital
- Our clients have historically shown resilience through difficult macro environments

OUR BUSINESS AT A GLANCE
CONTINUED

Our operational structure

During July 2002, Investec Group Limited (since renamed Investec Limited) implemented a dual listed companies (DLC) structure and listed its offshore business on the London Stock Exchange (LSE).

In terms of our DLC structure, Investec Limited is the holding company of our businesses in Southern Africa, and Investec plc is the holding company of our non-Southern African businesses. Investec Limited is listed on the Johannesburg Stock Exchange Limited (JSE) South Africa (since 1986) and Investec plc on the LSE (since 2002).

A circular on the establishment of our DLC structure was issued on 20 June 2002 and is available on our website.

Our DLC structure and main operating subsidiaries

^ Houses the Wealth & Investment business.

All shareholdings in the ordinary share capital of the subsidiaries shown are 100%.
In March 2020, Investec completed the demerger and separate listing of Ninety One (formerly known as Investec Asset Management). The Investec group retained a 25% shareholding in the Ninety One group, with 16.3% held through Investec plc and 8.7% held through Investec Limited.

Salient features of the DLC structure

- Investec plc and Investec Limited are separate legal entities and listings, but are bound together by contractual agreements and mechanisms
- Investec operates as if it is a single unified economic enterprise
- Shareholders have common economic and voting interests as if Investec plc and Investec Limited were a single company
- Creditors, however, are ring-fenced to either Investec plc or Investec Limited as there are no cross-guarantees between the companies.

OUR BUSINESS AT A GLANCE
CONTINUED

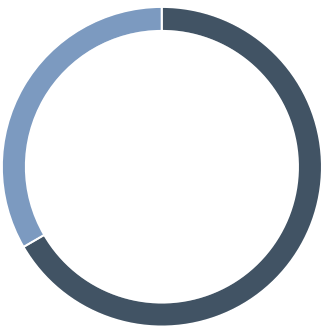
40+ years of heritage. Two core geographies. One Investec.

Whether you are an individual, a business, or an intermediary acting for clients, our aim is to create and manage your wealth and fuel your business growth.

Our group

Adjusted operating profit

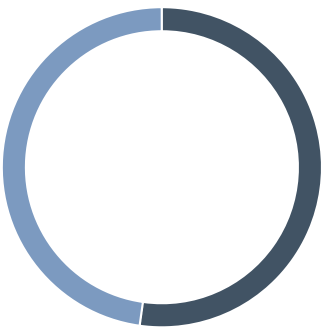
£377.6mn



Southern Africa	£251.6mn
UK and Other	£126.0mn

Total assets

£51.5bn



Southern Africa	£26.9bn
UK and Other	£24.6bn

	1 Southern Africa	2 UK and Other	Total group
Net core loans	£14.1bn	£12.3bn	£26.4bn
Customer deposits	£18.4bn	£16.0bn	£34.4bn
Funds under management	£16.7bn	£41.7bn	£58.4bn
Total employees	4 700+	3 500+	8 200+
ROE	9.4%	4.0%	6.6%
Cost to income ratio	58.7%	79.5%	70.9%

A key competitive advantage is our ability to service clients seamlessly across all business areas and geographies. This approach is embodied in our 'One Investec' philosophy, which places the client at the centre of our operating model.

64%

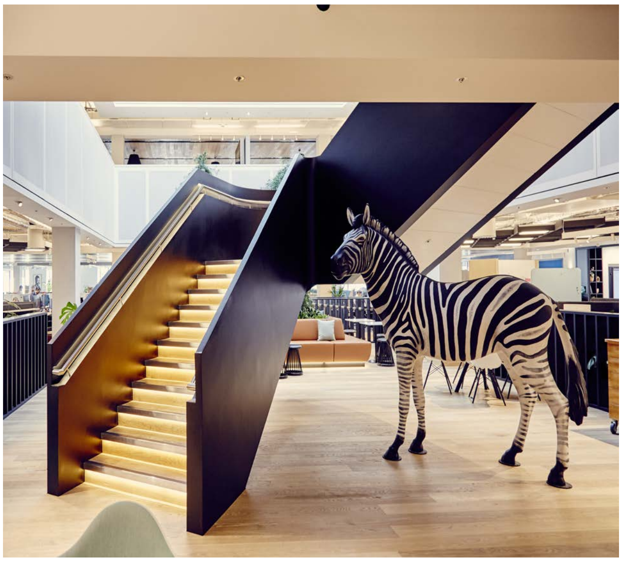
of SA Wealth & Investment's top clients are clients of the SA Private Bank

c.10%

of SA Private Banking clients have a UK Private Banking transactional account

OUR STRATEGIC OBJECTIVES

Driving sustainable long-term growth



Our strategic direction
Our long-term commitment is to One Investec; a client-focused strategy where, irrespective of specialisation or geography, we commit to offering our clients the full breadth and scale of our products and services.

We are focused on delivering profitable, impactful and sustainable solutions to our clients. To deliver on One Investec, we will focus on collaboration between the Banking and Wealth & Investment businesses and continue to invest in and support these franchises. This will position Investec for sustainable long-term growth.

Our long-term strategic focus:

- **We are committed to delivering exceptional service to our clients, creating long-term value for our shareholders and contributing meaningfully to our people, communities and the planet**
- **All relevant Investec resources and services are on offer in every single client transaction**
- **We aim to sustain our distinctive, out of the ordinary culture, entrepreneurial spirit and freedom to operate, with the discipline and obligation to do things properly for the whole of Investec.**

Medium-term strategic objectives

Growth initiatives
Focus on growing our client base and building new sources of revenue

Improved cost management
Heightened rigour in identifying efficiencies in all areas of the business

Digitalisation
Enhancing digital capabilities to continue delivering an advanced high-tech, high-touch proposition

Greater connectivity
Enhancing links among and between the Banking and Wealth & Investment businesses, across geographies

Capital discipline
A more disciplined approach to capital allocation, particularly where businesses are non-core to overall long-term growth and capital strategy

Read more in our Divisional Review section on pages 49 to 75

OUR BUSINESS MODEL

Creating sustainable, long-term value

Key highlights

Principal geographies	Core areas of activity	Total employees	Core loans	Customer deposits	Funds under management
2	2	8 200+	£26.4bn	£34.4bn	£58.4bn

Our clients and offering

Corporate / Institutional / Government / Intermediary

Private client (HNW / high income) / charities / trusts

Specialist Banking

- **Lending**
- **Transactional banking**
- **Treasury solutions**
- **Advisory**
- **Investment activities**
- **Deposit raising activities**

Wealth & Investment

- **Discretionary wealth management**
- **Investment advisory services**
- **Financial planning**
- **Stockbroking / execution only**

Our approach

We have market-leading, distinctive client franchises

We provide a high level of client service enabled by comprehensive digital platforms

We are a people business backed by our Out of the Ordinary culture and entrepreneurial spirit

Our stakeholders

To see a full list of our stakeholders, read more on pages 23 to 30

Our clients

We support our clients to grow their businesses by leveraging our financial expertise to provide bespoke solutions that are profitable, impactful and sustainable.

Our people

We employ people who are passionate and empowered to perform extraordinarily while building a diverse and representative workforce.

Our communities

We unselfishly contribute to communities by helping people become active economic participants, focusing on education and economic inclusion.

Our planet

We aim to operate sustainably, within our planetary boundaries and funding activities that support biodiversity and a zero-carbon world.

OUR CREDIT RATINGS

In terms of our DLC structure, creditors are ring-fenced to either Investec Limited or Investec plc as there are no cross-guarantees between the companies. Capital and liquidity are prohibited from flowing between the two entities and thus capital and liquidity are not fungible. As a result, the rating agencies have assigned separate ratings to the significant banking entities within the group, namely Investec Bank plc (IBP) and Investec Bank Limited (IBL). Rating agencies have also assigned ratings to the holding companies, namely, Investec plc and Investec Limited. In South Africa, adjustments in the sovereign rating lead to an automatic adjustment in the ratings of the major banks in the country, as it is generally accepted that a bank cannot have a higher rating than the sovereign of the country in which it operates. Our ratings at 22 June 2021 were as follows:

Rating agency	Investec Limited	IBL A subsidiary of Investec Limited	Investec plc	IBP A subsidiary of Investec plc
Fitch				
Long-term ratings				
Foreign currency	BB-	BB-		BBB+
National		AA+(zaf)		
Short-term ratings				
Foreign currency	B	B		F2
National		F1+(zaf)		
Outlook	Negative	Negative		Negative
Moody's				
Long-term ratings				
Foreign currency		Ba2	Baa1	A1
National		Aa1.za		
Short-term ratings				
Foreign currency		NP	P-2	P-1
National		P-1.(za)		
Outlook		Negative	Stable	Stable
S&P				
Long-term ratings				
Foreign currency		BB-		
National		za.AA		
Short-term ratings				
Foreign currency		B		
National		za.A-1+		
Outlook		Stable		
Global Credit Ratings				
Long-term ratings				
International scale, local currency		BB		BBB+
National scale		AA(za)		
Outlook		Negative		
Short-term ratings				
International scale, local currency				A2
National scale		A1+(ZA)		
Outlook				Stable

Further information on our credit ratings may be found on our website.

02

Our performance

CHIEF EXECUTIVE'S REPORT

A sound performance in a challenging year

The past year was among the most turbulent in living history. Shock waves from the global pandemic and efforts to contain it rippled through every facet of our lives, with few among us not directly affected – be it by illness, loss of loved ones or disruption of livelihoods.

It was a year in which inequality, political polarisation and racial injustice were cast into stark relief, testing our prevailing social and economic systems and frequently finding them wanting. But it was also a year marked by scientific triumphs, unprecedented measures by both the private and public sectors to support the vulnerable, and by the courage of those on the front lines in the fight against COVID-19, all reminding us that a more tolerant, equal and just society is indeed possible.

Fani Titi
Chief Executive

CHIEF EXECUTIVE'S REPORT
CONTINUED

"Nature uses disorder to grow stronger. It's like going to the gym. You get stronger because you subject your body to stressors and gain from them."
Nassim Nicholas Taleb

As an international company deeply embedded in the communities in which we operate, Investec faced extraordinary circumstances at every turn. I am tremendously proud of the way that my colleagues responded, exemplifying our culture of resourcefulness, resilience and care.

Despite their own personal and family challenges, our people never wavered in delivering matchless levels of service and support to our clients at a time when it was most needed. I am equally proud of the speed with which we were able to draw on our resources and partnerships to assist those in need within our communities. Our response included funds for COVID-19 testing and personal protective equipment, direct support for healthcare workers, and food distribution in some of the hardest-hit areas of South Africa and the UK. We also accelerated the digitalisation of Promaths, our flagship mathematics and science tuition programme, which enabled thousands of South Africa's least privileged school children to carry on learning remotely despite school closures.

The past year also ushered in significant and far-reaching change within our company. As we navigated successfully through several key strategic milestones, it was critical that we remained true to the values upon which Investec was built and the kind of organisation we wish to be. So we undertook a process of collective reflection with the aim of articulating our purpose as a company. Following dozens of townhall meetings and animated debates involving thousands of colleagues, we arrived at the statement in the opening pages of this report:

We exist to create enduring worth, living in, not off, society.

This statement of intent requires us to act in the long-term interests of all of our stakeholders – our clients, our people and our shareholders, as well as the communities in which we operate and the fragile planet we all inhabit. Our purpose isn't a bolted-on adjunct to our business strategy, but an integral part of it. While the formulation may be new, its underlying sentiment has been part of Investec's DNA since we first opened our doors over 40 years ago, and its relevance has never been greater.

It is clear that the pandemic and economic lockdowns have widened economic and social inequality, disproportionately impacting those among us with the least access to capital, technology, education and healthcare. The actions we take today, as we look to recover from the ravages of the pandemic, will determine whether we further entrench this inequality, or whether we actively work towards a more inclusive and sustainable tomorrow.

Operating environment

As echoed in my comments on financial performance below, the 2021 financial year was a tale of two halves. The difficult and volatile market and economic conditions in the first half were attributable primarily to the COVID-19 pandemic, while the second half saw a rebound in economic activity and a greater sense of optimism spurred on by global vaccination campaigns.

The pace of global economic recovery is closely tethered to the speed and efficacy of the vaccine rollout. As a recent IMF report stated, "pandemic policy is also economic policy as there is no durable end to the economic crisis without an end to the health crisis." [1] While developed countries, including the UK, have made rapid strides towards vaccinating their populations, slower progress in the developing world remains a concern. South Africa is currently experiencing the beginnings of a third wave of infections, and the alarming surge of COVID-19 cases on the Indian sub-continent is a sobering reminder that the risk of new and possibly more infectious variants will remain high until the lag in emerging market vaccinations is addressed. The stockpiling of vaccines by the wealthy at the expense of developing nations is but one example of narrow, self-interested policies that are not only unjust but short-sighted. We are encouraged by recent initiatives to put an end to vaccine hoarding by the wealthy at the expense of developing nations. Until all of us, rich and poor alike, are protected, the risk remains that we undo the tremendous gains made in developing and rolling out vaccines.

Global interest rates fell sharply in response to the pandemic, as central banks sought to limit economic contraction. However, yields began to stabilise and rise from August 2020 as economies began to recover from the initial waves of infections. We expect interest rates to gradually rise further in the medium term as economic recoveries become entrenched and central banks begin slowly to tighten monetary policy.

1. https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2021/05/19/A-Proposal-to-End-the-COVID-19-Pandemic-460263

CHIEF EXECUTIVE'S REPORT
CONTINUED

UK
The pandemic has taken a harsh toll on the people and economy of the UK. At the time of writing, the nation's COVID-19 death toll was the highest in Europe, and the attendant restrictions – particularly the severe initial lockdown in late March 2020 – led to a 9.8% contraction in GDP in 2020. However, the recovery has been much quicker than expected.

The data suggests that consumers were more adaptive to subsequent lockdowns in November 2020 and March 2021, making extensive use of online retailers and remotely delivered services. Another factor in the surprising pace of recovery is the admirable speed and efficiency of the vaccine rollout, thanks to which the government is now targeting a full re-opening of the economy in the summer.

A partial re-opening in April revealed the extent of pent-up demand: consumer confidence is now back to where it was before the pandemic, retail sales are 10% above pre-COVID levels and new manufacturing orders are running at two-year highs. Mortgage approvals also hit new post-financial crisis records towards the end of 2020.

Perhaps the most heartening data point is the Bank of England's estimate that unemployment will peak at 5.4%, rather than 7.8% as previously predicted. This notwithstanding, the impact of the COVID-19 pandemic on the poor has been disproportionately severe. Apart from their greater vulnerability to income disruptions, poorer communities have suffered higher mortality rates and display greater vaccine hesitancy. Unless this problem is addressed, there is a risk that COVID-19 becomes a disease of poverty, exacerbating inequality in British society.

A notable exception to the positive data surprises was the impact of Brexit. Despite the fact that a free trade agreement was struck between the two parties last December, evidence suggests that the high cost of checks and compliance is having a negative impact on both exports and imports. There was also a sharp fall in exports to the EU at the start of 2021, although this could reflect firms shipping their goods early, ahead of the expiry of the EU transition period at the end of 2020. In addition, the longer-term operating regime for financial services between the UK and the EU remains unclear.

Nevertheless, we are growing increasingly confident that the economy will have recovered to pre-COVID activity levels by end of calendar year 2021. At 31 March our base case model forecasts GDP growth of 7.3% but there is a strong possibility of upward revision to 8% or higher.

We expect inflation to tick higher in the short term, but the Bank of England is not likely to raise rates until it believes that inflation will exceed the 2% target in the longer term. The central bank is also gradually reducing the pace of bond purchases, and will likely continue to do so as the economic rebound takes hold.

South Africa
The South African economy was already in recession at the outset of the pandemic. The country had experienced a decade of moribund growth characterised by inaction on needed policy reforms, low investor confidence and sharply deteriorating government finances, which resulted in successive downgrades by the major global rating agencies.

When the pandemic struck, the government introduced one of the world's most stringent lockdowns to give the public health system space to prepare for the inevitable influx of COVID-19 cases. Consequently, GDP contracted by an unprecedented 7% in 2020. By the second quarter of the year, business confidence had reached its lowest level in 45 years.

July 2020 marked the start of a strong rebound as lockdown restrictions eased, and the country officially exited recession in the third quarter. The recovery accelerated in the last quarter, thanks in part to a rise in the value of exports on stronger global demand and higher commodity prices. But major sectors, notably travel and tourism, remain depressed, and total economic output is only forecast to reach pre-pandemic levels in 2023/4. We expect economic growth to be in the region of 4% in the current calendar year, with electricity supply shortages remaining a key downside risk.

We were encouraged by several developments in the second half of the year which, if followed through, promise to steer the economy on a path towards more sustainable and inclusive economic growth.

The government debt trajectory improved, thanks to higher-than-expected tax revenues and a commitment by National Treasury to work towards fiscal consolidation through measures including containment of the public sector wage bill. However, markets and ratings agencies will be watching intently to see if these goals are realised.

The attention of the capital markets will also be trained on efforts to bring to book corrupt, high ranking political figures who, until recently, were deemed untouchable. The unconscionable graft of the recent past robbed the country not only of billions in public funds, but also a decade of economic and infrastructural development. Until those responsible are brought to book, anti-corruption rhetoric will continue to ring hollow. Investors and entrepreneurs are also looking for more policy certainty and less unwieldy bureaucracy before committing their capital to the fixed investment projects so desperately needed for development and job creation.

CHIEF EXECUTIVE'S REPORT
CONTINUED

South Africa currently retains a Ba2 (BB equivalent) category rating from Moody's with a negative outlook, and we do not expect a further downgrade in the near term. It remains our view that expropriation of private sector property without compensation may negatively affect business confidence, but its practical impact on the economy is expected to be limited. However, the negative outlook gives the country a limited window of 12-24 months to address key structural obstacles to fiscal consolidation and the economic recovery.

We welcomed the publication in October of the government's Economic Reconstruction and Recovery Plan (ERRP), to which Investec and other banks contributed. The plan lays out a clear blueprint for inclusive economic growth, including far-reaching structural reforms and an ambitious R1tn infrastructure build programme. However, it is critical for government to demonstrate from the outset that key projects, particularly those involving state-owned enterprises, will not become vehicles for the corruption that has dogged so many government-led initiatives in the past.

Many of the projects outlined in the plan will require significant private sector capital investment in the form of private-public partnerships, and we are well positioned to play a key role in supporting the rollout of the plan together with our clients. We also believe that the programme represents a golden opportunity for South Africa to take advantage of its ample natural advantages in the renewable energy sector and make strides towards a just transition from fossil fuels. This should also go some way towards removing the supply-side power shortages that have proved to be a binding constraint on economic growth in recent years.

It is telling that South Africa, together with India, Australia and South Korea, has been invited to attend the G7 summit in June: an indication that the country is gradually regaining its place as a key player on the global stage.

We regard this as a strong international endorsement of President Ramaphosa's leadership.

In the context of South Africa's tragic history of racial discrimination, which has resulted in one of the world's most unequal economies, we remain convinced that the only viable path to a more equal and just society is through sustainable economic growth. While there are reasons for optimism, key policy and structural issues must be addressed and business confidence restored if the country is to avoid sliding back towards a financial and economic precipice.

Progress on strategy execution
Notwithstanding subsequent global shocks that could not have been predicted at the time, our strategic framework has remained largely unchanged since we first presented it to shareholders in early 2019. We continue to develop as a domestically relevant, internationally connected banking and wealth management group, with 40 years of heritage, operating in two core geographies of South Africa and the United Kingdom.

Two years ago, we set out to simplify our structure, heighten our focus and improve our growth trajectory. We organised our strategy into five key areas, which have evolved as illustrated below:

Growth initiatives

Clear set of opportunities to deliver revenue growth

Cost management

Improved management of the cost base through operational leverage

Underpinned by

Capital discipline

Growth initiatives and cost containment are supported by a disciplined approach to capital allocation

And delivered through

Digitalisation

Connectivity

Continued investments drive a digitally connected ecosystem to leverage efficiencies and deliver enhanced value to clients and staff

CHIEF EXECUTIVE'S REPORT
CONTINUED

The demerger of Investec Asset Management, successfully listed as Ninety One in March 2020, represented the first major milestone on this journey. Despite the tumultuous market conditions under which the listing of Ninety One took place, it's clear that the demerger has delivered significant value to shareholders while achieving its intended purpose of enabling each business to concentrate on its own growth path.

We have further simplified the group structure in the past year, exiting businesses that were subscale, non-core or fell outside our refined risk appetite. This included the difficult but necessary decision to wind down our Australian operations.

Following a substantial and disappointing loss in our structured products book, and factoring in the unpredictable nature of the COVID-19 pandemic, our adjusted risk appetite led us to discontinue issuing these products in the UK going forward.

We sharpened our focus with a refreshed statement of purpose, as referenced earlier in this note, and entrenched the One Investec strategy. These developments have enhanced our ability to provide a wider offering to clients while improving our operational leverage through shared support functions and technology platforms. In the UK, we refocused the banking business on the core domestic market and rightsized its cost base. Unfortunately, this required significant headcount reduction in our London office.

These actions, underpinned by a disciplined approach to capital allocation and risk management, position Investec to be more competitive in our chosen markets and provide a springboard for growth.

Growth initiatives

Our disciplined growth philosophy is premised on identifying scalable revenue opportunities within well-defined risk parameters. This approach has delivered around £273 million of revenue from new growth initiatives over the past two years.

We remain focused on increasing the proportion of revenue contributed by capital-light businesses. It is thus gratifying to report record funds under management and operating profit in our Wealth businesses.

We have also identified new revenue opportunities that build on existing client franchises and other areas of sustainable competitive advantage, including our market-leading technology platforms.

Cost management

Our disciplined approach to cost management has enabled us to reduce fixed costs by £109 million over the past two years. Around £56 million of this saving was achieved through the rightsizing of the UK Specialist Bank. The South African fixed cost base remains well contained, growing at sub-inflationary levels. We have also managed to reduce group costs by 28% since 2019, and these are expected to remain stable for the foreseeable future.

Our cost management strategy is premised on the principle of operational leverage, realised by sharing functional and technology platforms across the group, switching to low-cost jurisdictions where possible and upgrading legacy platforms to improve cost efficiencies. Looking ahead, we have identified several additional opportunities for global platforms that service the entire group, thereby benefiting from economies of scale.

Capital discipline

In addition to exiting non-core and sub-scale businesses, we successfully reduced our South African investment portfolio by around R3 billion since the Capital Markets Day in 2019. We will look to take advantage of improving market conditions in the near term to realise some of the remaining investments.

Another key milestone to further enhance our capital was the transition to AIRB in our South African business, which was approved by the SARB for our SME and Corporate models on 1 April 2021. This resulted in a 60bps capital uplift to our CET1 ratio. We expect the transition to AIRB across the remaining portfolios to be completed this year, which will see a further uplift in capital ratios. We are pleased to report that the CET1 ratio of the UK business now sits at 11.2%, well above its 10% target.

As a result of these initiatives and progress made, the business remains well-capitalised and above its Board-guided target ranges.

Connectivity

A central tenet of the One Investec strategy is that we expose clients to the full depth and breadth of Investec's offerings. Since its introduction at the Capital Markets Day in 2019, the strategy has delivered significant gains in the number of clients making use of services across multiple business units and geographies. The close collaboration between our South African Private Banking and Wealth & Investment businesses is a key example of the One Investec strategy in action. We are proud to have been recognised by both the Financial Times of London and Euromoney for the eighth year running as the best private bank and wealth manager in this market. 64% of Investec Wealth & Investment's top clients now also hold products with the South African Private Bank, up from 42% in 2019.

Looking ahead, we'll continue to develop successful ecosystems across the length and breadth of our business, delivering the best of One Investec to our clients.

CHIEF EXECUTIVE'S REPORT
CONTINUED

65%

of IW&I SA annuity FUM invested offshore with an average yield of 71bps

CMD 2019: 51%

3

average number of UK bank products used by SA HNW clients

CMD 2019: 2.4

75%

of referrals from IW&I UK to UK bank were converted

FY2020: 77%

Digitalisation

Alongside our client ecosystem, digitalisation sits at the foundation of our strategy. We have long understood that world-class digital client channels and efficient back-end systems are essential to our competitiveness. Extensive investment in this aspect of our business has enabled us to differentiate our service offering with a client experience that is both high-touch and high-tech.

By leveraging common platforms across businesses and geographies and concentrating spend in low-cost jurisdictions, we have managed over the past three years to reduce our technology spend without compromising the quality of our systems and channels. Having now stabilised the running costs of core operational platforms, we are in the process of embarking on a new, transformative phase in our digital evolution. This means directing a higher proportion of our technology investments at innovative applications – including extensive use of cloud computing and AI – that actively support our growth ambitions. We are confident that we can achieve this without significantly increasing our overall technology cost base.

Sustainability

In the process of articulating our purpose, we paid particular attention to our impact on the environment, social responsibility and governance. Investec's culture of care has always placed a high value on business practices that create enduring worth for all stakeholders. But there are many areas which we can and must improve, and it remains our firm belief that the best way to do this is to weave ESG into our business strategy and our day-to-day activities. To this end, we've established an ESG Executive Committee to align sustainability activities across the organisation and deepened the ESG skills on the board. We also created a framework to link the remuneration of executive directors to ESG KPIs.

Our commitment to the communities in which we operate was evident in our swift response to the sudden and devastating loss of income suffered by so many as a result of lockdown. Our contribution to COVID-19 relief included food banks, medical equipment and remote learning facilities. Overall, we contributed 2.6% of operating profit to communities, up from 2.3% in the previous year. It was gratifying to receive recognition in the Wall Street Journal's 100 Most Sustainable Companies ratings, which ranked Investec 9th (out of 5 500 companies) in the Social category.

We continue to play a meaningful role in the fight for racial and gender equality in both of our core geographies. In South Africa, we retained our credentials as a Level 1 contributor to broad-based black economic empowerment, and in the UK we signed up to the Race at Work Charter – a laudable commitment to ethnic minority representation at all levels of our organisation. And we were able to increase the representation of women in senior leadership roles to 38%, from 37% in 2020. We remain committed to being one of the most racially diverse and gender-equal companies in the global financial services sector. Given the importance we place on a workplace culture that reflects our commitment to equality, we were particularly pleased to be recognised as the Best Company in Workplace Practices at the SERAS CSR Awards.

On the environmental front, we are proud to have achieved net-zero direct emissions for the third consecutive year. We source almost 100% of our electricity consumption from renewable energy through the purchase of Renewable Energy Certificates, and offset the remaining 10% of emissions through the purchase of verified and high quality carbon credits. We remain a meaningful player in financing renewable and clean energy: last year we invested £582 million in a number of projects around the world and we're extending this expertise to other areas of our business. We are also particularly excited to have launched several ESG-linked products and services, including arranging one of the first European mid-market ESG-linked subscription lines – a €600 million facility for a leading investment group.

Investec is an active participant in the United Nations Sustainable Development Goals (SDGs). We have chosen to focus on specific goals where we can have the most impact, namely reducing inequality and climate action – issues that are also particularly close to my own heart.

I am firmly of the view that the SDGs provide a framework and a call to action for any company that is serious about contributing towards a more equitable and sustainable future. At Investec, we're determined to play our part. Our ethos of living in society, not off it, will keep these critical goals top of mind in all we do, ensuring that we continue to go far beyond the requirements of regulations and corporate governance codes.

Further information can be found in the group's corporate sustainability and ESG supplementary report available on our website.

CHIEF EXECUTIVE'S REPORT
CONTINUED

Financial performance
Investec's performance in the 2021 financial year, like the operating environment in which we found ourselves, was a tale of two halves. First-half earnings were severely constrained by the outbreak of the pandemic and the economic impact of hard lockdowns in our core markets. The second half saw earnings recover strongly as economic activity resumed and markets responded positively to the development and rollout of vaccines.

Adjusted earnings per share from continuing operations of 28.9p was 14.7% behind the prior year. However, our second-half earnings, 58.1% ahead of the first half, point to a favourable forward trajectory. Tangible net asset value per share increased by 12.2% to 423.6p. A final dividend of 7.5p has been proposed, bringing the full year dividend to 13p.

Buoyed by the rapid market recovery, solid investment performance and continued net inflows of £1.1 billion, the Wealth & Investment businesses delivered particularly strong results. Funds under management increased by 30.4% to £58 billion and operating profits were up 11.8%.

Lending franchises reported positive book growth in the second half, ending the year with core loans of £26.4 billion, a 6.1% increase on the prior year. The Private Banking franchise reported higher core loans, supported by strong lending book growth in the second half. Though the corporate lending book improved in the second half, it ended lower overall. Good client acquisition in SA and UK supported a 6.9% increase in deposits.

Demonstrating the quality of our client franchises and our commitment to outstanding client service, the South African specialist bank reported flat profits in Rands under exceptionally difficult circumstances. The UK Specialist Bank client acquisition strategy continued to show traction, with client franchises reporting loan book growth of 8.7%.

The investment in our UK Private Banking business is bearing fruit and performing ahead of expectations.

Implementation of the board's strategy to improve capital allocation and reduce complexity of the business, as discussed earlier in this note, is largely complete, and the associated costs have been absorbed in these results.

Please refer to Nishlan Samujh's CFO report on pages 34 to 48 for more details on financial performance.

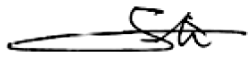
In conclusion…
I am encouraged by the momentum evident across the entire business. The group is well-capitalised and lowly leveraged, adequately provisioned and has strong liquidity.

While the short-term outlook depends on progress in containing the pandemic and the extent and pace of economic recovery in our core geographies, we remain committed to achieving a 12% to 16% ROE in the medium term. The strategic framework to get us there is clear: a focus on growth, within disciplined cost and risk parameters, underpinned by connected client ecosystems and transformative digital platforms.

My sincere thanks to our outgoing Chair, Perry Crosthwaite, for his astute leadership and guidance over the past 12 years on the board, and in particular his three-year term as Chair, during which he oversaw Investec's transition from a founder-led to a professional management team. Perry was instrumental in unbundling the asset management business, refocusing the group on our two core geographies, evolving the board and, most recently, navigating the choppy waters of the COVID-19 pandemic.

The past year has been a proving ground for the resilience of our business. We have taken actions, often difficult ones, that have left the group stronger and more stable, with a galvanising sense of purpose. I am confident that we are well-positioned to pursue our identified growth objectives and reap the benefits of improved operating conditions in the year ahead.

On behalf of the board of Investec plc and Investec Limited



Fani Titi
Chief Executive

STAKEHOLDER ENGAGEMENT AND VALUE CREATION

Listening and engaging with our stakeholders

The board appreciates the importance of meeting the diverse needs and expectations of all the group's stakeholders and building lasting relationships with them. Effective communication and stakeholder engagement are integral in building stakeholder value. The board is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to primary stakeholders, enabling them to make meaningful assessments and informed investment decisions about the group.

In order to achieve these outcomes, the board addresses material matters of significant interest and concern, highlighting key risks to which the group is exposed and responses to mitigate these risks.

The group's DLC structure requires compliance with the disclosure obligations contained in the applicable listing rules of the UK Listing Authority (UKLA), the Johannesburg Stock Exchange (JSE) and other exchanges on which the group's shares are listed, and with any public disclosure obligations as required by the UK regulators and the South African Prudential Authority. From time to time, the group may be required to adhere to public disclosure obligations in other countries where it has operations.

The Investor Relations division has a day-to-day responsibility for ensuring appropriate communication with stakeholders and, together with the Group Finance and Company Secretarial divisions, ensures that we meet our public disclosure obligations.

A board-approved policy statement is in place to ensure compliance with all relevant public disclosure obligations and to uphold the board's communication and disclosure philosophy.

Section 172(1) statement
This section of the Strategic Report describes how the directors have had regard to the matters set out in section 172(1), and forms the directors' statement required under the Companies Act 2006. This statement also provides details of how the directors have engaged with and had regard to the interests of our key stakeholders.

Refer to page 92 for additional information on how the board engages with our stakeholders.

Strong partnerships and understanding are essential to the creation of enduring worth. To be the best we can be, and to understand stakeholders' needs, we work hard to establish the most effective ways of engaging with them.

Engagement is important to us because it means we can understand stakeholder views and are able to respond in a meaningful and impactful way.

We gather feedback through continuous dialogue with our stakeholders throughout the year to gain an intimate understanding of their needs. It's only through this varied dialogue that we can improve as a business, consider our strategy and deliver on our purpose.

As detailed on the pages that follow, the board's oversight of engagement with our stakeholders informs their principal decisions during the year.

STAKEHOLDER ENGAGEMENT AND VALUE CREATION
CONTINUED

Clients

At the heart of Investec, we are all about partnership, striving to build deep and long-lasting relationships with our clients.

What matters to them

- A dependable banking, wealth creation and wealth management partner
- Innovative and creative solutions
- Financial support, particularly during the COVID-19 pandemic
- Cyber security
- Competitive pricing
- Assurance as to the security of their funds.

How we engage

- The board discharges its oversight of client engagement to senior management and client relationship managers, receiving regular updates in board meetings about matters including Investec's support for clients during the COVID-19 pandemic
- Client engagement methods have evolved during the COVID-19 pandemic, with face-to-face meetings becoming less frequent and a greater reliance on digital platforms and services
- Comprehensive website and app
- Regular telephone and email communications
- Industry relevant events and client marketing events, both of which have moved to online platforms while most people continue to work from home.

FY2021 highlights

- Supported our clients during the COVID-19 pandemic by granting payment holidays and extending loans under government lending schemes
- Continued success in HNW client acquisition, growing our client base by 7% and 21% in South Africa and the UK, respectively
- Recognised by the Financial Times of London as the best Private Bank and Wealth Manager in South Africa for the eighth consecutive year.

£3.5bn

in equity capital raised across 30 corporate clients in the UK

Our people*

Our more than 8 200 people are at the heart of our business. We aim to be an organisation that values all of its people for their contributions and celebrates them for who they are.

What matters to them

- Learning and development
- Belonging, Inclusion and Diversity (BID), particularly in a year that witnessed the tragic killing of George Floyd and the subsequent worldwide protests. Our response continues focusing on building an inclusive working environment, improving representation, and enhancing access to progression opportunities
- Wellbeing, especially during this year of COVID-19 lockdowns and extended periods of working from home
- Fair remuneration
- Flexible working conditions and expectations around the future of work.

How we engage

- Regular staff updates and discussions hosted by the Chief Executive, executive directors and senior management, conducted more frequently via digital channels during the COVID-19 pandemic
- Regular Chief Executive staff communication including email updates, staff intranet and other digital channels
- Induction training for new employees including a welcome from the Chief Executive and senior management
- Group and subsidiary fact sheets
- Tailored internal investor relations presentations on group results, strategy updates and market feedback
- Dedicated, comprehensive intranet including a platform full of resources to support the health and wellbeing of our people
- In the UK, a designated non-executive director overseeing workforce engagement.

FY2021 highlights

- Launched Investec Employee Wellbeing Helpline to support staff through the COVID-19 pandemic
- Created a One Investec Young Leaders Council and reverse mentoring programme
- Reduced gender pay gap for the third consecutive year in the UK and South Africa.

* 'Our people' includes permanent employees, temporary employees and contractors.

STAKEHOLDER ENGAGEMENT AND VALUE CREATION
CONTINUED

Investors

Our shareholders (largely institutional) are primarily based in South Africa and the UK given our group DLC structure. We also engage with debt investors who hold instruments issued by our subsidiary entities.

What matters to them
- Progress against strategic objectives
- Financial performance
- Business sustainability and response to climate change
- Management expectations and guidance on future business performance
- Balance sheet resilience
- Executive remuneration.

How we engage
- Regular meetings with executive directors, senior management and investor relations
- Annual meetings for largest shareholders with the Chair of the board, Chair of the Remuneration Committee, senior independent director (SID), investor relations, and group company secretarial
- Annual general meeting hosted by the Chair of the board with board members in attendance
- Two investor presentations and two pre-close investor briefing calls presented by the Chief Executive and CFO
- Stock exchange announcements
- Comprehensive investor relations website
- Investor roadshows and presentations
- Regular telephone and email communications
- Annual and interim reports.

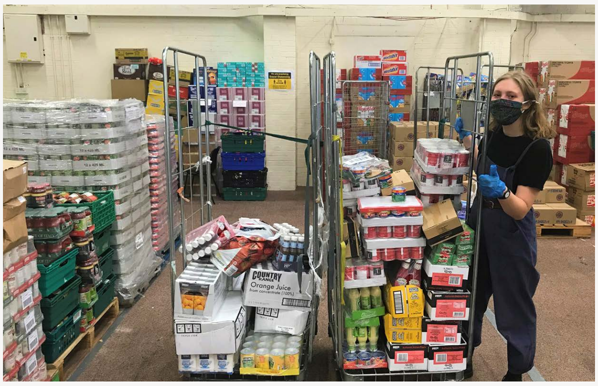
FY2021 highlights
- Organised a non-executive director roadshow to discuss the group's proposed new remuneration policy (refer to the Principal Decision on pages 28 and 29)
- Organised two debt roadshows in South Africa and the UK/Europe which raised R1.6bn and €300mn, respectively.

164

meetings with existing and prospective investors

Communities

Our values of making an unselfish contribution to society, valuing diversity and nurturing an entrepreneurial spirit drive our commitment to support the communities in which we exist. Our focus is on education, entrepreneurship and the environment.



What matters to them
- Financial and non-financial support
- Time volunteered by our staff
- Education and learnership opportunities
- Skills training and job creation
- Protecting the environment.

How we engage
- Regular in-person meetings, telephone/conference calls and emails with our community partners
- Comprehensive community website and social media platforms to encourage participation
- Staff volunteering
- Community partners and NGOs invited to collaborate at conferences and events.

FY2021 highlights
- We spent £2.1 million on COVID-19 relief for communities in our jurisdictions around the world
- The Global Executive Team and board members have donated from their salaries with a portion going to the Solidarity Fund in South Africa
- Senior leaders and staff across the world have donated to local initiatives via salary deductions
- Responding to COVID-19 restrictions in South Africa, Promaths launched an online offering to 1 948 Matric learners with 75 teachers joining them as facilitators
- In the UK, Arrival Education swiftly adapted to ensure that young people and volunteers could participate in the programme remotely. We have supported 1 876 Arrival Education learners in the UK over the past 13 years.

£9.8mn

spent on community initiatives (2020: £9.8mn)

Further information can be found in the group's corporate sustainability and ESG supplementary report available on our website.

STAKEHOLDER ENGAGEMENT AND VALUE CREATION
CONTINUED

Government and regulators

As a dual-listed group, we are regulated by the South African Prudential Authority, the South African Financial Conduct Authority, the UK Financial Conduct Authority and the UK Prudential Regulation Authority. We maintain continuous engagement with governments and regulators in our key markets to ensure our business adapts to evolving regulatory environments.

What matters to them
- Compliance with existing and evolving regulatory requirements
- Our declaration of dividends in FY2021 followed engagement with the regulators and consideration of regulatory guidance provided to banks in both South Africa and the UK
- Assurance that we have robust prudential standards and supervision in place
- Fair treatment of our clients and employees
- Financial and operational resilience in the face of changing market conditions
- Risk appetite and risk management
- Capital and liquidity stress testing
- Group tax strategy.

How we engage
- Our Chair, Chief Executive, executive directors and the board hold regular meetings with the South African Prudential Authority and with the UK Prudential Regulation Authority
- Active participation in a number of policy forums
- Engagement with industry consultative bodies.

FY2021 highlights
- Accredited lender for government guaranteed COVID-19 lending schemes in both the UK and South Africa.

>£240mn

total loans approved under COVID-19 government lending schemes in South Africa and the UK

ESG analysts and climate focused industry bodies

We are committed to supporting the transition to a clean and energy efficient economy and regularly engage with climate focused industry bodies and analysts to discuss our evolving sustainability strategy.

What matters to them
- Our climate change position statement and climate change framework
- Managing and mitigating climate change impact within our operations (direct impact)
- Indirect climate change impact through our loan book and investment portfolio
- Addressing ESG risks within our business
- Our commitment to net-zero carbon emissions
- Reporting in line with industry standards.

How we engage
- Regular communications on ad-hoc topics
- Annual sustainability report
- Comprehensive sustainability website
- Comprehensive ESG disclosures, including a standalone TCFD report
- Sustainability factsheets
- Our Chief Executive is a member of the UN Global Investors for sustainable development alliance
- Regular and active participation in a number of ESG and climate forums relating to the TCFDs, e.g. PCAF
- Regular knowledge sharing on ESG industry standards.

FY2021 highlights
- Executives and non-executives attended board training on climate-related risks and opportunities
- Created a framework to link executive directors' remuneration to ESG KPIs.

Net-zero

direct emissions, carbon neutrality in Scope 1 and 2 mainly through renewable electricity consumption with remaining 10% offset through purchasing carbon credits

STAKEHOLDER ENGAGEMENT AND VALUE CREATION
CONTINUED

Suppliers

We collaborate with suppliers and sub-contractors securely who we expect to be resilient and to operate and behave in an environmentally and socially responsible manner.

What matters to them

- Compliance with applicable environmental, labour and anti-corruption laws and regulations
- Prompt payment practices
- Fair and transparent tender and negotiation practices
- Clear guidance on policies and procedures, such as due diligence and onboarding.

How we engage

- Centralised negotiation process
- Procurement questionnaires requesting information on suppliers' environmental, social and ethical policies
- Conduct due diligence on cyber security and business continuity.

FY2021 highlights

- Strengthened our group procurement policy to incorporate standards on human rights, labour rights and environmental and anti-corruption principles as set out in the UN Global Compact
- Implemented a global online supplier assessment tool and commenced screening new suppliers in February 2021. This strengthened our screening for any human rights, labour rights, modern slavery, corruption and environmental violations within our procurement practices
- Re-evaluated existing suppliers for environmental and social criteria according to our procurement policy.

All of our suppliers screened against ethical supply chain practices

STAKEHOLDER ENGAGEMENT AND VALUE CREATION
CONTINUED

Principal decisions

Here we outline how board engagement with stakeholders has informed principal decisions during the year.

Supporting our stakeholders through the COVID-19 pandemic
Given the far-reaching impact of the COVID-19 pandemic, the board focused on protecting the health and wellbeing of our people, and supporting our clients, communities, and other stakeholders. The board also ensured that the group remained secure and resilient, both financially and operationally.

- The board supported the decision to commit 1% of the group's pre-tax profit to COVID-19 relief efforts. Support for our communities amounted to £2.1 million, providing financial assistance across an extensive range of causes, particularly in support of healthcare, economic continuity, education, gender-based violence and food security. Please refer to our website for details on our group COVID-19 response to helping communities.
- For our clients, the board supported the decisive action taken by the group to leverage our resources to provide help. Through continuous engagement with our clients, industry bodies and regulators, we have structured different types of support to suit diverse client needs. We also collaborated with governments in both our core geographies to roll out relief schemes. By 31 March 2021, under the various government lending schemes, we had approved loans totalling £213 million in the UK and R690 million in South Africa. At the same time, the board conducted comprehensive risk reviews to understand emerging risks associated with support provided, to ensure the integrity of the balance sheet. For further details of relief measures, please refer to the risk section in volume two.
- For our people, given the global resurgence of waves of COVID-19 infections, the closure of offices and, in some jurisdictions, schools, as well as the implementation of stricter lockdown regulations, the board was heavily focused on the wellbeing of employees. The support we provided to employees was well organised and continually communicated. Through continuous engagement mechanisms with our colleagues, we were able to respond to their emerging needs during this period of uncertainty.
- For the organisation, the board considered what the future world of work means for Investec. As the pandemic evolves, the board is continuously monitoring people challenges, including assessing the implications of flexible working arrangements and the consequent impact on culture, talent management and morale.

Strategy in execution
Shareholders have been focused on the progress the group is making in respect of the strategic objectives – with a particular interest in the performance of the UK Specialist Banking business following the losses incurred in the structured products book.

On our journey to improve shareholder returns, the board approved the decision to refocus the UK bank on its core domestic market and rightsize the cost base. This resulted in 194 roles being made redundant as part of the restructure programme and a complete exit from Australia (as explained in the Chief Executive report on pages 16 to 22). Through a variety of workforce engagement mechanisms, we processed the reasons for the decision and informed our workforce about the impending redundancies. The board recognises that this is Investec's first major redundancy programme on this scale. The board will monitor the impact of this decision on the culture of the company, specifically focusing on adverse effects on talent retention. Management initiated a series of engagement activities with the remainder of the workforce to deal with concerns related to the decision. Following the engagements, work is ongoing to ensure employees are given a clear sense of purpose and understanding as to how they fit into the vision for the bank.

Our UK Specialist Banking business endured losses on the structured products book due to financial market dislocation at the onset of the COVID-19 pandemic. As the Chief Executive explains in his report, the board supported the decision to discontinue the issuance of retail structured products in the UK market.

Finally, the board approved the group's refreshed purpose statement. In 2018 we set out to rediscover what truly inspires us as an organisation. Through multiple engagement channels across the business over a period of 18 months, our purpose, "To create enduring worth, living in, not off, society", emerged. This expresses how we view our responsibility as a business to be a good corporate citizen.

New remuneration policy
To enable the DLC Remuneration Committee to develop the group's proposed new remuneration policy, a number of meetings were held with our key shareholders during the year.

To reflect the revised structure and complexity of the group following the demerger of Ninety One in March 2020, we presented a revised remuneration policy for approval to shareholders at the AGM in August 2020. The key changes to the policy were as follows:

- Simplified the remuneration structure with all fixed remuneration delivered in cash and all variable remuneration in shares
- Reduced the fixed remuneration by 25% and the variable opportunity by 25%
- Reduced the amount of bonus available for target performance
- Increased the value of shareholding requirements.

The Chair of the DLC Remuneration Committee and the Chair of the board consulted with our key shareholders regarding the proposed policy changes in July 2020. The feedback was generally supportive, particularly in respect of the simplification of the policy and the reduction in remuneration opportunity.

However, some shareholders, whilst acknowledging these positive aspects, believed that the overall quantum of pay is too high relative to South African peers. The Investec group is an international business, and as such the Remuneration Committee believes it is appropriate to benchmark executive remuneration against a set of international peers, including South African competitors. In addition, regulatory constraints in the UK mean we are required to have a different remuneration structure to the other

STAKEHOLDER ENGAGEMENT AND VALUE CREATION
CONTINUED

South African banks with a higher proportion, and therefore quantum, in fixed remuneration. Despite the group's active engagement on these matters, certain shareholders decided to vote against the remuneration report at the AGM in 2020, and we were disappointed to receive a vote in favour of the policy of just below 80%.

Due to the uncertainty caused by the COVID-19 pandemic, setting of performance targets for the 2020 Long-term incentive (LTI) and the 2021 Short-term incentive (STI) were delayed. Shareholder consultation took place where possible, and targets were confirmed in November 2020.

In February 2021, the Chair of the DLC Remuneration Committee and the Chair of the board consulted with our key shareholders and the Investment Association regarding the development of our proposed remuneration policy. The shareholders welcomed the engagement, appreciated the time taken, and were generally supportive of the overall proposed framework. In particular, they generally expressed appreciation of the improving alignment of management remuneration structures with their interests. They were also very supportive of the simplification of the policy, the removal of the sharing pool in the STI and the introduction of the risk modifier. A number expressed concerns around the proposed high percentage of vesting for threshold performance for the Relative TSR measure in the LTI and that the ESG weighting in the LTI was somewhat low. We have responded to those concerns by reducing the percentage of vesting for threshold performance in the TSR measure to 25%, and increasing the weighting of the ESG measure to 10% in the LTI in the proposed policy.

The group remains committed to its remuneration principles which include:

- Setting stretched but realistic targets prospectively
- Ensuring remuneration outcomes reflect business performance.

The Chair of the Remuneration Committee and the Chair of the board look forward to engaging with our key shareholders again in July, ahead of the AGMs in August.

Details of the proposed policy (which is to be tabled at the 2021 AGMs) can be found on pages 160 to 169, and details of the remuneration outcomes for the year can be found on pages 156 to 158 of this integrated report.

Tabling a climate risk-related resolution at the 2020 AGMs
The board regularly engages with a range of stakeholders (including shareholders, ESG analysts and rating agencies) on a number of ESG and climate topics that are relevant for the business. As the first bank in South Africa to release a separate report aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), we have shown that sustainability is central to our strategic direction.

The board also acknowledges that climate change represents a material financial risk, and continues to oversee the evaluation of our exposure to understand and mitigate potential risks. The board takes ultimate accountability for climate-related issues, supported by a board-approved Social and Ethics Committee. This structure has been in place for many years and was strengthened to include senior executive responsibility for identifying and managing climate-related risks.

Through the stewardship of the global sustainability team, we engaged with the following stakeholders regarding their expectations and views on fossil fuels, climate-related issues and the need for transparent disclosure on climate-related risks and opportunities.

- Workforce engagement included conversations around implementing the group's fossil fuel policy and its impact on lending and investing activities
- We actively engaged with clients to assist in transitioning to a low carbon economy, leading to the issuance of certain ESG-linked lending and investment products
- We met with ESG analysts, rating agencies, climate-related industry bodies, and shareholder activist organisations to ensure we remained up to date on industry trends and best practice
- We gave shareholders the opportunity to discuss any climate-related concerns with members of the board during roadshows, and also through our Investor Relations function which received ad hoc requests for further information.

Through these engagement channels, the board gathered that concerns were focused on board responsibility and experience around climate-related topics, transparency of climate disclosures and the impact of transitioning to a low carbon economy. The engagement activities also highlighted the importance of the issue of climate change for a number of our stakeholder groups.

Taking into account the aforementioned feedback and considering market trends, the board decided to voluntarily table a climate risk-related resolution at the group's 2020 AGMs, seeking shareholder support for our continued commitment to climate change. The resolution specifically included the following commitments:

- To continue Investec's commitment to carbon neutrality with respect to the Scope 1 and 2 emissions of direct operations
- To report annually on progress made on climate-related exposures, including disclosure of the group's exposure to fossil fuels and high-risk industries.

Independent governance agencies, Glass Lewis and ISS, evaluated the proposed climate risk-related resolution ahead of the AGMs and commended us for our proactive approach to establishing climate-related commitments and reporting.

Shareholders voted overwhelmingly in favour of the resolution, which passed with 99.95%, further highlighting the importance investors are placing on issues of environmental, social, and governance metrics. Just Share reported that we had set the new benchmark for climate risk disclosure.

The board's decision to table a climate risk-related resolution at the 2020 AGMs demonstrates our commitment to addressing climate issues, and aligns with our purpose of living in, not off, society.

Further information on our ESG initiatives and progress can be found in the group's corporate sustainability and ESG supplementary report available on our website.

STAKEHOLDER ENGAGEMENT AND VALUE CREATION
CONTINUED

Belonging, Inclusion and Diversity initiatives
The board's commitment to Belonging, Inclusion and Diversity (BID) at Investec continues to be a key strategic objective, with a particular focus on diversity of gender, ethnicity and age. Stakeholders such as our employees, shareholders, ESG analysts, and clients remain interested in our progress.

During this year in particular, where the world witnessed the tragic killing of George Floyd and the subsequent worldwide protests, organisations across the globe were challenged to address racial inequality. The board charged members of management with the responsibility of curating our own response.

Our first response was to engage in a series of organisation-wide conversations about ethnicity. These included team-level discussions, thought leadership pieces from the group's Multicultural Network and Zebra Crossing Initiative, and panel discussions titled, 'Let's talk about race.' Some of these sessions included Q&As with members of the board and senior management, and others involved representatives from the People & Organisation team. These conversations informed the commitments made by the board to address racial equality.

Secondly, we engaged with clients through round-table discussions about diversity. One such discussion was hosted on International Women's Day by the Chief Executive of Investec Bank plc, Ruth Leas, and the Chief Commercial Officer of Investec Wealth & Investment UK, Barbara-Ann King. Clients were asked to share what they had learnt about gender equality – and diversity more broadly – during the global COVID-19 pandemic. In South Africa, clients were invited to participate in Women in Leadership conversations with members of our staff. Once again, feedback from these conversations was shared with the board.

As a result of the above engagement with staff and clients, the board decided to:

- Launch a group-wide project to collect ethnicity data to determine our racial composition
- Propose appropriate internal targets to address under-representation, particularly at leadership levels
- Sign up to the Race at Work Charter in the UK
- Update the group's Bullying and Harassment Policy and commit to zero tolerance of bullying and harassment
- Establish a Young Leaders Council and a reverse mentoring programme (to provide additional learning for ethnic minority colleagues) to leverage intergenerational wisdom, identify strategic projects and challenge our traditional ways of working
- Focus on the United Nations Sustainable Development Goals, as they pertain to our employees, our communities and other stakeholders, with a specific emphasis on equality.

The board recognises that more has to be done to increase both gender and racial diversity, particularly at the leadership levels, in client facing roles and in decision-making forums. In addition to committing to the initiatives and actions outlined here, the board is establishing internal targets which will enable us to measure our progress.

Further information on our gender, diversity and transformation initiatives and progress can be found on pages 134 to 136 as well as in the group's 2021 sustainability and ESG supplementary report available on our website.

Mandatory Audit Firm Rotation (MAFR)
At the 2020 AGMs, the resolution to re-appoint KPMG Inc. as joint auditors of Investec Limited passed with just below an 80% majority. In light of the views expressed by shareholders, the Investec Limited Audit Committee considered the implications of mandatory audit firm rotation, the requirements of the South African Companies Act, and the implications of having joint auditors, managing audit quality and the risks inherent during a transition.

Consequently, following a comprehensive tender process, PricewaterhouseCoopers Incorporated (PwC) was nominated as one of the new joint external auditors effective 1 April 2023. The appointment of the firm and the designated audit partner is subject to regulatory approval from the Prudential Authority of South Africa. The appointment of PwC will be recommended to shareholders at the AGMs to be held in August 2022.

A formal transition process will commence during 2022 whereby the appointed firm will observe the full audit cycle performed by the incumbent joint external auditors. The appointment will be for the reporting period commencing 1 April 2023. The second rotation of the joint external auditors of Investec Limited will take place within two years from 1 April 2023, in accordance with the Mandatory Audit Firm Rotation rules as published by the Independent Regulatory Board for Auditors.

Further information on the decisions around audit firm rotation can be found on pages 102 and 109 to 110 in the corporate governance section of this report.

STAKEHOLDER ENGAGEMENT AND VALUE CREATION
CONTINUED

Sustainability highlights

During the year, we continued to embed ESG into our business strategy

Environmental
- Achieved net-zero direct emissions and sourced almost 100% of our Scope 2 emissions from renewables
- Invested £593 million in renewable and clean energy (2020: £610 million)
- Launched several ESG products and services.

Social
- Contributed 2.6% (2020: 2.3%) of operating profit to communities including £2.1 million to COVID-19 relief
- Maintained our Level 1 BBBEE status in South Africa
- Joined the Race at Work Charter in the UK.

Governance and regulatory
- Established an ESG Executive Committee to align sustainability activities across the organisation
- Deepened the ESG skills of the board
- Created a framework to link executive directors' remuneration to ESG KPIs.

Employees
- Enhanced our efforts on BID
- Increased the representation of females in senior leadership roles to 38% (2020: 37%)
- Achieved a seamless transition to working-from-home.

We actively participate in the UN Sustainable Development Goals

Ratings and rankings in the sustainability indices

We are proud to continue to be included in a number of world-leading indices.

Sustainability Yearbook Member 2021 S&P Global

Top 15% in the global financial services sector of the CSA (Corporate Sustainability Assessment) Dow Jones

JSE

Top 30 in the FTSE/ JSE Responsible Investment Index

FTSE4Good

Included in the FTSE4Good Index

STOXX | QONTIGO

Included in the STOXX Emerging Markets 1500 ESG-X and the STOXX Emerging Markets Total Market Mid ESG-X

MSCI ESG RATINGS AAA

Top 2% scoring AAA in the financial services sector in the MSCI Global Sustainability Index

CDP DISCLOSURE INSIGHT ACTION

Maintained a B rating against an industry average of B

SUSTAINALYTICS a Morningstar company RATED

Top 20% of globally assessed companies in the Global Sustainability Index

ISS ESG

Top 20% of the ISS ESG global Universe and Top 14% of diversified finance services

Awards

Best Investment Bank for Sustainable Finance in Africa in the 2020 Global Finance Awards

Winner of the Most Responsible Business in Africa 2020 Award in the SERAS CSR Awards Africa 2020

Ranked 55th (out of 5 500) in the Wall Street Journal Top 100 Most Sustainable Companies and 9th in the Social Category

STAKEHOLDER ENGAGEMENT AND VALUE CREATION
CONTINUED

Value creation through the Six Capitals

Inputs

Human capital
We invest significantly in our people to grow talent and leadership. We provide a safe and healthy work environment that values physical as well as psychosocial well-being.

Intellectual capital
We leverage our expertise and specialist financial skills to provide bespoke solutions for clients. We maintain a diversified portfolio of businesses to support performance through varying economic cycles.

Social and relationship capital
We leverage key stakeholder relationships to enhance our impact on society and the macro-economy. We contribute to society through our community programmes and are committed to transformation and youth employment in South Africa.

Natural capital
We support the transition to a low-carbon economy. We recognise the complexity and urgency of climate change and actively seek opportunities that have a meaningful impact in addressing climate change.

Technological capital
We leverage technology to modernise the business and create a digital, connected workplace. We have digitalised client platforms and drive innovation by partnering with FinTechs.

Financial capital
We create sustained long-term wealth by building resilience in earnings and growing our core businesses.

Process

Our purpose
- Our purpose is to create enduring worth, living in, not off, society.

Our mission
- Investec is a distinctive bank and wealth manager, driven by commitment to our core philosophies and values
- We deliver exceptional service to our clients in the areas of banking and wealth management, striving to create long-term value for all of our stakeholders and contributing meaningfully to our people, communities and planet.

Our long-term commitment is to One Investec; a client-focused strategy where, irrespective of specialisation or geography, we commit to offering our clients the full breadth and scale of our products and services.

Corporate / Institutional / Government / Intermediary

Private client (HNW / high income) / charities / trusts

Specialist Banking

Wealth & Investment

We have market-leading specialist client franchises

We provide a high level of client service enabled by advanced digital platforms

We are a people business backed by our Out of the Ordinary culture, entrepreneurial spirit

Strategic focus for the next year
- Growth initiatives: Focus on growing our client base and building new sources of revenue
- Improved cost management: Heightening the rigour with which we identify efficiencies in all areas of the business
- Digitalisation: Enhancing digital capabilities to continue delivering an advanced high-tech, high-touch proposition
- Greater connectivity: Enhancing links among and between the Banking and Wealth & Investment business, across geographies
- Capital discipline: Adopting a more disciplined approach to capital allocation, particularly where businesses are non-core to overall long-term growth and capital strategy.

Informed by regular stakeholder engagement
Refer to pages 23 to 30

Supported by strong risk management, ESG screening and governance culture
Refer to pages 22 and 23 in volume two of the Investec group's 2021 integrated annual report

STAKEHOLDER ENGAGEMENT AND VALUE CREATION
CONTINUED

Outputs → Outcomes → SDGs

Human capital

Outputs

- Staff participating in employee wellness initiatives
  - Southern Africa: 3 390 staff participated in well-being initiatives
  - UK: 6 730 visits to the well-being hub
- Learning and development as a % of staff cost down to 1.3% due to COVID-19 (2020: 1.7%) (target: >1.5%)
- Total staff turnover:
  - Southern Africa: 5.9% (2020: 10.6%)
  - UK: 12.0% due to a restructure in the UK and Australia (2020: 13.7%)
- All employees participate in culture and values dialogues
- 48.8% female employees and 37.5% females in senior management positions.

Outcomes

- A safe and healthy work environment that values physical as well as psychosocial well-being
- Growth in talent and leadership
- Retained and motivated staff through appropriate remuneration and rewards structures
- A values-driven culture supported by strong ethics and integrity
- Diversity, equity, inclusion and belonging at all levels.

SDGs: 4, 10, 16

Intellectual capital

Outputs

- Annuity income as a percentage of operating income is 77.6% (2020: 76.4%)
- Credit loss ratio of 0.35% (March 2020: 0.52%)
- Enhanced our ESG policies, processes and reporting.

Outcomes

- Diversified revenue streams that support long-term performance
- Risk management expertise leveraged to protect value
- Solid and responsible lending and investing activities.

SDGs: 16

Social and relationship capital

Outputs

- Customer accounts up 6.9% (up 2.3% in neutral currency)
- Spent £2.1 million on COVID-19 relief for communities in our jurisdictions around the world
- 2.6% community spend as a % of operating profit of which 65% was on education, entrepreneurship and job creation
- Financed more than £348 million towards student accommodation in South Africa, the UK and Europe.

Outcomes

- Deep durable relationships with our clients and created new client relationships
- Invested in our distinctive brand and provided a high level of service by being nimble, flexible and innovative
- Contributed to society through our numerous community programmes and through our SDG activities
- Committed to transformation and youth employment in South Africa.

SDGs: 4, 8, 10, 17

Natural capital

Outputs

- Our banking book fossil fuel exposures reduced to 1.13% of gross credit and counterparty exposures at March 2021 (March 2020: 1.30%)
- We are sourcing almost 100% of our Scope 2 energy from renewable sources through renewable energy certificates
- We report according to the TCFDs and Equator Principles.

Outcomes

- Transition to a low-carbon economy through funding and participating in renewable energy
- Limit our direct operational carbon impact
- Protect biodiversity through various conservation activities
- Aligned with the Paris Agreement.

SDGs: 11, 13, 15, 17

Technological capital

Outputs

- 17.4% of total operating costs relates to IT spend
- 20% of staff have IT specialist skills
- Swiftly enabled >95% of staff across the world to work from home during COVID-19
- Made targeted investments in AI capabilities
- Embedded new RPA technologies to optimise operations.

Outcomes

- International platform for clients with global access to products and services which is both high-tech and high-touch
- Optimise our value chain and drive efficiencies
- Build an open banking platform as a channel to seamlessly integrate with FinTechs

SDGs: 9, 11, 17

Financial capital

Outputs

- Operating income down 9.2% to £1 641 million and adjusted earnings per share down 14.7% to 28.9p
- Core loans up 6.1% (up 1.6% in neutral currency), customer deposits up 6.9% and net inflows of £1.1 billion
- Common equity tier 1 ratio of 11.2% for Investec plc and 12.2% for Investec Limited
- Credit loss ratio decreased to 0.35% from 0.52%.

Outcomes

- Client franchises have shown resilience
- Strong balance sheet with robust capital and liquidity levels
- Increased provisioning levels and continued monitoring of credit exposures
- Made progress on strategic initiatives.

SDGs: 16

For more information on the SDGs refer to our 2021 group sustainability and ESG supplementary report
For more information on our climate disclosures refer to our TCFD report

CFO REPORT

The year in review

In unprecedented times, the group displayed unwavering resilience by proactively servicing our clients and focusing on core business fundamentals.

The first half performance, continuing from the last quarter of the prior year, was characterised by difficult and volatile market and economic conditions attributable primarily to COVID-19.

The second half showed strong earnings recovery, supported by our resilient client base, a rebound in economic activity and a greater sense of optimism spurred on by global vaccination campaigns.

Nishlan Samujh
CFO

CFO REPORT
CONTINUED

Our client engagement has been consistent and proactive, leveraging off the various digital platforms at our disposal.

The balance sheet is well provided, with stage one provisions remaining elevated relative to pre-COVID levels, with overall asset quality remaining resilient. The group credit loss ratio peaked in the second half of the 2020 financial year, followed by a stabilisation, as the macro-economic outlook improved in addition to the sound credit performance in our loan books.

Capital and liquidity ratios are strong and above respective targets, positioning the group well to benefit from sustained economic recovery.

Financial performance
Adjusted earnings per share from continuing operations for FY2021 of 28.9p was 14.7% behind the prior year, with second half earnings 58.1% ahead of the first half.

Total operating income (before impairments) declined by 9.2%, boosted by the positive impact of higher average interest earning assets, growth in FUM and the first-time inclusion of the equity accounted earnings of the group's share of Ninety One, but offset by lower interest rates, reduced client activity and elevated risk management and risk reduction costs related to our UK structured products book.

Total operating costs reduced by 1.8% year on year with fixed costs decreasing by 6.6% driven by headcount reduction and lower discretionary spending. These savings were partially offset by an increase in variable remuneration reflecting improved business momentum and continued investment in technology. The group incurred approximately £26 million in one-off restructuring costs in the period.

The group generated a return on equity (ROE) of 6.6% (FY2020: 8.3%) and a return on tangible equity (ROTE) of 7.2% (FY2020: 9.2%). An analysis of the allocation of capital and the return on equity per business and geography can be obtained on pages 43 to 45.

Net lower expected credit loss (ECL) impairment charges of £99.4 million (FY2020: £133.3 million) resulted in a credit loss ratio (CLR) of 35bps (H1 2021: 47bps, FY2020: 52bps) indicative of sound credit quality and higher recoveries.

Net asset value (NAV) per share increased by 10.5% to 458.0p (31 March 2020: 414.3p) and tangible NAV (TNAV) per share increased by 12.2% to 423.6p (31 March 2020: 377.6p).

Capital, leverage and liquidity ratios remain sound and ahead of internal board-approved minimum targets and regulatory requirements. The common equity tier (CET) 1 and leverage ratio were 12.2% and 7.6% for Investec Limited (FIRB approach), respectively, and 11.2% and 7.9% for Investec plc (standardised approach), respectively. Cash and near cash was £13.2 billion at 31 March 2021, representing 38.4% of customer deposits.

The board proposed a final dividend of 7.5p, resulting in a total dividend of 13.0p for FY2021 with a net payout ratio of 45%. The dividend has been arrived at after taking current regulatory guidance into consideration.

Segmental highlights
- The Wealth & Investment business reported growth in funds under management (FUM) of 30.4% to £58 billion (FY2020: £45 billion) reflecting market recovery, good investment performance and continued net inflows of £1.1 billion.
- Lending franchises reported positive book growth in the second half, ending the year with a 6.1% increase in core loans to £26.4 billion (FY2020: £24.9 billion). The Private Banking franchise reported higher core loans year on year supported by strong lending book growth in 2H2021. Although the corporate lending book saw improvement in the second half, overall the book ended lower than the prior year. Good client acquisition in SA and UK supported a 6.9% increase in deposits.
- Client activity within the Specialist Banking business increased since December 2020, with strong equity capital markets performance in the UK Corporate and Investment Bank.
- Group Investments include a positive impact from the inclusion of the equity accounted earnings from the group's 25% stake in Ninety One. Profit on disposal of certain investments was partly offset by the impact of COVID-19 related lockdowns on the profitability of IEP and IPF, including the impact of negative FX revaluations on Euro-denominated investments in IPF.
- Group Costs decreased by 37.7% to £33.5 million (FY2020: £53.8 million) positively impacted by the non-repeat of expenses associated with the exit of a marketing contract in the UK in the prior year.

Looking forward
We remain encouraged by the momentum we are seeing across the business. The short-term outlook is dependent on progress in containing the pandemic and the extent of economic recovery in the geographies in which we operate. While the vaccine rollout programmes in the UK and other advanced economies are pleasing, the slow progress in South Africa leaves the country vulnerable to the third wave.

Should the economic recovery currently underway persist throughout FY2022, we expect the revenue momentum experienced in the second half to continue; supported by growth in client activity and recovery of non-interest income revenue streams which were negatively impacted by COVID-19 in 1H2021. Operating costs are expected to be well managed and will also benefit from significant restructurings effected in the prior year. ECL is expected to remain within the through-the-cycle range of 30bps – 40bps. The group expects FY2022 adjusted earnings per share to improve from the reported 28.9p to between 36p and 41p.

The group remains committed to achieving a 12% to 16% ROE (Investec Limited: 15% to 18% and Investec plc: 11% to 15%) in the medium term.

Capital allocation efforts are expected to result in excess capital as we optimise the investment portfolio and complete our migration to AIRB in the South African business.

At the start of the 2021 financial year, we embarked on an extensive process to simplify our external reporting. This initiative was driven by requests from key Investec stakeholders to provide simplified and more transparent disclosure. During the current year, efforts were focused on the simplicity and relevance of the information provided in the analyst book and to improve the general clarity of the annual report. This is however a multi-year process that will require ongoing consultation with stakeholders. Management remains committed to improving this process.

On behalf of the board of Investec plc and Investec Limited

Nishlan Samujh
Group Finance Director

CFO REPORT
CONTINUED

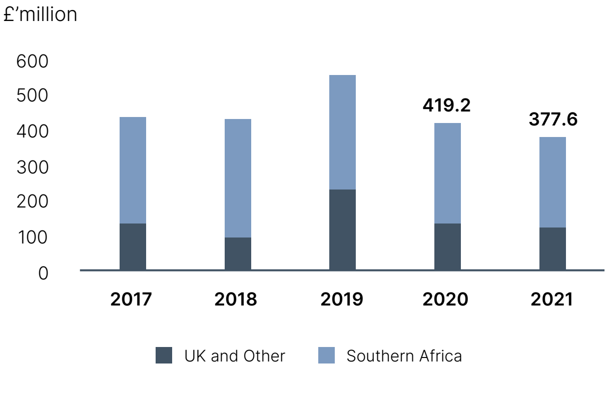
Financial highlights	**FY2021**	FY2020	Variance	% change	Neutral currency % change
Total operating income before expected credit losses (£'m)	1 641.1	1 806.8	(166.0)	(9.2%)	(4.4%)
Operating costs (£'m)	(1 164.5)	(1 186.4)	22.0	(1.8%)	2.4%
Adjusted operating profit (£'m)	377.6	419.2	(41.6)	(9.9%)	(2.4%)
Adjusted earnings attributable to shareholders (£'m)	268.3	320.7	(52.4)	(16.3%)	(8.7%)
Adjusted basic earnings per share (pence)	28.9	33.9	(5.0)	(14.7%)	(7.1%)
Basic earnings per share (pence)	25.2	17.5	7.7	44.0%	58.9%
Headline earnings per share (pence)	26.6	21.5	5.1	23.7%	37.2%
Dividend per share (pence)[1]	13.0	11.0	2.0	18.2%	n/a
Dividend payout ratio[1]	45.0%	38.0%			
CLR (credit loss ratio)	0.35%	0.52%			
Cost to income ratio	70.9%	68.2%			
ROE (return on equity)	6.6%	8.3%			
ROTE (return on tangible equity)	7.2%	9.2%			

1. The FY2020 dividend per share and dividend payout ratio reflected above were prior to the demerger of the asset management business (Ninety One) and reflect the interim dividend per share; the board did not declare a final 2020 ordinary dividend in light of regulatory guidance provided to banks in both South Africa and the UK.

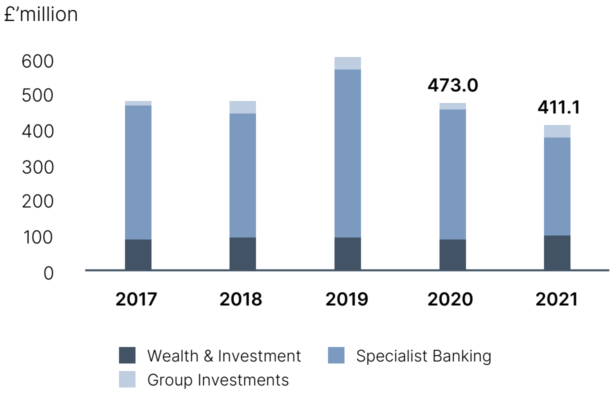
We have a diversified business model

We have built a solid international platform, with diversified revenue streams and geographic diversity

Adjusted operating profit (including group costs)

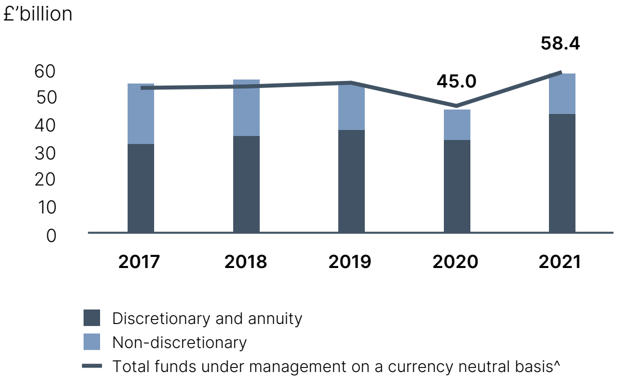


Adjusted operating profit (excluding group costs)

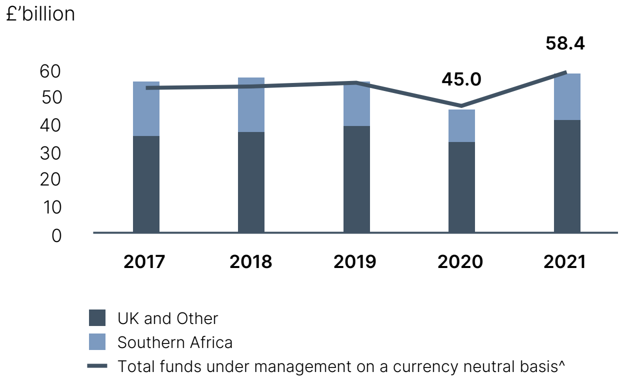


We continue to grow our key earnings drivers, underpinned by our resilient client franchises

Funds under management

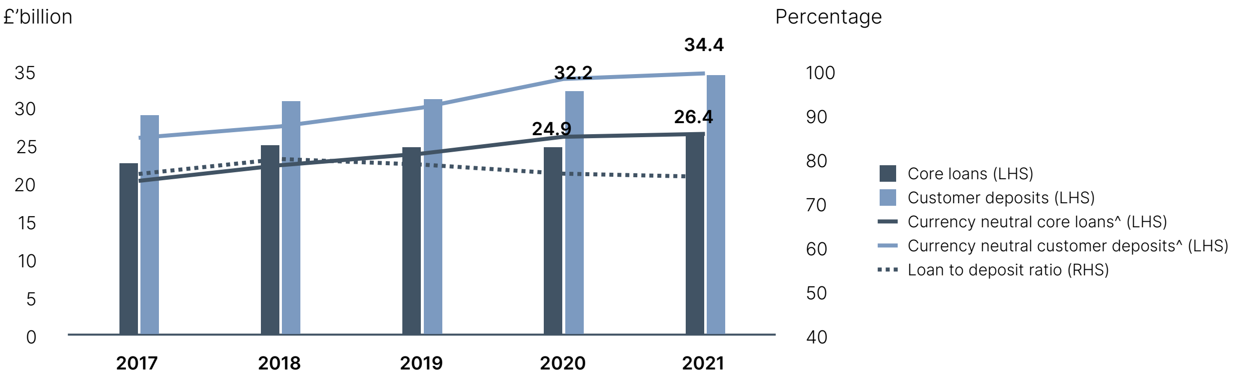


Funds under management by geography



CFO REPORT
CONTINUED

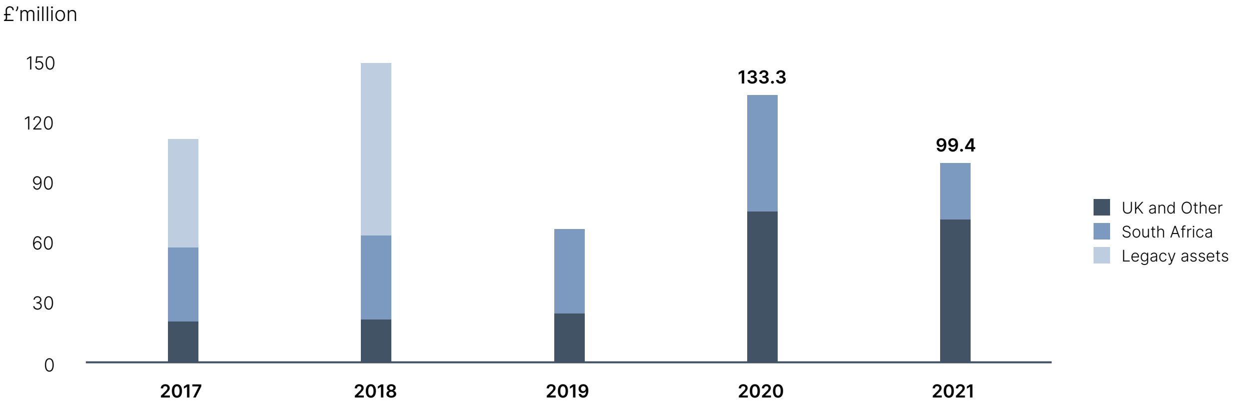
Core loans and customer deposits



^ This trend line is shown on a currency neutral basis using the closing Rand: Pound Sterling exchange rate applicable at 31 March 2021.

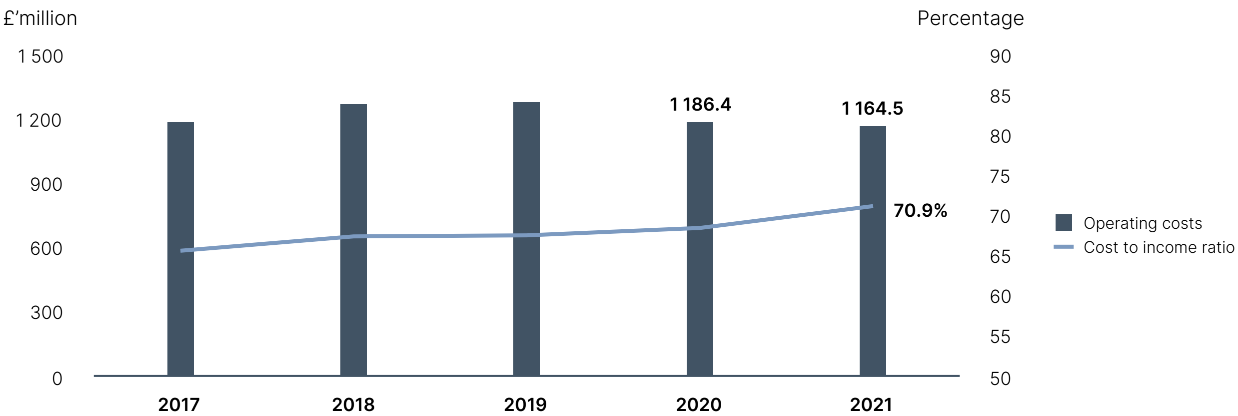
Lower credit losses reflect robust credit quality and higher recoveries in the current period

Expected credit loss impairment charges



Costs were well managed, in line with our strategic priority; lower revenue impacting cost to income ratio

Operating costs and cost to income ratio



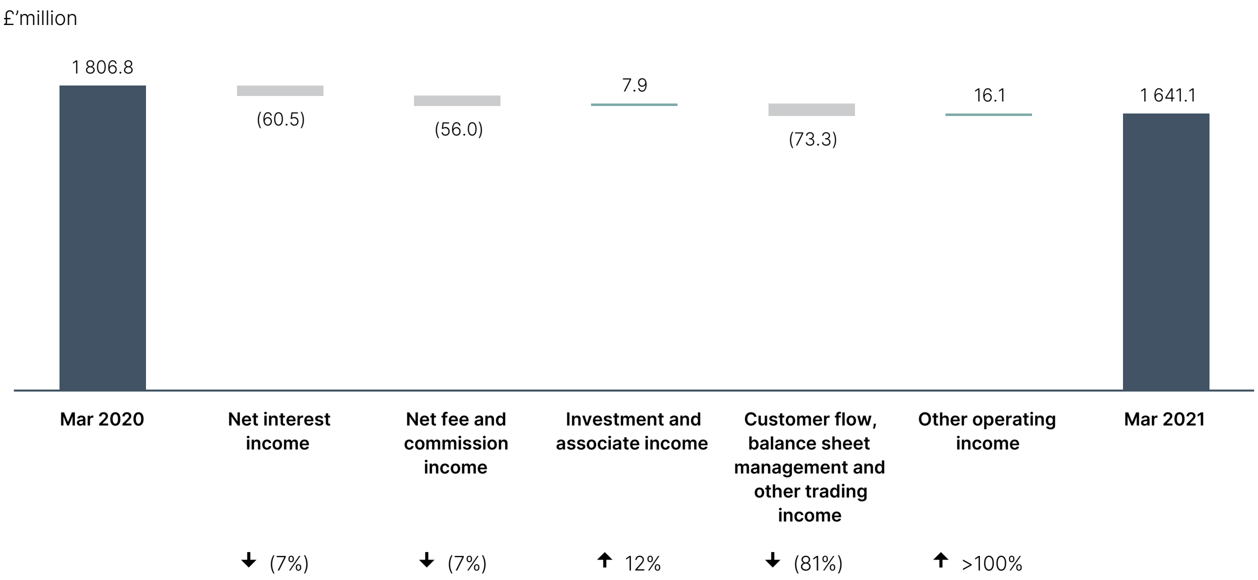
CFO REPORT
CONTINUED

Income statement analysis

The overview that follows highlights the main reasons for the variance in the major category line items on the face of the income statement for the year under review. The analysis is performed on the continuing operations (excluding the consolidated results of Ninety One for the period 1 April 2019 to 13 March 2020; but including the equity accounted earnings from 13 March 2020 (date of demerger)). Unless stated otherwise, comparatives relate to the group's continuing operations for the year ended 31 March 2020 (FY2020).

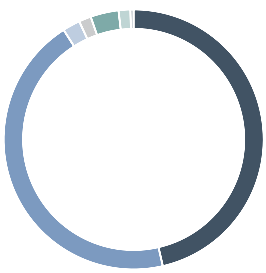
Total operating income before expected credit loss impairment charges

Total operating income before expected credit loss impairment charges decreased 9.2% to £1 641.1 million (2020: £1 806.8 million).

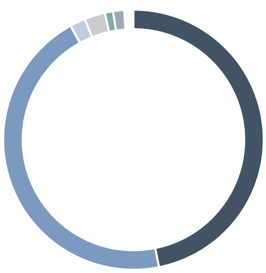


Percentage of total operating income before expected credit losses

31 March 2020
£1 806.8 million total operating income before expected credit loss impairment charges



31 March 2021
£1 641.1 million total operating income before expected credit loss impairment charges



	31 March 2020
Net interest income	46.4%
Net fee and commission income	44.5%
Investment income	2.2%
Share of post-taxation profit of associates and joint venture holdings	1.5%
Trading income arising from customer flow	3.5%
Trading income arising from balance sheet management and other trading activities	1.5%
Other operating income	0.4%

	31 March 2021
Net interest income	47.4%
Net fee and commission income	45.6%
Investment income	2.0%
Share of post-taxation profit of associates and joint venture holdings	2.6%
Trading income arising from customer flow	2.2%
Trading income arising from balance sheet management and other trading activities	(1.2%)
Other operating income	1.4%

CFO REPORT
CONTINUED

- Net interest income decreased by 7.2% to £778.1 million (FY2020: £838.6 million) favourably impacted by higher average interest earning assets relative to prior year and negatively impacted by lower interest rates and increased liquidity levels at the height of COVID-19. Net interest margin was 1.71% (FY 2020: 1.93%) in the South African business and 1.90% (FY 2020: 2.02%) for the UK business.
- Net fee and commission income declined by 7.0% to £748.9 million (FY2020: £804.9 million). Fees in the Wealth & Investment business increased by 1.6% driven by organic growth in FUM in the current and prior year, increased transaction volumes and the associated repositioning of client portfolios, partially offset by lower interest rates. Fees in the Specialist Banking business were impacted primarily by lower lending and transactional activity relative to the prior year, while Group Investment fees reflected lower rental income from IPF and significant non-repeat fees in the UK in the prior year.
- Investment income decreased by 18.5% to £32.0 million (FY2020: £39.3 million) primarily reflecting the negative impact of COVID-19 on investment property valuations in IPF and higher realisation gains, dividend income and unrealised equity revaluations in the prior year (within the South African Private Bank) which did not repeat.
- Share of post-taxation profit of associates and joint venture holdings increased by 55.8% to £42.5 million (FY2020: £27.2 million) positively impacted by the inclusion of associate earnings from the group's 25% holding in Ninety One and negatively impacted by lower earnings from the IEP Group due to lockdown and the non-repeat of a realisation in the prior year.
- Trading income arising from customer flow declined by 43.8% to £35.6 million (FY2020: £63.3 million) driven by elevated risk management and risk reduction costs related to the UK structured products book. The base effect from fair value losses in the prior year and positive fair value adjustments in the current year on certain portfolios had a favourable effect.
- Trading income arising from balance sheet management and other trading activities netted a loss of £18.9 million from a profit of £26.7 million in FY2020. The loss was driven primarily by the mark-to-market movement on interest rate and foreign exchange swaps.
- Other operating income of £23.0 million (FY2020: £6.9 million) reflects the fair value movements of the Ninety One shares held in the group's staff share scheme. These shares are reflected on the group's balance sheet in other assets. The corresponding liability is reflected in other liabilities with changes in the value of the liability expensed through staff costs in operating costs.

Expected credit loss impairment charges

Impairments declined by 25.4% to £99.4 million (FY2020: £133.3 million) and the CLR reduced from 52bps at FY2020 to 35bps at FY2021 driven primarily by the impact of muted book growth on Stage 1 and 2 ECLs and higher recoveries in South Africa.

In South Africa, the Stage 1 coverage ratio remained relatively flat at 0.38% (31 March 2020: 0.39%). The Stage 2 coverage ratio declined to 2.7% (31 March 2020: 2.8%) driven by the positive impact of the updated macro-economic assumptions applied in our models. Despite an increase in Stage 3 specific impairments, the coverage ratio declined to 17.8% (31 March 2020: 42.1%) due to some highly collateralised deals migrating from Stage 2 and specific exposures with higher provision coverage written off in the current year.

In the UK, the Stage 1 coverage ratio reduced to 0.26% (31 March 2020: 0.35%). The Stage 2 coverage ratio decreased from 5.4% at FY2020 to 3.4% as a significant proportion of the exposures that migrated into Stage 2 were from lower risk exposures, transferred into Stage 2 based on the deteriorating forward-looking view on their credit performance under current macro-economic expectations rather than specific credit concerns. The Stage 3 coverage ratio increased to 30.4% (31 March 2020: 28.2%) notwithstanding a decrease in overall Stage 3 exposure.

£'000	31 March 2021	31 March 2020	Variance	% change
UK and Other	(71 202)	(75 813)	4 611	(6.1%)
Southern Africa	(28 236)	(57 488)	29 252	(50.9%)
ECL impairment charges	**(99 438)**	**(133 301)**	**33 863**	**(25.4%)**
ECL impairment charges in home currency				
Southern Africa (R'million)	**(621)**	**(1 109)**	**488**	**(44.0%)**

£'000	31 March 2021	31 March 2020
ECL impairment charges are recognised on the following assets:		
Loans and advances to customers	88 470	126 301
Own originated loans and advances to customers securitised	407	317
Core loans	**88 877**	**126 618**
Other loans and advances	(70)	(33)
Other balance sheet assets	4 780	3 696
Off-balance sheet commitments and guarantees	5 851	3 020
ECL impairment charges	**99 438**	**133 301**

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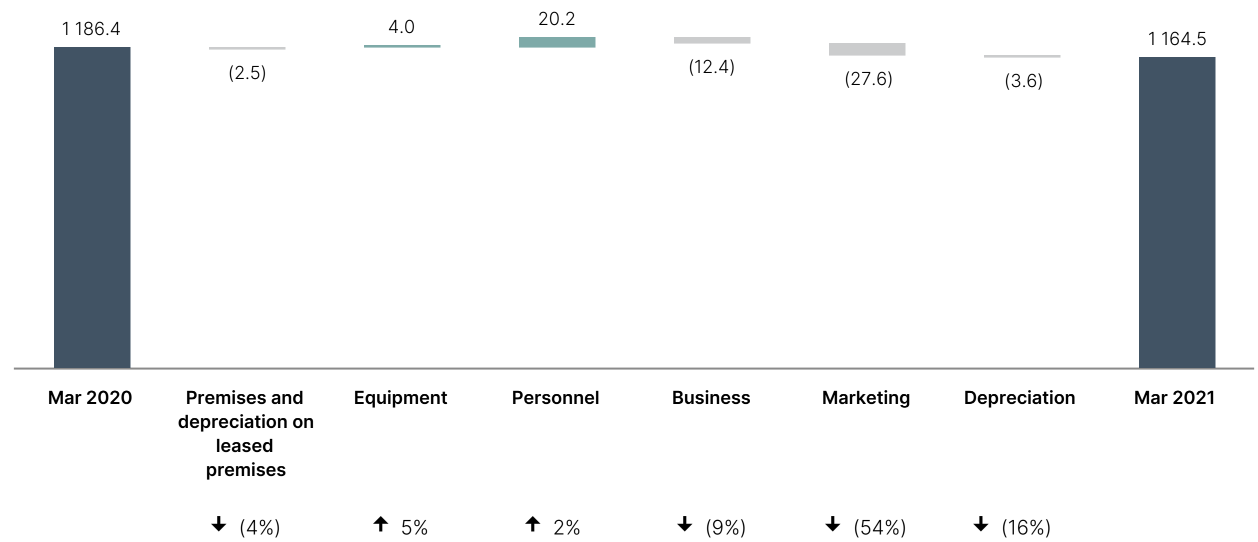
Operating costs

Operating costs decreased by 1.8% to £1 164.5 million (2020: £1 186.4 million), driven by a reduction in headcount and discretionary expenditure, partially offset by higher variable remuneration due to positive business momentum, employee benefit costs related to Ninety One shares held in the group's staff share scheme and the first-time consolidation of a European logistics property asset management company acquired in the last quarter of FY2020. The group incurred approximately £26 million of one-off restructuring costs in the period. Fixed costs reduced by 6.6%, while variable costs increased by 25.5%, reflecting a level of normalisation in line with improving revenue trends. Despite the decrease in operating costs, the cost to income ratio is above the prior period at 70.9% (2020: 68.2%) as a result of the aforementioned pressures on revenue.

Operating costs

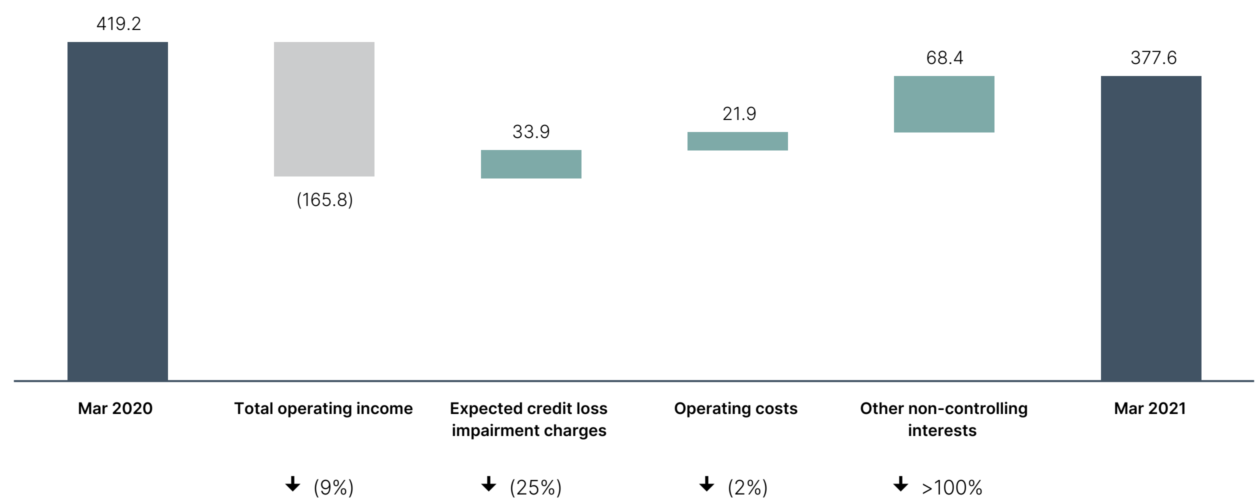
£'million



Adjusted operating profit

As a result of the foregoing factors, adjusted operating profit from continuing operations decreased by 9.9% from £419.2 million to £377.6 million.

£'million



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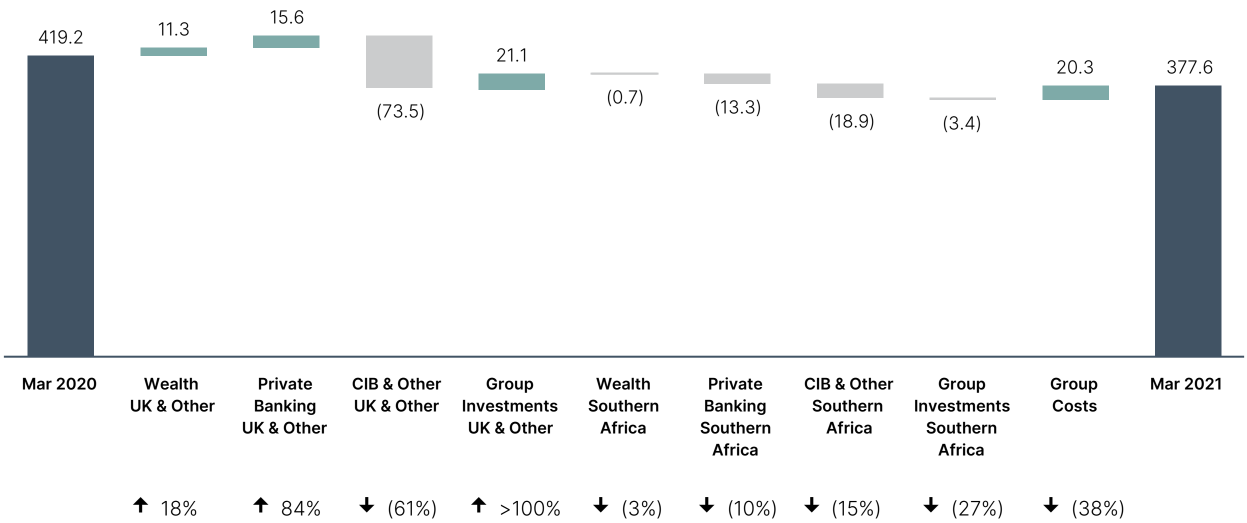
Adjusted operating profit by business and geography

£'million



Goodwill and intangible assets
Impairment of goodwill of £11.6 million (2020: £0.1 million) relates to Investec Ireland. Goodwill has been written off as a result of the change in business following the Brexit impact and as such there is limited linkage remaining between the business acquisition which gave rise to the goodwill and the ongoing business in Ireland.

Impairment of associates and joint venture holdings of £16.8 million relates to an impairment of IPF's investment in a UK property fund prior to its sale in March, as well as an impairment of the group's investment in the IEP Group. The prior year amount of £45.4 million related to an impairment of the group's investment in the IEP Group.

Amortisation of acquired intangibles of £15.3 million (2020: £15.7 million) relates mainly to the amortisation of amounts attributable to client relationships in the Wealth & Investment business, while amortisation of acquired intangibles of associates of £9.3 million (2020: £0.4 million) predominantly relates to the amortisation of amounts attributable to client relationships included in the carrying value of the Ninety One investment in associate on the balance sheet.

Other balance sheet movements in goodwill and acquired intangibles since 31 March 2020 are predominantly due to the appreciation of the Rand.

Taxation
The taxation charge on adjusted operating profit from continuing operations was £74.5 million (2020: £54.7 million), resulting in an effective tax rate of 22.3% (2020: 11.9%). The increase was due to normalisation of the effective tax rate in South Africa and the non-repeat of losses incurred in the UK in FY2020 related to certain strategic actions.

Profit or loss attributable to other non-controlling interests and non-controlling interests share of associate impairment
The (loss)/profit attributable to other non-controlling interests of £0.5 million (FY2020: profit of £68.0 million) relates to the (loss)/profit attributable to non-controlling interests in IPF. The non-controlling interests share of associate impairment of £9.1 million relates to the impairment to transaction price for the sale of IPF's associate investment in the UK.

Discontinued operations
There were no discontinued operations for FY2021. Discontinued operations in the comparative period reflect the asset management business which was demerged and separately listed as Ninety One in March 2020.

Factoring in the significant gain from the demerger in the prior year, basic EPS from continuing and discontinued operations reduced to 25.2p (FY2020: 115.3p).

Earnings from the group's 25% holding in Ninety One have been equity accounted and included in share of post-taxation profit of associates and joint venture holdings within continuing operations for FY2021.

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Balance sheet analysis
Since 31 March 2020:

- Ordinary shareholders' equity increased by 9.6% to £4.2 billion driven by an increase in net retained earnings.
- NAV per share increased by 10.5% to 458.0p and TNAV per share (which excludes goodwill, software, and other intangible assets) increased by 12.2% to 423.6p.
- The group generated an ROE and ROTE of 6.6% (FY2020: 8.3%) and 7.2% (FY2020: 9.2%).
- Net core loans increased by 6.1% to £26.4 billion year on year. The South African book was marginally down in Rands at R287.3 billion, while in the UK, net core loans grew by 3.9% to £12.3 billion (or 8.7% excluding Australia).

Funding and liquidity
Customer deposits grew by 6.9% to £34.4 billion (31 March 2020: £32.2 billion). Cash and near cash of £13.2 billion (£6.9 billion in Investec plc and R129.8 billion in Investec Limited) at 31 March 2021 represents approximately 38.4% of customer deposits. Loans and advances to customers as a percentage of customer deposits was 75.6%.

The group comfortably exceeds Basel liquidity requirements for the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

- Investec Bank Limited (consolidated group) ended the period to 31 March 2021 with the three-month average of its LCR at 164.0% and an NSFR of 113.3%.
- For Investec plc the LCR and NSFR are calculated using the relevant EU regulation, applying our own interpretations where required. The LCR reported to the PRA at 31 March 2021 was 440% and the internally calculated NSFR was 129% at 31 March 2021. Excluding the sale of the Australian business, the LCR and NSFR were 335% and 126%.

Capital adequacy and leverage ratios
The group maintained capital and leverage ratios ahead of both internal board-approved minimum targets and regulatory requirements. At 31 March 2021, the common equity tier 1 (CET1) ratio and leverage ratio for Investec Limited (FIRB approach) were 12.2% and 7.6%, respectively. The CET1 ratio and leverage ratio for Investec plc (standardised approach) were 11.2% and 7.9%, respectively.

The group targets a minimum CET1 ratio above 10%, a tier 1 ratio above 11% and a total capital adequacy ratio range of 14% to 17% on a consolidated basis for each of Investec plc and Investec Limited, respectively.

Investec Limited has received approval from the Prudential Authority to adopt the Advanced Internal Ratings Based (AIRB) approach for the SME and Corporate models, effective 1 April 2021. As a result, the pro-forma AIRB CET1 ratio was 12.8% at 31 March 2021, an approximate 60bps uplift on FIRB. We are working towards further adoption of AIRB on certain remaining portfolios and expect a further 100bps to 150bps uplift to the CET1 ratio.

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Additional financial information

Return on equity

Continuing operations £'000	31 March 2021	31 March 2020	Average	31 March 2019	Average
Ordinary shareholders' equity	**4 234 997**	**3 862 305**	**4 048 651**	**3 917 960**	**3 871 201**
Goodwill and intangible assets (excluding software)	(318 773)	(342 282)	(330 528)	(368 352)	(392 949)
Tangible ordinary shareholders' equity	**3 916 224**	**3 520 023**	**3 718 123**	**3 549 608**	**3 478 252**

Continuing operations £'000	31 March 2021	31 March 2020
Operating profit before goodwill, acquired intangibles and strategic actions	377 110	487 111
Non-controlling interests	472	(67 952)
Earnings attributable to perpetual preference and Other Additional Tier 1 security holders (other equity holders)	(34 774)	(43 819)
Adjusted earnings (pre-tax)	**342 808**	**375 340**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(74 539)	(54 690)
Adjusted earnings attributable to ordinary shareholders	**268 269**	**320 650**
Pre-tax return on average shareholders' equity (pre-tax ROE)	8.5%	9.7%
Post-tax return on average shareholders' equity (post-tax ROE)	**6.6%**	**8.3%**
Pre-tax return on average tangible shareholders' equity (pre-tax ROTE)	9.2%	10.8%
Post-tax return on average tangible shareholders' equity (post-tax ROTE)	**7.2%**	**9.2%**

Return on equity by geography

£'000	UK and Other	Southern Africa	Total
Operating profit before goodwill, acquired intangibles and strategic actions	125 122	251 988	377 110
Non-controlling interests	861	(389)	472
Earnings attributable to other equity holders	(17 226)	(17 548)	(34 774)
Adjusted earnings (pre-tax)	**108 757**	**234 051**	**342 808**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(24 243)	(50 296)	(74 539)
Adjusted earnings attributable to ordinary shareholders – 31 March 2021	**84 514**	**183 755**	**268 269**
Adjusted earnings attributable to ordinary shareholders – 31 March 2020	116 752	203 898	320 650
Ordinary shareholders' equity – 31 March 2021	**2 109 588**	**2 125 409**	**4 234 997**
Goodwill and intangible assets (excluding software)	(303 117)	(15 656)	(318 773)
Tangible ordinary shareholders' equity – 31 March 2021	**1 806 471**	**2 109 753**	**3 916 224**
Ordinary shareholders' equity – 31 March 2020	**2 076 961**	**1 785 344**	**3 862 305**
Goodwill and intangible assets (excluding software)	(325 294)	(16 988)	(342 282)
Tangible ordinary shareholders' equity – 31 March 2020	**1 751 667**	**1 768 356**	**3 520 023**
Average ordinary shareholders' equity – 31 March 2021	**2 093 275**	**1 955 376**	**4 048 650**
Average ordinary shareholders' equity – 31 March 2020	1 960 029	1 911 171	3 871 200
Average tangible ordinary shareholders' equity – 31 March 2021	**1 779 068**	**1 939 055**	**3 718 123**
Average tangible ordinary shareholders' equity – 31 March 2020	1 586 799	1 891 453	3 478 252
Post-tax ROE – 31 March 2021	**4.0%**	**9.4%**	**6.6%**
Post-tax ROE – 31 March 2020	6.0%	10.7%	8.3%
Post-tax ROTE – 31 March 2021	**4.8%**	**9.5%**	**7.2%**
Post-tax ROTE – 31 March 2020	7.4%	10.8%	9.2%
Pre-tax ROE – 31 March 2021	**5.2%**	**12.0%**	**8.5%**
Pre-tax ROE – 31 March 2020	5.9%	13.6%	9.7%
Pre-tax ROTE – 31 March 2021	**6.1%**	**12.1%**	**9.2%**
Pre-tax ROTE – 31 March 2020	7.3%	13.7%	10.8%

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Return on equity by business and geography

£'000	Specialist Bank UK and Other – Private Banking	Specialist Bank UK and Other – Corporate, Investment Banking & Other	Specialist Bank UK and Other – Total	Specialist Bank Southern Africa – Private Banking	Specialist Bank Southern Africa – Corporate, Investment Banking & Other	Specialist Bank Southern Africa – Total	Group Investments – UK and Other	Group Investments – Southern Africa	Group Investments – Total
Adjusted operating profit	**(3 012)**	**47 799**	**44 787**	**123 434**	**108 049**	**231 483**	**25 142**	**9 243**	**34 385**
Notional return on regulatory capital	8 015	(14 986)	(6 971)	14 986	(16 310)	(1 324)	—	—	—
Notional cost of statutory capital	—	8 623	8 623	(2 747)	2 747	—	—	—	—
Cost of subordinated debt	(5 133)	5 900	767	(7 696)	8 175	479	—	—	—
Earnings attributable to other equity holders	(3 325)	(13 404)	(16 729)	(4 985)	(12 358)	(17 343)	—	—	—
Adjusted earnings (pre-tax) – 2021	**(3 455)**	**33 932**	**30 477**	**122 992**	**90 303**	**213 295**	**25 142**	**9 243**	**34 385**
Tax on operating profit before goodwill, acquired intangibles and strategic actions	656	(12 947)	(12 291)	(24 598)	(20 846)	(45 444)	—	(676)	(676)
Adjusted earnings attributable to ordinary shareholders – 2021	**(2 799)**	**20 985**	**18 186**	**98 394**	**69 457**	**167 851**	**25 142**	**8 567**	**33 709**
Adjusted earnings (pre-tax) – 2020	**(19 099)**	**106 295**	**87 196**	**136 304**	**100 022**	**236 326**	**4 091**	**12 633**	**16 724**
Adjusted earnings attributable to ordinary shareholders – 2020	**(15 470)**	**110 442**	**94 972**	**110 406**	**78 034**	**188 440**	**4 091**	**9 208**	**13 299**
Ordinary shareholders' equity – 31 March 2021	**445 261**	**1 049 852**	**1 495 113**	**801 171**	**997 112**	**1 798 283**	**227 194**	**290 773**	**517 967**
Goodwill and intangible assets (excluding software)	—	(13 518)	(13 518)	—	(13 882)	(13 882)	—	—	—
Tangible ordinary shareholders' equity – 31 March 2021	**445 261**	**1 036 334**	**1 481 595**	**801 171**	**983 230**	**1 784 401**	**227 194**	**290 773**	**517 967**
Ordinary shareholders' equity – 31 March 2020	**391 830**	**1 186 874**	**1 578 704**	**729 066**	**740 624**	**1 469 690**	**97 640**	**291 085**	**388 725**
Goodwill and intangible assets (excluding software)	—	(24 866)	(24 866)	—	(15 357)	(15 357)	—	—	—
Tangible ordinary shareholders' equity – 31 March 2020	**391 830**	**1 162 008**	**1 553 838**	**729 066**	**725 267**	**1 454 333**	**97 640**	**291 085**	**388 725**
Average ordinary shareholders' equity – 2021	**418 546**	**1 118 363**	**1 536 909**	**765 118**	**868 868**	**1 633 986**	**162 417**	**290 929**	**453 346**
Average ordinary shareholders' equity – 2020	**370 279**	**1 150 597**	**1 520 876**	**700 997**	**871 801**	**1 572 798**	**48 820**	**315 758**	**364 578**
Average tangible ordinary shareholders' equity – 2021	**418 544**	**1 099 171**	**1 517 715**	**765 118**	**854 249**	**1 619 367**	**162 417**	**290 929**	**453 346**
Average tangible ordinary shareholders' equity – 2020	**370 279**	**1 089 311**	**1 459 590**	**700 997**	**853 858**	**1 554 855**	**48 820**	**315 758**	**364 578**
Pre-tax ROE – 31 March 2021	**(0.8%)**	**3.0%**	**2.0%**	**16.1%**	**10.4%**	**13.1%**	**15.5%**	**3.2%**	**7.6%**
Pre-tax ROE – 31 March 2020	(5.2%)	9.2%	5.7%	19.4%	11.5%	15.0%	8.4%	4.0%	4.6%
Post-tax ROE – 31 March 2021	**(0.7%)**	**1.9%**	**1.2%**	**12.9%**	**8.0%**	**10.3%**	**15.5%**	**2.9%**	**7.4%**
Post-tax ROE – 31 March 2020	(4.2%)	9.6%	6.2%	15.7%	9.0%	12.0%	8.4%	2.9%	3.6%
Pre-tax ROTE – 31 March 2021	**(0.8%)**	**3.1%**	**2.0%**	**16.1%**	**10.6%**	**13.2%**	**15.5%**	**3.2%**	**7.6%**
Pre-tax ROTE – 31 March 2020	(5.2%)	9.8%	6.0%	19.4%	11.7%	15.2%	8.4%	4.0%	4.6%
Post-tax ROTE – 31 March 2021	**(0.7%)**	**1.9%**	**1.2%**	**12.9%**	**8.1%**	**10.4%**	**15.5%**	**2.9%**	**7.4%**
Post-tax ROTE – 31 March 2020	(4.2%)	10.1%	6.5%	15.7%	9.1%	12.1%	8.4%	2.9%	3.6%

\# The return on equity by business is based on the level of internal capital required by each business, inclusive of an allocation of any surplus capital held by group.
The operating profit is adjusted to reflect a capital structure that includes common equity, Additional Tier 1 capital instruments and subordinated debt.

^ Wealth & Investment is consistent with the group computation, except for an adjustment of £159.1 million between ordinary shareholders' funds and goodwill, which represents historical accounting gains with a corresponding effective increase in goodwill and intangible assets. These gains were excluded from group adjusted earnings.

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Wealth & Investment			Group costs			Wealth & Investment goodwill adjustment^			Total group		
UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	**UK and Other**	**Southern Africa**	**Total**
74 340	**26 119**	**100 459**	**(18 286)**	**(15 246)**	**(33 532)**	**—**	**—**	**—**	**125 983**	**251 599**	**377 582**
6 971	1 324	8 295	—	—	—	—	—	—	—	—	—
(8 623)	—	(8 623)	—	—	—	—	—	—	—	—	—
(767)	(479)	(1 246)	—	—	—	—	—	—	—	—	—
(497)	(205)	(702)	—	—	—	—	—	—	(17 226)	(17 548)	(34 774)
71 424	**26 759**	**98 183**	**(18 286)**	**(15 246)**	**(33 532)**	**—**	**—**	**—**	**108 757**	**234 051**	**342 808**
(15 426)	(7 225)	(22 651)	3 474	3 049	6 523	—	—	—	(24 243)	(50 296)	(74 539)
55 998	**19 534**	**75 532**	**(14 812)**	**(12 197)**	**(27 009)**	**—**	**—**	**—**	**84 514**	**183 755**	**268 269**
61 047	**27 851**	**88 898**	**(36 288)**	**(17 516)**	**(53 804)**	**—**	**—**	**—**	**116 046**	**259 294**	**375 340**
47 082	**20 613**	**67 695**	**(29 393)**	**(14 363)**	**(43 756)**	**—**	**—**	**—**	**116 752**	**203 898**	**320 650**
228 231	**36 353**	**264 584**	**—**	**—**	**—**	**159 050**	**—**	**159 050**	**2 109 588**	**2 125 409**	**4 234 997**
(130 549)	(1 774)	(132 323)	—	—	—	(159 050)	—	(159 050)	(303 117)	(15 656)	(318 773)
97 682	34 579	132 261	—	—	—	—	—	—	1 806 471	2 109 753	3 916 224
241 567	24 569	266 136	—	—	—	159 050	—	159 050	2 076 961	1 785 344	3 862 305
(141 378)	(1 631)	(143 009)	—	—	—	(159 050)	—	(159 050)	(325 294)	(16 988)	(342 282)
100 189	22 938	123 127	—	—	—	—	—	—	1 751 667	1 768 356	3 520 023
234 899	**30 461**	**265 360**	**—**	**—**	**—**	**159 050**	**—**	**159 050**	**2 093 275**	**1 955 376**	**4 048 651**
231 283	22 615	253 898	—	—	—	159 050	—	159 050	1 960 029	1 911 171	3 871 200
98 936	**28 759**	**127 695**	**—**	**—**	**—**	**—**	**—**	**—**	**1 779 068**	**1 939 055**	**3 718 123**
78 389	20 840	99 228	—	—	—	—	—	—	1 586 799	1 891 453	3 478 252
30.4%	**87.8%**	**37.0%**	**—**	**—**	**—**	**—**	**—**	**—**	**5.2%**	**12.0%**	**8.5%**
26.4%	123.2%	35.0%	—	—	—	—	—	—	5.9%	13.6%	9.7%
23.8%	**64.1%**	**28.5%**	**—**	**—**	**—**	**—**	**—**	**—**	**4.0%**	**9.4%**	**6.6%**
20.4%	91.1%	26.7%	—	—	—	—	—	—	6.0%	10.7%	8.3%
72.2%	**93.0%**	**76.9%**	**—**	**—**	**—**	**—**	**—**	**—**	**6.1%**	**12.1%**	**9.2%**
77.9%	133.6%	89.6%	—	—	—	—	—	—	7.3%	13.7%	10.8%
56.6%	**67.9%**	**59.2%**	**—**	**—**	**—**	**—**	**—**	**—**	**4.8%**	**9.5%**	**7.2%**
60.1%	98.9%	68.2%	—	—	—	—	—	—	7.4%	10.8%	9.2%

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Exchange rates

Our reporting currency is Pound Sterling. Certain of our operations are conducted by entities outside the UK. The results of operations and the financial position of our individual companies are reported in the local currencies of the countries in which they are domiciled, including South African Rands, Australian Dollars, Euros and US Dollars. These results are then translated into Pound Sterling at the applicable foreign currency exchange rates for inclusion in our combined consolidated financial results. In the case of the income statement, the weighted average rate for the relevant period is applied and, in the case of the balance sheet, the relevant closing rate is used.

The following table sets out the movements in certain relevant exchange rates against Pound Sterling over the period.

	31 March 2021		31 March 2020	
Currency per £1.00	**Closing**	**Average**	Closing	Average
South African Rand	20.36	21.33	22.15	18.78
Australian Dollar	1.81	1.82	2.03	1.87
Euro	1.17	1.12	1.13	1.15
US Dollar	1.38	1.31	1.24	1.27

Exchange rates between local currencies and Pound Sterling have fluctuated over the period. The most significant impact arises from the volatility of the Rand. The average Rand: Pound Sterling exchange rate over the period has depreciated by 13.6% against the comparative 12-month period ended 31 March 2020, and the closing rate has appreciated by 8.1% since 31 March 2020. The following tables provide an analysis of the impact of the Rand on our reported numbers.

	Results in Pound Sterling					**Results in Rands**		
Total group excluding discontinued operations	**Year to 31 March 2021**	Year to 31 March 2020	% change	**Neutral currency^ Year to 31 March 2021**	Neutral currency % change	**Year to 31 March 2021**	Year to 31 March 2020	% change
Adjusted operating profit before taxation (million)	£378	£419	(9.9%)	£409	(2.4%)	R8 202	R7 779	5.4%
Earnings attributable to shareholders (million)	£268	£210	27.6%	£294	40.0%	R5 715	R3 783	51.1%
Adjusted earnings attributable to shareholders (million)	£268	£321	(16.3%)	£293	(8.7%)	R5 710	R5 949	(4.0%)
Adjusted earnings per share	28.9p	33.9p	(14.7%)	31.5p	(7.1%)	614c	629c	(2.4%)
Basic earnings per share	25.2p	17.5p	44.0%	27.8p	58.9%	538c	312c	70.2%
Headline earnings per share	26.6p	21.5p	23.7%	29.5p	37.2%	568c	399c	42.4%

	Results in Pound Sterling					**Results in Rands**		
Total group including discontinued operations	**Year to 31 March 2021**	Year to 31 March 2020	% change	**Neutral currency^ Year to 31 March 2021**	Neutral currency % change	**Year to 31 March 2021**	Year to 31 March 2020	% change
Adjusted operating profit before taxation (million)	£378	£609	(38.0%)	£409	(32.8%)	R8 202	R11 307	(27.5%)
Earnings attributable to shareholders (million)	£268	R1 135	(76.4%)	£294	(74.1%)	R5 715	R21 938	(73.9%)
Adjusted earnings attributable to shareholders (million)	£268	£440	(39.1%)	£293	(33.4%)	R5 710	R8 198	(30.3%)
Adjusted earnings per share	28.9p	46.5p	(37.8%)	31.5p	(32.3%)	614c	867c	(29.2%)
Basic earnings per share	25.2p	115.3p	(78.1%)	27.8p	(75.9%)	538c	2 232c	(75.9%)
Headline earnings per share	26.6p	29.2p	(8.9%)	29.5p	1.0%	568c	536c	6.0%
Dividend per share**	13.0p	11.0p	18.2%	n/a	n/a	262c	211c	24.2%

^ For income statement items we have used the average Rand: Pound Sterling exchange rate that was applied in the prior period, i.e. 18.78.

** In light of regulatory guidance provided to banks in both South Africa and the UK, the board decided not to declare a final ordinary dividend for the 2020 financial year, resulting in a full year dividend of 11.0 pence per ordinary share.

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	Results in Pound Sterling					Results in Rands		
	At 31 March 2021	At 31 March 2020	% change	**Neutral currency^^ At 31 March 2021**	Neutral currency % change	**At 31 March 2021**	At 31 March 2020	% change
Net asset value per share	458.0p	414.3p	10.5%	452.9p	9.3%	9 326c	9 178c	1.6%
Net tangible asset value per share	423.6p	377.6p	12.2%	418.5p	10.8%	8 625c	8 365c	3.1%
Total equity (million)	£5 312	£4 898	8.5%	£5 237	6.9%	R108 171	R108 495	(0.3%)
Total assets (million)	£51 512	£50 558	1.9%	£50 814	0.5%	R1 048 875	R1 122 162	(6.5%)
Core loans (million)	£26 438	£24 911	6.1%	£25 300	1.6%	R538 320	R551 878	(2.5%)
Cash and near cash balances (million)	£13 229	£12 683	4.3%	£12 715	0.3%	R269 364	R280 960	(4.1%)
Customer deposits (million)	£34 449	£32 221	6.9%	£32 945	2.2%	R701 446	R713 774	(1.7%)
Funds under management (million)	£58 436	£45 018	29.8%	£57 107	26.9%	R1 189 872	R997 149	19.3%

^^ For balance sheet items we have assumed that the Rand: Pound Sterling closing exchange rate has remained neutral since 31 March 2020.

Neutral currency information is considered as pro-forma financial information as per the JSE Listings Requirements and is therefore the responsibility of the group's board of directors. Pro-forma financial information was prepared for illustrative purposes and because of its nature may not fairly present the issuer's financial position, changes in equity, or results of operations. The external auditors issued a limited assurance report in respect of the neutral currency information. The report is available for inspection at the registered office of Investec upon request.

Total funds under management

£'million	**31 March 2021**	31 March 2020	% change
Wealth & Investment	**58 039**	**44 510**	**30.4%**
UK and Other	**41 684**	**33 117**	**25.9%**
Discretionary	35 207	27 599	27.6%
Non-discretionary	6 477	5 518	17.4%
Southern Africa	**16 355**	**11 393**	**43.6%**
Discretionary and annuity assets	8 587	5 982	43.6%
Non-discretionary	7 768	5 411	43.6%
Specialist Banking	397	508	(21.8%)
	58 436	**45 018**	**29.8%**

Number of employees

By division – permanent employees	**31 March 2021**	31 March 2020
Wealth & Investment		
UK and Other	1 330	1 380
Southern Africa	389	371
Total	**1 719**	**1 751**
Specialist Banking		
UK and Other	2 157	2 492
Southern Africa	4 013	4 112
Total	**6 170**	**6 604**
Temporary employees and contractors	355	387
Total number of employees	**8 244**	**8 742**

CFO REPORT
CONTINUED

Adjusted operating profit per employee

By division	Wealth & Investment	Specialist Banking
Number of total employees – 31 March 2021	**1 770**	**6 474**
Number of total employees – 31 March 2020	1 844	6 898
Number of total employees – 31 March 2019	1 931	7 013
Average total employees – year to 31 March 2021	**1 807**	**6 686**
Average total employees – year to 31 March 2020	1 888	6 956
Adjusted operating profit# – year to 31 March 2021	**100 459**	**276 270**
Adjusted operating profit# – year to 31 March 2020	89 866	366 373
Adjusted operating profit per employee^ – year to 31 March 2021 (£'000)	**55.6**	**41.3**
Adjusted operating profit per employee^ – year to 31 March 2020 (£'000)	47.6	52.7

Adjusted operating profit excluding group costs.
^ Based on average number of employees over the year.

By geography	UK and Other	Southern Africa	Total
Number of total employees – 31 March 2021	**3 504**	**4 740**	**8 244**
Number of total employees – 31 March 2020	3 942	4 800	8 742
Number of total employees – 31 March 2019	4 099	4 845	8 944
Average total employees – year to 31 March 2021	**3 723**	**4 770**	**8 493**
Average total employees – year to 31 March 2020	4 021	4 823	8 843
Adjusted operating profit – year to 31 March 2021	**125 983**	**251 599**	**377 582**
Adjusted operating profit – year to 31 March 2020	133 465	285 694	419 159
Adjusted operating profit per employee^ – year to 31 March 2021 (£'000)	**33.8**	**52.7**	**44.5**
Adjusted operating profit per employee^ – year to 31 March 2020 (£'000)	33.2	59.2	47.4

^ Based on average number of employees over the year.

Net asset value per share

£'000	31 March 2021	31 March 2020
Ordinary shareholders' equity/net asset value	**4 234 997**	**3 862 305**
Less: goodwill and intangible assets (excluding software)	(318 773)	(342 282)
Tangible ordinary shareholders' equity/net tangible asset value	**3 916 224**	**3 520 023**
Number of shares in issue (million)	1 015.0	1 015.0
Treasury shares (million)	(90.4)	(82.8)
Number of shares in issue in this calculation (million)	**924.6**	**932.2**
Net asset value per share (pence)	**458.0**	**414.3**
Tangible net asset value per share (pence)	**423.6**	**377.6**

Return on risk-weighted assets – continuing operations

The group's return on risk-weighted assets for continuing operations is reflected in the table below.

	31 March 2021	31 March 2020	Average risk-weighted assets	31 March 2019	Average risk-weighted assets
Adjusted earnings attributable to ordinary shareholders (£'000)	**268 269**	**320 650**		**458 844**	
Investec plc risk-weighted assets* (£'million)	16 332	16 285	16 308	14 679	15 482
Investec Limited risk-weighted assets* (£'million)	17 244	15 247	16 246	16 606	15 926
Total risk-weighted assets* (£'million)	**33 576**	**31 532**	**32 554**	**31 285**	**31 408**
Return on risk-weighted assets	**0.82%**	**1.01%**		**1.41%**	
Investec Limited risk-weighted assets* (R'million)	351 125	337 755	344 440	312 170	324 963

* Risk-weighted assets reflected above exclude the risk-weighted assets relating to the asset management business which was demerged in March 2020, and therefore differ to the risk-weighted assets as reported.

03

Divisional review

DIVISIONAL KEY INCOME DRIVERS

We partner with private, institutional and corporate clients, offering international banking, investment and wealth management services in two principal markets, South Africa and the UK, as well as certain other countries.

Wealth & Investment

Key income drivers	Income impacted primarily by:	Income statement – primarily reflected as:
• Investment management fees levied as a percentage of funds under management • Commissions earned for executing transactions for clients.	• Movement in the value of assets underlying client portfolios • The level of investment activity undertaken on behalf of clients. Among other factors, this is affected by the performance of the global stock markets (which drives investment opportunities), the equity investment risk appetite of our clients, tax considerations and market liquidity.	• Fees and commissions.

Group Investments

Key income drivers	Income impacted primarily by:	Income statement – primarily reflected as:
• Investments (including listed and unlisted equities) • Gains or losses on investments • Dividends received.	• Macro- and micro-economic market conditions • Nature of the industry invested in • Availability of profitable exit routes • Attractive investment opportunities • Interest rate environment.	• Investment income • Share of post-taxation profit of associates • Through consolidation of IPF: – Net interest income – Fees and commissions – Trading income – Earnings attributable to non-controlling interests.

DIVISIONAL KEY INCOME DRIVERS
CONTINUED

Specialist Banking

Key income drivers	Income impacted primarily by:	Income statement – primarily reflected as:
• Lending activities.	• Size of loan portfolio • Clients' capital and infrastructural investments • Client activity • Credit spreads • Interest rate environment.	• Net interest income • Fees and commissions • Investment income.
• Cash and near cash balances.	• Capital employed in the business and capital adequacy targets • Asset and liability management policies and risk appetite • Regulatory requirements • Credit spreads • Interest rate environment.	• Net interest income • Trading income arising from balance sheet management activities.
• Deposit and product structuring and distribution.	• Distribution channels • Client numbers • Ability to create innovative products • Regulatory requirements • Credit spreads • Interest rate environment.	• Net interest income • Fees and commissions.
• Investments (including listed and unlisted equities; debt securities; investment properties) • Gains or losses on investments • Dividends received.	• Macro- and micro-economic market conditions • Availability of profitable exit routes • The existence of appropriate market conditions to maximise gains on sale • Attractive investment opportunities • Credit spreads • Interest rate environment.	• Net interest income • Investment income • Share of post-taxation profit of associates.
• Advisory services.	• The demand for our specialised advisory services, which, in turn, is affected by applicable regulatory and other macro- and micro-economic fundamentals.	• Fees and commissions.
• Derivative sales, trading and hedging.	• Client activity, including lending activity • Client numbers • Market conditions/volatility • Asset and liability creation • Product innovation.	• Fees and commissions • Trading income arising from customer flow.
• Transactional banking services.	• Levels of activity • Ability to create innovative products • Appropriate systems infrastructure • Interest rate environment.	• Net interest income • Fees and commissions.

UK AND OTHER

We provide our clients with a diversified, combined and integrated banking and wealth management offering in the UK with extensive depth and breadth of products and services.

We've built our business by working in partnership with our clients, taking the time to understand their unique needs and aspirations. This approach allows us to deliver Out of the Ordinary service to private, institutional and corporate clients alike.

Highlights

Funds under management
£41.7bn
(2020: £33.5bn)

Net core loans
£12.3bn
(2020: £11.9bn)

Customer deposits
£16.1bn
(2020: £15.3bn)

Adjusted operating profit
£126.0mn
(2020: £133.5mn)

ROE post-tax
4.0%
(2020: 6.0%)

Cost to income
79.5%
(2020: 78.0%)

What we do

Private client offering

Wealth & Investment

Investment and savings

Pensions and retirement

Financial planning

Private Banking

Lending

Private Capital

Transactional banking

Savings

Foreign exchange

Corporate client offering

Corporate and Investment Banking

Lending

Advice

Hedging

Cash – deposits and savings

Equity placement

Target market

Private client offering

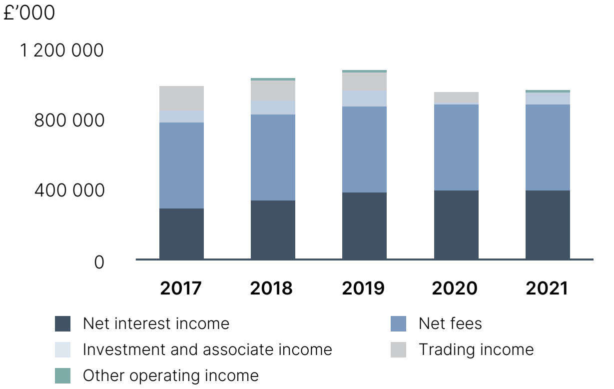
- Individuals with > £250k minimum investable amount
- Charities
- Trusts
- High net worth active wealth creators (with > £300k annual income and > £3mn NAV)

Corporate client offering

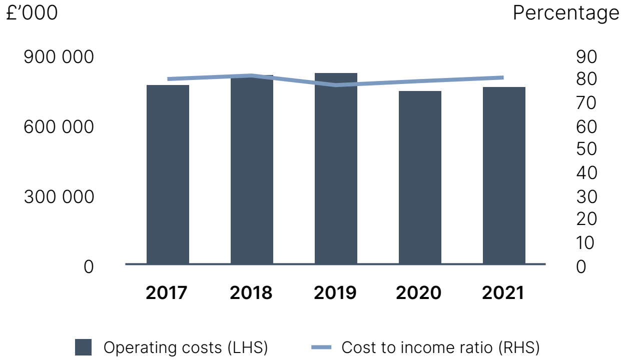
- Corporates
- Private equity
- Institutions
- Intermediaries
- Government

UK AND OTHER
CONTINUED

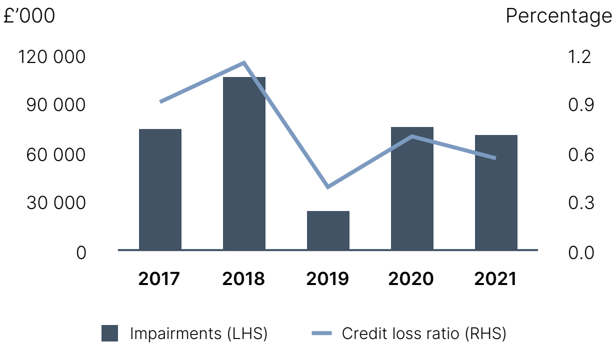
Operating income



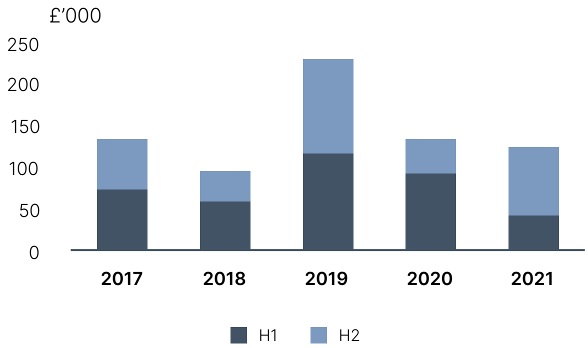
Operating costs



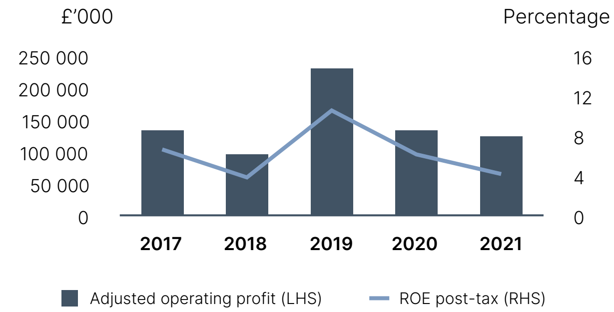
Expected credit losses/impairment losses^



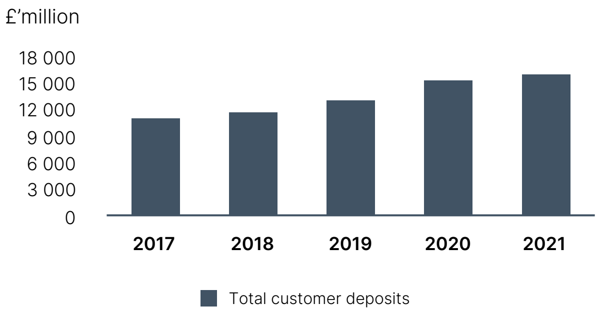
Adjusted operating profit



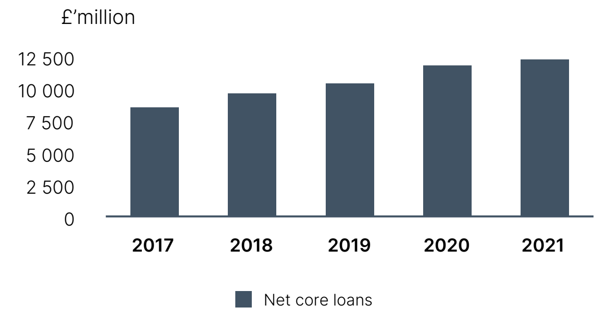
Adjusted operating profit and ROE



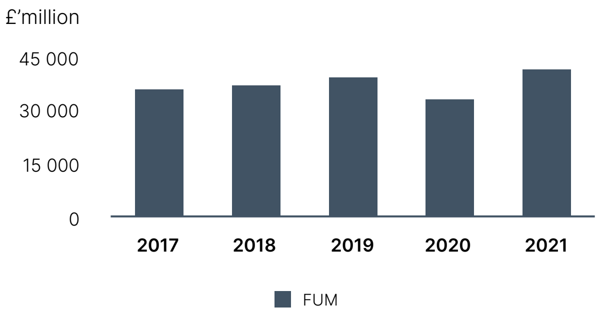
Total customer deposits



Net core loans



Funds under management



Note: All figures on this page relate to continuing operations.

^ On adoption of IFRS 9 there was a move from an incurred loss model to an expected credit loss methodology. Expected credit loss impairment charges from the year ended 31 March 2019 have been calculated on an IFRS 9 basis; earlier comparative years have been calculated on an IAS 39 basis.

WEALTH & INVESTMENT

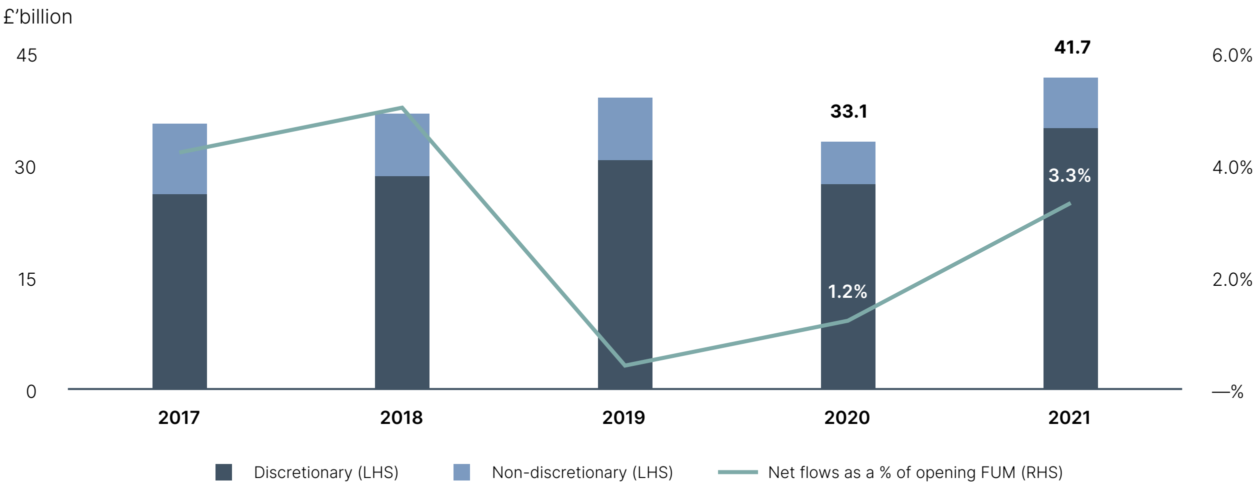
Business head
Ciaran Whelan

With over £40bn of FUM, we are one of the UK's largest wealth and investment managers. We work with individual clients to plan and manage their wealth, and with charities, trusts and clients of professional advisers to help deliver optimal returns on their investments and to bring financial peace of mind.

Performance highlights

- A strong performance has resulted in a record operating profit of £74.3mn (18.0% above the prior year)
- Record FUM of £41.7bn reflects market recovery, continued net inflows and good investment performance
- Our focus during this period of heightened uncertainty and market volatility has been to deliver the expertise and high standards of service that our clients need and expect, whilst supporting our colleagues as they transitioned to working remotely.

Funds under management and net flows



Reasons for the variance in FUM since 31 March 2020:

- Favourable market movements (MSCI PIMFA Balanced index up 19.7%) and investment outperformance
- Net inflows of £1.1 billion resulting in net organic growth in funds under management of 3.3%.

Funds under management

£'million	31 March 2021	31 March 2020	% change
UK domestic (including Channel Islands)	**40 474**	**32 068**	**26.2%**
Discretionary	34 812	27 276	27.6%
Non-discretionary*	5 662	4 792	18.2%
Switzerland^	**1 210**	**1 049**	**15.3%**
Discretionary	395	323	22.3%
Non-discretionary	815	726	12.3%
Total	**41 684**	**33 117**	**25.9%**

* Non-discretionary includes advisory-managed FUM of £1 829 mn (2020: £1 766 mn). Managed funds therefore represent 91% of the UK domestic total FUM at 31 March 2021 (2020: 91%).

^ An explanation for separating the Switzerland business from the UK domestic business is provided on the next page.

Net inflows at cost over the year

£'million	31 March 2021	31 March 2020°
Discretionary	959	614
Non-discretionary	150	(130)
Total	**1 109**	**484**

° Composition of prior year total net inflows has been re-presented. This was previously disclosed as Discretionary: 546 and Non-discretionary: (62).

WEALTH & INVESTMENT
CONTINUED

Income statement analysis and key income drivers

£'000	31 March 2021	31 March 2020	Variance	% change
Net interest income	2 296	12 604	(10 308)	(81.8%)
Net fee and commission income	316 040	304 412	11 628	3.8%
Investment income/(loss)	272	(436)	708	(>100%)
Trading income arising from				
– customer flow	920	862	58	6.7%
– balance sheet management and other trading activities	(9)	108	(117)	(>100%)
Other operating income	—	181	(181)	(100.0%)
Total operating income before expected credit loss impairment charges	**319 519**	**317 731**	**1 788**	**0.6%**
Of which: UK domestic	311 576	302 257	9 319	3.1%
Of which: Switzerland* and Other**	7 943	15 474	(7 531)	(48.7%)
Expected credit loss impairment charges	(4)	1	(5)	(>100%)
Operating income	**319 515**	**317 732**	**1 783**	**0.6%**
Operating costs	(245 175)	(254 714)	9 539	(3.7%)
Of which: UK domestic	(233 100)	(234 596)	1 496	(0.6%)
Of which: Switzerland* and Other**	(12 075)	(20 118)	8 043	(40.0%)
Adjusted operating profit/(loss)	**74 340**	**63 018**	**11 322**	**18.0%**
Of which: UK domestic	78 476	67 661	10 815	16.0%
Of which: Switzerland* and Other**	(4 136)	(4 643)	507	(10.9%)
Key income drivers				
Operating margin	23.3%	19.8%		
Of which: UK domestic	25.2%	22.4%		
Net flows in FUM as a % of opening FUM	3.3%	1.2%		
Average income yield earned on funds under management^	0.85%	0.88%		
Of which: UK domestic	0.86%	0.90%		

* The results of the Switzerland business have been reported separately for the first time to demonstrate the value of the UK domestic business. Following a strategic review, our Swiss operations will be restructured in 2021 to play a key role in the group's strategic expansion of its international banking and wealth services.
** Where 'Other' comprises the Wealth & Investment operations in Ireland (up until its sale in October 2019) and Hong Kong (up until closure in July 2019).
^ The average income yield on funds under management represents the total operating income for the period as a percentage of the average of opening and closing funds under management. This calculation does not adjust for the impact of market movements and investment performance throughout the period on funds under management or the timing of acquisitions and disposals (where applicable) during the respective periods.

Other factors driving the performance in the period under review included:

- Revenue was broadly flat compared to the prior year, positively impacted by organic growth in FUM in the current and prior year, increased transaction volumes and the associated repositioning of client portfolios, and negatively impacted by lower interest rates
- Operating costs decreased by £9.5 million or 3.7% due to lower discretionary expenditure and continued focus on cost containment. The cost saving was despite incurring one-off headcount reduction related costs of c.£6 million and a c.£2 million increase in the Financial Services Compensation Scheme (FSCS) levy in the UK domestic business, now costing the business c.£6.1 million a year. The cost to income ratio for the UK domestic business improved to 74.8% (2020: 77.6%).

Strategy execution:

- **BID**: Belonging, inclusion and diversity has been at the forefront of our strategy and a key focus as we strive to improve representation. We launched a diversity data project to better understand the composition of our business and allow us to hone in on areas where more focus is needed. We have captured over 76% of ethnicity and 72% of sexual orientation data across our population of employees. We are in the process of finalising our internal targets for both gender and ethnicity, accompanied by comprehensive action plans to make sure we achieve them. As part of our drive to improve progression opportunities, particularly for women who have had career breaks, we are very excited to shortly be welcoming our new hires on our Return to Work Programme. Our newly created BID champion network comprises a group of trained colleagues committed to supporting and building an inclusive working environment.
- **Advice**: We have launched a new offering that brings together our advice and investment management solutions into a single service for both existing and new clients. This has included investment in our technology infrastructure in order to build on our existing expertise in a cost-effective and scalable way.
- **Intermediaries**: We continue to focus on serving the adviser market. The expansion of our offering to intermediaries with the launch of our platform-based Managed Portfolio Service offering has been well received.
- **Sustainability**: We are committed to delivering exceptional service to our clients, creating long-term value for our shareholders and contributing meaningfully to our people, communities and the planet in line with our core principles. Environmental, Social and Governance (ESG) considerations have long been embedded into our investment processes, as has our active engagement with the businesses that we include in client portfolios. A key step in bolstering our

WEALTH & INVESTMENT
CONTINUED

approach to responsible investing is our commitment to the Stewardship Code, for which our submission is awaiting approval. In addition, our people are upskilling and members of the team are engaged in specialist qualifications in this arena to improve our service to clients and increase our intellectual capital. We also have a strong organisational focus on sustainability and are making strides in reducing our carbon footprint by reducing our reliance on paper and communicating with clients electronically.

- **Client focus**: The new Investment Management team focused on the Bank's HNW client sectors is in place and making inroads into addressing the wealth management needs of HNW clients who are existing clients of the Bank.
- **Engagement**: This year has seen material changes in our senior management team, allowing us to unlock our next level of talent, including new appointments into senior roles. In times of uncertainty, engagement with our workforce is more critical than ever. We've conducted significant engagement and listening programmes across the organisation, culminating in a review of our culture.

Growth opportunities and outlook:

- Further expanding our advice capability is key to our growth strategy and will allow us to meet the growing need for more holistic, advice-led services. Our investment in technology will ensure that we do this in a cost-effective and scalable way.
- The enhancement of our ESG offering is a significant focus for the year ahead. ESG is increasingly important for clients, particularly those in the next generation.
- We are maintaining our disciplined approach to cost control and believe the business is well placed to capitalise on growth opportunities as the operating environment improves.

SPECIALIST BANKING OVERVIEW

Following a review of the group's segmental disclosure, the Specialist Banking business segment has been disaggregated to reflect the underlying client franchises residing within the Specialist Bank, namely: (1) Private Banking, and (2) Corporate, Investment Banking and Other. Refer to page 48 in volume three for more information.

Commentary on these segments is provided on the following pages. The information below is an overview of the Specialist Banking business as a whole.

Business head
Ruth Leas

Awards

"Lender of the Year" at the 2020 Private Equity Awards

"Large Loans Mortgage Lender of the Year" at the 2021 Mortgage Awards for the third consecutive year

Note: Specialist Banking no longer includes Group Investments which is now shown as a separate segment. The prior period has been restated to reflect the same basis.

Highlights

Adjusted operating profit

£44.8mn

(2020: £102.6mn)

ROE post-tax

1.2%

(2020: 6.2%)

Cost to income

81.3%

(2020: 71.7%)

Credit loss ratio

0.56%

(2020: 0.69%)

Diversified loan book by risk category: Core loans

£12.3 billion

Corporate and other lending	**50%**
Asset finance	16%
Corporate and acquisition finance	11%
Fund finance	10%
Other corporate and financial institutions and governments	6%
Power and infrastructure finance	4%
Asset-based lending	3%
Resource finance	0.2%
Lending collateralised by property	**17%**
Commercial real estate	11%
Residential real estate	6%
High net worth and other private client lending	**33%**
Mortgages	26%
HNW and specialised lending	7%

Highlights: Sustainability

- Maintained our net-zero direct (Scope 1 and 2) carbon emissions status for the third consecutive year
- Launched one of the first European mid-market ESG-linked subscription lines to the value of €600 million to a leading European investment group
- Continued to play a key role in supporting the carbon transition by financing a number of significant renewable energy transactions.

Highlights: Belonging, Inclusion and Diversity (BID)

- Reduced our gender pay gap for the third consecutive year, with planned strategies and actions to drive the increase of female representation at senior levels
- Signed up to the UK Race at Work Charter
- Established a Young Leaders Council
- Launched a group-wide project to collect ethnicity data to determine our racial composition and set appropriate targets to address under-representation and to track progress.

PRIVATE BANKING

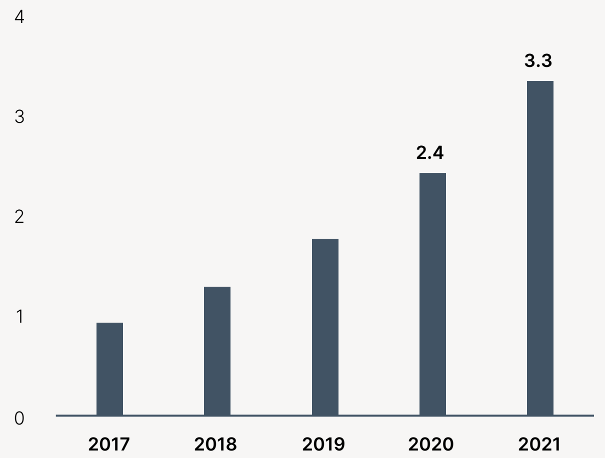
Our Private Banking business focuses on providing bespoke solutions underpinned by in-depth knowledge and understanding of our clients' aspirations and goals, supported by a broad private banking offering. We understand that every client is an individual, and that they are often active wealth creators with complex financial needs. This segment predominantly comprises lending to HNW clients; primarily residential mortgages.

Performance in the period under review

- The business had a very successful trading period in terms of loan origination, FX flows and client acquisition, and we remain ahead of original growth and scale plans despite the COVID-19 environment and associated challenges.
- Higher net interest income supported a year-on-year revenue increase of £11.3 million (44.9%). Strong loan book growth offset the impact of lower interest rates.

Loans and advances to customers

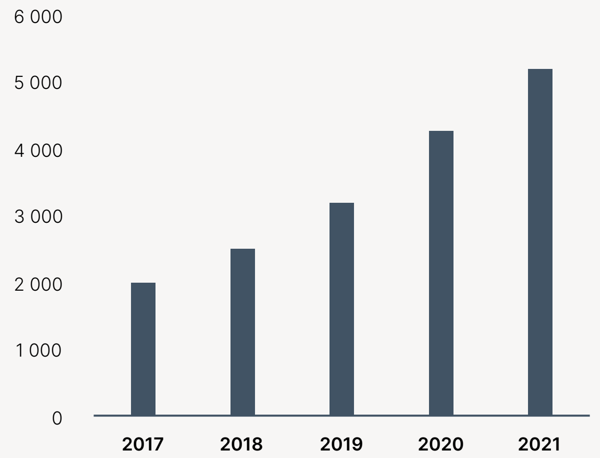
£'billion



Strong loan book growth:

- Strong growth in the loan book (up 37.2% since 31 March 2020) was supported by client acquisition (in line with strategy) and new lending turnover
- The business also capitalised on a marked pick-up in demand for residential mortgages, driven by the COVID-19 related Stamp Duty relief in the UK
- In line with our strategic objective to grow the Private Banking business, the loan book has grown at a compound annual growth rate of 35.2% over the past four years.

HNW client acquisition



Continued success in client acquisition:

- Despite the challenges of the COVID-19 environment, the Private Banking business reported net client acquisition, growing the client base by c.21% (acquiring an additional c.900 clients)
- Our clients have an average income of £700 000+ and average NAV of £11.5mn – well above our quantitative criteria
- HNW mortgage lending is focused on target clients with lending in established areas (London and the South East) with recourse to the individual and high level of cash equity contributions into transactions.

Note: In addition to these client figures, our Channel Islands business has c.800 HNW clients. In aggregate, we are trending towards our target of at least 6 500 HNW clients by March 2022.

Strategy execution:

- We are successfully executing on our HNW client acquisition strategy, and this is translating into strong growth in HNW mortgage lending. This HNW client activity also connects to the rest of the client ecosystem, with close and positive relationships enabling us to win mandates in other areas.
- During the period, over 300 referrals were made to the other UK businesses, with 40% conversion resulting in over £100mn in incremental FUM and loans.
- We continue to collaborate with our Wealth & Investment business to integrate and provide a new HNW Wealth proposition – areas of overlap have been identified, bringing opportunities to realise both client revenue and cost synergies. There are also ongoing efforts across the private banking ecosystem to continue offering South African clients a unique international proposition.

PRIVATE BANKING
CONTINUED

Income statement analysis and key income drivers

£'000	31 March 2021	31 March 2020	Variance	% change
Net interest income	34 664	23 441	11 223	47.9%
Net fee and commission income	644	333	311	93.4%
Investment income	19	—	19	100.0%
Trading income arising from				
– customer flow	1 196	1 433	(237)	(16.5%)
– balance sheet management and other trading activities	13	1	12	>100%
Total operating income before expected credit loss impairment charges	**36 536**	**25 208**	**11 328**	**44.9%**
Expected credit loss impairment charges	(1 515)	(643)	(872)	>100%
Operating income	**35 021**	**24 565**	**10 456**	**42.6%**
Operating costs	(38 033)	(43 221)	5 188	(12.0%)
Adjusted operating loss	**(3 012)**	**(18 656)**	**15 644**	**83.9%**
Key income drivers				
ROE post-tax	(0.7%)	(4.2%)		
Cost to income ratio	104.1%	171.5%		
Growth in loans and advances to customers	37.2%	37.7%		
Growth in risk-weighted assets	41.9%	40.8%		

Other factors driving the performance in the period under review included:

- The business reduced its adjusted operating loss by £15.6 million compared to the prior year. The net loss reduced to £3.0 million (2020: £18.7 million) as we scaled up and leveraged the investment in the business, bringing us closer to breaking even.
- ECL impairment charges for the period increased to £1.5 million (2020: £0.6 million) as a result of loan book growth. The credit loss ratio on this book is c.5bps, indicative of the quality of the underlying franchise. Refer to page 28 in volume two of the Investec group's 2021 integrated annual report for further information on the group's asset quality.
- Operating costs decreased by £5.2 million or 12.0%, reflecting lower discretionary spending during the COVID-19 environment and heightened focus on cost control. The prior period also included higher investment spend related to scaling the business.

Growth opportunities and outlook:

- Despite the constraints brought by the COVID-19 pandemic, our HNW mortgage lending is on track to achieve the milestones set at the Capital Markets Day in February 2019 (£3 billion in mortgage book turnover by March 2022)
- The Private Banking business is expected to break even in FY2022 as we continue to build scale and relevance, and generate increased annuity income for the group
- We continue to focus on providing our clients with an integrated banking and wealth management offering – a holistic proposition for our HNW clients' growth journeys.

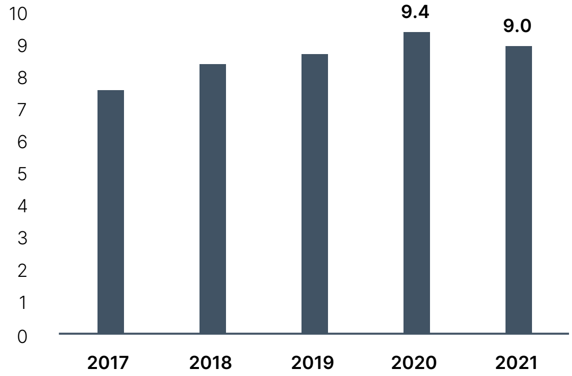
CORPORATE, INVESTMENT BANKING AND OTHER

This segment comprises businesses that provide capital, advisory and risk management services to growth-orientated corporate clients in the private companies, private equity and listed companies arenas, including specialist sector-focused expertise. This segment also comprises our central treasury and liability management channels.

Performance in the period under review
- Resilient performance demonstrates the strength of our underlying client franchises
- A greater proportion of capital light income was earned, supported by strong equity capital markets fees
- Subdued client activity impacted income from certain lending activities, as corporates were cautious during the first half of the financial year
- Trading income continued to be negatively impacted by elevated risk management and risk reduction costs on hedging the structured products book.

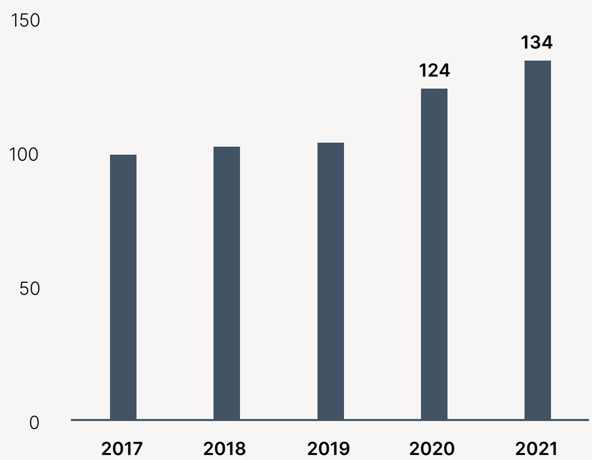
Loans and advances to customers

£'billion



Subdued corporate lending activity:
- While there was good client activity in certain corporate lending areas, particularly in Fund Solutions, Asset finance, and Power and Infrastructure finance, this was largely offset by redemptions and lower originations year on year due to the uncertain economic backdrop
- In March 2021, as a result of the group's strategic decision to exit its Australian operations and focus on the UK, the c.£400mn Australian corporate lending portfolio was sold, reducing the closing loan book
- There was marginal book growth excluding the Australian loan book.

Growth in listed corporate clients



Strong franchise for listed corporate clients:
- Top-ranked UK broker
- Differentiated by breadth of capabilities
- c.40% are multi-product Investec clients.

Extel 2020 research rank
#1
in 7 out of 14 sectors covered

Winner
Best Leasing and Asset Finance Provider

Best Business FX provider*

Winner
Corporate Broker of the Year**

UK public takeovers rank
#2
for 10 years to Dec 2020^

Net increase in broking clients
+24
since 1 April 2020

13 years in asset finance lending £5.8bn to
70 000+
UK customers

340
real estate deals closed in last 5 years with £6bn value

£3.5bn
equity raised for clients since March 2020

* Business MoneyFacts Awards 2021
** GlobalCapital Awards 2020 and 2019
^ Equity value of transactions up to £1bn

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

Income statement analysis and key income drivers

£'000	31 March 2021	31 March 2020	Variance	% change
Net interest income	362 754	361 340	1 414	0.4%
Net fee and commission income	171 839	177 455	(5 616)	(3.2%)
Investment income	22 123	6 811	15 312	>100%
Share of post-taxation profit of associates and joint venture holdings	10 830	5 383	5 447	>100%
Trading income arising from				
– customer flow	(13 141)	48 685	(61 826)	(>100%)
– balance sheet management and other trading activities	11 258	(646)	11 904	(>100%)
Other operating income	15 831	6 283	9 548	>100%
Total operating income before expected credit loss impairment charges	**581 494**	**605 311**	**(23 817)**	**(3.9%)**
Expected credit loss impairment charges	(69 683)	(75 171)	5 488	(7.3%)
Operating income	**511 811**	**530 140**	**(18 329)**	**(3.5%)**
Operating costs	(464 873)	(407 976)	(56 897)	13.9%
Operating profit before goodwill, acquired intangibles and strategic actions	**46 938**	**122 164**	**(75 226)**	**(61.6%)**
Profit attributable to non-controlling interests	861	(864)	1 725	(>100%)
Adjusted operating profit	**47 799**	**121 300**	**(73 501)**	**(60.6%)**
Key income drivers				
ROE post-tax	1.9%	9.6%		
Cost to income ratio	79.8%	67.5%		
Growth in loans and advances to customers	(4.8%)*	7.9%		
Growth in risk-weighted assets	(0.4%)	2.6%		

* Growth in loans and advances to customers for FY2021 was negatively impacted by the sale of the c.£400mn Australian loan book in March 2021.

Other factors driving the performance in the period under review included:

- Net interest income was slightly up, benefiting from a higher average loan book. This was offset by a lower net interest margin due to lower interest rates and assets repricing ahead of liabilities post rate cuts
- Despite strong equity capital markets fees, net fees and commission income decreased due to the non-repeat of significant deal fees in Aviation and Power and Infrastructure Finance in the prior period
- Investment income was significantly higher than the prior period, largely driven by: fair value gains on listed and unlisted equities, the profit on sale of the IAPF management company, and a gain of £13 million recognised from the formation of a joint venture with State Bank of India
- Trading income from customer flow was impacted by £93 million of risk management and risk reduction costs related to the structured products book (2020: £29 million). These losses significantly impacted profitability, resulting in FY2021 ROE being c.4% lower than it would otherwise have been. As guided in the group's results announcement, we expect these costs to be approximately £30 million in FY2022
- Trading income from balance sheet management and other trading activities was up £11.9 million mainly due to improved asset values following the extreme COVID-19 related volatility in the fourth quarter of the prior year
- The increase in other operating income of £9.5 million primarily reflects the fair value movements of the Ninety One shares held in the group's staff share scheme as a result of the demerger and separate listing of Ninety One. The impact is reduced by a corresponding increase in personnel costs
- ECL impairment charges were £5.5 million lower than the prior period, mainly driven by the non-repeat of an ECL impairment charge related to a single name transaction impacted by the COVID-19 pandemic in the prior year. Refer to page 28 in volume two of the Investec group's 2021 integrated annual report for further information on the group's asset quality
- The 13.9% increase in operating costs includes one-off costs associated with restructures implemented in the period and increased variable remuneration reflecting improved business momentum. Fixed costs were lower than the prior period, driven by reduced discretionary spend and continued focus on cost discipline.

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

Strategy execution:

- Significant operational change was effected during the period to simplify and focus the business, with a new 'go-to-market' strategy centred on a One Investec proposition for clients. This has led to a significant increase in the number of clients using multiple Investec products
- We established a leaner cost base through integrating business enablement functions and leveraging lower-cost jurisdictions
- Internationally, we implemented a joint venture with the State Bank of India to leverage their scale and effect cost efficiencies. Our exit from Australia enhances focus on building scale and relevance in our core market of the UK
- We supported our clients through the crisis as an accredited lender of the government lending schemes (CBILS, CLBILS, and BBLS) and raising £3.5bn in equity capital
- To facilitate off-balance sheet growth and generate capital light earnings, we launched our inaugural debt fund (a discretionary direct lending fund with capital commitments of €165mn)
- We launched digital retail savings to reduce the cost of funding and broaden our retail funding base.

Growth opportunities and outlook:

- A rebound in economic and client activity has supported steady deal flow and a strong pipeline in certain lending areas
- We expect a significant increase in private equity activity as the UK enters a phase of economic growth that is expected to be the strongest in over 70 years
- We continue to focus on growing capital light earnings through advisory fees in public and private markets, as well as growing the corporate brokerships and research client base
- We continue to leverage opportunities arising from the increased focus on ESG/Sustainability, through renewable energy financing and innovative debt structuring
- We will fund off-balance sheet growth and generate further capital light revenue by raising additional third party capital through funds and syndications
- Our breadth of products that are relevant across our clients' growth journeys will lead to an ever-increasing number of clients utilising multiple Investec products
- We have entered into international partnerships in Continental Europe and the USA to expand our cross-border M&A advisory services.

GROUP INVESTMENTS

Group Investments is now shown as a separate segment. We have separated these assets from our core banking activities in order to make a more meaningful assessment of the underlying performance and value of the franchise businesses, and at the same time provide transparency of the standalone values of the assets classified as Group Investments.

In the UK, Group Investments comprises Investec plc's 16.3% investment in Ninety One (formerly Investec Asset Management). At a DLC group level, Investec has a 25% shareholding in Ninety One (remaining 8.7% held in Investec Limited). Investec accounts for its combined 25% investment in Ninety One by applying equity accounting. The table below reflects the equity-accounted valuation of the investment in Ninety One plc: £236.7 million at 31 March 2021. This differs to the market value of the 16.3% stake held by Investec plc which was £358.0 million at 31 March 2021.

Portfolio breakdown and ROE

31 March 2021	Asset analysis £'000	Income analysis £'000
Ninety One plc	236 655	25 142
Ordinary shareholders' equity held on investment portfolio – 31 March 2021	227 190	
Ordinary shareholders' equity held on investment portfolio – 31 March 2020	97 640	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2021	162 415	
Post-tax return on adjusted average ordinary shareholders' equity – 31 March 2021		**15.5%**

31 March 2020	Asset analysis £'million	Income analysis £'000
Ninety One plc	225 343	4 091
Ordinary shareholders' equity held on investment portfolio – 31 March 2020	97 640	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2020	48 820	
Post-tax return on adjusted average ordinary shareholders' equity – 31 March 2020		**8.4%**

Income statement analysis

£'000	31 March 2021	31 March 2020	Variance	% change
Share of post-taxation profit of associates and joint venture holdings	25 142	4 091	21 051	>100%
Total operating income before expected credit loss impairment charges	**25 142**	**4 091**	**21 051**	**>100%**
Expected credit loss impairment charges	—	—	—	—
Operating costs	—	—	—	—
Operating income before goodwill, acquired intangibles and strategic actions	**25 142**	**4 091**	**21 051**	**>100%**
Loss/(profit) attributable to other non-controlling interests	—	—	—	—
Adjusted operating profit	**25 142**	**4 091**	**21 051**	**>100%**
ROE post-tax	15.5%	8.4%		

Factors driving the performance in the period under review included:

- Share of post-taxation profit of associates reflects the earnings from the group's retained investment in Ninety One following the demerger of the asset management business in March 2020. The significant increase year-on-year is due to the timing of the demerger, whereby less than one month of earnings was included in the prior period.

SOUTHERN AFRICA

We have remained true to our entrepreneurial spirit and refreshingly human client relationships since our founding in Johannesburg in 1974. We are committed to understanding and responding to the unique and individual needs and aspirations of our private, institutional, and corporate clients alike. Our distinctive offering is built on the premise of Out of the Ordinary service, combining personal client relationships with world-class technology platforms.

Best Private Bank and Wealth Manager in South Africa for eight consecutive years

Recognised by the Financial Times of London.

Highlights

Funds under management

£16.7bn

(2020: £11.6bn)

Net core loans

£14.1bn

(2020: £13.0bn)

Customer deposits

£18.4bn

(2020: £16.9bn)

Adjusted operating profit

£251.6mn

(2020: £285.7mn)

ROE post-tax

9.4%

(2020: 10.7%)

Cost to income

58.7%

(2020: 56.4%)

What we do

Private client offering

Wealth & Investment

Portfolio management

Wealth management

Stockbroking

Private Banking

Transactional banking

Lending

Property Finance

Private Capital

Savings

Foreign exchange

Corporate client offering

Corporate and Investment Banking

Specialised lending

Import and trade finance lending

Treasury and trading solutions

Institutional research, sales and trading

Advisory

Debt and Equity Capital Markets

Life assurance products

Target market

Private client offering

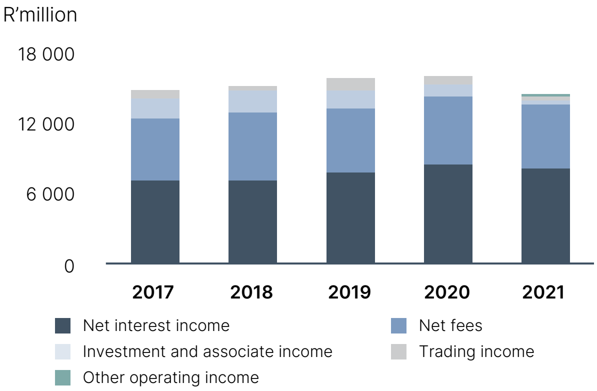
- Individuals
- Charities and trusts
- Financial advisers and intermediaries
- High net worth individuals
- Entrepreneurs
- High-income professionals
- Sophisticated investors
- Owner managers in mid-market companies

Corporate client offering

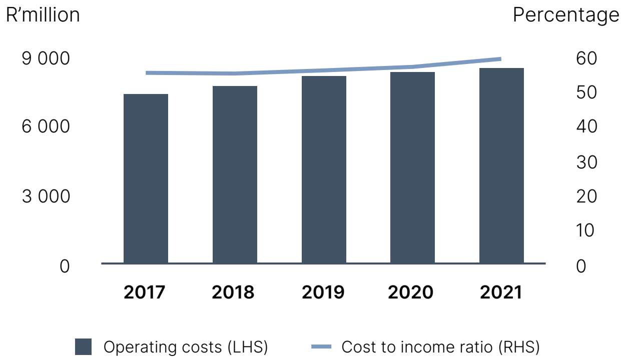
- Mid to large size corporates
- Intermediaries
- Institutions
- Government bodies

SOUTHERN AFRICA
CONTINUED

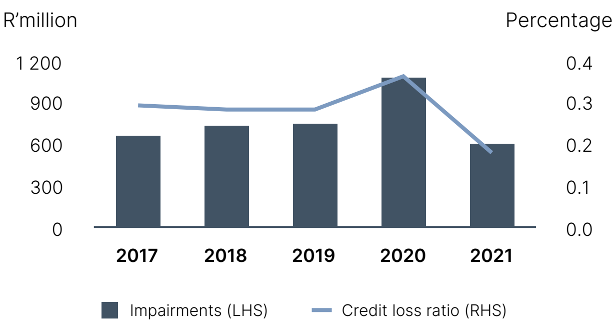
Operating income



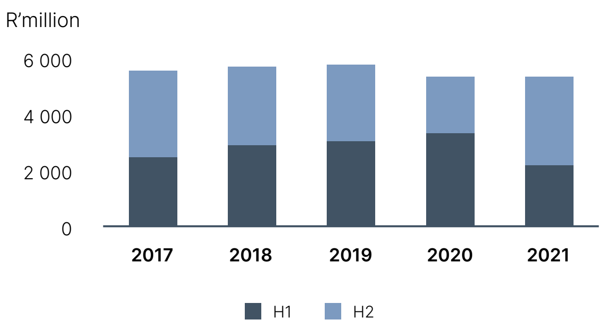
Operating costs



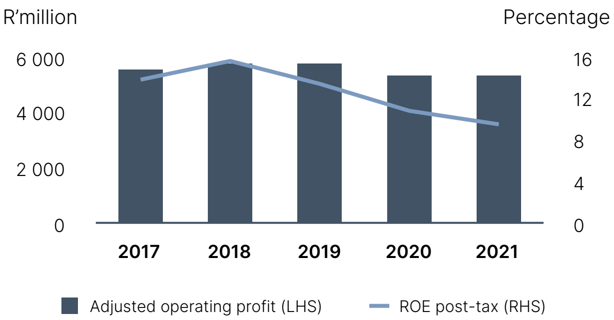
Expected credit losses/impairment losses^



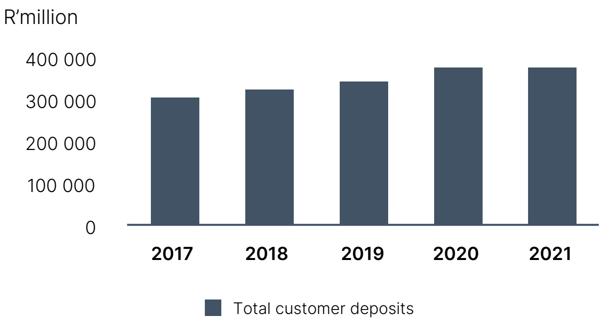
Adjusted operating profit



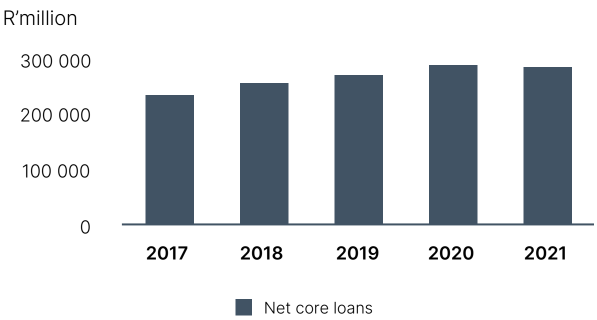
Adjusted operating profit and ROE



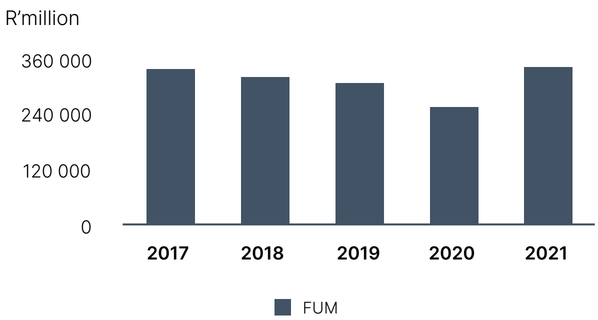
Total customer deposits



Net core loans



Funds under management



Note: All figures on this page relate to continuing operations.

^ On adoption of IFRS 9 there was a move from an incurred loss model to an expected credit loss methodology. Expected credit loss impairment charges from the year ended 31 March 2019 have been calculated on an IFRS 9 basis; earlier comparative years have been calculated on an IAS 39 basis.

WEALTH & INVESTMENT

Business head
Henry Blumenthal

Awards

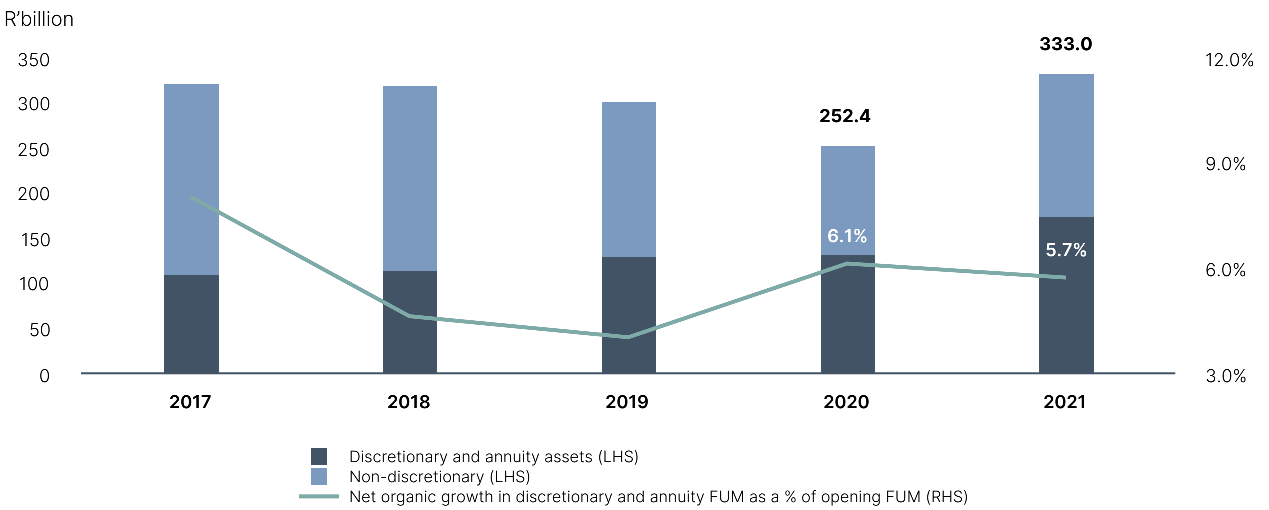
Voted 'Best Private Bank & Wealth Manager' by London's Financial Times – eight years in a row

Our award-winning Wealth & Investment offering manages the wealth of many leading private investors and families in South Africa, as well as charities and trusts. With a global approach to wealth management, portfolio management and stockbroking, we manage the complexities of being a global citizen, enabling us to deliver against our clients' wealth and planning goals.

Performance highlights:

- The South African business performed well against a tough economic backdrop, with adjusted operating profit up 10.6% in Rands. Revenue was supported by a 25% increase in brokerage fees driven by higher trading volumes (given market volatility) and increased discretionary and annuity fees supported by improved market performance and a weakening ZAR exchange rate. FUM increased by 32% to R333.0 billion (FY2020: of R252.4 billion) and clients continued to leverage off our unique offering which allows clients to invest and bank locally and in the UK, all in One Place™.

Funds under management and net flows



FUM variance drivers since 31 March 2020:

- Favourable market movements and investment performance
- Net organic growth in discretionary and annuity funds of 5.7% largely driven by fund inflows to our offshore offering
- Outflows of non-discretionary funds, mainly from conversion of clients into discretionary and annuity products, as well as from clients externalising their funds.

Funds under management

R'million	31 March 2021	31 March 2020	% change
Discretionary and annuity assets	174 852	132 515	31.9%
Non-discretionary	158 172	119 869	32.0%
Total	**333 024**	**252 384**	**32.0%**

Net flows at cost over the year

R'million	31 March 2021	31 March 2020
Discretionary and annuity assets	7 600	8 015
Non-discretionary	(8 500)	(5 850)
Total	**(900)**	**2 165**

WEALTH & INVESTMENT
CONTINUED

Income statement analysis and key income drivers

£'000	31 March 2021	31 March 2020	Variance	% change	% change in Rands
Net interest income	3 552	3 940	(388)	(9.8%)	(0.2%)
Net fee and commission income	78 589	84 173	(5 584)	(6.6%)	5.6%
Investment income	1 461	(148)	1 609	>100%	(>100.0%)
Trading income/(loss) arising from					
– customer flow	7	(186)	193	(>100%)	>100.0%
– balance sheet management and other trading activities	39	(29)	68	>100%	>100.0%
Other operating income	1	—	1	100%	100.0%
Total operating income before expected credit loss impairment charges	**83 649**	**87 750**	**(4 101)**	**(4.7%)**	**7.8%**
Operating costs	(57 530)	(60 902)	3 372	(5.5%)	6.6%
Adjusted operating profit	**26 119**	**26 848**	**(729)**	**(2.7%)**	**10.6%**
Key income drivers					
Operating margin	31.2%	30.6%			
Net organic growth in discretionary and annuity funds under management as a % of opening funds under management	5.7%	6.1%			
Average income yield earned on total funds under management^*	0.61%	0.60%			
Average income yield earned on discretionary and annuity funds under management°	0.90%	0.99%			

^ The average income yield on total FUM represents the total operating income for the period as a percentage of the average of opening and closing FUM. This calculation does not adjust for the impact of market movements and investment performance throughout the period on FUM or the timing of acquisitions and disposals (where applicable) during the respective periods.
* A significant portion of the FUM is non-discretionary funds.
° The average income yield on discretionary and annuity FUM represents the operating income earned on discretionary and annuity FUM for the year as a percentage of the 12-month average FUM.

Overview of financial performance (in Rands):
- Revenue grew by 7.8%, supported by increased levels of trading activity (given market volatility that prevailed in the first half), higher average discretionary and annuity FUM and investment performance.
- Operating costs increased by 6.6% due to inflationary increases and higher information technology spend.
- The South African business achieved an operating margin of 31.2% (FY2020: 30.4%).

Strategy execution:
- Operationally, we have continued to seamlessly service and actively engage with our clients through digital channels enabled by robust, agile remote working capabilities.
- Our international investment universe has expanded, providing clients with access to a broad range of global investment opportunities together with proximity to our globally integrated investment process.
- The integration of ESG considerations into our investment process and decision making continues, together with the UK, including becoming a signatory of the UN PRI.
- Integration and development of the Tolerance and Diversity Institute (TDI)/BID initiatives across leadership representation, fostering a culture of belonging and the development of 'Next Gen' (an initiative focusing on the mentorship, support and development of a group of diverse, young IW&I investment managers).
- Living up to our purpose of "living in, not off, society" through our Philanthropy offering and by supporting the societies we live in through donations towards food security, healthcare, humanitarian aid, welfare, and anti-gender-based violence programmes.

Growth opportunities:
- Transforming our business from having an international offering to being an international business (using Investec Switzerland as a platform for future growth offshore) is a key strategic objective.
- The strong connectivity with the Private Bank and the strategic focus on our unique One Place™ value proposition, provides a platform for continued client acquisition and growth.
- Our commitment to sustainability is central to our Investment Process and as such, the further development of the scope and scale of ESG considerations and sustainable investment opportunities is a strategic imperative.
- Providing alternative investment opportunities to our clients and the expansion of our Tax & Fiduciary team enhances our value proposition and is expected to grow our client base.

SPECIALIST BANKING OVERVIEW

Following a review of the group's segmental disclosure, the Specialist Banking business segment has been disaggregated to reflect the underlying client franchises residing within the Specialist Bank, namely: (1) Private Banking, and (2) Corporate, Investment Banking and Other. Refer to page 48 in volume three for more information.

Commentary on these segments is provided on the following pages. The information below is an overview of the Specialist Banking business as a whole.

Business head
Richard Wainwright

Awards

Ranked 'Best Private Bank and Wealth Manager 2020' – for the eighth consecutive year (FT London)	**Winner 'Euromoney Private Banking 2020' – for the eighth consecutive year**	**Recognised by The Banker as 'South Africa's Bank of the Year 2020'**

Note: Specialist Banking no longer includes Group Investments which is now disclosed as a separate segment. The prior year has been restated to reflect the same basis.

Highlights

Adjusted operating profit
£231.5mn
(2020: £263.7mn)

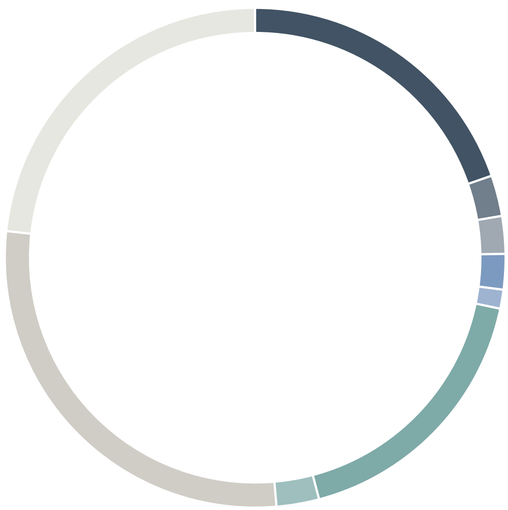
ROE post-tax
10.3%
(2020: 12.0%)

Cost to income
55.7%
(2020: 53.7%)

Credit loss ratio
0.18%
(2020: 0.38%)

Diversified loan book by risk category: Core loans

£14.1 billion



Corporate and other lending	**28%**
Corporate and acquisition finance	20%
Fund finance	3%
Asset finance	2%
Power and infrastructure finance	2%
Other corporate and financial institutions and governments	1%
Lending collateralised by property	**21%**
Commercial real estate	18%
Residential real estate	3%
High net worth and other private client lending	**51%**
Mortgages	28%
HNW and specialised lending	23%

Highlights: ESG

- Maintained our net-zero direct (i.e. for Scope 1 and 2) carbon emissions status for the third consecutive year.
- Won the Most Responsible Business in Africa 2020 award (overall winner category in The SERAS CSR Awards).
- Provided funding to take our Promaths programme online, enabling the class of 2020 to contribute 5% of the country's national distinctions in maths and 6% in science.
- Actively participated in the COVID-19 government loan guarantee scheme, approving total loans of R690 million for FY2021.
- 1.3% of SA's core loan exposure is under some form of COVID-19 relief (23% at the peak).

Highlights: Belonging, Inclusion and Diversity (BID)

- Building a Young Leaders Council and reverse mentorship programme to create spaces for young, aspirational talent to connect and learn with leaders.
- Running a pilot directorship programme designed to enable women to take up non-executive director positions on boards.
- Launching our 'Zebra Crossing' initiative which aims to raise levels of multi-cultural awareness among our people, enabling them to appreciate and celebrate the richness of our diverse population and take these insights back into the business.

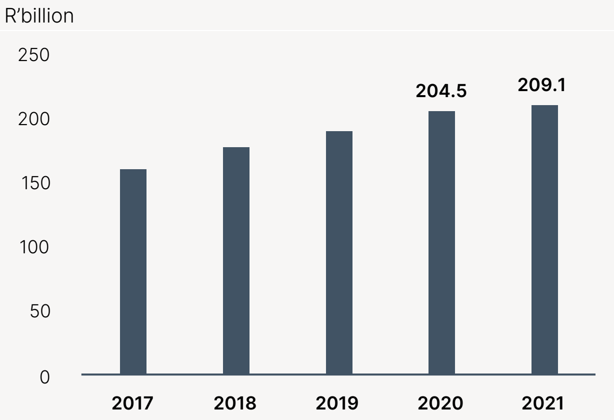
PRIVATE BANKING

We believe in forming life-long partnerships with our clients, ensuring that each client experience is personal and Out of the Ordinary. We pride ourselves on going above and beyond when it comes to service. Through our digital channels, our 24/7 global Client Support Centre and our specialist private bankers, we set the banking benchmark on service.

Performance highlights:

- Adjusted operating profit remained broadly flat at R2 607 million (FY2020: R2 583 million). Well contained costs were offset by the impact of lower interest rates and subdued client activity.
- We have seen good momentum since December 2020, with stronger activity levels and growth in lending books, good client acquisition and point-of-sale activity. Our clients have a track record of resilience in difficult operating conditions which is reflected in our strong asset quality and low impairments.

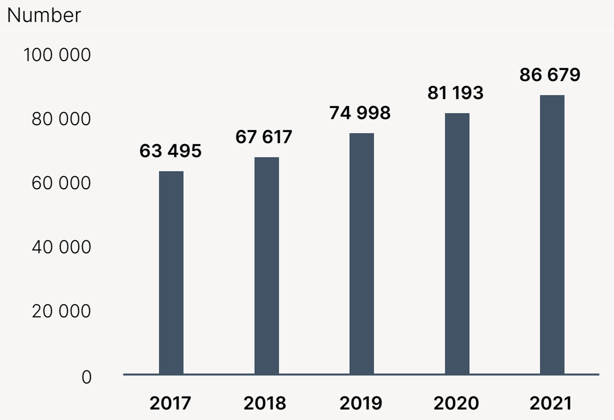
Loans and advances to customers*



Loan book growth impacted by national lockdown:

- The loan book grew by 2.2% year on year.
- This relatively low book growth is largely attributable to the impact of the hard lockdown in the first quarter of the financial year. The loan book contracted by approximately R3 billion during this period.
- The property and mortgage book pipeline remains strong.

Client acquisition



Good client acquisition:

- Client acquisition remained resilient, increasing by 6.8% year on year.
- We are focused on client acquisition growth strategies across all niches and on international diversification and collaboration with the UK private bank.

* Including own originated securitised assets.

Strategy execution:

- **Client acquisition**: Client acquisition and retention remains a key priority supported by a client-centric approach, the expansion of our value proposition and by deepening client entrenchment and engagement via multiple channels.
- **Capital light initiatives**: Focused on client uptake for My Investments to grow capital light revenues for the private bank and the group.
- **Funding**: Reducing cost of funding by growing retail deposits, including foreign currency and multi-currency accounts across all client segments.
- **Cost containment**: Continued cost containment by leveraging operational efficiencies and scale, containing headcount, automating key processes and enhancing overall digital capability.

PRIVATE BANKING
CONTINUED

Income statement analysis and key income drivers

£'000	31 March 2021	31 March 2020	Variance	% change	% change in Rands
Net interest income	218 806	259 979	(41 173)	(15.8%)	(5.0%)
Net fee and commission income	45 377	55 433	(10 056)	(18.1%)	(8.2%)
Investment income	933	13 564	(12 631)	(93.1%)	(92.9%)
Share of post-taxation profit of associates and joint venture holdings	(372)	(1 230)	858	(69.8%)	(65.2%)
Trading income/(loss) arising from					
– customer flow	(43)	75	(118)	(157.3%)	(>100%)
– balance sheet management and other trading activities	32	374	(342)	(91.4%)	(92.4%)
Other operating income	7	16	(9)	(56.3%)	(57.1%)
Total operating income before expected credit losses	**264 740**	**328 211**	**(63 471)**	**(19.3%)**	**(9.2%)**
Expected credit loss impairment charges	(915)	(19 388)	18 473	(95.3%)	(91.1%)
Operating income	**263 825**	**308 823**	**(44 998)**	**(14.6%)**	**(3.8%)**
Operating costs	(140 391)	(172 077)	31 686	(18.4%)	(7.6%)
Adjusted operating profit	**123 434**	**136 746**	**(13 312)**	**(9.7%)**	**0.9%**
Key income drivers					
ROE post-tax	12.9%	15.7%			
Cost to income ratio	53.0%	52.4%			
Growth in loans and advances to customers*	2.2%	8.3%			
Growth in risk-weighted assets^	10.6%	8.3%			

* Including own originated securitised assets.
^ Investec Limited adopted the Foundation Internal Ratings-Based (FIRB) approach for the measurement of credit capital effective 1 April 2019. Risk-weighted assets in prior periods were calculated using the standardised approach.

Overview of financial performance (in Rands):

- Net interest income decreased 5.0%. The decrease is mainly as a result of margin reduction in private client deposits due to a 300bps drop in the repo rate since January 2020.
- Net fees were 8.2% lower year on year. Net lending fees decreased in line with lower lending turnover and the non-repeat of certain large fees received in the prior year. Despite a 6.8% increase in the number of clients, lower point of sale activity resulted in overall reduced private client transactional fees.
- Investment income decreased by 92.9% due to lower realisations of investments and profit participations, and negative fair value adjustments.
- Impairments were 91.1% lower than the prior year due to a negligible portfolio impairments charge driven by stable lending books and increased recoveries which were 83% higher than last year. Refer to page 28 in volume two of the Investec group's 2021 integrated annual report for further information on the group's asset quality.
- Operating costs decreased by 7.6% driven by headcount containment and reduced discretionary expenditure during the pandemic.

Growth opportunities:

- **Client acquisition**: broadening our target market into new professional segments.
- **Programmable banking**: our partnership with FinTech company OfferZen targets the niche software developer community and should lead to innovative solutions that will benefit all our clients in the long term.
- **Digital investment platform**: the build out of 'My Investments' accessible through Investec Online continues. This digital platform provides private clients (not serviced by IW&I) with the ability to trade shares and invest in selected investments, and will help us grow our capital light revenues over time. There are currently 3 467 clients on the platform.

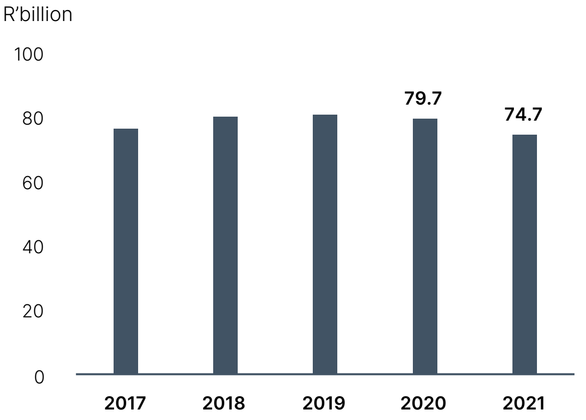
CORPORATE, INVESTMENT BANKING AND OTHER

Our Corporate and Investment Banking businesses have built powerful franchises among South Africa's leading corporates, SOEs, government, institutions, and intermediaries. Our broad and international offering of financing, advice and structuring is built on enduring relationships, expertise and collaboration between teams. This pillar comprises: the Corporate and Institutional Bank including Investec Life, Investec for Business, the Investment Bank, Principal Investments, Investec Property (IPF management company) and certain centrally managed activities.

Performance highlights:

- Adjusted operating profit decreased by 3.6% to R2 290 million (FY2020: R2 375 million) driven by clients remaining largely cautious, particularly in the first half of the financial year.
- Low levels of activity, lower corporate lending books and lower interest rates impacted interest and fee revenue. Client flow trading increased year on year supported by an improved commodities environment and increased interest rate derivatives trading activity. The COVID-19 pandemic had a noticeable impact on the trade finance business with significantly lower utilisation than in the prior year. Industry wide reductions in M&A and equity underwriting activity has negatively impacted fee generation, with the South African market seeing subdued equity capital market activity. The property sector was particularly affected by the pandemic with muted rental collections at the onset of the crisis (since recovered) and depressed property valuations.
- The decline in the impairment charge was influenced by lower book growth and an improved macro-economic outlook.

Loans and advances to customers



Subdued lending activity:

- Corporate lending declined by 6.2% year on year due to higher repayments and lower net new originations.
- Renewed opportunities in infrastructure finance are promising.

Growth initiatives:

Total policies issued to date
+6 231
Investec Life

Participated in renewable energy projects of
R6.2bn
and financed 50MW of clean energy during 2021

539
Number of clients on Investec Business Online

R34bn
Investec Property Fund – FUM

Awards:

M&A^ Financial Advisors
1st & 3rd
Deal Flow and Value
Sponsors
2nd & 4th
Deal Flow and Value

General Corporate Finance^ Financial Advisors
1st* & 2nd
Transaction Flow and Value
Sponsors
1st* & 3rd
Transaction Flow and Value

International Equities – Brokerage
#1
JSE

International Equities – Brokerage
#2
Mclagan

* Tied for 1st place.
^ Ansarada DealMakers Annual Awards 2020

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

Income statement analysis and key income drivers

£'000	31 March 2021	31 March 2020	Variance	% change	% change in Rands
Net interest income	199 329	231 553	(32 224)	(13.9%)	(3.3%)
Net fee and commission income	91 049	110 435	(19 386)	(17.6%)	(8.0%)
Investment income	(9 761)	(19 717)	9 956	50.5%	50.6%
Share of post-taxation profit of associates and joint venture holdings	(1 097)	15	(1 112)	(>100%)	(>100%)
Trading income/(loss) arising from					
– customer flow	36 659	28 199	8 460	30.0%	47.7%
– balance sheet management and other trading activities	(7 728)	(3 033)	(4 695)	(>100%)	(>100%)
Other operating income	7 114	393	6 721	>100%	>100%
Total operating income before expected credit losses	**315 565**	**347 845**	**(32 280)**	**(9.3%)**	**2.9%**
Expected credit loss impairment charges	(24 942)	(29 946)	5 004	(16.7%)	(6.0%)
Operating income	**290 623**	**317 899**	**(27 276)**	**(8.6)%**	**3.7%**
Operating costs	(182 883)	(190 918)	8 035	(4.2%)	8.8%
Operating profit before goodwill, acquired intangibles and strategic actions	**107 740**	**126 981**	**(19 241)**	**(15.2%)**	(3.9%)
Profit attributable to non-controlling interests	309	2	307	>100%	>100%
Adjusted operating profit	**108 049**	**126 983**	**(18 934)**	**(14.9%)**	**(3.6%)**
Key income drivers					
ROE post-tax	8.0%	9.0%			
Cost to income ratio	62.9%	60.1%			
Growth in loans and advances to customers	(6.2%)	(1.2%)			
Growth in risk-weighted assets^	(5.4%)	8.9%			

^ Investec Limited adopted the Foundation Internal Ratings Based (FIRB) approach for the measurement of credit capital effective 1 April 2019. Risk-weighted assets in prior periods were calculated using the standardised approach.

Overview of financial performance (in Rands):

- Net interest income is 3.3% lower than the prior year due to a reduction in interest rates, lower lending activity and significant loan repayments.
- Net fees are 8.0% lower than the prior year driven by lower lending and subdued equity capital markets activity.
- Investment income and share of post-taxation profit from associates improved by 45.3% due to reduced property write-downs in the current year, offset by the non-repeat of higher dividend income and realisation gains on bonds in the prior year.
- Total trading income is up 35.2% driven by increased commodity and interest rate derivatives trading activity. This was partially offset by the mark-to-market on certain derivatives hedging fixed deposits and foreign exchange currency exposures.
- Expected credit loss impairment charges decreased by 6.0%. Lower book growth and improved macro-economic factors were partly offset by an increase in specific impairments. Refer to page 28 in volume two of the Investec group's 2021 integrated annual report for further information on the group's asset quality.
- Costs increased by 8.8% year on year driven primarily by the first-time consolidation of the European logistics property asset management company acquired in the prior year, and a share-based accounting charge following the demerger of Ninety One. Headcount was well contained and discretionary spend was lower year on year. Excluding the impact of the Ninety One share liability and the European logistics property asset management company consolidation, operating costs were flat year on year.

Strategy execution and growth opportunities:

- **Capital optimisation**: Approval was received from the Prudential Authority to adopt the AIRB approach for the SME and Corporate models effective 1 April 2021. We expect an approximate 60bps uplift to CET1.
- **Infrastructure**: We are actively supporting the Department of Mineral Resources and Energy's (DMRE) Risk Mitigation Independent Power Producers Procurement Program (RMIPPP), which aims to add up to 2000MW of power generation to the grid by mid-2022. We are also pursuing project funding opportunities for the Sustainable Infrastructure Development Symposium under Infrastructure South Africa (SIDSSA).
- **Transactional business banking**: We launched Investec Business Online, a single platform transactional banking capability targeting our corporate and business clients. It includes a mobile app as well as an Investec corporate credit card with overdraft facility, enhancing our service offering for this client segment.
- **Mid-market segment**: We're focused on growing the Investec for Business client base and a successful roll out of Investec Business Online will further enhance our offering.
- **Investec Property (IP)**: The fund manager for IPF will continue to recycle and deploy capital into property investment opportunities which deliver long-term capital and income growth to IPF's shareholder base. Specifically, IP continues to look to scale IPF's European logistics platform, which may also provide investment opportunities for both private and institutional clients.

GROUP INVESTMENTS

Group Investments is now shown as a separate segment. We have separated these assets from our core banking activities in order to make a more meaningful assessment of the underlying performance and value of the franchise businesses, and at the same time provide transparency of the standalone values of the assets classified as Group Investments.

South African Investment Portfolio			
Ninety One DLC	IEP Group Proprietary Limited	Investec Property Fund Limited	Other unlisted investments
8.7% shareholding	47.4% shareholding	24.3% shareholding	

Ninety One DLC (Ninety One)
In South Africa, Group Investments comprises Investec Limited's 8.7% investment in Ninety One (formerly Investec Asset Management). At a DLC group level, Investec has a 25% shareholding in Ninety One (remaining 16.3% held in Investec plc – refer to page 63). We account for our combined 25% investment in Ninety One by applying equity accounting.

The table on the following page reflects the equity-accounted valuation of the investment in Ninety One Limited: £125.9 million at 31 March 2021. This differs to the market value of the 8.7% stake held by Investec Limited which was £190.1 million (R3.9 billion) at 31 March 2021.

IEP Group Proprietary Limited (IEP)
IEP is an investment holding company that was born out of the Investec Private Equity portfolio, which was sold to IEP in January 2016. Investec retained an interest in IEP as the major shareholder. Following the realisation of several investments, IEP now holds a controlling stake in the Bud Group. An integrated operational services, manufacturing and distribution group, Bud's scale, relevance and efficient, diversified business model positions it as a leader in its markets.

Bud has diversified growth businesses across four chosen platforms:

- **Chemicals and Minerals**

  By combining the strengths of a number of focused group companies, Bud Chemicals and Minerals has established itself as a major operator in the industry of mining, manufacturing, importing, stocking and distribution of raw chemicals and minerals.

- **Industrial Services**

  Bud Industrial Services was created by bringing together a number of South Africa's oldest and most established industrial brands including Concord Cranes, Goscor, Uni-span, Augusta Steel and Afrit.

- **Building Materials**

  Corobrik has evolved into the major South African manufacturer of clay masonry products, paving and concrete earth retaining systems in the building materials industry.

- **Financial Services**

  Assupol is a proudly South African insurance company in the financial services industry, with a history that dates back to 1913.

Investec holds a 47.4% stake in IEP and the investment is equity accounted with a value of £251.3 million (R5.1 billion) at 31 March 2021. During the current financial year, Investec recognised equity accounted earnings of £4.2 million (R89.0 million) in relation to this investment.

Management critically evaluated the equity accounted value of the group's investment in IEP and resultantly recognised an impairment of £4.7 million in the current year (2020: £45.4 million).

Investec Property Fund Limited (IPF)
IPF is a South African Real Estate Investment Trust (REIT) which listed on the Johannesburg Stock Exchange (JSE) in 2011. The R23.6 billion investment portfolio comprises direct and indirect real estate investments in South Africa and Europe.

In South Africa, IPF directly owns a sizeable portfolio of 90 properties in the retail, industrial and office sectors valued at R15.2 billion and a 35% interest in Izandla valued at R0.3 billion. 44% of IPF's balance sheet and 43% of earnings are derived from offshore investments. This comprises strategic property investments in Europe (R8.1 billion) where the manager has a presence on-the-ground with in-country expertise.

Investec has a 24.31% shareholding in IPF and consolidates the fund with a net asset value of £658.1 million (R13.4 billion).

Investec Property (Pty) Ltd, a wholly owned subsidiary of Investec Limited, is the appointed asset manager of IPF.

Other unlisted investments
Investec holds certain other historical unlisted equity investments to the value of £53.5 million (R1.1 billion).

Investec Australia Property Fund (IAPF)
Investec disposed of its 9.1% holding in IAPF in the current year.

GROUP INVESTMENTS
CONTINUED

Portfolio breakdown and ROE

31 March 2021	Asset analysis £'000	Income analysis £'000	Asset analysis R'million	Income analysis R'million
Ninety One Limited	125 920	13 508	2 564	284
IEP Group Proprietary Limited (IEP)	251 319	4 247	5 117	89
Equity investments^	53 521	(1 732)	1 090	(36)
Investec Property Fund*	159 469	(1 597)	3 242	(35)
Investec Australia Property Fund**	—	10 688	—	228
Total equity exposures	**590 229**	**25 114**	**12 013**	**530**
Associated loans and other assets	—	—	—	—
Total exposures on balance sheet	**590 229**	**25 114**	**12 013**	**530**
Debt funded	299 456	(15 871)	5 763	(337)
Equity	290 773		6 250	
Total capital resources and funding	**590 229**		**12 013**	
Adjusted operating profit		**9 243**		**193**
Taxation		(676)		(15)
Operating profit after taxation		**8 567**		**178**
Risk-weighted assets	**2 705 752**		**58 382**	
Ordinary shareholders' equity held on investment portfolio – 31 March 2021	290 773		6 250	
Ordinary shareholders' equity held on investment portfolio – 31 March 2020	291 085		6 448	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2021	290 929		6 349	
Post-tax return on adjusted average ordinary shareholders' equity 31 March 2021		**2.9%**		

31 March 2020	Asset analysis £'000	Income analysis £'000	Asset analysis R'million	Income analysis R'million
Ninety One Limited	109 014	775	2 415	16
IEP Group Proprietary Limited (IEP)	253 290	18 634	5 611	343
Equity investments^	55 585	(11 043)	1 232	(207)
Investec Property Fund*	164 452	25 241	3 633	466
Investec Australia Property Fund**	30 379	4 047	673	54
Total equity exposures	**612 720**	**37 654**	**13 564**	**672**
Associated loans and other assets	2 313	173	51	3
Total exposures on balance sheet	**615 033**	**37 827**	**13 615**	**675**
Debt funded	323 948	(25 194)	7 167	(516)
Equity	291 085		6 448	
Total capital resources and funding	**615 033**		**13 615**	
Adjusted operating profit		**12 633**		**159**
Taxation		(3 425)		(52)
Operating profit after taxation		**9 208**		**107**
Risk-weighted assets	**2 531 176**		**47 753**	
Ordinary shareholders' equity held on investment portfolio – 31 March 2020	291 085		6 448	
Ordinary shareholders' equity held on investment portfolio – 31 March 2019	340 430		6 400	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2020	315 758		6 424	
Post-tax return on adjusted average ordinary shareholders' equity 31 March 2020		**2.9%**		

^ Does not include equity investments residing in our corporate and private client businesses.
* The proportionate NAV consolidated for the group's investment holding of 24.3% in the Investec Property Fund.
** The group's holding in the Investec Australia Property Fund was disposed of in the current year. The prior year reflects the proportionate NAV consolidated for the group's investment holding of 11.4% (9.2% held directly and 2.2% held indirectly via IPF) in the Investec Australia Property Fund.

GROUP INVESTMENTS
CONTINUED

Income statement analysis

£'000	31 March 2021	31 March 2020	Variance	% change	% change in Rands
Net interest expense	(43 295)	(54 288)	10 993	(20.2%)	(13.1%)
Net fee and commission income	45 340	72 666	(27 326)	(37.6%)	(29.2%)
Investment income	16 955	39 194	(22 239)	(56.7%)	(45.7%)
Share of post-taxation profit of associates and joint venture holdings	7 956	18 985	(11 029)	(58.1%)	(51.6%)
Trading (loss)/income arising from					
– customer flow	9 968	(15 814)	25 782	(>100.0%)	(>100.0%)
– balance sheet management and other trading activities	(22 508)	29 945	(52 453)	(>100.0%)	(>100.0%)
Other operating income	—	4	(4)	(100.0%)	(100.0%)
Total operating loss before expected credit loss impairment charges	**14 416**	**90 692**	**(76 276)**	**(84.1%)**	**(81.8%)**
Expected credit loss impairment charges	(2 379)	(8 154)	5 775	(70.8%)	(100.0%)
Operating income	**12 037**	**82 538**	**(70 501)**	**(85.4%)**	**(83.4%)**
Operating costs	(2 096)	(2 815)	719	(25.5%)	72.0%
Operating profit before goodwill, acquired intangibles and strategic actions	**9 941**	**79 723**	**(69 782)**	**(87.5%)**	**(86.1%)**
Loss/(profit) attributable to other non-controlling interests	(698)	(67 090)	66 392	(99.0%)	(99.7%)
Adjusted operating profit	**9 243**	**12 633**	**(3 390)**	**(26.8%)**	**20.1%**
ROE post-tax	2.9%	2.9%			

Factors driving the performance in the period under review:
- Net interest expense was lower than the prior period, driven by IPF's reduced funding costs in the lower interest rate environment
- Net fee and commission income was behind the prior period due to lower rental income earned by IPF as a result of COVID-19 related increased vacancies, rental concessions granted as well as renegotiated lease terms with some major clients
- Investment income was impacted by negative revaluation adjustments on IPF's investment properties, partly offset by the gain on sale of the group's 9.1% holding in IAPF as well as positive revaluation adjustments on IPF's European Logistics and European Light Industrial portfolios
- Share of post-taxation profit of associates and joint venture holdings was positively impacted by the inclusion of associate earnings from the group's retained investment in Ninety One (following the demerger of the asset management business in March 2020). This was offset by lower earnings from the IEP Group as some of its subsidiaries were unable to trade during the hard lockdown and the non-repeat of a realisation in the prior period
- The net trading loss arising from customer flow, balance sheet management and other trading activities is primarily due to negative FX revaluations on Euro-denominated investments in IPF, partly offset by fair value gains on derivative instruments in IPF
- ECL impairment charges declined, reflecting a lower Stage 3 ECL charge in the current year
- Other non-controlling interests comprises the 75.69% shareholding in IPF that is not held by the Investec group.

Strategy execution:
- On the capital discipline objective, the group made further progress in the year under review, mainly through asset realisations of c.R1.2 billion in the South African investment portfolio.

04

Environmental, social and governance (ESG)

CONTENTS

Environmental, social and governance (ESG)

Governance report

CHAIR'S INTRODUCTION

Our client franchises remained resilient despite a challenging global economic environment

As I write my introduction to the corporate governance report, the COVID-19 pandemic, which formed the backdrop to the previous financial year, continues to have a significant impact on society, and on the manner in which companies operate.

In these times, we believe that good governance and stakeholder engagement are more important than ever, and key to the successful delivery of the group's strategy.

Below, I set out my reflections on the key areas of focus for the boards of Investec Limited and Investec plc (together the board) over the past year, and thoughts on the year ahead.

The past year in focus

Responding to the pandemic

The board has extensively monitored the impact of the pandemic on the group's businesses and its stakeholders. We have supervised the group's response as the situation evolved, seeking to ensure that the risks posed by the pandemic were mitigated.

We placed significant focus on the provision of support to our clients, as we continued to deliver the high level of client engagement and service for which Investec is well known. Our efforts were strengthened by the implementation of certain initiatives, including a number of government support schemes.

The well-being of our employees has also been a major focus for the board, given the profound effect the pandemic has had on the way we live and work. The switch from a predominantly office led work environment to a principally work from home arrangement was implemented both smoothly and rapidly. Our employee well-being programme has adapted to the new normal, with an increase in the number of digital resources and the introduction of a greater number of virtual events, to enable the continued connectivity of our colleagues. The board is grateful for the outstanding efforts of our colleagues. Details of the group's approach to workforce engagement can be found on page 92.

Strategy

The board has continued to oversee and monitor progress on the group's strategy to position itself for sustainable long-term growth through its commitment to One Investec. This client-focused strategy commits us to offering our clients the full breadth and scale of our products and services, irrespective of geography. Further information about the group's strategy can be found on pages 3 to 14.

Stakeholder engagement

Our group-wide philosophy seeks to maintain an appropriate balance between the interests of all our stakeholders, and is closely aligned to our culture and values, purpose and vision. The board recognises that in order for the group to be the best we can be, we have to understand the needs of our stakeholders, and establish the most effective way to engage with them. Details of how the board engages with our stakeholders, including our consideration of shareholder and wider stakeholder interests in the board's decision-making processes are set out in the section 172(1) statement on pages 23 to 33.

Culture

The board supports the group's aim to sustain our distinctive, entrepreneurial culture. During the year, the board assessed and monitored the group's culture, to determine whether it remains aligned with our strategic objectives. We also undertook a process of collective reflection with the aim of articulating our purpose, to ensure that we remained true to the values upon which Investec was built. As identified in the chief executive report, we arrived at the following purpose statement: We exist to create enduring worth, living in, not off, society. Further information on our culture, purpose and values can be found on page 8.

Belonging, Inclusion and Diversity

The board recognises the benefits of diverse, representative teams, working within inclusive environments. Diversity of thought is necessary to provide the range of perspectives, insight and challenge to support good decision-making. The group is taking a progressive approach to promoting diversity throughout our organisation and is actively considering diversity when attracting and securing talent to help the group deliver its objectives. Further information about our Board Governance and Diversity Policy can be found on page 87.

Climate change

The board is conscious of the impact of climate change on our business and how the group's activities affect the environment. These topics have been discussed by the board and a number of its committees. We were pleased to receive shareholder support at the 2020 annual general meeting (AGM) to continue the group's commitment to carbon neutrality with respect to Scope 1 and 2 emissions of our direct operations, and to report annually on the progress made on our climate related exposures. We will be proposing a further resolution at 2021 AGM, in respect of our Scope 3 emissions. Further information about the group's commitment to supporting the transition to a clean and energy-efficient economy can be found in our 2021 group sustainability and ESG supplementary report.

CHAIR'S INTRODUCTION
CONTINUED

Succession planning

Succession planning, both in respect of non-executive directors and the executive, is a key component of good governance. As illustrated by the changes to the composition of the board outlined below, this was again a focus during the past year, with particular attention given to identifying my successor as Chair of the board. Further information on succession planning can be found on pages 94 and 95.

Board composition and committee changes

There have been a number of changes to the board and its committees during the year.

- Ciaran Whelan joined the board in April 2020 as an executive director
- David van der Walt stepped down as an executive director in June 2020. The board offers its sincere thanks to David for his long service, dedication and contribution to the group
- Ian Kantor, a non-executive director, co-founder and former chief executive of the group, did not stand for re-election at the 2020 AGM, and therefore stood down from the board in August 2020. The board is grateful to Ian for his exemplary service, commitment and contribution to the group, and wishes him well with his future endeavours
- Stephen Koseff joined the board in September 2020, as a non-independent non-executive director. Stephen was also appointed as a member of the DLC Board Risk and Capital Committee (BRCC)
- Richard Wainwright joined the board as an executive director in September 2020
- Charles Jacobs will step down from the board with effect from 30 June 2021, and accordingly will not stand for re-election at the 2021 AGM. The board is grateful to Charles for his dedication and contribution to the group, and wishes him well for his forthcoming appointment as co-head of UK investment banking at JP Morgan
- Lord Malloch-Brown will also not stand for re-election at the 2021 AGM, and will accordingly step down from the board with effect from 5 August 2021. The board offers its sincere thanks to Lord Malloch-Brown for his exemplary service and commitment to the group. The board wishes him well in his role as President of the Open Society Foundations
- As announced in March 2021, I will not stand for re-election as Chair of the board at the AGM in August 2021, and will accordingly step down from the board with effect from 5 August 2021.

Since 31 March 2021, we have also announced the following changes to the board and its committees.

- Nicky Newton-King joined the board in May 2021, as an independent non-executive director. Nicky was also appointed as a member of the DLC BRCC and DLC Social and Ethics Committee (SEC)
- Jasandra Nyker joined the board in May 2021, as an independent non-executive director. Jasandra was also appointed as a member of the DLC BRCC and DLC SEC
- Brian Stevenson joined the board in June 2021, as an independent non-executive director. Brian was also appointed a member of the DLC BRCC and DLC Nomdac
- As announced in June 2021, we confirmed that Philip Hourquebie would succeed me as Chair of the board. Philip will accordingly assume the role of Chair at the conclusion of the AGM in August 2021.

Board effectiveness

The board regularly reviews its own effectiveness and therefore undertakes a formal evaluation of its performance and that of its committees and individual directors annually. This year's review was an internal evaluation overseen by the DLC Nominations and Directors' Affairs Committee (Nomdac). The evaluation concluded that the performance of the board, its committees and each of the directors continues to be effective. Details of the board effectiveness process and review can be found on page 93.

The senior independent director, Zarina Bassa, led my effectiveness review, and an assessment of my continued independence, supported by an independent third party, Board Practice. The reviews confirmed that I continued to be effective in my role as Chair and that I continued to demonstrate independence of character and judgement respectively. Further details can be found on page 88.

Corporate governance

For the financial year ended 31 March 2021, the group complied with the principles of the UK Corporate Governance Code 2018 and King IV Code. Our statement of compliance with the UK Corporate Governance Code can be found on page 83. Our statement of compliance with the King IV Code can be found on page 84.

The year ahead

We strive to be a distinctive bank and investment manager, driven by a commitment to create enduring worth, living in, not off, society. Our core philosophies and values have resulted in profitable, impactful and sustainable solutions to our clients. While the group is well positioned with strong foundations the successful implementation of the One Investec strategy will enable us to deliver sustainable long-term growth for shareholders.

Key priorities for the year

- Our long-term commitment to One Investec
- The continued focus on the well-being of our people.

I offer my congratulations to Philip Hourquebie, who will succeed me as Chair at the conclusion of the AGM in August 2021. Philip has a good knowledge of our business, and significant experience of engaging with our stakeholders, through his role as Chair of the DLC Remuneration Committee. I believe Philip will excel in his new role, and wish him every success for his forthcoming appointment.

I would like to end by once again thanking our colleagues for their significant contribution in the past year. It is the dedication and innovation from all of them that enables us to deliver for our clients and shareholders. While this has been a challenging year, Investec has proved remarkably resilient. Doubtless, further challenges lie ahead, but I am confident that the business will continue to live up to the promise of our purpose, as we work hard together to fulfil our role in society.

Perry Crosthwaite
Chair
22 June 2021

DIRECTOR BIOGRAPHIES

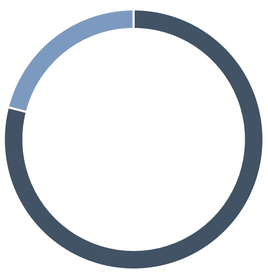
Who we are

Director biographies
Biographies of our directors as at 31 March 2021 are outlined on the following pages, including their relevant skills and experience, key external appointments and any appointments to board committees.

Committee membership key

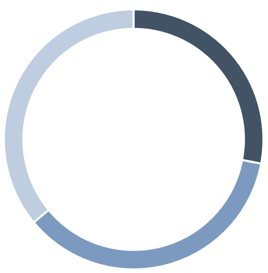
- B DLC BRCC
- N DLC Nomdac
- R DLC Remuneration Committee
- A DLC Audit Committee
- S DLC SEC
- Denotes Committee Chair

Gender diversity



Male	11
Female	3

Age



44-53	28%
54-63	36%
64-73	36%

Perry Crosthwaite

Chair

B N R

Appointed: June 2010 (board), May 2018 (chair)

Nationality: British

Age: 72

Qualifications: MA (Hons) (Oxon)

Relevant skills and experience:
During his 30-year career in investment banking, Perry gained extensive financial services and banking experience. He was a founding member of Henderson Crosthwaite Institutional Brokers Limited, and following their acquisition by Investec, he ran the investment banking division in London for six years. Subsequently, he was on the boards of Toluna plc and Melrose Industries plc, and chair of Jupiter Green Investment Trust. Perry also brings strong governance and strategic development skills, in addition to stakeholder management experience.

External appointments: None

Zarina Bassa

Senior independent director

B N R A

Appointed: November 2014 (board), April 2018 (SID)

Nationality: South African

Age: 57

Qualifications: BAcc, DipAcc, CA (SA)

Relevant skills and experience:
Zarina's previous appointments include partner of Ernst & Young, executive director of Absa Bank and head of Absa Private Bank, chair of the South African Public Accountants' and Auditors' Board and the South African Auditing Standards Board. She has also been a member of the Accounting Standard Board, and a non-executive director of the Financial Services Board, the South African Institute of Chartered Accountants, Kumba Iron Ore Limited, Sun International Limited, Mercedes South Africa and Vodacom South Africa Proprietary Limited. This background affords significant audit and risk experience, and financial, leadership, banking, and regulatory reporting skills.

External appointments: JSE Limited, Oceana Group Limited, YeboYethu Limited (until 27 July 2021) and Woolworths Holdings Limited

Henrietta Baldock

Independent non-executive director

B R

Appointed: August 2019

Nationality: British

Age: 50

Qualifications: BSC (Hons)

Relevant skills and experience:
Henrietta has extensive knowledge of the financial services sector, through her 25 years' experience in investment banking, most recently as chair of the European Financial Institutions team at Bank of America Merrill Lynch, where she advised many boards in the sector on a number of significant transactions. This industry experience demonstrates her valuable strategic and transformation advisory skills.

External appointments: Legal and General Assurance Society Limited and Legal and General Group plc

David Friedland

Independent non-executive director

B N

Appointed: March 2013

Nationality: South African

Age: 67

Qualifications: BCom, CA (SA)

Relevant skills and experience:
David's previous appointments include international partner of Arthur Anderson and partner of KPMG, where he was head of audit and risk, and the lead audit partner for several listed companies. Through this experience and his non-executive board activities, he brings extensive risk and audit experience, and regulatory reporting skills.

External appointments: The Foschini Group Limited, Pick n Pay Stores Limited and Pres Les Proprietary Limited

DIRECTOR BIOGRAPHIES
CONTINUED

Philip Hourquebie

Independent non-executive director

B N A R

Appointed: August 2017

Nationality: British

Age: 67

Qualifications: BAcc, BCom (Hons), CA (SA)

Relevant skills and experience:
Philip has substantial international and advisory experience, gained through a long career at Ernst & Young, where he held various positions, including managing partner for the Africa and, Central and South East Europe regions. This career experience, in conjunction with his time as chair of the South African Institute of Chartered Accountants, brings deep finance, strategic and operational experience.

External appointments: Aveng Limited

Charles Jacobs

Independent non-executive director

R

Appointed: August 2014

Nationality: Irish

Age: 54

Qualifications: LLB

Relevant skills and experience:
Charles has over 28 years of experience of advising companies around the world, including in relation to their compliance, regulatory and legal requirements, through his experience as a senior partner and chair of global law firm Linklaters LLP. He brings to the board a valuable combination of knowledge of UK regulatory requirements and corporate governance standards, global capital markets, mergers and acquisitions.

External appointments: Fresnillo plc

Stephen Koseff

Non-executive director

B

Appointed: September 2020

Nationality: South African

Age: 69

Qualifications: BComm, CA (SA), MBA, H Dip BDP, Hon DCom

Relevant skills and experience:
Stephen was with Investec for 39 years in various capacities and the chief executive of the group from 1996 to 2018. He is a former board member of the South African Banking Association, the Bidvest Group Limited, the JSE Limited, the Business Leadership South Africa, the South African Banking Association, the Financial Markets Advisory Board and the Independent Bankers Association. His significant experience with Investec makes him an excellent source of knowledge for the board, as does his experience of stakeholder engagement. Stephen also brings strong commercial, finance, risk and industry expertise to the board.

External appointments: Bid Corporation Limited, Bud Group (Pty) Limited and Bravo Transport Holdings Limited

Lord Malloch-Brown

Independent non-executive director

N S

Appointed: August 2014

Nationality: British

Age: 67

Qualifications: BA (Hons), MA

Relevant skills and experience:
Lord Malloch-Brown was a UK government minister and member of the cabinet. He was formerly the deputy secretary general of the UN, as well as a vice president at the World Bank, head of UN Development Programme and a journalist at the Economist, with wide ranging experience of boards. He also chaired the Business and Sustainable Development Commission. The board benefits from Lord Malloch-Brown's regulatory insight, and extensive knowledge of ESG matters.

External appointments: Open Society Foundations

Khumo Shuenyane

Independent non-executive director

B N S

Appointed: August 2014

Nationality: South African

Age: 50

Qualifications: BEcon, CA (England and Wales)

Relevant skills and experience:
Khumo's previous experience includes audit manager at Arthur Anderson, almost a decade at Investec in corporate finance and principal investments and head of mergers and acquisitions at MTN Group Limited. In 2018, he was appointed chair of IBL. Khumo brings strong industry experience to the board, as well as exemplary knowledge of investment banking, telecoms, media and technology issues.

External appointments: Vodacom Group Limited

Philisiwe Sibiya

Independent non-executive director

B A

Appointed: August 2019

Nationality: South African

Age: 44

Qualifications: BAcc, Dip Acc, CA (SA)

Relevant skills and experience:
Philisiwe is the founder and chief executive of the Shingai Group. She was also involved in the telecommunications and media sector for 15 years, with 12 years spent at MTN group where she held various roles including as group finance executive of MTN group, chief financial officer of MTN South Africa and the chief executive of MTN Cameroon. Prior to this she was with Arthur Andersen. Philisiwe has strong commercial and finance experience, further supporting the board with her audit and risk management skills.

External appointments: AECI Limited, Goldfields Limited and Shingai Group (Pty) Limited

DIRECTOR BIOGRAPHIES
CONTINUED

Fani Titi

Chief Executive

B S

Appointed: January 2004 (board), November 2011 (chair), May 2018 (chief executive)

Nationality: South African

Age: 58

Qualifications: BSc Hons (cum laude), MA, MBA

Relevant skills and experience:
Fani was the founding member of the Kagiso Trust Investments Limited, and later cofounded and led the public offering of Kagiso Media Limited. He was subsequently the founding executive chair of the Tiso Group, which later merged with Kagiso Trust Investments Limited, to form Kagiso Tiso Holdings. Fani has been a member of the IBL board from July 2002. He has also been a member of the board since January 2004, and was non-executive chair from November 2011 until May 2018. He has served on a number of boards and joined the Secretary General of the United Nations CEO Alliance on Global Investors for Sustainable Development (GISD). Fani brings strong banking and commercial expertise to the board.

External appointments: Ninety One plc

Nishlan Samujh

Group Finance Director

B

Appointed: April 2019

Nationality: South African

Age: 47

Qualifications: BAcc; Dip Acc, CA (SA) HDip Tax (SA)

Relevant skills and experience
Nishlan started his career at KPMG Inc. He joined Investec in 2000 as a technical accountant, in the financial reporting team. In 2010 he took on the full responsibility for the finance function in South Africa, which later developed into the global head of finance. This background affords significant financial expertise, and regulatory reporting skills.

External appointments: None

Richard Wainwright

Executive director

Appointed: September 2020

Nationality: South African

Age: 58

Qualifications: BCom (Hons), CTA, CA (SA)

Relevant skills and experience:
Richard has been with Investec since 1995 in various capacities, and the chief executive of IBL since 2016, responsible for our operations in South Africa. Richard started the structured products and project finance divisions in 2003 in the group's corporate and institutional banking division. He brings investment banking, tax, risk and industry expertise to the board.

External appointments: Banking Association of South Africa (BASA)

Ciaran Whelan

Executive director

Appointed: April 2020

Nationality: Irish

Age: 57

Qualifications: FCA (Irish), HDip Tax (SA)

Relevant skills and experience:
Ciaran joined Investec in 1988. He has had varied experience within Investec, including chief executive of Investec Bank Australia Limited and the global head of Investec Private Bank. Ciaran was appointed as chief executive of Investec Wealth & Investment (UK) in 2020. Ciaran brings hands-on experience in managing business risks to the board.

External appointments: None

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

The UK Corporate Governance Code 2018 (the code) applied to the group for the financial year ended 31 March 2021. The board confirms that the group has complied with the principles, the application of which are evidenced throughout this report. The table below is designed to help shareholders evaluate how this has been achieved. The board considers that compliance has been achieved throughout the year, with the exception of provision 19 in respect of the tenure of the chair. An explanation of the board's position in this regard can be found on page 88.

Board leadership and company purpose

A. An effective entrepreneurial board, which is collectively responsible for the long-term sustainable success of the group, generating value for shareholders and contributing to the wider society (read more on page 87).

B. Purpose, values and strategy are aligned with culture, which is promoted by the board (read more on page 92).

C. Resources allow the group to meet its objectives and measure performance. A framework of controls enables assessment and management of risk (read more on pages 22 and 23 in volume two).

D. Engagement with the group's stakeholders is effective and encourages their participation (read more on pages 22 to 33).

E. Workforce policies and practices are consistent with the group's purpose and values, and overseen by the board (read more on page 92). The workforce is able to raise matters of concern, with the responsibility for whistleblowing arrangements being assigned to the subsidiary Audit Committees of the group, in accordance with their regulatory obligations.

Division of responsibilities

F. The Chair has overall responsibility for the leadership of the board and for ensuring its effectiveness in all aspects of its operations (read more on page 86).

G. The board comprises an appropriate combination of non-executive and executive directors (read more on pages 86 to 89).

H. Non-executive directors are advised of time commitments prior to appointment. The time commitments of the directors are considered by the board on appointment, and annually thereafter. External appointments, which may affect existing time commitments, must be agreed with the Chair, and prior approval must be obtained before taking on any new external appointments.

I. The company secretaries and the correct policies, processes, information, time and resources support the functioning of the board.

Composition, succession and evaluation

J. There is a procedure for board appointments and succession plans for board and senior management which recognise merit and promote diversity (read more on pages 94 and 95).

K. There is a combination of skills, experience and knowledge across the board and the board committees. Independence, tenure and membership are regularly considered (read more on pages 87 and 88).

L. The annual effectiveness review of the board and the individual directors considers overall composition, diversity, effectiveness and contribution (read more on page 93).

Audit, risks and internal controls

M. Policies and procedures have been established to ensure the independence and effectiveness of the internal and external audit functions. The board satisfies itself of the integrity of the group's financial and narrative statements (read more on pages 100 to 110).

N. The board presents a fair, balanced and understandable assessment of the group's position and prospects (read more on page 106).

O. Procedures are in place to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the group is willing to take in order to achieve its long-term strategic objectives (read more on pages 111 to 116).

Remuneration

P. The group is committed to offering all employees a reward package that is competitive, performance-driven and fair. Our policies are designed to support the group's strategy and to promote its long-term sustainable success, with executive remuneration aligned to our purpose, values and strategic delivery (read more on pages 151 to 195).

Q. A transparent and formal procedure is used to develop policy and agree executive and senior management remuneration (read more on pages 151 to 195).

R. The remuneration policy seeks to ensure all remuneration decisions made by directors, fully consider the wider circumstances as appropriate, including, but not limited to, individual performance (read more on pages 151 to 195).

COMPLIANCE WITH THE KING IV CODE

The King IV Corporate Governance Code (King IV code) applied to the group for the financial year ended 31 March 2021. The board confirms that the group has complied with the principles, the application of which are evidenced throughout this report. The table below is designed to help shareholders evaluate how this has been achieved. The board considers compliance has been achieved throughout the year.

Leadership, Ethics and Corporate Citizenship

A. Investec's values are embodied in a written statement of values, which serves as our code of ethics. The Becoming Acquainted with Investec (BAWI) policy is the overarching reference which governs or guides management in implementing Investec's overall core values, ethics and standards.

B. Refer to the Corporate governance report and the DLC Nomdac report as contained in this report, and the 2021 group sustainability and ESG supplementary report (read more on pages 94 to 96).

Strategy, Performance and Reporting

C. This report covers all our activities across the various geographies in which we operate and has been structured to provide stakeholders with relevant financial and non-financial information (read more on pages 8 to 14).

Governance Structures and Delegation

D. The board sets the tone from the top in the way it conducts itself and oversees the structures and the framework for corporate governance. The Board Charter details the board's role, matters specifically reserved for the board, designation to the chief executive, membership requirements and procedural conduct at board meetings, amongst other matters.

E. The composition of the board and its committees are in line with King IV and there is a clear balance of power to ensure that no individual has undue decision-making powers.

F. Specific matters reserved for decision-making by the board are disclosed in the Board Charter. The terms of reference of the various board committees are in place and are covered by the formal board evaluation process. The meeting schedule for boards and committees is confirmed more than a year in advance and several board members serve on more than one committee to ensure collaboration. Sufficient independent chairs and members sit on all committees. The DLC Nomdac reviews the knowledge, skills, experience and capacity of all committee members on an ongoing basis.

G. The board continues to be committed to regularly evaluating its own effectiveness and that of its committees. To this end, the board undertakes an annual evaluation of its performance and that of its committees and individual directors, and is independently lead by an external specialist every third year.

H. The board appoints the chief executive and has specifically authorised him to have the necessary powers and mandate to manage the group and conduct the affairs of the group in his discretion and as he deems fit, save for matters reserved for the board.

Governance Functional Areas

I. The board assumes responsibility through the Information and Technology Management Charter (Charter) and the Technology Governance framework. This includes, at an executive level, the DLC IT Risk and Governance Committee, which is a sub-committee of the board and enables the setting of direction for technology and information. A set of IT and Information Risk policies are defined for the group. The board delegates responsibility to management as defined in the Charter and monitors progress through the DLC IT Risk & Governance Committee.

J. The board ensures that the group complies with applicable laws and regulations, as well as adopted non-binding rules, codes and standards. The group has identified the laws, codes and standards that impact its operations.

K. The DLC Audit Committee is the delegated governing body which meets eight times a year. It includes a representative from external audit, internal audit, compliance, and operational risk. A detailed report covers the group in each of the above mentioned representatives' respective areas of speciality.

L. The directors' remuneration report sets out our remuneration policies and implementation thereof.

M. Refer to DLC Audit Committee report as contained in this report (refer to pages 100 to 110).

Stakeholder Relationships

N. This report covers the period 1 April 2020 to 31 March 2021 and includes material issues up to the date of board approval on 22 June 2021. The report covers all our activities across the various geographies in which we operate and has been structured to provide stakeholders with relevant financial and non-financial information.

GOVERNANCE FRAMEWORK

Investec operates under a DLC structure and considers the corporate governance principles and regulations of both the UK and South Africa before adopting the appropriate standard for the group, and complies with the requirements in both jurisdictions.

From a legal perspective, the DLC comprises:

- Investec plc – a public company incorporated in the UK and listed on the London Stock Exchange (LSE), with a secondary listing on the Johannesburg Stock Exchange (JSE)
- Investec Limited – a public company incorporated in South Africa and listed on the JSE, with secondary listings on the Namibia Stock Exchange and the Botswana Stock Exchange.

The boards of Investec plc and Investec Limited are identical in terms of their composition and board meetings are held jointly. The committee structure has been derived from the requirements of the UK Corporate Governance Code and the King IV Code, as well as the activities of the group.

Our governance activities are aligned with, and we accordingly comply with, the South African Companies Act, No 71 of 2008, as amended (the South African Companies Act), the JSE Listings Requirements, the King IV Code, the South African Banks Act 94 of 1990 (South African Banks Act), the Investec Limited Memorandum of Incorporation, the UK Companies Act 2006 (UK Companies Act), the listing rules of the UK Listing Authority (UKLA), the UK Corporate Governance Code 2018 and the Investec plc Articles of Association..

The boards of IBP and IBL, the UK and South African regulated banking subsidiaries of the group respectively, and the board of IW&I, our regulated wealth subsidiary, are responsible for the statutory matters and corporate governance for the respective entities. They ensure compliance with the applicable legislation and governance requirements of the jurisdictions within which they operate. The IBP, IBL and IW&I boards and board committees report to the board and the respective board committees of the group. Interconnection between the respective board committees is supported by the membership or attendance of the chair of the group board committee at the respective subsidiary board committee.

The governance framework from a group perspective is detailed below:

Investec Limited and Investec plc board

Our strategy	Our principal risks	s172(1) statement	Board activities
page 12	pages 10 to 21 in volume two	pages 23 to 33	pages 90 to 93

↓

The board delegates certain matters to its five principal committees

DLC Audit Committee

- Monitors the integrity of the group financial statements
- Evaluates the effectiveness of the group's internal controls
- Scrutinises the activities and performance of the internal and external auditors.

Read more on pages 100 to 110

DLC Remuneration Committee

- Sets overarching principles and parameters of remuneration across the group
- Considers and approves remuneration for the executive directors, other senior executives and certain group employees
- Oversees remuneration matters.

Read more on pages 153 to 155

DLC Nominations and Directors' Affairs Committee

- Reviews the composition of the board
- Recommends the appointments of new directors
- Considers succession plans for the board and senior management
- Oversees the board effectiveness review.

Read more on pages 94 to 96

DLC Board Risk and Capital Committee

- Monitors and recommends the group's risk appetite
- Monitors the group's risk profile
- Considers and reports on key financial and non-financial risk issues.

Read more on pages 111 to 116

DLC Social and Ethics Committee

- Monitors the group's behaviour as a corporate citizen
- Oversees the group's ESG policies and processes
- Monitors the group's application of the South African Employment Equity Act and the South African Broad-Based Black Empowerment Act.

Read more on pages 97 to 99

↓

Executive committees

The executive committees are accountable to the board for the implementation of the agreed strategy. This is achieved through the management of the group's businesses, oversight of group-wide performance and operational governance on a day-to-day basis. It is in turn supported by an executive/management committee structure.

↓

Supporting committees

BOARD AND EXECUTIVE ROLES

The key governance roles and responsibilities of the board are outlined below:

Chair

- Leads the effective operation and governance of the board
- Sets agendas which support efficient and balanced decision-making
- Ensures effective board relationships and a culture that supports constructive discussion, challenge and debate
- Leads the development of and monitors the effective implementation of policies and procedures for the induction, training and professional development of all board members
- Oversees the evaluation of the performance of the board collectively, non-executive board members individually and contributes to the evaluation of the performance of the executive directors
- Ensures that the board sets the tone from the top, in regard to culture
- Serves as the primary interface with regulators and other stakeholders on behalf of the board.

Chief executive

- Leads and manages the group within the authorities delegated by the board
- Proposes and directs the delivery of strategy as agreed by the board
- Develops and recommends business plans, policies, strategies and objectives for consideration by the board, taking into consideration business, economic and political trends that may affect the operations of the group
- Develops and supports the growth of all the group's businesses
- Monitors and manages the day-to-day operational requirements and administration of the group.

Finance director

- Leads and manages the group finance functions
- Provides the board with updates on the group's financial performance
- Provides strategic and financial guidance to ensure that the group's financial commitments are met
- Oversees the financial management of the group including financial planning, capital, cash flow and management reporting
- Develops all necessary policies and procedures to ensure the sound financial management and control of the group's business.

Senior independent director

- Acts as a sounding board for the Chair
- Leads the board in the assessment of the effectiveness of the Chair
- Acts as a trusted intermediary for non-executive directors, if required, to assist them in challenging and contributing effectively to the board
- Addresses any concerns of shareholders and other stakeholders that are unable to be resolved through normal channels, or if contact through these channels is deemed inappropriate.

Non-executive director

- Brings unique perspectives to the boardroom to facilitate constructive dialogue on proposals
- Constructively challenges and contributes to assist in developing the group's strategy
- Monitors the performance of management against their agreed strategic goals
- Oversees the effectiveness of internal controls and the integrity of financial reporting
- Reviews succession planning for the board and management
- Oversees the risk management framework
- Oversees the remuneration of the executive directors and the group's employees.

Company secretary

- Maintains the flow of information to the board and its committees and ensures compliance with board procedures
- Ensures and keeps the board updated on corporate governance developments
- Facilitates a programme for the induction and ongoing development of directors
- Provides advice, services and support to all directors as and when required.

BOARD COMPOSITION

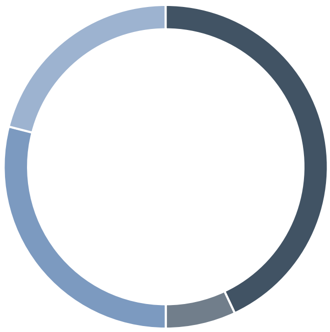
An experienced and diverse team

We have designed the composition of the board to ensure that we have the appropriate mix of knowledge, skills, experience, independence and diversity to provide the range of perspectives, insights and challenge needed to support good decision-making in order to support the delivery of the group's strategic objectives.

We consider the collective skills and experience of the directors when assessing the overall composition and suitability of the board. The current collective skills and sector experience of the board include the following areas: banking, wealth management, risk, regulatory, strategic thinking, digital and ESG. The key skills and experience of specific directors are detailed in their respective biographies on pages 80 to 82.

Further information on board composition can be found on pages 88 and 89, whilst the details of our Board Governance and Diversity Policy are set out below.

Board tenure



0-2 years	43%
2-4 years	7%
4-6 years	—%
6-8 years	29%
8+ years	21%

Board Governance and Diversity Policy

The Board Governance and Diversity Policy sets out the approach to the gender, diversity and governance of the board. It underpins the board's approach to diversity for senior leadership roles, which is governed in greater detail through the group's policies.

The board places great emphasis on ensuring that its membership reflects diversity in its broadest sense. Consideration is given to the combination of demographics, skills, experience, race, ethnicity, religion, age, gender, educational and professional background and other relevant personal attributes. The aim is to provide the range of perspectives, insights and challenge needed to support good decision-making by the board.

New appointments are made on merit, taking into account the specific skills, experience, independence and knowledge needed to ensure a well-rounded board and the diverse benefits each candidate can bring to the overall board composition.

In March 2021, the board considered and approved updates to the Board Governance and Diversity Policy to reflect the JSE Debt Listings Requirements and the Race at Work Charter.

Mindful of the recommendation of the Hampton-Alexander Review, the board set a target of 33% female representation on the board. As at 31 March 2021, we had achieved 21% female representation.

Following the appointments of Nicky Newton-King, Jasandra Nyker and Brian Stevenson to the board, and as at the date of this report, there is currently a 29% female representation on the board.

The gender balance of those in senior management and their direct reports is set out in the 2021 group sustainability and ESG supplementary report.

Cognisant of the recommendation of the Parker Review and in accordance with the requirements of the South African Financial Sector Code, the board set two further objectives. Firstly, a minimum of 25% of the board members who are ordinarily resident in South Africa (and having been naturalised prior to 1994) should be black women. Secondly, a minimum of 50% of the board members who are ordinarily resident in South Africa (and having been naturalised prior to 1994) should be black people. As at the 31 March 2021, there were five board members who were persons of colour, as defined by the Parker Review.

Following the appointments of Nicky, Jasandra and Brian to the board, and as at the date of this report, there are currently six board members who are persons of colour, as defined by the Parker Review.

Further information on the group's broader approach to Belonging, Inclusion and Diversity can be found in the 2021 group sustainability and ESG supplementary report.

BOARD COMPOSITION
CONTINUED

Board composition

Membership

At the date of this annual report, the board comprised four executive directors and 12 non-executive directors, including the Chair.

The changes to the composition of the board which occurred during the year, following the year-end, and those that are forthcoming, are as follows:

- Ciaran Whelan joined the board as an executive director in April 2020
- David van der Walt stepped down from the board in June 2020
- Ian Kantor stepped down from the board at the AGM in August 2020
- Stephen Koseff joined the board as a non-independent non-executive director in September 2020
- Richard Wainwright joined the board as an executive director in September 2020
- Charles Jacobs will step down from the board in June 2021
- Perry Crosthwaite and Lord Malloch-Brown will not stand for re-election at the AGM in August 2021
- Nicky Newton-King joined the board as an independent non-executive director in May 2021
- Jasandra Nyker joined the board as an independent non-executive director in May 2021
- Brian Stevenson joined the board as an independent non-executive director in June 2021
- Philip Hourquebie will succeed Perry Crosthwaite as Chair at the conclusion of the AGM in August 2021.

The names of the directors during the year, and the dates of their appointments are set out on page 89.

Further information regarding the DLC Nomdac's responsibilities in respect of succession planning can be found on pages 94 and 95.

Independence

The board considers the guidance set out in the UK Corporate Governance Code, the King IV Code, and directive 4/2018 as issued by the South African Prudential Authority, when considering the independence of members of the board.

Throughout the year ended 31 March 2021, the board was compliant with the UK Corporate Governance Code and the King IV Code, in that the majority of the board, excluding the chair, comprised independent non-executive directors.

The board considers all relevant circumstances, in ensuring that the directors demonstrate independence of character and judgement, and provide challenge to the executive board members in the boardroom.

The board believes that it functions effectively and that the non-executive directors are independent of management and promote the interests of stakeholders.

The board is of the view that the chair, Perry Crosthwaite, was independent on appointment. As indicated in last year's report, in accordance with the South African Prudential Authority's Directive 4/2018, the board had obtained permission for Perry to remain as chair of the board and DLC Nomdac until 31 March 2022, given that Perry had served on the board for a period of greater than nine years. During the year, the senior independent director, Zarina Bassa, led an assessment of the Chair's independence, supported by an independent third party, Board Practice. This assessment concluded that Perry continues to demonstrate objective judgement and promote constructive challenge amongst the members of the board. The board also notes provision 15 of the UK Corporate Governance Code, and further to its consideration of Perry's independence, also identified that Perry's continued appointment supported the succession plan for the board and the leadership team. In line with the succession plan for the board, Perry Crosthwaite will not stand for re-election at the AGM in August 2021.

The board's deliberation on the independence of the non-executive directors included the consideration of the following relationships and associations in regards to specific directors:

- Philip Hourquebie was a regional managing partner of Ernst & Young, joint auditors of the group. The board concluded that, notwithstanding his previous association with Ernst & Young, Philip retains independence of judgement given he was never the group's designated auditor or relationship partner and was not involved with the Investec account. He also served a three-year cooling off period prior to appointment
- Ian Kantor was a co-founder and former chief executive of the group. The board concluded that Ian could not be considered independent
- Stephen Koseff was a former chief executive of the group. The board concluded that Stephen could not be considered independent
- Charles Jacobs was the chair of Linklaters LLP (Linklaters) until 30 June 2021. Linklaters is one of Investec's UK legal advisors. The board concluded that, notwithstanding this link, Charles retains independence of judgement. Charles does not form part of the Linklaters team that provides advice to Investec and he has not provided advice to Investec for over a decade. In addition, the selection of legal advisors is not a board matter and is decided at a management level. If any decision were to be made at the board level regarding Linklaters, which has not happened to date, Charles would recuse himself in accordance with the provisions of the relevant Companies Act relating to directors' interests.

Tenure

The board also considers tenure when examining independence, and when discussing the composition of the board as a whole. The board is mindful that there needs to be a balance resulting from the benefits brought by new independent directors, versus retaining individuals with the appropriate skills, knowledge and experience, and an understanding of Investec's unique culture.

The board does not believe that the tenure of any of the identified independent non-executive directors standing for election or re-election at the AGM in August 2021 interferes with their independence of judgement or their ability to act in the group's best interest.

BOARD COMPOSITION
CONTINUED

Board composition as at 31 March 2021

Members	Independent	Board member since	Investec plc (9 meetings in the year)[3]		Investec Limited (9 meetings in the year)[3]	
			Attended	Eligible to attend	Attended	Eligible to attend
Perry Crosthwaite (Chair)	On appointment	18 Jun 2010	9	9	9	9
Fani Titi (Chief Executive)	Executive	30 Jan 2004	9	9	9	9
Henrietta Baldock	Yes	9 Aug 2019	9	9	9	9
Zarina Bassa	Yes	1 Nov 2014	9	9	9	9
David Friedland	Yes	1 Mar 2013	9	9	9	9
Philip Hourquebie	Yes	14 Aug 2017	9	9	9	9
Charles Jacobs	Yes	8 Aug 2014	9	9	9	9
Ian Kantor[1]	No	30 Jul 1980 (INL) 26 Jun 2002 (PLC)	4	4	3	3
Stephen Koseff	No	17 Sep 2020	5	5	6	6
Lord Malloch-Brown	Yes	8 Aug 2014	9	9	9	9
Nishlan Samujh	Executive	1 Apr 2019	9	9	9	9
Philisiwe Sibiya	Yes	9 Aug 2019	9	9	9	9
Khumo Shuenyane	Yes	8 Aug 2014	9	9	9	9
David van der Walt[2]	Executive	1 Apr 2020	2	2	2	2
Richard Wainwright	Executive	17 Sep 2020	5	5	6	6
Ciaran Whelan	Executive	1 Apr 2020	9	9	9	9

1. Ian Kantor stepped down from the board on 6 August 2020.
2. David van der Walt stepped down from the board on 4 June 2020.
3. During the year, there were six meetings of the board, an ad hoc meeting called at short notice, a board strategy session, a separate Investec plc board meeting and a separate Investec Limited board meeting.

Summary board activities

	24 Apr[1]	20 May	23 Jul[2]	17 Sep[3]	18 Nov	04 Dec[4]	12 Feb	17 Mar
Strategy	●		●	●		●	●	●
Financial management and performance	●	●		●	●	●	●	●
Operating context	●			●		●		●
Risk and assurance	●	●		●	●	●	●	●
People strategy, leadership and succession			●	●			●	●
Remuneration		●		●				●
Corporate governance and reporting		●		●	●	●	●	
Shareholders and key stakeholders	●	●		●	●	●		●
Culture, purpose and values	●			●		●	●	●
ESG	●			●	●		●	

1. Ad hoc meeting called at short notice to consider an update in respect of the initial impact of the COVID-19 impact.
2. An Investec group board and separate Investec plc board meeting were held.
3. An Investec group board and separate Investec Limited board meeting were held.
4. Board strategy session.

BOARD ACTIVITIES

What we did in 2020/21

2020

April

- Reviewed the initial impact of COVID-19 on the group, in terms of any customer issues, operational resilience and other risk matters
- Considered an update on the well-being of employees, and the switch to staff predominantly working from home
- Discussed the guidance issued by the South African and UK regulators in respect of COVID-19.

May

- Reviewed and approved the going concern and the viability statement
- Received a detailed update from the DLC Audit Committee in respect of the impact of COVID-19, structured products, going concern considerations and issues raised by assurance providers
- Assessed the performance of the UK structured products book
- Approved the financial results for the year ended 31 March 2020
- Discussed and recommended the re-appointment of the external auditors.

July

- Gained comfort with respect to the ongoing risk management of the UK structured products book
- Reviewed detailed updates on the performance of IW&I (UK), IW&I (SA), Specialist Bank (SA) and Specialist Bank (UK)
- Considered and approved a repurchase of up to 20% of Investec Limited perpetual preference shares in issue
- Discussed feedback from shareholder roadshows
- Approved the Investec Limited Recovery and Resolution Plan
- Approved the appointment of PwC as joint auditor for Investec Limited from 1 April 2023, subject to regulatory approval.

September

- Approved the appointments of Stephen Koseff and Richard Wainwright to the board
- Received an update on the group's performance and operating environment
- Discussed progress against the group's key strategic initiatives
- Reviewed and approved the pre-close briefing statement
- Debated the potential impact of Brexit
- Approved the COVID-19 liquidity stress impact and contingency funding plan
- Considered the composition of the board and the board committees
- Discussed the review of the Chair's effectiveness
- Reviewed a detailed presentation on workforce engagement, including key themes and actions
- Considered the AGM results.

BOARD ACTIVITIES
CONTINUED

2020

November

- Considered an update on the impact of the COVID-19 pandemic, and the actions taken in respect of our employees, clients and communities
- Interrogated an update received on the UK structured products book
- Approved the financial results for the half year ended 30 September 2020
- Approved an interim dividend
- Approved the Investec plc recovery and resolution plan
- Approved the Investec plc ICAAP and ILAAP
- Discussed the review of the Chair's independence
- Considered the succession plan for the board
- Approved the Conflicts of Interest Policy
- Approved the appointment of a Debt Officer.

December

- Discussed progress against the group's strategic objectives
- Reviewed the group's key strategic initiatives
- Analysed an update on the group's financial outlook
- Considered proposals in regards to the strategies for the group's principal operating subsidiaries
- Evaluated potential strategic options for the group
- Considered cultural transformation initiatives
- Received an update in respect of the group's governance framework
- Discussed shareholder and stakeholder matters.

2021

February

- Received an update on the group's performance and operating environment
- Interrogated an update received on risk and operations
- Discussed an update from management on the restructure of IBP, including the impact of the redundancy programme on employees
- Considered the succession plan for the leadership team
- Received an update from the board sub-committee on the succession process for the Chair
- Discussed the outcome of the annual board effectiveness review and agreed actions arising from it
- Discussed an update from management on the group's conduct, culture and values
- Approved the Investec plc and IBP risk appetite and policies.

March

- Received an update on the group's performance and operating environment
- Discussed progress against the group's key strategic initiatives
- Interrogated an update received on the UK structured products book
- Approved the 2021/22 budget and operating plan
- Considered the appropriateness of the pre-close briefing statement
- Considered the succession plan for the board
- Approved the Board Governance and Diversity Policy.

BOARD ACTIVITIES
CONTINUED

How the board engages with our stakeholders

Purpose-led considerations
We believe that effective governance enables us to deliver our purpose, vision and strategy.

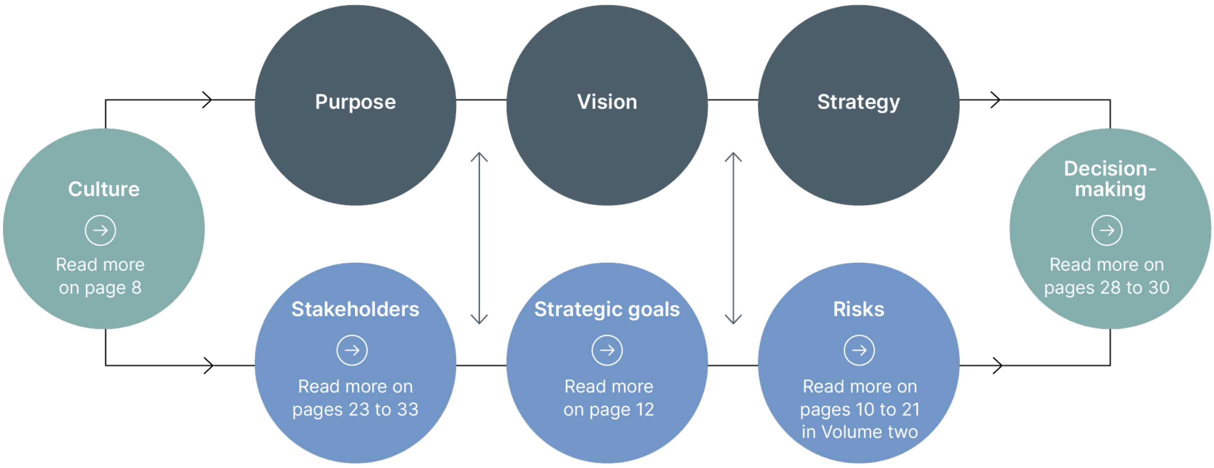
During the year, given the impact of the COVID-19 pandemic, the board has focused on protecting the health and well-being of our people, and supporting our clients, communities, and other stakeholders. At the same time, it has ensured that the group remains secure and resilient, both financially and operationally.

The challenges posed by the COVID-19 pandemic required us to consider how to balance decisions in a way that optimises our strategy, accounts for the interests of all our stakeholders, and supports the promotion of our purpose and unique culture.

Achieving this balance demands a board that prizes constructive challenge, openness and diversity and is committed to act fairly and in the interests of all our stakeholders.

The views, perspectives and insights of our key stakeholder groups are influential factors that are considered whenever we make key operational, investment and business decisions.

Further information about our key stakeholder groups, including our consideration of shareholder and wider stakeholder interests in the board's decision-making processes are set out in the section 172(1) statement on pages 23 to 33.



Workforce engagement
The recognition that our people are vital to the delivery of the group's strategy is reflected by the board's extensive engagement with employees during the year.

The board agreed its approach to workforce engagement in 2019, as detailed in last year's annual report, and this has remained unchanged.

Philip Hourquebie, our designated non-executive director responsible for workforce engagement for the group, continues to meet with the designated non-executive directors for IBP (Moni Mannings) and IW&I UK (Cath Thorpe) on a quarterly basis.

A workforce engagement report is prepared, comprising a summary of the board and management's employee engagement activity, the key issues raised by employees, and the actions undertaken to address those issues.

During the year, our workforce engagement reports covered all matters related to employee engagement, including strategy, culture, remuneration and our response to the COVID-19 pandemic.

Our employee engagement activity across our geographies, has intensified in the past year, despite face-to-face contact being severely limited by COVID-19. With the addition of further communication sessions with management, and increased distribution of our online employee magazine, Inside Track.

Management subsequently report the engagement activities to their respective boards, with the designated non-executive director highlighting the matters of interest from our people to support the key decision-making of their respective boards.

A number of issues identified by workforce engagement activities were invaluable in informing board discussions and decisions. These included decisions taken regarding the future of work, such as our workplace solutions and working practices going forward, belonging, inclusion and diversity, our Employment Equity Plan, and the progress of key strategic initiatives, including One Investec and our client-led strategy for IBP.

The board also agreed various measures of support for employees in response to the COVID-19 pandemic, including the prioritisation of employee well-being, with additional digital resources being made available to support our people.

Further information on the board's engagement with our workforce can be found on page 24.

BOARD EFFECTIVENESS

Board effectiveness

The board's annual effectiveness review, which is facilitated externally at least once every three years, provides an opportunity for the board to reflect, and to consider ways of identifying greater efficiencies, maximising strengths and highlighting potential areas of further development, to enable the board to continue to enhance its own performance.

An external effectiveness review was last conducted in 2018, facilitated by Professor Robert Goffee, an external governance specialist, with internal reviews conducted in 2019 and 2020. The 2021 review is expected to be externally facilitated, with the DLC Nomdac taking responsibility for identifying an external facilitator.

Below, we outline the various stages of the 2020 internal review.

Stage 1
The DLC Nomdac, with the assistance of the company secretaries, prepared a self-assessment questionnaire, which was distributed digitally to all the directors for completion in November 2020. The questionnaire sought the directors' views on a range of topics including: the performance and effectiveness of the board and the board committees; the balance of skills, knowledge, experience and diversity; board composition and size; the quality and timeliness of information; strategy; planning and performance; culture; and the company secretarial support for directors and committees.

Stage 2
The Chair held a one on one meeting with each of the directors. These meetings were to discuss the responses to the questionnaire, and to provide the opportunity to raise any other matters pertaining to the board or the board committees.

Stage 3
A report was prepared by the company secretaries, based on the results of the questionnaire and the matters raised in the meetings with the Chair.

The draft report was then discussed with the Chair, whose feedback was incorporated into a final discussion paper for onward circulation.

Stage 4
The final report was presented to the board in February 2021, following its consideration by the DLC Nomdac.

A thorough review and discussion took place, with actions agreed for implementation and monitoring.

Board review insights
The review identified the particular strengths of the board to be its collaborative nature, and the level of constructive challenge provided.

From a development perspective, the review highlighted certain areas of focus that would further improve the effectiveness of the board. These were considered by the board and an appropriate action plan agreed.

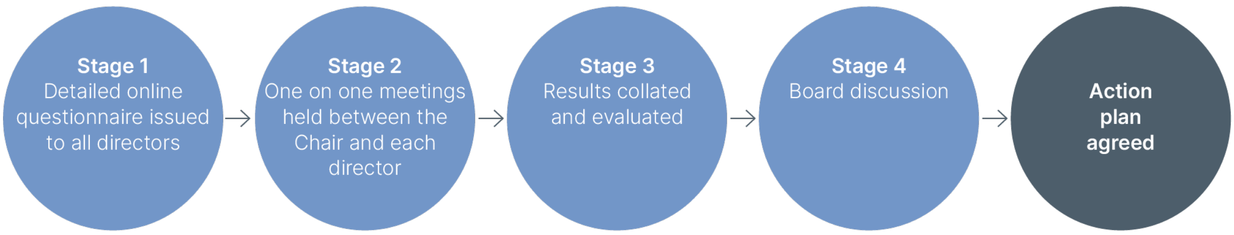
Committees
The board committees were also reviewed and, overall, were considered to function well in terms of their effectiveness, decision-making and the rigorous manner in which they addressed any issues brought to their attention.

Chair
The Chair was considered to provide robust leadership for the board, and to strengthen the link between the executive and non-executive members of the board.

Board action plan

The board action plan for 2021/22 includes:
- Enhancing the role that the board plays in respect of culture
- Increasing the level of diversity on the board
- Supporting greater strategic and forward-looking discussion
- Increasing the focus given to succession planning.

Stages of the board review



DLC NOMINATIONS AND DIRECTORS' AFFAIRS COMMITTEE REPORT

Perry Crosthwaite
Chair of DLC Nomdac

Key achievements in 2020/21
- Recommended the appointments of Stephen Koseff and Richard Wainwright to the board
- Monitored the progress of ongoing chair succession plans
- Considered the succession plans for the board and senior management
- Reviewed the skills, knowledge, experience, independence and diversity of the board
- Considered the board effectiveness review and training.

Areas of focus in 2021/22
- Consider the succession plans for the board and senior management
- Review the composition of the board and the principal board committees
- Review the skills, knowledge, experience and diversity of the board
- Coordinate the external facilitation of the board effectiveness review.

Members	Member since	Meetings attended	Eligible to attend
Perry Crosthwaite (Chair)	16 Apr 2017	6	6
Zarina Bassa	1 Apr 2017	6	6
David Friedland[1]	16 Sep 2014	5	6
Philip Hourquebie	15 May 2018	6	6
Lord Malloch-Brown	15 May 2018	6	6
Khumo Shuenyane	15 May 2018	6	6
Peter Thomas[2]	9 Sep 2010	3	3

1. Unable to attend due to another business commitment. Where a director is unable to attend a meeting, they receive papers in advance and have the opportunity to provide comments to the Chair of the committee.
2. Peter Thomas was the representative of IBL. He stepped down from the committee on retiring from the IBL board on 6 August 2020.

Introduction
The role of the DLC Nomdac (the committee) centres on people matters, which ultimately determine the success or otherwise of every corporation. The work we undertake ensures that we have a strong leadership in place, with diverse and relevant operational experience, to enable the group to fulfil its purpose and execute its strategy.

Role and responsibilities
The role of the committee is to keep the board's composition, skills, experience, knowledge, independence and succession arrangements under review and to ensure that appropriate procedures are in place for nominating, training and evaluating directors. Due regard is given to the benefits of diverse senior leadership, including diversity of thought, gender, social background and ethnicity.

The committee reports to the board on how it discharges its responsibilities and makes appropriate recommendations to the board. The committee's terms of reference can be found at www.investec.com.

Membership and attendance
To ensure a broad representation of experienced and independent directors, membership of the committee currently comprises the Chair, the senior independent director (who is also the chair of the DLC Audit Committee), the chairs of each of the DLC BRCC, DLC Remuneration Committee and DLC SEC, and the Chair of the IBL board.

As IBL does not have an independent nominations and directors' affairs committee, it was agreed that a representative of IBL be a member of the committee. Peter Thomas previously acted as the IBL representative, until he stepped down from the IBL board in August 2020. Khumo Shuenyane, the chair of IBL, continues to serve on the committee as the IBL representative.

As announced in June 2021, following his appointment to the board, Brian Stevenson was appointed a member of the committee.

Details of individual attendance at the meetings held during the year are set out above. More information on the skills and experience of all committee members can be found on pages 80 to 82.

Succession planning
During the year, the committee continued to focus on succession planning, with consideration given to the planned board retirements and the impact of these on the membership of the board and its committees, including oversight of the planned transition. The committee's ongoing review of the structure, size and composition of the board and its committees helps ensure that the appropriate mix of knowledge, skills, experience and diversity is maintained.

As indicated in last year's report, Ciaran Whelan joined the board in April 2020, David van der Walt stepped down from the board in June 2020, and Ian Kantor stepped down from the board at the AGM in August 2020.

As announced in July 2020, Stephen Koseff joined the board in September 2020, as a non-independent non-executive director. Stephen brings extensive financial services experience, and his risk and strategic acumen will add to the board's capabilities.

As announced in June 2020, Richard Wainwright joined the board as an executive director in September 2020.

DLC NOMINATIONS AND DIRECTORS' AFFAIRS COMMITTEE REPORT
CONTINUED

As announced in March 2021, Charles Jacobs will step down from the board in June 2021, and Lord Malloch-Brown will not stand for re-election at the AGM in August 2021.

The committee remained committed to ensuring the board maintained an appropriate range of skills on the board, following their departure, with a specific focus on potential candidates with ESG experience and/or knowledge of regulatory standards. We undertook a full search of potential candidates, using this brief, in order to capture the clear benefits of diversity of background and opinion.

On the conclusion of this search, the committee is pleased to acknowledge the appointments of Nicky Newton-King, Jasandra Nyker and Brian Stevenson to the board, as independent non-executive directors. Nicky brings significant regulatory and business expertise given her background as the chief executive of the JSE Limited, and knowledge of ESG matters. Jasandra will also enhance the collective skills and knowledge of the board, with her extensive experience in the renewable energy sector. Whilst Brian provides substantial strategic, governance and financial services experience.

The committee also recommended the appointment of Khumo Shuenyane as chair of DLC SEC, in place of Lord Malloch-Brown when he steps down from the board, given his complementary skills and experience as an existing member of DLC SEC.

As announced in March 2021, I will also not stand for re-election as chair of the board at the AGM in August 2021.

This report summarises the work done to identify my successor as chair. I am not involved in the process, but I am confident that my successor will benefit from the work of an effective and impactful committee.

Board diversity
I believe that the committee's focus on inclusion and diversity sets the tone and direction for Investec to be an inclusive employer, with diverse teams delivering for the benefit of all of our stakeholders.

Further details on our Board Governance and Diversity Policy can be found on page 87.

Board effectiveness and training
The committee oversees the board effectiveness review, and assesses the feedback from the evaluation process. Full details of the board effectiveness review, including the evaluation of the committee's effectiveness, are provided on page 93.

The 2021 board effectiveness review is expected to be facilitated externally, in line with the recommended approach set out in the UK Corporate Governance Code.

The committee also oversees the training and development of the board, and of the directors of the group's principal subsidiaries.

Conflicts of interest and independence
Each director has a duty to disclose any actual or potential conflict of interest, as defined by law, for consideration and approval if appropriate by the board. This is supported by the committee's review of the register of directors' interests and its annual assessment of director independence.

Based on its assessment for the year, the committee is satisfied that, with the exception of Stephen Koseff who was appointed as a non-independent non-executive director, all the non-executive directors remained independent in character and judgement.

The committee, and the board, gave specific consideration to the continuing independence of myself, Philip Hourquebie, Charles Jacobs, Ian Kantor and Stephen Koseff as detailed on page 88.

In recommending directors for election and re-election at the AGM, the committee, through the board effectiveness review, has considered the performance of each of the directors and their ability to continue meeting the time commitments required. We have taken into consideration individual capabilities, skills and experience, and any potential conflicts of interest that have been disclosed. The external roles held by all directors were considered to be appropriate. Further details of our Conflicts of Interest Policy can be found on page 117.

Governance
As part of our broader governance responsibilities, the committee considered regular updates on developments in corporate governance, and also considered correspondence with shareholders.

Perry Crosthwaite
Chair, DLC Nomdac
22 June 2021

Chair succession
Following the announcement of Perry Crosthwaite's intention to step down from the board, the board initiated a search process to find his successor.

A sub-committee, comprising Charles Jacobs (chair), David Friedland, Lord Malloch-Brown and Khumo Shuenyane, was established to lead the process. All of the members of the sub-committee are independent non-executive directors, and free of any potential conflicts of interest.

Odgers Berndtson were appointed to assist the sub-committee in identifying a diverse list of potential candidates with the experience and personal qualities to become chair.

Odgers Berndston do not have any connection to the group or any of the directors other than to assist with the searches for executive and non-executive talent.

Charles Jacobs kept the board and the committee informed on progress, with regular discussions held throughout.

A long list of candidates, including internal and external candidates, was considered and was narrowed down to a diverse short list.

The members of the sub-committee held interviews with the potential candidates, to assess their suitability for the role.

At the conclusion of these interviews, the sub-committee made a recommendation to the committee.

The committee considered the recommendation of Philip Hourquebie as the successor to the Chair, and prepared a recommendation to the board accordingly.

The board considered the proposal, and agreed that Philip be appointed as the Chair, when Perry steps down from the board. It was considered that Philip was the most suitable candidate for the role, given his knowledge, skills and experience, in particular, his knowledge of the group through his time on the board, his good working relationship with the executive, and his extensive experience of engaging with our stakeholders, through his role as Chair of the DLC Remuneration Committee.

DLC NOMINATIONS AND DIRECTORS' AFFAIRS COMMITTEE REPORT
CONTINUED

What we did in 2020/21

2020

May
- Reviewed the methodology for prescribed officers
- Considered the independence of the non-executive directors
- Recommended the establishment of a remuneration committee for IBL
- Reviewed the corporate governance report
- Considered the board composition of the group's principal operating subsidiaries.

June
- Reviewed the succession plan for the leadership team
- Recommended the appointment of Mark Currie as chief risk officer.

July
- Approved the appointments of Morris Mthombeni and Moni Mannings as members of the DLC SEC
- Reviewed the register of directors' interests
- Discussed the review by Internal Audit of the board's procedures in respect of related parties and conflicts of interest
- Considered the board composition of the group's principal operating subsidiaries.

September
- Recommended the appointment of Stephen Koseff as a non-executive director
- Recommended the appointment of Richard Wainwright as an executive director
- Considered the succession plan for the board
- Approved the appointment of Henrietta Baldock as a member of the DLC Remuneration Committee
- Approved the directors' Conflicts of Interest Policy
- Determined the process to be adopted for the internally facilitated annual effectiveness review.

2021

February
- Considered the composition of the board and board committees
- Considered the succession plan for the leadership team
- Discussed the results of the board effectiveness review
- Considered the board composition of the group's principal operating subsidiaries.

March
- Approved the Board Governance and Diversity Policy
- Discussed the succession plan for the Chair
- Considered the succession plan for the board
- Considered the composition of the board and board committees.

DLC SOCIAL AND ETHICS COMMITTEE REPORT

Lord Malloch-Brown
Chair of the DLC SEC

Key achievements in 2020/21
- Received shareholder support for the group's commitment to carbon neutrality
- Welcomed the establishment of an ESG Executive Committee
- Received recognition for publishing our first Task Force on Climate-related Financial Disclosures (TCFD) report
- Strengthened the membership of the committee with the appointments of Morris Mthombeni and Moni Mannings
- Maintained our level 1 Broad-based Black Economic Empowerment (B-BBEE) rating
- Signed up to the Race at Work Charter.

Areas of focus in 2021/22
- Further monitor the integration of sustainability into business strategy
- Review progress on climate-related and general ESG disclosures, including the TCFDs, and reporting on our priorities in terms of the UN Sustainability Development Goals (SDGs)
- Review and strengthen the group's ESG and climate-related policies
- Continue to embed diversity, inclusion and belonging through the value system and senior leadership/decision-making forums
- Track our progress globally against race and gender targets, the B-BBEE scorecard and employee equity measures.

Members	Member since	Meetings attended	Eligible to attend
Lord Malloch-Brown (Chair)	8 Aug 2014	4	4
Moni Mannings[1]	11 Sep 2020	2	2
Morris Mthombeni[2]	23 Jul 2020	2	2
Khumo Shuenyane[3]	9 Aug 2019	3	4
Peter Thomas[4]	17 May 2012	2	2
Fani Titi	12 Mar 2019	4	4

1. Moni Mannings is the representative of IBP.
2. Morris Mthombeni is the representative of IBL.
3. Unable to attend due to another business commitment. Where a director is unable to attend a meeting, they receive papers in advance and have the opportunity to provide comments to the chair of the committee.
4. Peter Thomas was the representative of IBL. He stepped down from the committee on retiring from the IBL board on 6 August 2020.

Introduction
The DLC SEC (the committee) monitors the group's application of the South African Employment Equity Act, the South African B-BBEE Act and the Financial Sector Code. It monitors our progress in terms of ESG matters, and how we are advancing the UN Global Compact's 10 principles pertaining to business and human rights, labour, environment and anti-corruption, as well as our priorities in terms of the UN SDGs. The work undertaken by the committee ensures that the group is operating in an ethical, compassionate and sustainable manner.

Role and responsibilities
The role of the committee is to:

- Oversee the group's ESG and climate-related policies, processes and response to climate-related matters
- Ensure that the group promotes social and economic development
- Monitor the group's behaviour as a corporate citizen
- Oversee the group's ethical business practices
- Monitor the group's application of the South African Employment Equity Act, the South African B-BBEE Act and the Financial Sector Code.

The committee reports to the board on how it discharges its responsibilities and makes appropriate recommendations to the board. The committee's terms of reference can be found at www.investec.com.

Membership and attendance
The committee comprises independent non-executive directors and executive directors. Its composition is designed to provide the breadth of experience necessary for effective consideration of the issues that are presented to us. The composition is in accordance with the requirements of the South African Companies Act.

We welcomed two additional members to the committee during the year, Moni Mannings, a non-executive director of IBP; and Morris Mthombeni, a non-executive director of IBL. They further strengthen the skills, knowledge, experience and diversity of the committee. Their appointments also support the promotion of a consistent approach to employment equity, transformation and sustainability matters across our businesses.

As announced in March 2021, I will not stand for re-election at the AGM in August 2021. Given his complementary skills and experience as an existing member of the committee, the DLC Nomdac recommended Khumo Shuenyane to succeed me as chair of the DLC SEC, when I step down from the board in August 2021.

As announced in May 2021, following their appointment to the board, Nicky Newton-King and Jasandra Nyker were appointed as members of the committee.

Details of individual attendance at the meetings held during the year are set out above. More information on the skills and experience of the committee members can be found on pages 80 to 82.

Employment equity and transformation
During the year, we continued to focus on staff developments, in particular on

DLC SOCIAL AND ETHICS COMMITTEE REPORT
CONTINUED

equity and inclusion. The group made further progress with our transformation initiatives and employment equity targets, and we remain committed to creating an inclusive environment where everyone can thrive.

The committee oversaw the workplace and workforce analysis as required by Section 19 of the South African Employment Equity Act, including the progress made in terms of our employment equity plan (for the period 2017-2020). We also considered the revised employment equity plan (for the period 2021-2024), which was developed in consultation with the Employment Equity Forum. The primary focus of the plan is on transforming our leadership and decision-making forums.

In January 2021, we submitted our latest employment equity report to the South African Department of Employment and Labour. We were pleased to note that over the past 10 years the group has seen an improvement in the representation of people of colour and women at all occupational levels, with representation at middle management being almost double that of 2011.

Further information can be found in the 2021 group sustainability and ESG supplementary report.

Broad-Based Black Economic Empowerment
We monitored the group's compliance with the relevant legislation, and considered its empowerment rating.

The group maintained our level 1 B-BBEE rating, with exemplary scores received in respect of ownership, enterprise development, empowerment financing, supplier development, socio-economic development and consumer education. We also improved our procurement score, compared with the previous year, due to the work done to ensure that the suppliers selected for the renovation of our Sandton office met our B-BBEE requirements.

Belonging, Inclusion and Diversity
The committee monitors the group's progress with respect to gender and diversity targets, with the board's commitment to Belonging, Inclusion and Diversity at Investec continuing to be a key strategic objective.

The gender pay gap in our UK bank and wealth businesses has reduced for the third consecutive year, with planned strategies and actions to drive the increase of female representation at senior levels. The gender pay gap reports are available on our website. The group has also signed up to the Women in Finance Charter (UK) and is a member of the 30% Club in South Africa and the UK.

In 2020, the group signed up to the Race at Work Charter (UK), which calls on organisations to deliver specific actions, including the appointment of an executive sponsor. In this respect, Ciaran Whelan is accountable for the delivery of the following: capturing ethnicity data and publishing progress, committing at board level to zero tolerance of harassment and bullying, and taking action to support ethnic minority progression.

Further information can be found in the 2021 group sustainability and ESG supplementary report.

Good corporate citizenship
Given these difficult times, we are incredibly proud of the manner in which the group has responded to the COVID-19 pandemic, demonstrating continued support of our clients, communities and to the well-being of our colleagues.

The group committed to provide 1% of pre-tax profit to the COVID-19 relief fund. Furthermore, the executive team and board members have donated a portion of their salaries to the Solidarity Fund in South Africa and to other initiatives in the UK.

Further details on the board's engagement with our key stakeholders can be found on page 92.

Culture and ethics
We oversaw the group's activities from the perspective of the ethical business principles, with programmes offered to enhance our core values, which include unselfishly contributing to society, valuing diversity and respecting others.

Given the significant and far-reaching change within the group in the past year, the group undertook a process of collective reflection with the aim of articulating our purpose, to ensure that we remained true to the values upon which Investec was built. As identified in the chief executive report, we arrived at the following purpose statement: We exist to create enduring worth, living in, not off, society.

Further information on our culture, purpose and values can be found on page 8.

Climate change
The impact of climate change on our business and also the impact of our activities on the environment have been a key focus in the past year.

The board recognises that climate change represents a material financial risk, which is monitored by the DLC BRCC.

At the 2020 AGM, we were pleased to receive shareholder support to continue the group's commitment to carbon neutrality.

The committee monitored progress on implementing the Fossil Fuel Policy, which was published at the end of the previous financial year. The policy covers coal-fired power generation, coal mining, and oil and gas in all our operations. It emphasises that the transition to a low carbon economy needs to be done in a just and orderly way and in consideration of a variety of financial, socio-economic and environmental factors.

We have monitored the group's progress on key metrics in respect of climate change as well as its commitment to supporting the transition to a clean and energy-efficient economy. We were pleased to see that the group maintained its commitment to net-zero Scope 1 and 2 direct emissions for the second consecutive year.

We joined the Partnership for Carbon Accounting Financials, which gives the group access to international best practice and allows us to be actively involved in the formulation of financial carbon reporting methodology.

ESG
To support the integration of sustainability considerations into our business strategy, we have embedded an ESG screening process for prospective deals. Management also held an offsite meeting in September 2020 to discuss our progress in respect of the SDGs.

We welcomed management's decision to constitute an ESG Executive Committee. This will coordinate ESG efforts across our geographies and businesses and help the group to deliver profitable, impactful and sustainable solutions to our clients. We also welcomed the launch of a number of sustainability-led products and services during the year.

For further information, please refer to the 2021 group sustainability and ESG supplementary report.

Lord Malloch-Brown
Chair, DLC SEC
22 June 2021

DLC SOCIAL AND ETHICS COMMITTEE REPORT
CONTINUED

What we did in 2020/21

2020

May

- Monitored progress towards the group's employment equity plans
- Reviewed the group's progress in relation to the Youth Employment Service (YES) initiative
- Welcomed the appointment of Fani Titi to the UN Global Investors for Sustainable Development Alliance
- Discussed the group's response to the COVID-19 pandemic, in particular the actions taken to support employees, communities, clients and suppliers.

July

- Reviewed the group's progress in respect of its people and transformation initiatives
- Considered the group's empowerment rating
- Monitored progress towards achieving the group's SDG priorities
- Discussed the TCFD reporting requirements.

September

- Reviewed the group's progress in respect of its people and transformation initiatives
- Received a detailed update on the work undertaken by the Employment Equity Forum
- Acknowledged that the group had signed up to the Partnership for Carbon Accounting Financials, the World Benchmarking Alliance, the UN Environment Programme Finance Initiative and the UN Principles for Responsible Banking
- Considered the ESG opinions delivered by the ESG Committee
- Discussed the group's response to the COVID-19 pandemic
- Received an update on the matters considered at the ESG offsite meeting.

2021

March

- Reviewed the group's progress in respect of its people and transformation initiatives
- Considered the 10-year view of the progress made by the group regarding employment equity
- Monitored progress towards achieving the group's SDG priorities
- Discussed the TCFD disclosures.

DLC AUDIT COMMITTEE REPORT

Zarina Bassa
Chair of the DLC Audit Committee

"The Committee believes that audit quality is essential to the fulfilment of the objectives of an effective and credible external audit. Consistent and sustainable high audit quality contributes to ensuring the continued relevance and value of audit and assurance services, which in turn are essential in providing trust and confidence to the users of financial information."

Members	Member since	Meetings attended	Eligible to attend
Zarina Bassa (Chair)	1 Nov 2014	10	10
Philip Hourquebie	14 Aug 2017	10	10
Philisiwe Sibiya	9 Aug 2019	10	10

In addition to the above, a combined DLC Audit Committee and DLC BRCC meeting was held in May 2020. Three results meetings were held in April and May 2020 and two interim results meetings were held in November 2020. Combined Investec Ltd and Investec plc Audit Committee meetings were held in September, November 2020 and March 2021. Formal meetings were held to consider, discuss and conclude on external audit quality and sign-off on regulatory reports.

Introduction

The DLC Audit Committee (the Committee) is pleased to present its report for the financial year ended 31 March 2021. This report is intended to provide details on how the Committee satisfied its various statutory obligations, as well as on the key audit matters considered during the period. The Committee has further discharged its responsibilities and provided assurance on the integrity of the 2020/21 annual report and financial statements.

This report has been prepared based on the requirements of the South African Companies Act of 71 of 2008 (Companies Act) (as amended), the UK Companies Act, the King Report on Governance for South Africa 2016 (King IV), the UK Corporate Governance Code 2018 (the Code), the JSE Listings Requirements, the UK Listing Rules and other applicable regulatory requirements.

COVID-19 pandemic

The COVID-19 pandemic is of an unprecedented scale and has severely impacted the global economy and business across all industries. There is a significant degree of uncertainty about the further spread of the virus, the timing and the effectiveness of the vaccine roll out and the further impact it will have on the world economy.

COVID-19 was a significant area of focus for the Committee during the year, specifically evaluating the impact of the pandemic on the:

- Integrity of internal controls
- Going concern and the viability statement of the Investec group
- Expected credit loss (ECL) assessment
- Impairment of investments not measured at fair value
- Fair value measurement of complex/illiquid assets
- Impact on the quality of earnings.

Against this backdrop, the Investec group remained profitable and capital ratios remained strong. Furthermore, liquidity within the group continued to be managed at conservative levels. Asset quality remained good, with the group active in providing COVID-19-related relief to clients where considered appropriate from an ongoing risk management and client relationship perspective.

Audit quality and independence

Business failures throughout global economies continue to place an increased focus on auditor independence, integrity, sufficient levels of professional scepticism of external audit, audit quality reviews and other oversight mechanisms.

The Committee treated this as a key audit matter and accordingly critically evaluated audit quality, effectiveness, independence and audit rotation requirements.

The Committee believes that audit quality is essential to the fulfilment of the objectives of a credible and independent external audit. Consistent and sustainable high audit quality contributes to ensuring the continued relevance and value of audit and assurance services, which in turn are essential in providing trust and confidence to the users of financial information.

DLC AUDIT COMMITTEE REPORT
CONTINUED

Role of the Committee
The Committee is an essential part of the group's governance framework to which the board has delegated the following key functions:

- Overseeing the group's financial reporting process and risks, ensuring the integrity thereof and satisfying itself that any significant judgements made by management are sound
- Reviewing the group's internal controls and assurance processes
- Managing and overseeing the performance, conduct, quality and effectiveness of the group's internal audit functions
- Oversight of group compliance
- Overseeing the group's subsidiary audit committees, including in remote locations
- Appointing, managing and overseeing the relationship with the group's external auditors, including the quality control, effectiveness and independence of the external audit function
- Approving the fees to be paid to external auditors
- Managing the level and nature of non-audit services provided by the external auditors
- Dealing with concerns, if any, from outside Investec regarding accounting, reporting and financial control

Further detailed responsibilities are in the terms of reference of the Committee as available on the website www.investec.com.

Committee composition, skills, experience and operation
The Committee is comprised entirely of independent non-executive directors who meet predetermined skill, competency and experience requirements.

The members' continuing independence is assessed annually by the DLC Nomdac, which in turn makes a recommendation on the members' independence to the board. The DLC Nomdac and board have concluded that the Committee has the appropriate balance of knowledge and skills to discharge its duties.

Further details of the experience of the members can be found in their biographies on pages 80 to 82

The Investec Group Chief Executive, the Investec group chief financial officer, the Investec group chief operating officer (COO), the Investec group chief risk officer (CRO), heads of internal audit, the chief compliance officers and representatives from the joint external auditors are invited to attend all meetings. Other members of management are invited to attend meetings to provide the Committee with greater insights into specific issues or areas of the group.

The Chair has regular contact with the management team to discuss relevant matters directly. The internal and external auditors have direct access to the Chair, including closed sessions without management during the year, on any matter that they regard as relevant to the fulfilment of the Committee's responsibilities. The Chair meets with internal audit and the joint external auditors prior to Audit Committee meetings and at other times as considered necessary by either party prior to Committee meetings.

Structure of the Investec group's Audit committees
In terms of the DLC structure, the DLC board has mandated authority to the DLC Audit Committee to be the Audit Committee of the group. The DLC Audit Committee oversees and considers group audit-related matters and has responsibility for audit-related matters that are common to Investec plc and Investec Limited, and works in conjunction with these two Committees to address all group reporting.

The Investec plc board has mandated authority to the Investec plc Audit Committee, and the Investec Limited board has mandated authority to the Investec Limited Audit Committee to be the Audit Committees for the respective companies and their subsidiaries. The IBP board has mandated authority to the IBP Audit Committee and the IW&I (UK) board has mandated authority to the IW&I (UK) Audit Committee to be the Audit Committees for the respective companies and their subsidiaries. The IBP and IW&I (UK) Audit Committees report to the Investec plc Audit Committee. The IBL board has mandated authority to the IBL Audit Committee and the IW&I (South Africa) board has mandated the IW&I (South Africa) Audit Committee to be the Audit Committee of the companies and their subsidiaries. IBL, IW&I (South Africa) and Investec Life Audit Committees report to the Investec Limited Audit Committee.

The Committee receives regular reports from the group's subsidiary Audit Committees as part of the oversight of subsidiary audit committees.

The DLC Audit Committee Chair is also the Chair of the following Audit Committees:

- Investec plc
- Investec Limited
- Investec Bank Limited
- Investec Bank Mauritius (IBM).

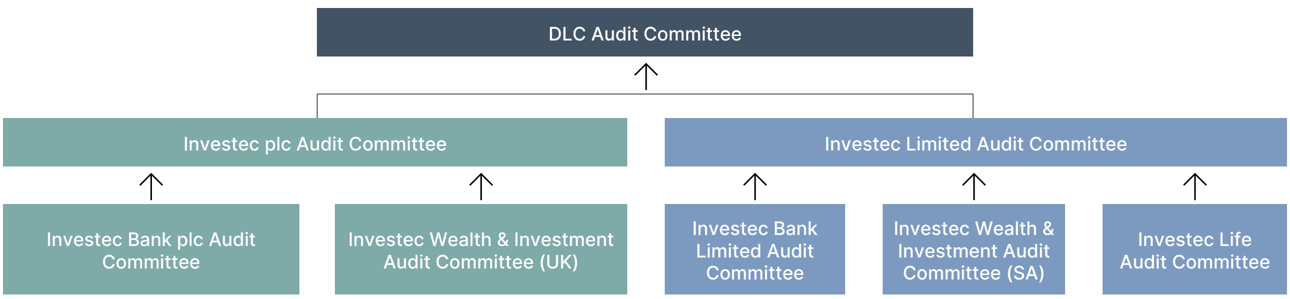
The Chair is also a member of the following Audit Committees:

- Investec Bank plc (IBP)
- Investec Life.

The DLC Audit Committee Chair attends the following Committee meetings:

- Prudential Conduct and Control Committee
- Operational Risk Committee
- IT Risk and Governance Committee.

- IW&I (UK) Audit Committee
- IW&I (South Africa) Audit Committee



DLC AUDIT COMMITTEE REPORT
CONTINUED

Areas covered by the DLC Audit Committee
The following is a summary of the meetings held by the Committee during the financial year.

2020

April
- Received a report from group finance on all key matters to be considered in the finalisation of the group's results including:
  - Macro-economic scenarios and weightings into the IFRS 9 ECL models
  - Key valuations
  - Audit status and key findings
- Discussed the financial results for the year ended 31 March 2020
- Received and considered reports from internal audit and external audit
- Received an update from group compliance

May (Two meetings were held)
- Received updates in respect of outstanding matters to be considered in the finalisation of the groups' results
- A separate IBP Audit Committee meeting was held to discuss COVID-19 overlays and aviation loans
- Considered the schedule of remaining audit differences
- Received and considered an updated report from external audit on the conduct and conclusion of the audit
- Assessed and approved the going concern assessment and the viability statement through a joint session with the DLC Board Risk and Capital Committee (BRCC)
- Considered the effectiveness of the finance function and chief financial officer, the effectiveness of the external audit function and the re-appointment of the external auditors
- Discussed audit quality and the results of cross-reviews
- Received an update from group compliance
- Considered the results of the combined assurance model

June
- Received an update on going concern, any post balance sheet events and all outstanding external audit matters
- Received confirmation from all DLC board sub-committees that they have signed off on their respective reports contained in the 2020 integrated annual report
- Received confirmation that the relevant International Financial Reporting Standards (IFRS), JSE Listings Requirements and UK Listing Rules disclosure checklists had been completed in respect of the 2020 integrated annual reports of the group for the year ended 31 March 2020
- Approved the annual report and the annual financial statements
- Received updated reports from external audit
- Received an update from group compliance

July
- Deliberated the way forward in terms of auditor rotation with input from the executive team
- Put in place a process for Mandatory Audit Firm Rotation (MAFR)
- Considered the appointment of new external auditors to commence shadowing one of the current joint auditors starting during financial year 2022
- Received an update from group compliance
- Approved the combined assurance plan for the 2021 year

September
- Deliberated the appointment of new external auditors as part of audit firm rotation
- Received an update from group compliance
- Received detailed reports from all assurance providers
- Considered matters that could potentially have an impact on the interim pre-close statement

November (Two meetings were held)
- Received confirmation from assurance providers that no matters were identified which could have an impact on the interim results of the group
- Received an update from group finance in respect of the September 2020 group interim results
- Assessed and approved the going concern assumption for the preparation of the interim results of the group
- Considered the impact of post-balance sheet events on the interim financial statements
- Received updated submissions from group finance and external audit
- Approved the results announcements for Investec Bank Limited and Investec group
- Received an update from group compliance

2021

February
- Considered and reviewed applicable macro-economic scenarios, ECLs and overlays as part of a joint DLC BRCC meeting
- Considered detailed reports from all assurance providers

March
- Considered reports from group finance
- Considered reports from all assurance providers
- Considered matters that could potentially have an impact on the 31 March 2021 pre-close statement

DLC AUDIT COMMITTEE REPORT
CONTINUED

Areas covered by the DLC Audit Committee

Key audit matters

Key audit matters, are those matters that in the view of the Committee:

- Required significant focus from the Committee
- Were considered to be significant or material in nature, requiring exercise of judgement; or
- Matters which were otherwise considered to be subjective from an accounting or auditing perspective.

Common membership of the DLC, Investec plc, Investec Bank plc, Investec Ltd and Investec Bank Limited Audit Committees ensures that key audit matters and matters of mutual interest are communicated and addressed, where applicable. The members of the Committee may also attend other audit committee meetings, as appropriate.

The following key audit matters were deliberated by the Committee during the year:

Key audit matters	What we did
Impact of COVID-19 • The COVID-19 pandemic impacted the global economy and businesses across all industries	• Considered the known accounting and operational impact of COVID-19 on the economy and business, mitigating steps in both geographies and the resulting impact on the applicability of the macro-economic scenarios and the judgements and estimates used by management to prepare the annual financial statements. The areas most impacted by COVID-19 include: – Going concern and the Viability Statement, including liquidity – ECL assessment (IFRS 9 macro-economic scenarios, probabilities and staging, impact on specific sectors such as aviation, hospitality and retail) – Impact on quality of earnings – Impact of work from home on the overall control environment and operational risk – The financial control environment Fair value measurement and the resulting IFRS 13 Fair Value Measurement disclosures. Steps taken by the Committee to consider these disclosures are specifically addressed below
Fair value of level 3 instruments and the resulting IFRS 13 Fair Value Measurement (IFRS 13) disclosure: • For level 3 instruments such as unlisted investments in private equity businesses, investment properties, fair value loans and large bespoke derivative structures, there is necessarily a large degree of subjectivity surrounding the inputs to the valuations. With the lack of observable liquid market inputs, determining appropriate valuations continues to be highly judgemental	• Received presentations on the material investments across the group, including an analysis of the key judgements and assumptions applied, and approved the valuation adjustments proposed by management for the year ended 31 March 2021 • Challenged and debated significant subjective exposures and assumptions including: – The valuation principles applied for the valuation of level 3 investments (unlisted and private equity investments) and fair value loans. Particular focus was given to the impact of COVID-19 on these valuation principles – Fair value of exposures in industries highly affected by COVID-19 – The appropriateness of the IFRS 13 disclosures regarding fair value • Considered the appropriateness of the valuation principles and inputs applied to determine the fair value of loans in the aviation industry
Accounting for equity-linked notes and deposit products issued by the Structured Products Desk in the UK • Investec previously issued equity linked notes and deposit products through the Structured Products Desk in the UK. These products require complex accounting principles to be applied and involve a degree of subjectivity surrounding the inputs to their valuations	• Received and reviewed a technical accounting memorandum prepared by group finance on the accounting treatment of the equity-linked notes and deposits. This included an analysis of the key judgements and assumptions applied • Evaluated the appropriateness of the disclosure provided relating to significant judgements and estimates, valuation methods and assumptions applied • Received confirmation from internal and external audit on the appropriateness of the control measures and accounting treatment • Received regular feedback from management on the active management of the underlying risk of the portfolio

DLC AUDIT COMMITTEE REPORT
CONTINUED

Key audit matters	What we did
Investments in associates • Evaluated the appropriateness of the carrying amount of investments in associates	• Received and reviewed technical accounting memoranda prepared by group finance on the material investments in associates across the group addressing the appropriateness of the carrying value of the investments and the impairment assessment performed by management. This included an analysis of the key judgements and assumptions applied • Evaluated the appropriateness of the accounting and disclosure relating to significant judgements and estimates, valuation methods and assumptions applied
Going concern and the Viability Statement	• Considered reports on the group's budgets and forecasts, profitability, capital, liquidity and solvency, scenario stress testing and the impact of legal proceedings, if any • Considered the results of various stress testing analyses based on different COVID-19 economic scenarios and the possible impact of COVID-19 on the ability of the group to continue as a going concern • Jointly with the DLC BRCC, assessed the reasonableness of and approved the Viability Statement based on three-year capital plans produced by management
ECL assessment • The appropriateness of the allowance for ECL is highly subjective and judgemental. The impact of COVID-19 and the resultant economic impacts in South Africa and the UK have resulted in additional key judgements and assumptions being made during the current year	• Challenged the level of ECL, model methodology and assumptions applied to calculate the ECL provisions held by the group • Reviewed and monitored the group's calculation of ECLs, trends in staging changes, model changes, scenario updates, post-model adjustments, and volatility. Specific review and consideration were given to the macro-economic scenarios used to calculate the COVID-19 ECL overlays and the staging applied for COVID-19 restructured positions • Assessed ECL experienced against forecast and considered whether the level of ECL was appropriate. Particular focus was given to COVID-19 restructured positions (payment holidays) and sectors highly impacted by COVID-19, and exposures which were specifically affected by the negative current macro-economic environment • Evaluated the IFRS 9 disclosures for relevance and compliance with IFRS • Assessed the appropriateness of the ECL provision raised by the group for large exposures in entities publicly perceived to be in financial distress • Reviewed the appropriateness of the ECL models and the forward-looking macro-economic scenarios applied in the UK and South Africa. The Committee further evaluated the appropriateness of the management ECL overlay • Reviewed for reasonableness the benchmarking of macro-economic scenarios, ECLs, Credit Loss Ratio (CLR) and coverage ratios against relevant South African and UK peers
Cyber reporting, IT systems and controls impacting financial reporting	• Received and reviewed reports and controls in respect of cyber reporting, IT systems and controls impacting financial reporting • Received regular minutes and reports from the DLC IT Risk and Governance Committee

DLC AUDIT COMMITTEE REPORT
CONTINUED

Key audit matters	What we did
External audit, audit quality and Mandatory Audit Firm Rotation (MAFR)	• Managed the relationship with the external auditors including their re-appointment • Deliberated the way forward in terms of auditor appointment with input from the executive team. Put in place a process for MAFR. Considered the appointment of new external auditors to commence shadowing one of the current joint auditors starting during the 2022 financial year • Considered and approved a revised policy in respect of non-audit services rendered by external audit • Pre-approved all non-audit services provided by external audit and confirmed the services to be within the approved non-audit services policy • Assessed the independence and objectivity of the external auditors • Met with key members of Ernst & Young LLP and Ernst & Young Inc. (auditors of DLC), Ernst & Young LLP (auditors of Investec plc) and Ernst & Young Inc. and KPMG Inc. (auditors of Investec Limited) prior to every Audit Committee meeting to discuss the 2020/21 audit plan, key areas of focus, findings, scope and conclusions • Met separately with the leadership of Ernst & Young Inc., KPMG Inc., and Ernst & Young LLP to discuss auditor accreditation, independence, firm quality control, results of internal and external regulator inspections of the firm and individual partners • Met with Ernst & Young global leadership to discuss regulatory investigations across members firms to assess the impact on audit quality, if any, for Investec • Obtained feedback from the cross-reviews performed by KPMG Inc. on KPMG (South Africa) • Discussed external audit feedback on the group's critical accounting estimates and judgements. Noted the increased involvement of specialists from the audit firms in the more complex matters in the current year • Discussed external auditors' draft report on specific control areas and the control environment ahead of the 2021 financial year end • The Committee approved the external audit plan, audit fee and the main areas of focus • Monitored audit quality and audit partner accreditation as specified by the JSE In line with the conditions set out in Section 94(8) of the Companies Act and based on its assessment documented above, using the criteria set out by the King IV Code and the JSE Listings Requirements, the committee confirms its satisfaction with the performance and quality of external audit, the external auditors and lead partners.

DLC AUDIT COMMITTEE REPORT
CONTINUED

Other matters considered by the DLC Audit Committee:
The Committee considered the following matters during the financial year ended 31 March 2021:

Other matters	What we did
Regulatory compliance and reporting	• Received regular reports from the group regulatory compliance function, and reviewed the adequacy of the scope and the effectiveness of the regulatory compliance processes applied. This included the evaluation of the quality of regulatory reporting, the regulatory compliance universe, the scope and the integrity of the regulatory compliance process, the adequacy of internal regulatory compliance systems and processes, and the consideration and remediation of any findings of the internal and external auditors or regulator
Post balance sheet disclosure	• Considered the need for post balance sheet disclosures. Specifically considered the impact of COVID-19 in the affected jurisdictions Investec group operates in as well as on specific sectors
Fair, balanced and understandable reporting • The group is required by the UK Corporate Governance Code to ensure that its external reporting is fair, balanced and understandable, and consider whether it provides the information necessary for stakeholders to assess the group's position and performance, business model and strategy • Reviewed the outcomes of the combined assurance coverage model as discussed below	• The Committee undertakes an assessment on behalf of the board, to provide the board with assurance that it can make the statement • Met with senior management to gain assurance that the processes underlying the compilation of the annual financial statements were appropriate • Conducted an in-depth critical review of the annual financial statements and, where necessary, requested amendments to disclosure • Reviewed the accounting treatment of key judgements and the quality of earnings assessment • Assessed disclosure controls and procedures • Confirmed that management had reported on and evidenced the basis on which representations to the external auditors were made • Obtained input and assurance from the external auditors and considered the level of and conclusion on the summary of audit differences • The Committee concluded that the processes underlying the preparation of the annual report and financial statements for the financial year ended 31 March 2021 were appropriate in ensuring that those statements were fair, balanced and understandable • The Committee recommended to the board that the 2021 annual report and financial statements were fair, balanced and understandable
Combined assurance model	• Satisfied itself with the appropriateness of the design and effectiveness of the combined assurance model applied which incorporates the various disciplines of risk management, operational risk, legal, regulatory compliance, internal audit, external audit and other external assurance providers. Satisfied itself with the levels of assurance and mitigants so that, taken as a whole, there is sufficient and appropriate assurance regarding mitigants for the key risks • Reviewed the year end conclusions from internal audit on internal control, the risk management framework and internal financial controls based on their planned and actual audit coverage for the year • Reviewed the results of the Combined Assurance Matrix (CAM) coverage plan at the year end to assess the results of actual coverage and conclusions relative to planned coverage for the year. Concluded that the CAM formed an appropriate basis for assurance coverage and outcomes

DLC AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
Internal controls • The effectiveness of the overall control environment, the status of any material control issues with emphasis on the progress of specific remediation plans	• Attended and received regular reports from the DLC BRCC. Based on this reporting, evaluated the impact of an evolving risk environment, including operational risk, on the internal control environment • Evaluated and tracked the status of the most material control issues identified by internal and external audit and tracked the progress of the associated remediation plans against agreed time frames • Reviewed reports from the independent audit committees of the group's subsidiaries • Evaluated the impact of work from home on the overall control environment and operational risk • Evaluated reports on the internal control environment from the internal and external auditors • Attended and received regular reports from the DLC IT Risk and Governance Committee regarding the monitoring and effectiveness of the group's IT controls. Considered updates on key internal and external audit findings in relation to the IT control environment • Reviewed and approved the combined assurance model, ensuring completeness of risks and adequacy and effectiveness of assurance coverage • Evaluated reports on cyber security within the group • Reviewed and evaluated the work performed by management to support the control attestation to be made by the chief executive and CFO as required by the JSE Listings Requirements 3.84(k)
Business control environment • The effectiveness of the control environment in each individual business, including the status of any material control issues and the progress of specific remediation plans	• Received regular reports from the subsidiary audit committees • Assessed reports on individual businesses and their control environments, scrutinised any identified control failures and closely monitored the status of remediation plans • Received updates from senior management and scrutinised action plans following internal audit findings
Finance function	• Discussed and concluded that the finance functions of both Investec plc and its subsidiaries and Investec Limited and its subsidiaries were adequately skilled, resourced and experienced to perform the financial reporting for the group • Concluded that the Investec group chief financial officer, Nishlan Samujh, had the appropriate expertise and experience to meet the responsibilities of the position
IFRS	• The 2019 annual financial statements of Investec group and Investec Mauritius Limited were subject to a JSE pro-active monitoring review in the current year. The 2019 annual financial statements of Investec DLC were subject to a review by the Financial Reporting Council (FRC) in the current year. The outcome of the reviews confirmed compliance with IFRS and regulatory disclosure requirements • Reviewed various accounting papers prepared by group finance addressing subjective accounting treatment and significant accounting judgements
Related party disclosures	• Considered and reviewed related party disclosures in relation to the group • DLC Nomdac reviewed key related party transactions during the year and ensured that Investec related party policies are being complied with

DLC AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
Internal audit • The performance of internal audit and delivery of the internal audit plan, including scope of work performed, the level of resources, the risk assessment methodology and coverage of the internal audit plan • The Committee is responsible for assessing audit quality in relation to internal audit	• Scrutinised and reviewed internal audit plans, risk assessments, methodology and staffing, and approved the annual plan. Assumed responsibility for the monitoring and following up of internal audit control findings, including IT, and ensured appropriate mitigation and timeous close-out by management • Received regular reports from internal audit on all significant issues identified • Monitored delivery of the agreed audit plans, including assessing internal audit resources • Tracked high and moderate risk findings, and monitored related remediation plans • Met with the heads of internal audit prior to each Audit Committee meeting, without management being present, to discuss the remit of internal audit and any issues arising from the internal audits conducted • Monitored audit quality in relation to internal audit • Confirmed that it was satisfied with the performance of the internal audit function • Discussed and considered the internal audit quality assurance programme. The internal audit quality assurance programme is designed in line with the Institute of Internal Auditors (IIA) International Professional Practices Framework (which includes the International Standards for the Professional Practice of Internal Auditing and the Code of Professional Conduct, including the Code of Ethics) • The results of the post engagement quality assurance programme inform any training interventions required within the team and the results are consolidated and presented to the Audit Committee on an annual basis • Discussed and considered the quality assurance programme. The quality assurance programme is multi-faceted, and includes the attraction, development and retention of adequately skilled staff that exercise proficiency and due professional care, adherence to the global internal audit governance framework and audit methodology, oversight and detailed review of every audit engagement and a quarterly post engagement quality assurance programme • Reviewed the Engagement Quality Assurance Review (EQAR) conducted by an external provider during 2020, with no material issues impacting the reliance on the internal audit function. Tracked the progress of remediation of improvement plans as discussed and approved in a workshop with the Audit Committee and executive • Received an opinion from internal audit on internal controls and the integrated risk management framework as part of the year end sign-off process • Considered the succession, skills matrix and the Continuous Professional Development of Internal Audit • Had a closed session of the Audit Committee with internal audit without management present
Uncertain tax and other legal matters • Considered potential legal and uncertain tax matters with a view to ensuring appropriate accounting treatment in the financial statements, including in respect of historical German dividend tax arbitrage transactions	• Received regular updates from group tax, group finance and legal on uncertain tax and legal matters to enable it to probe and consider the matters and evaluate the basis and appropriateness of the accounting treatment • Analysed the judgements and estimates made and discussed the potential range of outcomes that might arise to determine the liability, if any, for uncertain tax provisions as required by the International Financial Reporting Interpretations Committee (IFRIC) 23 • Concluded on the appropriateness of the International Accounting Standards (IAS) 37 accounting treatment, the scenarios and sensitivities, and any overall disclosure in the financial statements. Conferred with and received confirmation from the external auditors on the overall treatment

DLC AUDIT COMMITTEE REPORT
CONTINUED

External audit

Non-audit services

The group implemented an updated policy on the engagement of the external auditors to provide non-audit services. This policy, designed to safeguard auditor objectivity and independence, includes guidelines on permitted and non-permitted services and on services requiring specific approval by the Committee.

Total audit fees paid for the year ended 31 March 2021 was £14.1 million (2020: £15.4 million), of which £1.0 million (2020: £4.3 million) related to the provision of non audit services. The non-audit services were in respect of services typically provided by the auditor, for example, regulatory audits.

Non-audit fees were pre-approved by the Chair of the Committee prior to every assignment.

Based on the above mentioned policy and reviews, the Committee was satisfied that the level and type of non-audit work undertaken throughout the year did not impair the independence of Ernst & Young LLP (Investec plc) or Ernst & Young Inc. and KPMG Inc. (Investec Limited).

Partner accreditation and audit quality

Reviews in respect of audit quality took place between the Committee and Ernst & Young LLP (the group and Investec plc), Ernst & Young Inc. (the group and Investec Ltd) and KPMG Inc. (Investec Limited) for the current year, both from a UK and South African perspective.

The following was covered during these discussions:

- Transparency reports and reviews by each of the two firms covering their client base, client acceptance and continuance processes, and the approach to clients, if any, that did not meet the client continuance criteria
- Any reputational, legal or impending legal issues impacting the firm, including the implications of publicly observable information from regulatory investigations
- The independence processes of the firm, including partner reward and remuneration criteria
- Interrogation of international and local firm audit quality control processes
- Detailed profiles of the partners and managers, including their relevant audit experience, were reviewed
- Details in relation to each firm's respective succession plans in order to provide assurance as to the partner rotation, transition and continuity process
- The results of the last firm-wide reviews carried out by the regulatory body,the Independent Regulatory Board for Auditors (IRBA) in South Africa; FRC in the UK
- The results of the latest individual partner quality reviews carried out by the regulator and internal firm-wide quality control reviews carried out in respect of each partner
- The completion of an audit quality questionnaire by each member of the Audit Committee and management, the results of which were that a robust audit is in place.

Auditor independence and objectivity

- The Committee considers the independence of the external auditors on an ongoing basis
- The external auditors are required to rotate the lead audit partner every five years, and other key audit partners every five years
- Partners and senior staff associated with the audit may only be employed by the group after a cooling-off period
- The lead partners commenced their respective five-year rotation periods in 2019 and 2018 (Ernst & Young LLP: 1 April 2019 and Ernst & Young Inc.: 31 January 2018)
- Gail Moshoeshoe as lead Ernst & Young Inc. partner will thus rotate off on conclusion of the 2021 audit process. Ranesh Hariparsad, who has been involved in a transition capacity, will take over as the lead Ernst & Young Inc. partner for the 2022 audit
- The external auditors have confirmed their independence and were requested to review and confirm the level of staff transactions with Investec, if any, to ensure that all auditors on the group audit meet the independence criteria.

Following due consideration, we continue to believe that the following are adequate safeguards to ensure that the audit process is both objective and effective:

- The extent of audit cross-reviews, both between the joint auditors of Investec Limited and the additional reviews by KPMG International
- The additional cross-reviews by the Investec Limited and Investec plc auditors across the group supported by partner rotation
- Limitations on delivering non-audit services, including pre-approval on non-audit work
- The confirmation of the independence of the firms and auditors involved
- Formal audit quality process undertaken by the Committee.

Mandatory Audit Firm Rotation (MAFR)

Investec plc

The company has complied with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the Order), which relates to the frequency and governance of tenders for the appointment of the external auditors. The external auditors of Investec plc are Ernst & Young LLP. Ernst & Young LLP have been Investec plc's auditors since 2000 and are subject to a mandatory rotation by the end of March 2024 at the latest. A competitive tender process will commence during 2022 with the second incoming audit firm to perform the first audit for the financial year starting 1 April 2024.

Investec Limited

In terms of the Banks Act in South Africa, Investec Limited is required to appoint joint auditors.

The rule on MAFR as issued by the IRBA requires that an audit firm shall not serve as the appointed auditor of a public interest entity for more than ten consecutive financial years. Thereafter, the audit firm will only be eligible for reappointment as the auditor after the expiry of at least five financial years. The requirement is effective for financial years commencing on or after 1 April 2023. If, at the effective date, the entity has appointed joint auditors and both have had audit tenure of ten years or more, then only one audit firm is required to rotate at the effective date and the remaining audit firm will be granted an additional two years before rotation is required.

The Investec Limited Audit Committee considered the implications of the mandatory audit firm rotation rule as issued by IRBA, the requirements of the South African Companies Act and the state of the audit profession in South Africa including reputational or apparent audit failure perceptions. The views expressed by shareholders have been a key consideration balanced with the implications of having joint auditors and the risks inherent to an audit transition. Based on this assessment, following a comprehensive tender process PricewaterhouseCoopers Incorporated (PwC) was nominated as one of the new joint external auditors for the financial year starting 1 April 2023. The

DLC AUDIT COMMITTEE REPORT
CONTINUED

appointment of the firm and designated audit partner is subject to regulatory approval from the South African PA.

The appointment of PwC will be recommended to the ordinary shareholders at the AGM to be held in August 2022. A formal transition process will commence during 2022, whereby PwC will observe the full audit cycle performed by the incumbent joint external auditors.

A competitive tender process for the second rotation will commence during 2022, with the second incoming audit firm to perform the first audit for the financial year starting 1 April 2025, in accordance with the MAFR rules as published by the IRBA.

Re-election of auditors

The Committee has considered the following in proposing the appointment of external auditors:

- The regulatory need for joint auditors
- The state of the audit profession in South Africa
- The level of specialisation, footprint, capacity and experience required by a firm in performing a joint audit of a bank or financial services group which is of systemic importance
- Level of quality control within the audit firms as evidenced by the results of internal and external regulatory reviews performed on audit firms and engagement partners
- The level of inherent risk in auditing a financial services group and the consequent audit risk
- Independence of the External Auditor.
- The fundamental demands on audit quality, the level of audit risk given the turmoil in the audit profession, balanced against shareholder views on firm rotation.

In line with the conditions set out in Section 94(8) of the South African Companies Act, and based on its assessment, using the criteria set out by the King IV Code and the JSE, and considering the guidance provided in the FRC guide on Audit Committees, the DLC Audit Committee confirms its satisfaction with the performance and quality of external audit, the external auditors and lead partners.

In making the recommendation for the re-election of Investec Limited's auditors, the board and the DLC Audit Committee have taken into consideration the South African Companies Act and the South African Prudential Authority requirements with respect to joint auditors and mandatory firm rotation together with the results of the Audit Committee's extensive, formalised process to satisfy itself as to auditor independence and audit quality.

The board and the committee is recommending the re-election of KPMG Inc. and Ernst & Young Inc. as joint auditors of Investec Limited at the AGM in August 2021.

In addition, the board and the Committee is recommending the re-election of Ernst & Young LLP as auditors of Investec plc at its AGM in August 2021.

Looking ahead

The role of the committee will remain focused on:

- Ensuring the effective functioning of the group's financial systems, processes, monitored by an effective combined assurance model
- Audit quality and independence
- Management's response in respect of future changes to IFRS and other regulations
- The appointment of the second external audit firm as part of the MAFR
- The implications of ESG risk in measuring the sustainability and societal impact of an investment in a company or business
- The impact of COVID-19 on the economy and the consequent impact on financial systems and reporting, including viability, results of operations and financial position of the group
- Continue to exercise oversight over subsidiary audit committees.

Zarina Bassa
Chair, DLC Audit Committee
22 June 2021

DLC BOARD RISK AND CAPITAL COMMITTEE REPORT

David Friedland
Chair of DLC BRCC

"This was indeed a challenging year. By working closely with management, the risk functions and the three lines of defence, the committee was comfortable that the risks presented by COVID-19 and Brexit were properly managed."

Members	Member since	Meetings attended	Eligible to attend
David Friedland (Chair)	13 Sep 2013	6	6
Zarina Bassa	14 Nov 2014	6	6
Perry Crosthwaite	9 Nov 2018	6	6
Nishlan Samujh	8 Aug 2019	6	6
Philip Hourquebie	17 Aug 2017	6	6
Khumo Shuenyane	16 Jan 2015	6	6
Henrietta Baldock	9 Aug 2019	6	6
Philisiwe Sibiya	9 Aug 2019	6	6
Fani Titi	11 Mar 2011	6	6
Stephen Koseff[1]	17 Sep 2020	4	4

1. Stephen Koseff was appointed as a member of the Committee on 17 September 2020.

Introduction

As the Chair of the DLC BRCC (the Committee), I am pleased to present our report for the financial year ended 31 March 2021.

At the outset, I would like to thank and pay tribute to the risk community, digital and technology as well as business units for their commitment and dedication, often during very trying times.

As a Committee, we take comfort that the risk function and oversight are in capable hands.

Role of the Committee

The role of the Committee is to review, on behalf of the board, the range of risks facing the business. We perform this function by considering the risk reports presented and question whether existing actions taken by management are appropriate.

As the most senior risk management committee of the group, our team is an essential part of the governance framework to which the board has delegated the monitoring of the group's activities in relation to risk and capital management.

We ensure that all risks are identified and properly mitigated and managed. Good client and market conduct are paramount in all the group does and the committee ensures the existence of a robust culture supported by oversight and management of information.

We also consider whether the resources allocated to the risk management functions are adequate for effectively managing the group's risk exposures.

The Committee is the appointed board committee to meet the requirements of the South African Banks Act and the Capital Requirements Directive and Regulation (CRR/CRD IV), adopted by the European Commission and implemented in the UK. This requires the board of directors of a bank and a holding company to appoint a risk and capital committee.

The Committee's terms of reference can be found at www.investec.com.

Composition

The Committee comprises executive and non-executive members, with our composition designed to provide the breadth of risk expertise and commercial acumen to fulfil our responsibilities.

I chair the Committee and am also the Chair of the IBL BRCC and a member of the IBP BRCC. This arrangement ensures the interconnection between the group and its principal subsidiaries.

COVID-19

The pandemic has brought significant human, social, economic and business uncertainty. From the earliest days, the group took steps to understand and mitigate the risks posed by and the impacts arising from the ongoing situation.

Comprehensive reviews of the impact of COVID-19 on all business areas were conducted, with particular focus on the risks emerging within structured products, aviation, gaming, property, leisure and hotels.

The structured products book in the UK was a key focus for our Committee. The speed of downward movement in the market due to the pandemic, together with the consequent unprecedented and sudden effect of dividend cancellations impacted hedging for all involved in these markets. Regular meetings were held to review and refine the risk management processes related to this book.

DLC BOARD RISK AND CAPITAL COMMITTEE REPORT
CONTINUED

Working from home
The group adapted well to working from home and managing day-to-day business, including employee well-being, operational resilience and client relationships. Our Committee continuously reviewed all risks associated with working from home.

Capital, risk appetite and liquidity
The Committee was actively involved in reviewing the various models for the Foundation Internal Rating Based (FIRB) approach. Investec Bank Limited transitioned onto the FIRB approach for wholesale and Advanced Internal Rating Based (AIRB) for retail effective from 1 April 2019. In July 2020, Investec Bank Limited obtained approval from the South African PA to commence the six month parallel run for the Corporate and Small and Medium-sized Enterprises (SMEs), exposure at default (EAD), and corporate and SME loss given default (LGD) models on AIRB. The six-month parallel run ended on 31 December 2020. We received sign off from the South African PA in April 2021 to utilise the Corporate and SME LGD and EAD models in our regulatory calculations. Investec Bank Limited will continue to apply the FIRB approach in respect of the Income Producing Real Estate (IRPE) portfolio.

The Committee reviewed and approved the capital plans for Investec Bank Limited and Investec Bank plc under various stress scenarios. Capital ratios have remained sound throughout the financial year.

We also reviewed and approved Investec Bank Limited's, Investec Bank plc's, Investec Limited's and Investec plc's risk appetites. This followed a robust annual review process that included evaluating the risk appetite frameworks in the context of the group's business strategy, and the regulatory and economic environment in which the group operates. The review culminated in a downward adjustment for certain sectors which were regarded as significantly higher risk due to the impact of COVID-19.

We deliberated extensively on the proposed stress scenarios for the Internal Capital Adequacy Assessment Process (ICAAP) and agreed that a more severe stress test should be established combining the impact of a second wave of COVID-19 and Brexit. Subsequently, the Investec Limited and Investec plc ICAAPs were recommended for approval to the DLC board.

A deep dive session was convened by the IBP BRCC to discuss Investec Bank plc's Internal Liquidity Adequacy Assessment Process (ILAAP), which was escalated to the committee for review. The Committee recommended Investec Bank plc's ILAAP for approval to the DLC board along with the Investec plc ILAAP, and both were approved by the board.

Looking ahead
The uncertainty regarding the pandemic makes it difficult to forecast its human, social and economic effects with any degree of accuracy. The Committee will therefore continue to review management's ongoing responses in order to ensure that the challenges posed by COVID-19 are addressed adequately.

We will continue to apply an intense focus on people, operational and liquidity risks, while at the same time considering resilience and strategy.

We will closely monitor the well-being of our people, including the implications of flexible working arrangements and consequent impact on talent management and morale.

Managing the risk around the UK Structured Products book will be a key focus area.

We will ensure continued focus on strengthening the risk and control environment. We will pay particular attention to change in activity, cyber-security and ensuring IT service continues to meet client demands and support the emerging and ongoing requirements of operational resilience.

In addition, the Committee will remain focused on matters related to the impact of economic conditions on Investec and on assessing the effects of external factors on the group's risk profile. These matters include effective risk data aggregation, business resilience, financial crime, the implementation of regulatory requirements, Financial Intelligence Centre Act (FICA), the King IV Code, UK Corporate Governance Code, information security, cyber crime and the risks associated with the fast pace of regulatory change.

ESG considerations were expanded in the risk appetite policies and will therefore be a key focus during the year as the reporting on ESG risk is enhanced.

The dialogue between the committee and its equivalent board subsidiary level committees remains robust.

David Friedland
Chair, DLC BRCC
22 June 2021

DLC BOARD RISK AND CAPITAL COMMITTEE REPORT
CONTINUED

What we did in 2020/21
The standard and regular agenda items of the committee include comprehensive reports regarding liquidity risk, capital adequacy, credit risk, investment risk, market risk, operational risk, reputational and legal risk, conduct risk, financial crime, fraud, climate change and IT and cyber risk.

The following section outlines the significant matters addressed and the progress made during the year, in respect of these risks.

2020

May

- Reviewed strategies to manage and contain losses resulting from Structured Products
- Received and reviewed a detailed presentation on the business areas and risk impacted by COVID-19, in particular, the group's approach to liquidity management
- Analysed the COVID-19 crisis management plan
- Considered the appropriateness of debt and equity exposure
- Interrogated an update provided on market risk appetite and market risk stress scenarios
- Reviewed the appropriateness of the committee report within the 2020 DLC Integrated Annual Report
- Reviewed and approved the group's viability statement in a joint session with the DLC Audit Committee

July

- Received an update on the outcomes of the strategies for Structured Products
- Challenged the proposed stress scenarios to be used in the 2020 Investec plc and Investec Ltd ICAAP
- Reviewed the impact on the UK bank should the Bank of England (BOE) decide to utilise a negative interest rate and the operational readiness of the bank's systems
- Considered the appropriateness of the group's operational risk mitigation strategies as a result of COVID-19
- Reviewed and approved the Investec Bank Limited and Investec Limited Regulation 39 & 40
- Reviewed and interrogated Investec Bank Limited's property loan exposures

September

- Received an update on Structured Products
- Reviewed and recommended the Contingency Funding Plan (CFP) for approval by the boards of Investec plc and Investec Bank plc
- Reviewed the additional stress ICAAP stress scenario as requested by the committee in July
- Reviewed and recommended the approval of the traded market risk appetite by the DLC board
- Reviewed and approved the Risk Data Aggregation and Risk Reporting (RDARR) Annual Attestation and policy
- Interrogated an Investec Bank plc credit risk update

November

- Considered an update on Structured Products
- Reviewed and recommended the approval of the Investec plc ILAAP and Investec plc and Investec Ltd ICAAP to the DLC board
- Reviewed the appropriateness of the Investec plc Risk Recovery Plan (RRP) and deferred same for consideration at a separate meeting to be held later in the month
- Received an update in respect of the impact of negative rates on Investec plc

2021

February

- Received a report on the current exposures for Structured Products and confirmed the strategies to manage the risk
- Reviewed the Investec Bank Limited, Investec Bank plc, Investec Ltd and Investec plc Risk Appetite Frameworks and recommended them for approval to the DLC board

March

- Reviewed the Investec Bank plc and Investec plc Liquidity Risk Appetite Frameworks, Investec Bank plc Liquidity Stress Testing and the Investec Bank plc and Investec plc Non-Traded Market Risk Appetite Frameworks and recommended them to the DLC board for approval
- Reviewed and approved the Investec plc market risk policies
- Reviewed and approved the Investec plc Trading Book and Model Control Policy
- Reviewed and approved the Group Market Communication and Disclosure Policy
- Reviewed and approved the Investec Bank plc Money Laundering Reporting Officer (MLRO) report

April

- Held a combined DLC BRCC and DLC Audit Committee meeting to challenge the macro-economic scenarios (including weightings) to be applied to the calculation of IFRS impairment provisions

DLC BOARD RISK AND CAPITAL COMMITTEE REPORT
CONTINUED

Area of focus	Conclusions and actions
COVID-19 Oversaw the risk in order to support the group's stakeholders throughout the COVID-19 pandemic	• Reviewed and challenged management actions to address the risks ensuring that surplus liquidity and capital buffers were in place to manage the possible negative impact • In conjunction with the DLC Audit Committee, reviewed for reasonableness the benchmarking of macro-economic scenarios, ECLs, Credit Loss Ratio (CLR) and coverage ratios against relevant South African and UK peers • Examined any potential or actual fraud losses fraud risk remained heightened throughout the industry as a result of COVID-19 • Received assurance following management's in-depth review of the credit portfolio that the quality of the book had not materially deteriorated. The committee focused on vulnerable sectors impacted by COVID-19 including aviation, hospitality, gaming & leisure, entertainment, tourism and retail properties • Focus on operational resilience as the group's operations were largely executed with employees working from home, increasing the reliance on IT and related processes. Assurance was provided that the required controls and oversight were in place and effective • Enhanced oversight of conduct and compliance risk to ensure there were no current or emerging risks that could negatively impact customers
Structured Products Closely monitored the Structured Products book in the UK following the significant impact of the unprecedented market dislocation and the associated risks	• Reviewed and interrogated the implied volatility, dividend and correlation risks pertaining to the book • Reviewed regular reports highlighting group activity, liquidity balances and key measures against thresholds and limits and challenged the effective oversight of these matters • Reviewed the mitigants put in place to manage the risk
Recovery and Resolution Plan (RRP) – Investec Bank plc Reviewed the Recovery and Resolution Plan for Investec Bank plc following the implementation of restrictions on the UK bank's operations within the European Union (EU)	• Reviewed the impact to the group including restrictions on the UK bank's operations and the servicing of clients within the EU and mitigating actions • Reviewed and approved the RRP

DLC BOARD RISK AND CAPITAL COMMITTEE REPORT
CONTINUED

Area of focus	Conclusions and actions
Environmental, Social and Corporate Governance (ESG) Increased focus on ESG and climate change in an effort to advance the United Nations Global Compact's (UN GC) 10 principles with respect to business and human rights, labour, environment and anti-corruption	• Noted the publication of a number of policies and statements with respect to ESG and climate change including: – The group Environmental Policy – Investec Sustainability Report – Investec Climate-Related Financial Disclosures • Monitored and reviewed the implementation of the ESG standards as a signatory to the UN GC, instituted General Data Protection Regulation (GDPR), health and safety, diversity, environmental, anti-corruption and corporate governance policies through the IBP and IBL BRCC Committees • Discussed the group's exposure to fossil fuels following the publication of the group fossil fuel policy during March 2020 • Received confirmation from management that credit decisions considered financial risks from climate change and that these decisions were being documented
IT Controls & Cyber Risks Renewed focus on IT Controls and cyber risk due to an increase in cyber crime as a result of the impact of COVID-19	• Received confirmation from management that cyber risks were being effectively managed through our cyber security capability with the penetration testing scheduling process being reviewed to ensure that existing critical applications would be prioritised • Reviewed the protection and management of client and proprietary data across all jurisdictions in order to mitigate against the increased activity and sophistication of cyber criminals • Monitored the implementation of disciplines and remediation of the issues that emanated from the Targeted Attack Simulation (TAS-4) tests conducted in 2019 • Monitored the implementation of remediation processes to mitigate against the reputational and privacy risk of a data breach. This risk will remain high until measures are in place across likely channels of data compromise including email, cloud services, instant messaging, and collaboration tools
Brexit Considered the potential impact and risks arising as a result of the UK leaving the EU	• Reviewed the impact on the group including restrictions on the UK bank's operations and the servicing of clients within the EU and the mitigating actions • Gained assurance regarding the operational risk and compliance risk considerations from the establishment and roll out of a framework to manage these risks • Challenged the assumed impact of Brexit, and in particular a no-foreign trade agreement (FTA) Brexit which had been input into the economic scenarios • Post Brexit, the committee kept abreast of the regulatory changes resulting from Brexit including the embedding of the Capital Requirements Directive IV and Capital Requirements Regulation in the UK

DLC BOARD RISK AND CAPITAL COMMITTEE REPORT
CONTINUED

Area of focus	Conclusions and Actions

Foundation Internal Rating Based (FIRB)/Advanced Internal Rating Based (AIRB)
Considered of the impact of the conversion from FIRB to AIRB on the wholesale and retail book in South Africa
	• Reviewed the impact of the conversion from FIRB to AIRB of certain models approved by the South African PA during 2020:
	  • Obtained approval to commence six-month parallel run for the Corporate and SME and Corporate and SME LGD model on AIRB (July 2020 till December 2020)
	  • Received sign-off to utilise these models in our AIRB regulatory calculations in April 2021
	  • Investec Bank Limited will continue to apply the FIRB approach in respect of the IPRE portfolio until AIRB approval is obtained
	  • Obtained approval for the Non-Banking Financial Institution (NBFI) model for FIRB, which was included in capital calculations from August 2020

New Top Material Risks
Identified and discussed material risks.
	• Identified new material risks including:
	  • Operational resilience: key operational resilience regulatory requirements that would need to be structured and met in 2021 which the Investec Bank plc board will be accountable for
	  • Change risk: due to the people and organisational changes in the UK, there was an increased risk given the significance of the change and the impact on people and, the working environment as well as on Investec's ability to service clients in line with set standards
	  • Consistent reporting and management of the risk will be required to mitigate its impact on people, the future operating model, loss of institutional knowledge and operational risk losses
	  • COVID-19 relief measures: consistent monitoring of exposure where relief measures were granted

DIRECTORS' REPORT

The directors' report for the year ended 31 March 2021 comprises pages 78 to 130 of this report, together with the sections of the annual report incorporated by reference.

The directors' report deals with the requirements of the combined consolidated Investec group, comprising the legal entities Investec plc and Investec Limited.

As permitted by Section 414C(11) of the UK Companies Act, some of the matters required to be included in the directors' report have instead been included in the strategic report on pages 3 to 195, as the board considers them to be of strategic importance. Specifically, these are:

- Future business developments (throughout the strategic report)
- Risk management in volume two
- Information on how the directors have had regard to the group's stakeholders, and the effect of that regard, on pages 23 to 33.

The strategic report and the directors' report together form the management report for the purposes of Disclosure Guidance and Transparency Rules (DTR) 4.1.8R.

Information relating to financial instruments can be found on pages 74 to 90 in volume three and is incorporated by reference.

For information on our approach to social, environmental and ethical matters, please refer to the 2021 group sustainability and ESG supplementary report.

Additional information for shareholders of Investec plc is detailed in schedule A to the directors' report on pages 124 and 125.

Other information to be disclosed in the directors' report is given in this section.

The directors' report fulfils the requirements of the corporate governance statement for the purposes of DTR 7.2.3R.

Directors

The membership of the board and biographical details of the directors are provided on pages 80 to 82

Changes to the composition of the board during the year and up to the date of this report are shown in the table below:

	Role	Effective date of departure/ appointment
Departures		
David van der Walt	Executive director	4 June 2020
Ian Kantor	Non-executive director	6 August 2020
Appointments		
Ciaran Whelan	Executive director	1 April 2020
Stephen Koseff	Non-executive director	17 September 2020
Richard Wainwright	Executive director	17 September 2020
Nicky Newton-King	Non-executive director	21 May 2021
Jasandra Nyker	Non-executive director	21 May 2021
Brian Stevenson	Non-executive director	22 June 2021

In accordance with the UK Corporate Governance Code, all of the directors will retire and those willing to serve again will submit themselves for re-election at the AGM.

Company secretaries

The company secretary of Investec plc is David Miller and the company secretary of Investec Limited is Niki van Wyk.

The company secretaries are professionally qualified and have gained experience over many years. Their performance is evaluated by board members during the annual board evaluation process. They are responsible for the flow of information to the board and its committees and for ensuring compliance with board procedures. All directors have access to the advice and services of the company secretaries, whose appointment and removal are a board matter.

In compliance with the UK Corporate Governance Code, the UK Companies Act, the King IV Code, the South African Companies Act and the JSE Listings Requirements, the board has considered and is satisfied that each of the company secretaries is competent, and has the relevant qualifications and experience.

Induction, training and development

On appointment to the board, all directors benefit from a comprehensive induction which is tailored to the new director's individual requirements. The induction schedule is designed to provide the new director with an understanding of how the group works and the key issues that it faces. The company secretaries consult the Chair when designing an induction schedule, giving consideration to the particular needs of the new director. When a director joins a board committee, the schedule includes an induction to the operations of that committee.

The Chair leads the training and development of directors and the board generally.

A comprehensive development programme operates throughout the year, and comprises both formal and informal training and information sessions.

Directors and their interests

Details of the directors' shareholdings and options to acquire shares are set out on pages 151 to 195

Directors' conflicts of interest

The group has procedures in place for managing conflicts of interest. Should a director become aware that they, or any of their connected parties, have an interest or a potential interest in an existing or proposed transaction with the group, they are required to notify the board in writing or at the next board meeting. Internal controls are in place to ensure that any related party transactions involving directors, or their connected parties, are conducted on an arm's length basis. Directors have a continuing duty to update any changes to these conflicts.

Directors' and officers' liability insurance

The group maintains directors' and officers' liability insurance which provides appropriate cover for legal action brought against its directors.

Change of control

The Articles of Association of Investec plc and the Memorandum of Incorporation of Investec Limited ensure that a person cannot make an offer for one company without having made an equivalent offer to the shareholders of both companies on equivalent terms.

DIRECTORS' REPORT
CONTINUED

Pursuant to the terms of the agreements establishing the DLC structure, if either Investec plc or Investec Limited serves written notice on the other at any time after either party becomes a subsidiary of the other party or after both Investec plc and Investec Limited become subsidiaries of a third party, the agreements establishing the DLC structure will terminate.

All of the group's share plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable on a change of control and, where applicable, subject to the satisfaction of any performance conditions at that time.

Powers of directors

The board manages the business of the group under the powers set out in the Articles of Association of Investec plc and the Memorandum of Incorporation of Investec Limited, which include the directors' ability to issue or buyback shares. The directors were granted authorities to issue and allot shares and to buyback shares at the 2020 AGM. Shareholders will be asked to renew these authorities at the 2021 AGM.

Contracts

Details of contracts with directors can be found on pages 167 and 168

Authorised and issued share capital

Investec plc and Investec Limited

Details of the share capital are set out on pages 115 to 117 of volume three in note 45 to the annual financial statements.

Investec plc

Investec plc did not issue any ordinary shares during the financial year ended 31 March 2021.

Investec plc did not repurchase any of its ordinary shares during the financial year ended 31 March 2021.

At 31 March 2021, Investec plc held 41 576 257 shares in treasury (2020: 31 744 014). The maximum number of shares held in treasury by Investec plc during the period under review was 42 882 092 shares.

Investec Limited

Investec Limited did not repurchase any of its ordinary shares during the financial year ended 31 March 2021.

Investec Limited repurchased 1 458 038 non-redeemable non-cumulative non-participating preference shares, representing 4.53% of the issued share capital. Repurchases of the preference shares were pursuant to, and in accordance with, the general authority granted to Investec Limited by its shareholders at the AGM held on 6 August 2020 and approved by the Prudential Authority. The preference shares remaining in issue following these repurchases amounts to 30 756 461 shares.

At 31 March 2021 Investec Limited held 48 832 795 shares in treasury (2020: 51 026 675). The maximum number of shares held in treasury by Investec Limited during the period under review was 53 901 853 shares.

Ordinary dividends

The group endorses the objectives of guidance note G4/2020 from the South African Prudential Authority and the recommendations of the UK Prudential Regulation Authority in relation to the preservation of capital. The group did not declare a final dividend in relation to the March 2020 financial year.

Investec plc

An interim dividend of 5.5p per ordinary share (2020: 11.0p) was paid on 4 January 2021, as follows:

- 5.5p per ordinary share to non-South African resident shareholders registered on 11 December 2020
- To South African resident shareholders registered on 11 December 2020, through a dividend paid by Investec Limited on the SA DAS share, of 5.5p per ordinary share.

The directors have proposed a final dividend to shareholders registered on 23 July 2021, of 7.5p (2020: nil) per ordinary share, subject to the approval of the members of Investec plc at the AGM which is scheduled to take place on 5 August 2021. If approved this will be paid on 10 August 2021, as follows:

- 7.5p per ordinary share to non-South African resident shareholders registered on 23 July 2021
- To South African resident shareholders registered on 23 July 2021, through a dividend paid by Investec Limited on the SA DAS share, of 7.5p per ordinary share.

Investec Limited

An interim dividend of 112 cents per ordinary share (2020: 211 cents) was declared to shareholders registered on 11 December 2020 and was paid on 4 January 2021.

The directors have proposed a final dividend to shareholders registered on 23 July 2021, of 150 cents (2020: nil) per ordinary share, subject to the approval of the members of Investec Limited at the AGM which is scheduled to take place on 5 August 2021. If approved this will be paid on 10 August 2021.

Preference dividends

Investec plc

Non-redeemable, non-cumulative, non-participating preference shares

Preference dividend number 29 for the period 1 April 2020 to 30 September 2020, amounting to 5.51508p per share, was declared to members holding preference shares registered on 11 December 2020 and was paid on 23 December 2020.

Preference dividend number 30 for the period 1 October 2020 to 31 March 2021, amounting to 5.48495p per share, was declared to members holding preference shares registered on 4 June 2021 and was paid on 21 June 2021.

Rand-denominated non-redeemable, non-cumulative, non-participating preference shares

Preference dividend number 19 for the period 1 April 2020 to 30 September 2020, amounting to 350.65412 cents per share, was declared to members holding rand-denominated non-redeemable, non-cumulative, non-participating preference shares registered on 11 December 2020 and was paid on 23 December 2020.

Preference dividend number 20 for the period 1 October 2020 to 31 March 2021, amounting to 331.58906 cents per share, was declared to members holding preference shares registered on 11 June 2021 and was paid on 14 June 2021.

Investec Limited

Non-redeemable, non-cumulative, non-participating preference shares

Preference dividend number 32 for the period 1 April 2020 to 30 September 2020, amounting to 287.42940 cents per share, was declared to shareholders holding preference shares registered on 11 December 2020 and was paid on 14 December 2020.Preference dividend number 33 for the period 1 October 2020 to 31 March 2021, amounting to 271.44926 cents per share, was declared to shareholders holding preference shares registered on 11 June 2021 and was paid on 14 June 2021.

Redeemable cumulative preference shares

Dividends amounting to R17 448 522 (2020: R22 568 166) were paid on the redeemable cumulative preference shares.

DIRECTORS' REPORT
CONTINUED

Group carbon footprint
Our carbon footprint has been calculated according to the international Greenhouse Gas (GHG) Protocol's Corporate Accounting and Reporting Standard (revised edition). Our environmental data collection system allows us to track and manage our direct operational impact. This tool imports data from various sources, consolidates the information and calculates our carbon footprint. The implementation of this tool allows us to produce reliable emissions data, accurately build a history of our carbon footprint and assists in setting targets for future emissions. Every year, we endeavour to improve the thoroughness of our data collection processes. Within each geography, the environmental manager is responsible for monitoring the GHG emissions.

Assessment parameters
Consolidation approach
- Operational control

Emission factor data source
- DEFRA (2020), IEA, eGRID (for New York electricity) and Eskom (for South Africa electricity)

Intensity ratio
- Emissions per average headcount
- Emissions per office space m^2

Independent assurance
- Limited assurance provided by KPMG for the years ended: 31 March 2020 and 31 March 2021

Coverage
- Coverage of environmental information covers >95% of our business operations. Materiality set at 5%

			31 March 2021		31 March 2020	
		Units	**Consumption in unit of measure**	**Tonnes of CO_2 equivalent**	Consumption in unit of measure	Tonnes of CO2 equivalent
Scope 1				**349**		**175**
Energy	Natural gas	kWh	291 400	54	949 625	175
	LPG stationary	L	1166	2	25 746	39
	CO_2 purchased	kg	37	–	281	–
	Diesel	L	47 986	122	137 934	358
Refrigerant	Refrigerant	kg	74	111	186	287
Employee travel	Vehicle fleet	km	346 341	60	745 502	135
Scope 2				**23365**		29 151
Energy	Electrical energy consumption	kWh	25 991 259	23365	33 207 457	29 151
Scope 3				**1935**		10 420
Paper	Paper consumption	t	39	38	283	272
Waste	General waste	t	81	36	330	178
Employee travel	Rail travel	km	84 164	3	2 992 773	122
	Road business travel	km	613 189	105	2 653 807	470
	Taxi	km	17 042	3	121 168	18
	Commercial airlines	km	918 662	241	30 209 739	9 359
Work-from-home emissions	Electrical energy consumption	kWh	1 438 012	941	–	–
	Natural gas	kWh	1 626 111	299	–	–
	LPG stationary	L	173 373	270	–	–
Total emissions				**25 649**		**40 564**
No scope						
Water		kl	51 148		91 346	
Recycled waste		t	122		600	
Intensity						
Emissions per average headcount				3.02*		4.59*
Emissions per m^2 office space				0.17		0.27
Water consumption per average headcount		kl		6.02*		10.33*
Intensity excl Scope 2						
Emissions per average headcount				0.3*		4.59
Emissions per m^2 office space				0.02		0.27
Climate change commitments						
Scope 2 zaRECs		MWh	21 838	22 192	–	–
Scope 2 REGOs in the UK		MWh	3 650	885	–	–
Carbon credits				2 572		40 564
Total emissions after mitigation				**–**		**–**

1. Due to the COVID-19 pandemic and working from home, there has been a significant decrease in emissions
2. In our efforts to present a complete picture, we have included work-from-home emissions, based on assumptions of energy used during working hours by all full time employees (FTE). A methodology was developed using the EcoAct whitepaper as guidance
3. Renewable energy certificates (zaRECs for Limited and REGOs for our UK offices) were used as we source renewable energy options to meet our operational electricity needs
4. Carbon credits were used to offset our remaining carbon footprint
5. While operational efficiencies have been made over the course of the year, we acknowledge that our 37% decrease is largely due to the impact of COVID-19

- Includes permanent and temporary employees.

DIRECTORS' REPORT
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Viability statement
In accordance with the UK Corporate Governance Code, in addition to providing a going concern statement, the board is required to make a statement with respect to the group's viability (i.e. its ability to continue in operation and meet its liabilities), taking into account the current position of the group, the board's assessment of the group's prospects and the principal risks it faces. Following confirmation by the DLC BRCC (comprising a majority of non-executive directors, which includes certain members of the Audit Committees), the Audit Committees recommended the viability statement for board approval.

The board has identified the principal and emerging risks facing the group and these are highlighted on pages 10 to 21 in volume two.

Through its various sub-committees, notably the Audit Committees, the DLC BRCC and the capital committees, the board regularly carries out a robust assessment of these risks and their potential impact on the performance, liquidity, solvency and operational resilience of the group. The activities of these board sub-committees and the issues considered by them are described in the governance section of this report.

Taking these risks into account, together with the group's strategic objectives and the prevailing market environment, the board approved the overall mandated risk appetite frameworks for Investec plc and Investec Limited. The risk appetite frameworks set broad parameters relating to the board's expectations around performance, business stability and risk management.

The board considers that prudential risk management is paramount in all it does. Protection of depositors, customers' interests, capital adequacy and shareholder returns are key drivers. To manage the group's risk appetite, there are a number of detailed policy statements and governance structures in place. The board ensures that there are appropriate resources in place to manage the risks arising from running the business by having independent Risk Management, Compliance, and Financial Control functions. These are supplemented by an Internal Audit function that reports independently to a non-executive Audit Committee Chair.

The board believes that the risk management systems and processes, supported by the conclusions of the Internal Audit function, are adequate to support the group's strategy and allow the group to operate within its risk appetite framework. A review of the group's performance/measurement against its risk appetite framework is provided at each DLC BRCC meeting and at the main board meetings.

In terms of the South African Prudential Authority (South African PA), the FCA and PRA requirements, the group is also required to meet regulatory standards with respect to capital and liquidity. In terms of these requirements, the group is required to stress its capital and liquidity positions under a number of severe stress conditions. Investec's stress testing framework is well embedded in its operations and is designed to identify and regularly test the group's key 'vulnerabilities under stress'.

Liquidity stress testing is performed for a range of scenarios, each representing a different set of assumptions. These include market-wide, firm specific, and combined scenarios (combination of the market-wide and firm specific stresses). The group manages its liquidity risk appetite in relation to combined stress parameters which represent extreme but plausible circumstances. The objective is to have sufficient liquidity under a combined stress scenario to continue to operate for a minimum period as detailed in the board-approved risk appetite. In addition to these stress scenarios, the group's risk appetite also requires it to maintain specified minimum levels for both the liquidity coverage ratio and net stable funding ratio, greater than those required by the regulators; a minimum cash and near cash to customer deposit ratio of 25%; and to maintain low reliance on wholesale funding to fund core asset growth. Each banking entity within the group is required to be fully self-funded. The group currently has £13.2 billion in cash and near cash assets, representing 38.4% of customer deposits.

The group develops annual capital plans (refreshed after six months, if required) that look forward over a three-year period. These plans are designed to assess the capital adequacy of the group's respective banking entities under a range of economic and internal conditions, with the impact on earnings, asset growth, risk appetite and liquidity considered. The output of capital planning allows senior management and the board to make decisions to ensure that the group continues to hold sufficient capital to meet internal and regulatory capital targets over the medium term (i.e. three years). The group targets a minimum capital adequacy ratio of 14% to 17%, a tier 1 ratio greater than 11%, a common equity tier 1 ratio in excess of 10% and a leverage ratio in excess of 6% for each of its banking entities.

The parameters used in the capital and liquidity stresses are reviewed regularly, taking into account changes in the business environments and inputs from business units. Scenarios are designed considering macro-economic downside risks, portfolio-specific risk factors and business model vulnerabilities.

As the group's banking entities are regulated separately and ring-fenced from one another, different stress scenarios apply across the respective banking entities and jurisdictions.

Investec Limited:

- Base case: The base case is characterised by the view that South Africa's economic recovery continues out to 2024 (in real terms) in order to reach pre-pandemic levels of production, as COVID-19 is overcome at a modest pace. Underpinning this view is that the global economic recovery continues over the period, supported by sufficient monetary and other policy supports in key advanced economies and market risk sentiment is neutral to somewhat risk on. However, the sharp deterioration last year in South Africa's government finances has resulted in further credit rating downgrades, although a degree of fiscal consolidation is expected over the medium term. As a consequence, the base case sees South Africa retain a country rating from Moody's that is one of the three grades in the BB (Ba) category - currently Moody's rates South Africa Ba2 (BB-). Expropriation of private sector property without compensation is expected to be limited and not have a negative impact on the economy or on market sentiment.
- Lite down case: A scenario where the international environment (including risk sentiment) is that of the base case, but the domestic environment differs. Under this scenario, South Africa fails to stabilise its debt and falls into the single B credit ratings bracket from all three agencies while the effects from COVID-19 are slow to overcome. Expropriation of some private sector property without compensation occurs, with a moderate, negative impact on the economy. Business confidence is depressed with weak investment growth, while significant load shedding occurs, and the country falls into recession. A substantial degree of fiscal consolidation ultimately occurs, preventing South Africa's credit

DIRECTORS' REPORT
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ratings from falling through the C credit rating grades.

- Severe down case: A scenario characterised by a lengthy global recession and/or global financial crisis (which could be caused or exacerbated by the failure to overcome the COVID-19 pandemic but is not limited to this), with insufficient monetary and other policy supports. A depression occurs in the South African economy, with extreme Rand weakness. South Africa's credit ratings from all three key agencies drop below the single B categories, then fall through the C grade categories eventually to D grade (default) as government borrows from increasingly wider sources and sinks deeper into a debt trap, and then defaults. Eventually widespread load shedding and civil unrest occur. Nationalisation of private sector property under expropriation without compensation occurs with severe negative impacts for the economy.

Investec plc:

- Base case: The base case narrative assumes that the UK's third national lockdown depresses first quarter 2021 growth, but as restrictions ease and a greater proportion of the population becomes inoculated, economic activity starts to accelerate from the second quarter and beyond. Globally, the scenario assumes a robust recovery by the end of the year, compensating for the impact of the third wave of COVID-19 infections experienced in many nations limiting economic activity in the first quarter. In light of this, monetary policy is expected to remain accommodative across the major central banks.
- L-shaped recovery: The L-shaped scenario sees the UK experience a much more restrained economic recovery than in the base case scenario, following the contraction in economic activity in the first quarter due to the third lockdown. Beyond this weak initial rebound, the narrative envisions that there will be some permanent economic scarring from the COVID-19 pandemic, with weak productivity growth restricting economic activity and employment opportunities across the forecast horizon. Global prospects paint a similar picture, with subdued growth expected throughout the time period. Under such a situation, central banks ease policy further; domestically that sees the Bank of England (BoE) lower the Bank rate to -0.40%, whilst the Federal Reserve and European Central Bank (ECB) rely on asset purchases.
- Fiscal stress: The fiscal scenario builds on the L-shaped scenario with the narrative centred on the weaker than expected economic recovery prompting a deterioration in the public finances, causing concerns regarding debt sustainability. In this scenario, to reassure markets, the UK Government tightens fiscal policy via spending cuts and tax rises, which ultimately leads to a crisis in business and consumer confidence. This limits investment and hiring opportunities, and triggers a recession midway through the scenario horizon. Globally, a number of Eurozone countries face similar situations, whereas the United States is less affected. Meanwhile, central banks such as the BoE and the ECB react to this scenario by cutting rates even further than in the L-shaped scenario: BoE Bank rate reaches a low of -0.90% and the ECB deposit rate -1.00%.

The group also typically incorporates the South African PA biennial and the BoE regulatory scenario into its capital processes. The South African PA scenarios are required to be run by the end of June 2021 and will be run as a separate cycle of stress testing for 2021. The BoE published its regulatory scenario in January 2021 and this scenario will be implemented alongside the Investec-specific scenarios for Investec plc:

- BoE regulatory scenario (solvency stress): Under the BoE's solvency stress scenario, the UK experiences a 'W-shaped' recovery in which economic activity plummets by close to 10% in Q2 2021, only to recover very strongly in subsequent quarters. In response to this, the scenario assumes that the UK bank rate dips into negative territory, reaching -0.10% in Q3 2022. Internationally, a parallel story plays out, in which a strong economic rebound in the latter quarters of the year compensates for a sharp contraction in Q1.

The board has assessed the group's viability in its 'base case' and stress scenarios. In assessing the group's viability, a number of assumptions are built into its capital and liquidity plans. In the stress scenarios these include, for example, foregoing or reducing dividend payments and asset growth being curtailed.

We also carry out 'reverse stress tests', i.e. those scenarios that would cause the group to breach its capital and liquidity requirements. These scenarios are considered unlikely, given the group's strong liquidity position and sound capital and leverage parameters.

Furthermore, the group is required to have a recovery plan for both Investec Limited and Investec plc as well as a resolution pack for Investec plc. The purpose of the recovery plans are to document how the board and senior management will ensure that the group recovers from extreme financial stress to avoid liquidity and capital difficulties in its separately regulated companies.

The group also maintains an operational resilience framework for building organisational resilience to respond effectively to operationally disruptive events. This not only ensures continuity of business but also safeguards the interests of key stakeholders, as well as our reputation, brand and value-creating activities.

The capital and liquidity plans, stress scenarios, recovery plans, resolution pack and the risk appetite statement are reviewed at least annually. In times of severe economic distress and if applicable, stress scenarios are reviewed more regularly; for example, as is the case with the COVID-19 pandemic. In addition, senior management hosts an annual risk appetite process at which the group's risk appetite frameworks are reviewed and modified to take into account risk experience and changes in the environment. Furthermore, strategic budget processes take place within each business division at least annually. These focus on, amongst other things: the business and competitive landscape; opportunities and challenges; and financial projections. A summary of these divisional budgets, together with a consolidated group budget, is presented to the board during its strategic review process early in the year.

In assessing the group's viability, the board has taken all of the above-mentioned factors, documents and processes into consideration. The directors can confirm that they have a reasonable expectation that Investec will continue to operate and meet its liabilities as they fall due over the next three years. The board has used a three-year assessment period as this is aligned to the group's medium term capital plans which incorporate profitability, liquidity, leverage and capital adequacy projections and include impact assessments from a number of stress scenarios. Detailed management information therefore exists to provide senior management and the board sufficient and realistic visibility of the group's viability over the three years to 31 March 2024.

DIRECTORS' REPORT
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The viability statement should be read in conjunction with the following sections in the annual report, all of which have informed the board's assessment of the group's viability:

- Pages 4 to 75, which show a strategic and financial overview of the business
- Pages 10 to 21 in volume two, which provide detail on the principal and emerging risks the group faces
- Pages 10 to 17 in volume two, which provide information on the overall group's risk appetite
- Pages 22 to 27 in volume two, which provide an overview of the group's approach to risk management, and the processes in place to assist the group in mitigating its principal risks
- Pages 7, 25, 58, and 64 in volume two which highlight information on the group's various stress testing processes
- Pages 67 to 71 in volume two, which specifically focus on the group's philosophy and approach to liquidity management
- Page 87 in volume two, which provides detail on the recovery plans for Investec plc and Investec Limited
- Pages 88 to 91 in volume two which explain the group's capital management framework.

This forward-looking viability statement made by the board is based on information and knowledge of the group at 22 June 2021. There could be a number of risks and uncertainties arising from (but not limited to) domestic and global economic and business conditions beyond the group's control that could cause the group's actual results, performance or achievements in the markets in which it operates to differ from those anticipated.

Going concern
In adopting the going concern basis for preparing the consolidated financial statements, the directors have considered the group's business activities, objectives and strategy, principal risks and uncertainties in achieving its objectives, and performance that are set out on pages 4 to 13, and pages 10 to 21 in volume two. The directors have performed a robust assessment of the group's financial forecasts across a range of scenarios over a 12 months period from the date the financial statements are authorised for issue. The assessment specifically incorporated analysis of the COVID-19 pandemic impact implications on the group's projected performance, capital, liquidity and funding positions, including the impact of scheduled repayment of borrowings and other liabilities. Based on these, the directors confirm that they have a reasonable expectation that the company and the group, as a whole, have adequate resources to continue in operational existence for the 12 months from the date the financial statements are authorised for issue. Therefore, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the accompanying consolidated financial statements.

Audit Committees
The Audit Committees comprising independent non-executive directors meet regularly with senior management, the external auditors, operational risk, internal audit, compliance and the finance division to consider the nature and scope of the internal and external audit reviews and the effectiveness of our risk and control systems, taking note of the key deliberations of the subsidiary Audit Committees as part of the process.

Further details on the role and responsibility of the Audit Committees are set out on pages 100 to 110

Independent auditor and audit information
Each director at the date of approval of this report confirms that, so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware and that each director has taken all steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information. This confirmation is given pursuant to Section 418 of the UK Companies Act and should be interpreted in accordance with and subject to those provisions.

Ernst & Young LLP have indicated their willingness to continue in office as auditors of Investec plc and Ernst & Young Inc. and KPMG Inc. have indicated their willingness to continue in office as joint auditors of Investec Limited.

A resolution to re-appoint them as auditors will be proposed at the AGM scheduled to take place on 5 August 2021.

Major shareholders

The largest shareholders of Investec plc and Investec Limited are shown on page 127

Special resolutions
Investec plc
At the AGM held on 6 August 2020, special resolutions were passed in terms of which:

- A renewable authority was granted to Investec plc to acquire its own ordinary shares in accordance with the terms of Section 701 of the UK Companies Act
- A renewable authority was granted to Investec plc to acquire its own preference shares in accordance with the terms of Section 701 of the UK Companies Act.

Investec Limited
At the AGM held on 6 August 2020, the following special resolutions were passed in terms of which:

- A renewable authority was granted to Investec Limited and any of its subsidiaries to acquire its own ordinary shares in terms of the provisions of the South African Companies Act No. 71 of 2008, as amended (the South African Companies Act)
- A renewable authority was granted to Investec Limited and any of its subsidiaries to acquire its own preference shares in terms of the provisions of the South African Companies Act
- A renewable authority was granted to Investec Limited to provide financial assistance in order to comply with the provisions of Sections 44 and 45 of the South African Companies Act
- A renewable authority was granted to Investec Limited to approve the directors' remuneration in order to comply with the provisions of Sections 65(11)(h), 66(8) and 66(9) of the South African Companies Act.

AGM update statement
At the AGM on 6 August 2020, resolution 13 (approval of the DLC directors' remuneration report for the year ended 31 March 2020), resolution 14 (approval of the DLC Directors' Remuneration Policy), and resolution 21 (re-appointment of KPMG Inc. as joint auditors of Investec Limited), passed with a less than 80% majority.

The board recognises that effective communication is integral to building stakeholder value and is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to our stakeholders. In addition to formal, written communication, executive management and non-executive board members

DIRECTORS' REPORT
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continue to engage with our shareholders on a regular basis.

Commenting on the less than 80% vote received for the re-appointment of KPMG Inc. as joint auditors of Investec Limited
Following a comprehensive tender process, PricewaterhouseCoopers Incorporated (PwC) was nominated as one of the new joint external auditors effective 1 April 2023. The appointment of the firm and the designated audit partner is subject to regulatory approval from the Prudential Authority of South Africa. The appointment of PwC will be recommended to shareholders at the AGM to be held in August 2022.

A formal transition process will commence during 1 April 2022 whereby the appointed firm will observe the full audit cycle performed by the incumbent joint external auditors. The appointment will be for the reporting period commencing 1 April 2023. The second rotation of the joint external auditors will take place within two years from 1 April 2023, in accordance with the MAFR rules as published by the Independent Regulatory Board of Auditors.

Refer to pages 109 and 110 for further details in regards to the DLC Audit Committee's review of the external auditors, and the MAFR process.

Commenting on the less than 80% vote received for the group's Remuneration Report and Remuneration Policy
The group engaged extensively with shareholders on the implementation of its Remuneration Report and the proposed Remuneration Policy in the months preceding the AGM, and the board and DLC Remuneration Committee welcomed the broad shareholder support for the Remuneration Report and Remuneration Policy.

Following the AGM, the group has continued to consult with shareholders on remuneration matters, including the remuneration targets for the 2020 Long-Term Incentive award and 2021 Short-Term Incentive award, and the proposed Remuneration Policy, which will be put to a shareholder vote at the AGM on 5 August 2021.

Refer to pages 160 to 171 for a summary of the revised Remuneration Policy.

Employees
The group's approach is to recruit and promote on the basis of aptitude and attitude, with the deliberate intent to build a diverse workforce and promote an inclusive workplace fully representative of each jurisdictions population. The group's policy is to adopt an open management style, thereby encouraging informal consultation at all levels about aspects of the group's operations, and to incentivise staff to take an interest in the group's performance by means of employee share schemes.

Further information is provided in the 2021 group sustainability and ESG supplementary report

Empowerment and transformation
The group endeavours to prevent and/or eliminate any form of discrimination based on gender, race, ethnicity, religion, age, disability, nationality or sexual preferences. People with disabilities are an essential part of a diverse talent pool and are always considered, with every effort made to accommodate and facilitate an accessible environment. In the event of employees becoming disabled while in our employ, we are committed to ensuring their continued employment to the extent that this is possible. We have various processes to encourage debate and dialogue around valuing diversity and differences. Emerging and established leaders are invited to participate in discussions with the executive leadership around all issues related to talent management and diversity.

Research and development
In the ordinary course of business, the group develops new products and services in each of its business divisions.

Political donations and expenditure
The group did not make any political donations in the financial year ended 31 March 2021 (2020: Nil).

Subsidiary and associated companies

Details of principal subsidiary and associated companies are reflected on pages 132 to 137 in volume three

Signed on behalf of the boards of Investec plc and Investec Limited

Niki van Wyk
Company secretary, Investec Limited
22 June 2021

David Miller
Company secretary, Investec plc
22 June 2021

SCHEDULE A TO THE DIRECTORS' REPORT

Additional information for shareholders
Set out below is a summary of certain provisions of Investec plc's current Articles of Association (the Articles) and applicable English law concerning companies (the UK Companies Act). This is a summary only and the relevant provisions of the Articles or the UK Companies Act should be consulted if further information is required.

Share capital
The issued share capital of Investec plc at 31 March 2021 consists of 696 082 618 ordinary shares of £0.0002 each, 2 754 587 non-redeemable, non-cumulative, non-participating preference shares of £0.01 each, 131 447 ZAR non-redeemable, non-cumulative, non-participating preference shares of R0.001 each, 318 904 709 special converting shares of £0.0002 each, the special voting share of £0.001, the UK DAN share of £0.001 and the UK DAS share of £0.001 (each class as defined in the Articles).

Purchase of own shares
Subject to the provisions of the Articles, the UK Companies Act, the UK Uncertificated Securities Regulations 2001 and every other statute for the time being in force concerning companies and affecting Investec plc, the approval of shareholders as provided in the Investec plc Articles, and without prejudice to any relevant special rights attached to any class of shares, Investec plc may purchase, or may enter into a contract under which it will or may purchase any of its own shares of any class, including without limitation any redeemable shares, in any way and at any price (whether at par or above or below par).

Dividends and distributions
Subject to the provisions of the UK Companies Act, Investec plc may by ordinary resolution from time-to-time declare dividends not exceeding the amount recommended by the board. The board may pay interim dividends whenever the financial position of Investec plc, in the opinion of the board, justifies such payment.

The board may withhold payment of all or any part of any dividends or other monies payable in respect of Investec plc's shares from a person with a 0.25% or more interest in the nominal value of the issued shares if such a person has been served with a notice after failure to provide Investec plc with information concerning interests in those shares required to be provided under the UK Companies Act.

Voting rights
Subject to any special rights or restrictions attaching to any class of shares, at a general meeting, every member present in person has, upon a show of hands, one vote and, on a poll, every member who is present in person or by proxy has one vote for each share. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the share. Under the UK Companies Act, members are entitled to appoint a proxy, who need not be a member of Investec plc, to exercise all or any of their rights to attend and vote on their behalf at a general meeting or class meeting. A member may appoint more than one proxy in relation to a general meeting or class meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A member that is a corporation may appoint an individual to act on its behalf at a general meeting or class meeting as a corporate representative. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of Investec plc.

Restrictions on voting
No member shall be entitled to vote either in person or by proxy at any general meeting or class meeting in respect of any shares held by them if any call or other sum then payable by them in respect of that share remains unpaid. In addition, no member shall be entitled to vote if they have been served with a notice after failure to provide Investec plc with information concerning interests in those shares required to be provided under the UK Companies Act.

Deadlines for exercising voting rights
Votes are exercisable at a general meeting of Investec plc in respect of which the business being voted upon is being heard. Votes may be exercised in person, by proxy, or in relation to corporate members, by corporate representatives. The Articles provide a deadline for submission of proxy forms of not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting.

Variation of rights
Subject to the UK Companies Act, the Articles specify that rights attached to any class of shares may be varied with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking pari passu with them. Where, under the company's share incentive plan, participants are the beneficial owners of the shares, but not the registered owners, the participants are not entitled to exercise any voting rights until the shares are released to the participants. Under the company's employee trust, the trustee does not vote in respect of unallocated shares.

Transfer of shares
All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the directors. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. Transfers of shares which are in uncertificated form are effected by means of the CREST system. The directors may, in the case of shares in certificated form, in their absolute discretion and without assigning any reason, refuse to register any transfer of shares (not being fully paid shares), provided that such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The directors may also refuse to register an allotment or transfer of shares (whether fully paid or not) in favour of more than four persons jointly. The directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and, when submitted for registration, is accompanied by the relevant share certificates and such other evidence as the directors may reasonably require. Subject to the UK Companies Act and regulations and applicable CREST rules, the directors may determine that any class of shares may be held in uncertificated form and that title to such shares may be transferred by means of the CREST system or that shares of any class should cease to be so held and transferred.

SCHEDULE A TO THE DIRECTORS' REPORT
CONTINUED

A number of the company's employee share plans include restrictions on transfer of shares while the shares are subject to the plans, in particular, the share incentive plan.

Plc preference shares
The following are the rights and privileges which attach to the plc preference shares:

- On a return of capital, whether or not on a winding up (but not on a redemption or purchase of any shares by Investec plc) or otherwise, the plc preference shares will rank, pari passu inter se and with the most senior ranking preference shares of Investec plc in issue (if any) from time-to-time and with any other shares of Investec plc that are expressed to rank pari passu herewith as regards to participation in the capital, and otherwise in priority to any other class of shares of Investec plc
- Investec plc may, at its option, redeem all or any of the plc preference shares for the time being issued and outstanding on the first call date or any dividend payment date thereafter
- Holders of plc preference shares will not be entitled to attend and vote at general meetings of Investec plc. Holders will be entitled to attend and vote at a class meeting of holders of plc preference shares.

Non-redeemable, non-cumulative, non-participating preference shares
The following are the rights and privileges which attach to the perpetual preference shares:

- Each perpetual preference share will rank as regards to dividends and a repayment of capital on the winding up of Investec plc prior to the ordinary shares, the plc special converting shares, the UK DAN share, the UK DAS share, but pari passu with the plc preference shares. The perpetual preference shares shall confer on the holders, on a per perpetual preference share and equal basis, the right to a return of capital on the winding up of Investec plc of an amount equal to the aggregate of the nominal value and premiums in respect of perpetual preference shares issued, divided by the number of perpetual preference shares in issue
- Each perpetual preference share may confer upon the holder thereof the right to receive out of the profits of Investec plc which it shall determine to distribute, in priority to the ordinary shares, the plc special converting shares, the UK DAN share and the UK DAS share, but pari passu with the plc preference shares, the preference dividend calculated in accordance with the Articles
- The holders of the perpetual preference shares shall be entitled to receive notice of and be present but not to vote, either in person or by proxy, at any meeting of Investec plc, by virtue of or in respect of the perpetual preference shares, unless either or both of the following circumstances prevail at the date of the meeting:
  - The preference dividend or any part thereof remains in arrears and unpaid as determined in accordance with the Articles after six months from the due date thereof; and/or
  - A resolution of Investec plc is proposed which directly affects the rights attached to the perpetual preference shares or the interests of the holders thereof, or a resolution of Investec plc is proposed to wind up or in relation to the winding up of Investec plc or for the reduction of its capital;

in which event the preference shareholders shall be entitled to vote only on such resolution.

Rand-denominated non-redeemable, non-cumulative, non-participating perpetual preference shares (the ZAR perpetual preference shares)
The ZAR perpetual preference shares are subject to substantially similar terms and conditions as the existing Pound Sterling non-redeemable, non-cumulative, non-participating preference shares, as outlined above, save that they are denominated in South African Rands.

Shares required for the DLC structure
Investec SSC (UK) Limited, a UK trust company, specially formed for the purpose of the DLC structure, holds the plc special voting share, the plc special converting shares, the UK DAN share and the UK DAS share. These shares can only be transferred to another UK trust company, in limited circumstances.

The plc special voting shares are specially created shares so that shareholders of both Investec plc and Investec Limited effectively vote together as a single decision-making body on matters affecting shareholders of both companies in similar ways, as set out in the Articles.

Prior to a change of control, approval of termination of the sharing agreement (which regulates the DLC), liquidation or insolvency of Investec plc, the plc special converting shares have no voting rights, except in relation to a resolution proposing the:

(i) Variation of the rights attaching to the shares or
(ii) Winding up, and they have no rights to dividends. The special converting shares are held on trust for the Investec Limited ordinary shareholders. Investec plc and Investec Limited have established dividend access trust arrangements as part of the DLC.

Investec plc has issued two dividend access shares, the UK DAS share and UK DAN share which enables Investec plc to pay dividends to the shareholders of Investec Limited. This facility may be used by the board to address imbalances in the distributable reserves of Investec plc and Investec Limited and/or to address the effects of South African exchange controls and/or if they otherwise consider it necessary or desirable.

SHAREHOLDER ANALYSIS

Investec ordinary shares

As at 31 March 2021, Investec plc and Investec Limited had 696.1 million and 318.9 million ordinary shares in issue respectively.

Spread of ordinary shareholders as at 31 March 2021

Investec plc ordinary shares in issue

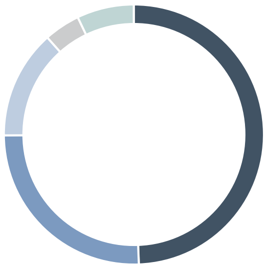
Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
15 022	1 - 500	53.5%	2 494 271	0.4%
4 727	501 - 1 000	16.8%	3 593 762	0.5%
5 796	1 001 - 5 000	20.6%	12 771 853	1.8%
920	5 001 -10 000	3.3%	6 666 777	1.0%
907	10 001 - 50 000	3.2%	20 074 784	2.9%
222	50 001 - 100 000	0.8%	15 309 197	2.2%
481	100 001 and over	1.8%	635 171 974	91.2%
28 075		**100.0%**	**696 082 618**	**100.0%**

Investec Limited ordinary shares in issue

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
6 470	1 - 500	58.5%	778 216	0.2%
1 318	501 - 1 000	11.9%	1 002 479	0.3%
1 910	1 001 - 5 000	17.3%	4 339 220	1.4%
382	5 001 - 10 000	3.5%	2 847 961	0.9%
557	10 001 - 50 000	5.0%	12 845 838	4.0%
155	50 001 - 100 000	1.4%	11 168 855	3.5%
266	100 001 and over	2.4%	285 922 140	89.7%
11 058		**100.0%**	**318 904 709**	**100.0%**

Geographical holding by beneficial ordinary shareholder as at 31 March 2021

Investec plc



South Africa	49.4%
UK	25.5%
USA and Canada	13.5%
Rest of Europe	4.5%
Asia	—%
Other countries and unknown	7.1%

Investec Limited

South Africa	64.1%
UK	4.1%
USA and Canada	13.1%
Rest of Europe	5.4%
Asia	0.1%
Other countries and unknown	13.2%

SHAREHOLDER ANALYSIS
CONTINUED

Largest ordinary shareholders as at 31 March 2021
In accordance with the terms provided for in Section 793 of the UK Companies Act, 2006 and Section 56 of the South African Companies Act, 2008, the group has conducted investigations into the registered holders of its ordinary shares (including nominee and asset management companies) and the results are as disclosed below.

Investec plc

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	83 457 484	12.0%
2. Prudential Portfolio Mgrs (ZA)	71 241 361	10.3%
3. Allan Gray (ZA)	52 144 500	7.5%
4. The Vanguard Group, Inc (US & UK)	30 662 160	4.4%
5. BlackRock Inc (US & UK)	30 066 281	4.3%
6. Investec Staff Share Scheme (UK)	28 883 926	4.2%
7. BrightSphere Investment Group (US & UK)	18 167 610	2.6%
8. Schroder Investment Mgt (US & UK)	16 777 780	2.4%
9. Norges Bank Investment Mgt (EU)	14 749 919	2.1%
10. Old Mutual Investment Group (ZA)	14 073 094	2.0%
Cumulative total	**360 224 115**	**51.8%**

The top 10 shareholders account for 51.8% of the total shareholding in Investec plc. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

Investec Limited

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	42 895 324	13.5%
2. Allan Gray (ZA)	29 164 629	9.2%
3. Investec Staff Share Scheme (ZA)	24 973 434	7.8%
4. Sanlam Group (ZA)	11 569 125	3.6%
5. BlackRock Inc (US & UK)	10 938 965	3.4%
6. The Vanguard Group, Inc (US)	8 831 140	2.8%
7. Westwood Global Investments (US)	8 219 098	2.6%
8. Prudential Portfolio Mgrs (ZA)	8 010 749	2.5%
9. Absa Group Limited (ZA)	7 106 361	2.2%
10. Old Mutual Investment Group (ZA)	7 027 649	2.2%
Cumulative total	**158 736 474**	**49.8%**

The top 10 shareholders account for 49.8% of the total shareholding in Investec Limited. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

Shareholder classification as at 31 March 2021

	Number of Investec plc shares	% holding	Number of Investec Limited shares	% holding
Public*	661 803 831	95.1%	294 264 410	92.3%
Non-public	34 278 787	4.9%	24 640 299	7.7%
Non-executive directors of Investec plc/Investec	3 415 006	0.5%	221 540	0.1%
Executive directors of Investec plc/Investec Limited	1 979 855	0.3%	1 587 983	0.5%
Investec staff share schemes	28 883 926	4.1%	22 830 776	7.1%
Total	**696 082 618**	**100.0%**	**318 904 709**	**100.0%**

* As per the JSE Listings Requirements.

SHAREHOLDER ANALYSIS
CONTINUED

Share statistics

For the year ended	31 March 2021	31 March 2020
Price earnings ratio[1]	7.6	4.5
Dividend payout ratio (%)	45.0	38.1*
Dividend yield (%)	5.9	5.3*
Earnings yield (%)[1]	13.2	22.3

Investec plc

For the year ended	31 March 2021	31 March 2020
Daily average volumes of shares traded ('000)	2 802	2 631
Closing market price per share (Pound Sterling)	2.19	1.52
Number of ordinary shares in issue (million)	696.1	696.1
Market capitalisation (£'million)[2]	1 433	1 010

Investec Limited

For the year ended	31 March 2021	31 March 2020
Daily average volumes of shares traded ('000)	2 089	1 344
Closing market price per share (Rands)	43.27	33.99
Number of ordinary shares in issue (million)	318.9	318.9
Market capitalisation (R'million)[2]	40 007	31 686
Market capitalisation (£'million)[2]	2 025	1 417

1. Calculations are based on the adjusted earnings per share from continuing operations and the closing share price.
2. This calculation of market capitalisation excludes the group's treasury shares. For the market capitalisation of Investec plc, the LSE only includes the shares in issue for Investec plc, as Investec Limited is not incorporated in the UK. For the market capitalisation of Investec Limited, the JSE has agreed to use the total number of shares in issue for the combined group, comprising Investec plc and Investec Limited.

* In light of regulatory guidance provided to banks in both South Africa and the UK, the board decided not to declare a final ordinary dividend for the 2020 financial year. The 11.0 pence in FY2020 reflects the interim dividend per share which was prior to the demerger of the asset management business (Ninety One). The dividend payout ratio and dividend yield are therefore calculated with reference to the corresponding adjusted earnings and closing share price, respectively, for the six months ended 30 September 2019.

SHAREHOLDER ANALYSIS
CONTINUED

Investec preference shares

Investec plc, Investec Limited and Investec Bank Limited have issued preference shares.

Spread of preference shareholders as at 31 March 2021

Investec plc preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
46	1 – 500	16.5%	8 698	0.3%
29	501 – 1 000	10.4%	22 767	0.8%
129	1 001 – 5 000	46.2%	251 940	9.1%
24	5 001 – 10 000	8.6%	183 941	6.7%
39	10 001 – 50 000	14.0%	837 077	30.4%
8	50 001 – 100 000	2.9%	566 026	20.6%
4	100 001 and over	1.4%	884 138	32.1%
279		**100.0%**	**2 754 587**	**100.0%**

Investec plc (Rand-denominated) perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
28	1 – 500	38.4%	5 008	3.8%
18	501 – 1 000	24.7%	14 279	10.9%
19	1 001 – 5 000	26.0%	47 369	36.0%
5	5 001 – 10 000	6.8%	27 791	21.1%
3	10 001 – 50 000	4.1%	37 000	28.2%
—	50 001 – 100 000	—%	—	—%
—	100 001 and over	—%	—	—%
73		**100.0%**	**131 447**	**100.0%**

Investec Limited perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
880	1 – 500	16.7%	250 655	0.8%
1 039	501 – 1 000	19.7%	859 409	2.8%
2 306	1 001 – 5 000	43.8%	5 595 657	18.2%
510	5 001 – 10 000	9.7%	3 697 938	12.0%
454	10 001 – 50 000	8.6%	8 713 248	28.3%
39	50 001 – 100 000	0.8%	1 310 554	4.3%
37	100 001 and over	0.7%	10 329 000	33.6%
5 265		**100.0%**	**30 756 461**	**100.0%**

SHAREHOLDER ANALYSIS
CONTINUED

Investec Bank Limited perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
735	1 – 500	22.0%	165 503	1.1%
756	501 – 1 000	22.6%	655 633	4.4%
1 291	1 001 – 5 000	38.6%	3 164 269	21.2%
313	5 001 – 10 000	9.4%	2 310 559	15.5%
212	10 001 – 50 000	6.3%	3 946 468	26.5%
21	50 001 – 100 000	0.6%	897 998	6.0%
16	100 001 and over	0.5%	3 777 129	25.3%
3 344		**100.0%**	**14 917 559**	**100.0%**

Largest preference shareholders as at 31 March 2021
Shareholders holding beneficial interests in excess of 5.0% of the issued preference shares are as follows:

Investec plc perpetual preference shares
Rock (Nominees) Limited 17.8%

CGWL Nominees Limited 6.1%

Investec plc (Rand-denominated) perpetual preference shares
Private individual 9.9%

Private individual 9.9%

Private individual 8.4%

Investec Limited perpetual preference shares
There were no shareholders holding beneficial interests in excess of 5.0% of the issued preference shares in Investec Limited, as at 31 March 2021.

Investec Bank Limited perpetual preference shares
There were no shareholders holding beneficial interests in excess of 5.0% of the issued preference shares in Investec Bank Limited, as at 31 March 2021.

SOCIAL AND ENVIRONMENTAL REPORT

Our social and environmental impact

Our commitment to sustainability recognises the interconnected nature of our business, the economy, the environment and society. We live in, not off, society. Our vision is to create and preserve sustained long-term wealth and help our clients grow their businesses. This cannot be done in isolation of our responsibility to the world around us.

Ratings and rankings in the sustainability indices

Sustainability Yearbook Member 2021 S&P Global

Top 15% in the global financial services sector of the CSA (Corporate Sustainability Assessment) Dow Jones

JSE

Top 30 in the FTSE/ JSE Responsible Investment Index

FTSE4Good

Included in the FTSE4Good Index

STOXX | QONTIGO

Included in the STOXX Emerging Markets 1500 ESG-X and the STOXX Emerging Markets Total Market Mid ESG-X

MSCI ESG RATINGS AAA

Top 2% scoring AAA in the financial services sector in the MSCI Global Sustainability Index

CDP DISCLOSURE INSIGHT ACTION

Maintained a B rating against an industry average of B

SUSTAINALYTICS a Morningstar company RATED

Top 20% of globally assessed companies in the Global Sustainability Index

ISS ESG

Top 20% of the ISS ESG global Universe and Top 14% of diversified finance services

Awards

- Winner of the Most Responsible Business in Africa 2020 Award in the SERAS CSR Awards
- Winner of the City of London Corporation's 2020 Clean City Awards Scheme's Plastic Free City category Award
- Awarded South Africa's Bank of the Year 2020 at The Banker Awards
- Best Investment Bank for Sustainable Finance in Africa in the 2020 Global Finance Awards
- Ranked 55th (out of 5 500) in the Wall Street Journal Top 100 Most Sustainable Companies and 9th in the Social Category
- Highly commended for innovation in the SME Finance Sector in the 2021 Business MoneyFacts Awards

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Integrating sustainability into business strategy

Creating enduring worth, living in, not off, society.

Sustainability principles

1

Creating **long-term value** for all our stakeholders: contributing to the SDGs

2

Do no harm through ethical conduct and ESG screening; committed to the 10 principles of the UN Global Compact

3

Committed to **a clean carbon transition** by achieving carbon neutral status in all our operations

4

Providing **profitable, impactful and sustainable** products and services and launched innovative sustainability linked offerings

5

Maximising impact through a focus on the SDGs: Financed more than £348 million towards student accommodation in South Africa, the UK and Europe

Our sustainability framework is based on the UN SDGs

Our two core SDG priorities

Addressing climate and inequality issues is fundamental to the success of our business.

Our secondary SDG priorities

Our sustainability framework is based on:

- **Living sustainably** within our operations, through our policies, processes, risk practices and reporting
- **Partnering with clients** and offering sustainability products and services particularly in water, renewables, infrastructure, job creation, clean cities and education
- **Aligning our community initiatives** to our SDG priorities to maximise impact in education, entrepreneurship and the environment.

Advocacy and industry participation

- **Active participation** in UNGC, UN GISD, UN PRI, UNEP FI, BASA, PCAF and others
- **Working with industry** in the UK and South Africa to ensure policy coherence
- Using the strength of our brand to **educate and promote sustainable thinking.**

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Our SDG impact

Our three-pronged approach coordinates, assesses and reports on the group's progress in terms of our six secondary SDGs. We evaluate each SDG with respect to how we are performing within our own operations; how we are supporting and promoting in terms of our business activities; and how we are contributing to our communities. Below is a high-level summary of this framework.

	Within our operations	Within our business	Within our communities
4 QUALITY EDUCATION	• Provide staff bursaries • Offer learning and development programmes to staff • Provide CA programme • Provide IT Grad programme • Offer education benefits to staff and their families	• Contribute to a greater pool of talent and create active economic participants • Financed student accommodation, with >£348 million provided to date • Fund businesses that provide educational solutions	• Fund educational programmes in SA (Promaths and bursaries) • Fund Arrival Education in the UK • Support external learnership programmes
6 CLEAN WATER AND SANITATION	• Aim to source all water responsibly in our offices • Support innovative technology to reduce consumption and limit waste • Encourage behaviour that ensures conscious water usage	• Established expertise in, and fund water infrastructure • Finance innovative water saving solutions • Finance safe water storage	• Fund the installation of water storage that provides clean water to rural communities • Donate to assist water scarce communities in times of drought
7 AFFORDABLE AND CLEAN ENERGY	• Minimise and manage energy consumption in all offices through innovative technologies • Draw from renewable sources where possible • Encourage behaviour to ensure responsible energy use	• Finance and develop renewable energy generation and transmission • Participate in renewable energy projects globally • Finance energy solutions for corporates and households	• Assist communities with renewable energy options • Look for opportunities where the renewable energy projects we fund are able to supply local communities where required
8 DECENT WORK AND ECONOMIC GROWTH	• Publish HR, compliance and ESG policies, including a code of conduct • Provide economic opportunities for 7 889 people • Enable internal mobility • Offer employee wellness initiatives	• Finance and advise clients, including entrepreneurs and SMMEs, enabling them to grow their businesses, employ more people and contribute to overall economic growth	• Support youth employment through the YES initiative • Support community entrepreneurship programmes (Startup School in SA; Investec Beyond Business in the UK)
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Use modern, resilient and efficient IT infrastructure across all offices • Target investments in our AI capability • Provide digital workplace support	• Provide sophisticated digital platforms for corporate and private clients • Fund critical infrastructure projects • Finance innovative technologies and FinTech businesses	• Provide financial and other support for digital learning in rural and disadvantaged communities
11 SUSTAINABLE CITIES AND COMMUNITIES	• Minimise and manage our carbon impact across all offices, including waste and air quality • Encourage alternatives to reduce transport emissions	• Fund sustainable transport systems • Fund sustainable and resilient property developments • Fund affordable housing projects	• Work with rural communities to conserve biodiversity and support the economy of wildlife to limit urbanisation

For more information on the SDGs refer to our 2021 group sustainability and ESG supplementary report

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

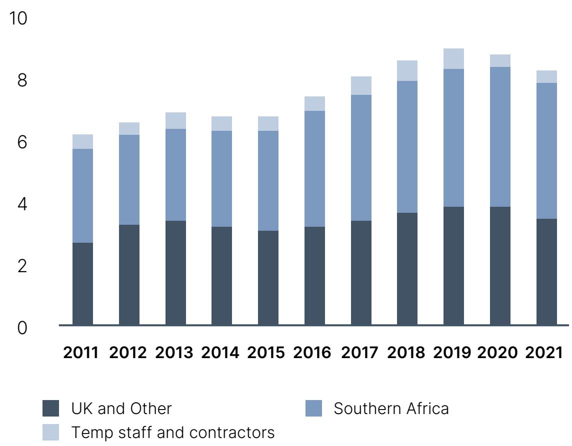
Commitment to our people

Our culture is positioned as a strategic differentiator. We are a culture-strong organisation, and our values and beliefs underpin our people's conduct and behaviour on the job. We have a flat structure organisation design, show deep respect for individualism and uphold an environment that encourages self-starters to drive their careers in line with business objectives.

Our people strategy
Our people are at the heart of our business. We invest significantly in opportunities for their development and to enable current and future leaders across the group. Our strategy is to attract the right people, inspire growth and learning, and create an organisation in which all our people feel valued for what they contribute and are celebrated for who they are.

Headcount

Number of employees
'000



Permanent employees

7 889

(2020: 8 355)

Permanent headcount declined due to natural attrition in South Africa and a restructure in the UK and Australia

Talent attraction, development and retention

Internal mobility

SA: 5.9%
(2020: 8.5%)

UK: 4.2%
(2020: 4.2%)

Voluntary staff turnover

SA: 4.8%
(2020: 8.6%)

UK: 4.3%
(2020: 8.9%)

Participation in graduate programmes

120 graduates
(2020: 119)

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

The Investec Experience
Our employee value proposition, the Investec Experience, positions our culture as the overarching, significant differentiator that guides behaviour, conduct and relatedness. We further enable this proposition through our physical and technological workplaces, the ways in which we hold internal communications and placement of the brand, our prioritisation of diversity and inclusion and creating meaning at work, specifically focused on our purpose and sustainability agenda.

Employee engagement We have various mechanisms to monitor, gain a 'felt sense of', and evaluate how people thrive in the culture, as well as employee alignment and adherence to our system of beliefs.	→	**Cultural dialogues** Assess alignment of behaviours and practices against how they are perceived by our employees **Organisation climate reviews** Provide an important indicator of employee sentiment **Pulse checks** Real time snapshot of the feeling within the organisation **Executive communication and team check-in sessions** Global, regional and division-specific sessions for staff to engage with the executive
Employee well-being Our approach to well-being is all-encompassing and forms part of the greater Investec Experience for our employees. We value the physical, financial and psychosocial health, welfare and safety of our people. Our well-being strategy is informed by our culture and recalls our values of freedom to operate, respect for others and personal ownership.	→	**Well-being participation by staff** SA: 3 390 permanent staff participated in well-being initiatives UK: 6 730 visits to the well-being hub
Family-friendly policies We provide an environment supportive of combining parenthood with a career. Our parental scheme provides enhanced benefits to parents, irrespective of their length of service.	→	**Parental leave** SA: parental leave exceeds minimum prescribed by regulations UK: launched a new family leave support programme and also offer paid parental leave of up to 26 weeks which can be shared between parents
Flexible working practices We endeavour to create a working environment which encourages high performance and innovation. We believe that it is important to see flexibility in the context of the work itself, the team's purpose and performance commitments, the needs of clients, and the lives of every individual in the team.	→	**Flexible leave** SA: 39% of staff have taken up the flexible leave option since inception in 2019 UK: Flexible working arrangements for staff
Recognising and rewarding people Our remuneration practices comply with local regulations and reward people meaningfully for performance and contribution. Investec is supportive of a minimum living wage and ensures that all its employees globally are paid above the relevant minimum statutory wage.	→	**Staff shares** 6% of shares are held by staff (excluding non-executive directors' holdings) (2020: 7%)
Performance management Our performance practice has moved beyond the annual individual review process to being centred on the individual, the team and the organisation on an ongoing basis.	→	**Continuous performance review process** Greater sense of shared accountability, meaning and value creation
Learning and development (L&D) Employees are encouraged to be the driving force behind their own development and should be proactive in identifying and addressing development needs, allowing them to maximise learning opportunities most relevant to their unique requirements.	→	**L&D spend as a % of staff costs** 1.3%; £11.0 million (2020: 1.7%; £14.2 million) against our minimum target of 1.5%* * Target was not reached due to the impact of COVID-19 and training programmes moving online.
Transformation within our operations We seek to ensure greater representation in our workplace. We continually strive to achieve greater representation at all levels of the business through the effective implementation of our employment equity (EE) plan in South Africa.	→	**Internal transformation structures** EE Forum, Transformation Committee and DLC Social and Ethics Committee Level 1 rating under the Financial Sector Code in South Africa Signed the Race at Work Charter in the UK and established a Race Representation Working Group in support of this

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Belonging, Inclusion and Diversity

Our diversity and inclusion framework has a sense of belonging for all our people, irrespective of difference, as its goal.

Our diversity commitment
We aim to make Investec a place where it is easy to be yourself. It is a responsibility we all share and is integral to our purpose and values as an organisation. Continually mindful of our biases and consciously inclusive, we encourage each other to embrace opportunities for growth. We recognise that a diverse and inclusive workforce is essential to our ability to be an innovative organisation that can adapt and prosper in a fast-changing world. The group's approach is to recruit and develop based on aptitude and attitude, with the deliberate intention of building a diverse workforce.

30% Club
Member in the UK and South Africa

CEO statement of support for the UN Women's Empowerment Principles
Signatory

Race at Work Charter
Signatory in the UK

Our diversity principles
- We believe in the importance and benefits of diversity and strive to foster a culture that is supportive and inclusive of different perspectives and experiences
- Our workforce aims to reflect the diversity of our client base and the society within which we operate
- We are progressing towards a working environment that is more inclusive, agile and responsive to the needs of all individuals, for example, flexible work arrangements
- We work proactively to rebalance our organisation in line with the communities in which we operate through education and entrepreneurship, and leveraging the value in our diversity
- We will continue to measure and track progress annually and strive to achieve our targets through concrete actions.

Female senior management in the group
37.5%
(2020: 36.9%)

Female senior management in South Africa
43.8%
(2020: 43.4%)

Female senior management in the UK
22.5%
(2020: 21.9%)

Policies and business practices

Our policies and business practices are outlined in our internal documents which are easily accessible to all employees in all of Investec's locations. These are intended to guide conduct and ensure our actions and attitude reflect the group's values and philosophies at all times. We also have a publicly available document, The Way We Do Business, which highlights our positioning on various elements of how we conduct ourselves as a business.

For further information regarding our policies refer to our 2021 group sustainability and ESG supplementary report on our website

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Commitment to our communities

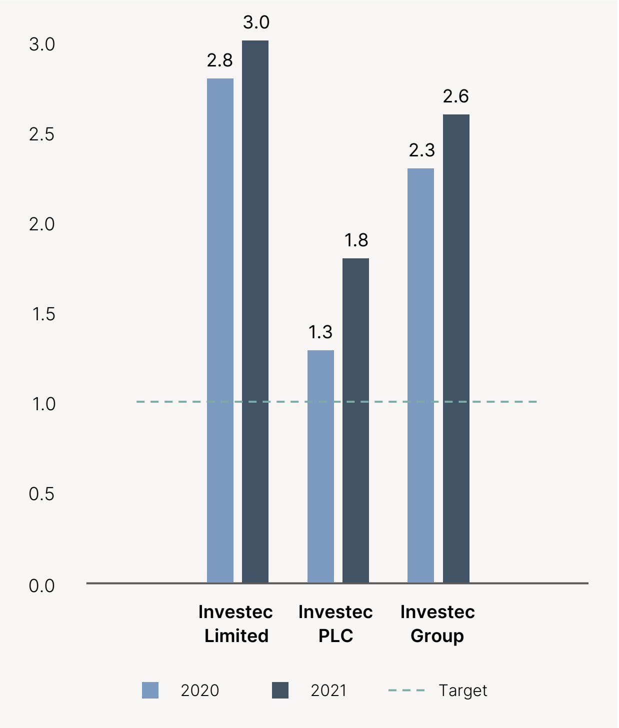
Our community initiatives are central to our values of making an unselfish contribution to society, nurturing an entrepreneurial spirit, valuing diversity and respecting others – all of which underpin our aim to be a responsible corporate organisation.

Our approach

Our vision of creating sustained long-term wealth depends on a thriving economy with active economic participants. To become economically active, people need to be educated and skilled in order to be employed or create employment themselves as entrepreneurs. Those professionals and entrepreneurs become our clients and staff, and partner with us to create more wealth. In this way, we are able to address financial inclusion, creating active economic participants and engaging with communities in a meaningful way. We also cannot do this in isolation from our climate responsibilities. We have a strong commitment to ensure we live sustainably, within our planetary boundaries. We do this by preserving biodiversity, promoting a clean environment and supporting credible carbon-reducing initiatives.

Spend on community initiatives as a % of operating profit*

Percentage



Achieved 2.6% (£9.8mn) group community spend as a % of operating profit* against our target: >1.0%

(2020: 2.3%, £9.8mn)

* Before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interest.

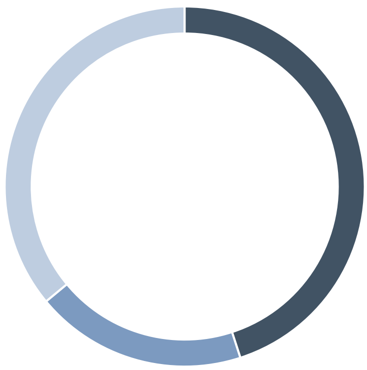
Our approach focuses on three categories of impact:

- Education and learnerships (aligned to priority SDG 4: quality education)
- Entrepreneurship and job creation (aligned to priority SDG 8: decent work and economic growth)
- Environment and other philanthropy (aligned to priority SDG 6, SDG 7, SDG 9 and SDG 11).

Spend on community initiatives by category (%)

£9.8mn

(includes £2.1mn of COVID-19 relief spend)



Education and learnerships	45%	(2020: 50%)
Entrepreneurship and job creation	19%	(2020: 27%)
Environment and other philanthropy	36%	(2020: 23%)

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Education and learnerships

Our strategy focuses on creating education and learnership opportunities within our communities, equipping and enabling young people to become active economic participants in society. By providing these opportunities, we are contributing to SDG 4 (quality education).

Promaths programme
In the past year*, our flagship education programme in South Africa, Promaths, contributed 5% and 6% of national distinctions in mathematics and science respectively. Promaths provides extra tuition in mathematics and science to disadvantaged learners.

* Academic year: January to December.

Disadvantaged learners funded through Promaths since inception in 2005

> 9 200

Arrival Education
One of our partners in the UK, Arrival Education, is a social enterprise that focuses on supporting young people from minority ethnic groups through programmes which encourage social mobility.

Learners supported through Arrival Education in the UK in the past 13 years

1 876

Learnerships
We support three external learnership programmes in South Africa:

Umuzi Academy – digital and multi-media professionals
Artisan Development Academy – artisans
ORT SA CAPE – qualified teachers assistants.

Invested in learnerships in the past three years

R31.3mn

Entrepreneurship and job creation

Our roots are based in the spirit of entrepreneurship and we strive to nurture an entrepreneurial spirit from school-going age to working entrepreneurs. We aim to create jobs for young people through quality work experience placements. Through our various initiatives in entrepreneurship and job creation, we are contributing to SDG 8 (decent work and economic growth).

The YES initiative
In South Africa, we support youth employment through the Youth Employment Service (YES). Since January 2020, we placed 138 YES graduates at two of our partner organisations – ORT SA Cape and the Artisan Development Academy.

Placed in jobs through the YES programme since inception in 2018

1 900 youth
(2020: 1 440 since inception)

Bromley by Bow Centre
in the UK, we partner with the Bromley by Bow Centre which focuses on economic regeneration in London by helping entrepreneurs to launch their businesses. Many of the entrepreneurs are female, and/or of ethnic minority.

Provided professional advice over the past year

243 entrepreneurs
(2020: 154)

Startup School
Startup School in South Africa provides an online entrepreneurial learning programme for start-up and scale-up entrepreneurs across the African continent. The course aims to close the gap between entrepreneurs who succeed and those who do not.

Completed the entrepreneurship programme

224 entrepreneurs
(2020: 202)

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Environment and other philanthropy

11 SUSTAINABLE CITIES AND COMMUNITIES

We recognise that communities require a clean, resource-rich natural environment that supports the growth of businesses and the economy. Through our environmental initiatives, we are preserving our communities, supporting the economy of wildlife and contributing to SDG 11 (sustainable cities and communities).

Given our African heritage, we are passionate about ensuring the continued existence of a number of African wildlife species. In South Africa, we fund biodiversity projects which help to ensure the sustainable existence of the country's rich wildlife. In the UK, we focus on improving the environment for communities local to our offices.

Investec Rhino Lifeline
We played a leading role in disrupting illegal wildlife trade though collaboration between financial institutions, regulators, law enforcement and conservation NPOs. Our most successful awareness campaign in the past year was the support for a specialised pangolin veterinary treatment ward.

Number of people reached through our pangolin veterinary treatment ward awareness campaign

6.6mn

Philanthropic donations
In South Africa we make funds available for quarterly donations to charities and/or organisations that fall outside our current strategic focus areas. In the last financial year, we made 65 ad hoc philanthropic donations across South Africa, to the value of R1.3 million.

Philanthropic donations across South Africa to the value of

R1.3mn

Food banks
We committed to fully funding and stocking essential items for 18 food banks in the UK in response to the impact of the COVID-19 pandemic on the most vulnerable communities. The challenge was more around the procurement of food than the cost, and we leveraged our client relationships in the food supply chain to provide a solution.

Supplied 18 food banks in the UK with >1.4 million items reaching

230 000 people

Staff volunteering
Through our staff volunteer programme, we support and encourage staff participation and engagement – underlying our belief that far more can be achieved through our collective knowledge, expertise and influence than through cash donations alone. Our people play a pivotal role in our community initiatives, selflessly giving their time, money, goods and skills to support our communities. We foster a culture of participation by offering staff involvement opportunities that include facilitated staff volunteering events and a payroll giving programme in our South African, UK and other regional offices whereby staff are able to donate money to a charity of their choice. As the COVID-19 pandemic meant we were unable to hold our traditional volunteering and community events, we launched new online volunteering opportunities for staff such as the Good4Good challenge in South Africa and trustee training in the UK.

Total volunteering hours for the group

9 468

(2020: 6 095)

Volunteering hours in South Africa

6 433

(2020: 2 878)

Volunteering hours for the UK

3 035

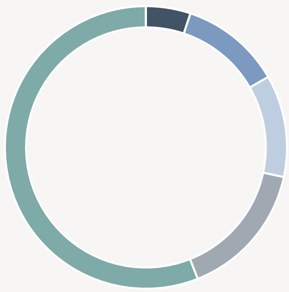
(2020: 3 217)

For more information on our commitment to our communities, please refer to our 2021 group sustainability and ESG supplementary report on our website

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Our COVID-19 response

Breakdown of COVID-19 relief spend for communities



	£
Gender-based violence	107 986
Education	243 827
Healthcare	246 104
Economic continuity	329 695
Food security	1 179 395
Total	**2 107 007**

Contributed

£2.1mn

to COVID-19 relief for communities

Reaffirming our purpose of living in, not off, society, we acted decisively to support employees, suppliers, clients and communities through the COVID-19 pandemic.

Priorities

- Support employees
- Ensure business continuity and support our clients. We highlight the help provided to clients and business throughout this report
- Support existing community partners where we already have an investment
- Focus on food security, education, healthcare, economic continuity and gender-based violence
- Partner with staff and clients to maximise impact and help those most vulnerable.

Employees

- Fully remunerated all staff during lockdown
- Swiftly enabled >95% of staff across the world to work from home
- Increased health and safety across all buildings including appropriate PPE and screening
- Offered extensive well-being offering including online support for staff in terms of physical, mental, emotional, social and financial well-being
- Ensured financial support for employees where required (salary advances, payment holidays, debt consolidation).

Please refer to our website for details on our group COVID-19 response to helping communities

Community

- We spent £2.1 million on COVID-19 relief for communities in our jurisdictions around the world
- The Global Executive team and board members have donated from their salaries with a portion going to the Solidarity Fund in South Africa
- Senior leaders and staff across the world have donated to local initiatives via salary deductions.

Food security
By supporting trusted local NGOs in food security, our offices have fed hundreds of thousands of people across South Africa, the UK, India and New York.

Economic continuity
We donated R5.7 million (£416 225) to the Solidarity Fund (excluding executive and board member personal donations) and continued to pay all youth interns in learnerships in South Africa. We also supported a number of community SMME initiatives.

Healthcare
We funded screening, PPE, capacity building and support for healthcare workers and doctors in our areas of operation.

Education
In partnership with Kutlwanong and Tuta-Me, we launched Promaths Online to ensure continued learning for thousands of students through the pandemic. We are also carrying the cost of the data usage through a reverse billing arrangement with South Africa's major network providers.

Gender-based violence (GBV)
In South Africa, we spent R2.3 million (£107 986) supporting GBV organisations whose social workers are operating on the frontline to address GBV.

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Commitment to the environment and climate change

Our approach to climate change supports the transition to a cleaner, more energy-efficient and sustainable global economy – one that is conscious of its use of limited natural resources. The greatest impact we can have on climate change (SDG 13) and life on land (SDG 15) is through our business contributions to SDG 6, SDG 7, SDG 9 and SDG 11.

Climate change position statement
We recognise the complexity and urgency of climate change. Investec's environmental policy considers the risks and opportunities that climate change presents to the global economy. We believe that as a specialised financial services organisation and given our positioning in the developed and emerging worlds, we have the opportunity to make a meaningful impact in addressing climate change. We support the Paris Agreement's aim of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and of pursuing efforts towards limiting it to 1.5°C. We also recognise the urgency and need to accelerate action which has been incorporated into our approach.

As such, we support the transition to a zero-carbon economy whilst realising that this might take time due to socio-economic constraints. We have a global business and operate in both the developed and developing world with varying economic, social and environmental contexts. Our businesses use their specialist skills in advisory, lending and investing to support clients and stakeholders to move as quickly and smoothly as possible towards a low-carbon economy. The transition cannot be done in isolation of the realities of the communities in which we, and our clients, operate and we welcome the voice of all stakeholders as we make the move together to a cleaner, zero-carbon world that is responsible for all participants.

We also have an important role to play in terms of advocacy and collaboration and participate in a number of workshops and taskforce groups internationally which share learnings and promote a cohesive approach for the financial sector.

Maintained our

net-zero

direct (Scope 1, 2 and operational Scope 3) carbon emissions status for the past three financial years

Sourcing almost

100%*

of our Scope 2 energy from renewable sources through renewable energy certificates

* 1% of our smaller offices are not using renewable energy certificates.

Our banking book fossil fuel exposures reduced to

1.13%

of gross credit and counterparty exposures as at March 2021 (March 2020: 1.30%)

Arranged and participated in one of the first European mid-market ESG-linked loans to the value of

€600mn

to a leading European investment group

Continued to play a key role in supporting the

carbon transition

by financing a number of significant renewable energy transactions

Refer to our 2021 group sustainability and supplementary ESG report on our website for more information

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Climate change framework: Transitioning to a zero-carbon economy

Strategy

We see climate change as both a business opportunity and a risk, and therefore our strategy is based on the following:

- Supporting the Paris Climate Agreement and acknowledging the urgency of climate change
- Minimising our direct negative carbon impacts and committing to ongoing carbon neutrality
- Investing in products, services and businesses that help accelerate the transition
- Supporting our clients as they transition their business operations and offering
- Engaging with stakeholders to inform our climate strategy as it evolves
- Actively participating in industry discussions to ensure an aligned and comprehensive approach.

Governance

Board of directors

- At the highest governance level, the board has the ultimate responsibility to monitor how well the group is operating as a responsible organisation
- This includes considerations around climate-related risks and opportunities when reviewing the group strategy
- The board is supported by the DLC SEC which is responsible for monitoring all the non-financial elements of sustainability.

Senior leadership

- We have a Group ESG Executive Committee, mandated by the group's executive directors, which reports any relevant matters to DLC SEC and Group ERC.

Publicly available policies and statements

- Environmental policy and climate change statement
- Fossil fuel policy
- Operational resilience statement.

Refer to page 23 in volume 2 of the Investec group's 2021 integrated annual report for our governance framework. Our TCFD report is available on our website

Management

Compliance and screening

- We identify climate risks by integrating ESG considerations into our day-to-day operations
- We assess climate risks and follow the 'do no harm' principle through screening to ensure responsible lending and investing.

Risk management

- We see climate risk as a material risk associated with rapidly changing weather events (physical risk) or market shifts as a result of regulatory and policy changes (transitional risk).

Environmental management

- We have an environmental management system to manage and limit our direct carbon impact
- We ensure responsible sourcing of natural resources and encourage behaviour that supports our carbon neutral focus.

Business opportunities

- We use our specialist skills in advisory, lending and investing to support clients' sustainability ambitions
- We have expertise and focus on financing infrastructure solutions that promote renewable and clean energy, and green buildings
- Through our approach to the SDGs, we can accelerate sustainable finance that supports a low-carbon transition.

Measurement

- We have committed to an ongoing net-zero direct carbon footprint
- We follow the recommendations set out by the TCFDs and the regulatory guidance in our two core jurisdictions
- We disclose our full energy lending portfolio including fossil fuel exposures across the group
- We include non-financial and ESG related targets within executive remuneration with a total weighting of 20% of Short-term incentives and 25% of Long-term incentives.

Refer to our 2021 group sustainability and supplementary ESG report and our TCFD report on our website for more information

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Direct operational impact

Highlights

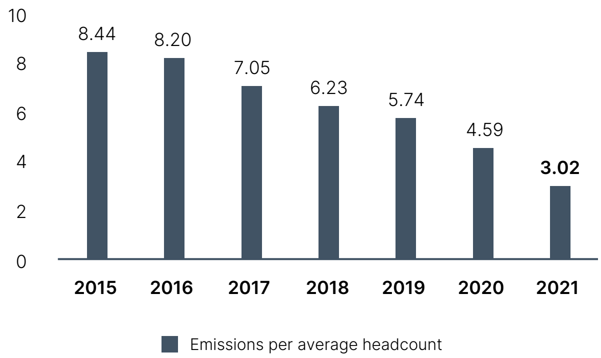
- Maintained net-zero direct operational carbon emissions status for the third consecutive year and committed to ongoing carbon neutrality
- Sourced almost 100% of our electricity consumption from renewable energy through the purchase of Renewable Energy Certificates
- The remaining 10% of emissions were offset through the purchase of verified and high quality carbon credits.

We have a responsibility to understand and manage our wider carbon footprint. Our approach is focused on limiting our direct operational impact and creating awareness to encourage positive sustainable behaviour. Acknowledging that we cannot continue consuming natural resources at the current rate, we focus on ways to ensure the security of natural resources in all our operations.

Breakdown of group emissions
Over the past seven years, our intensity indicators have steadily declined. We continue to find ways to reduce our environmental impact, and offset what remains, with verified and high quality carbon credits.

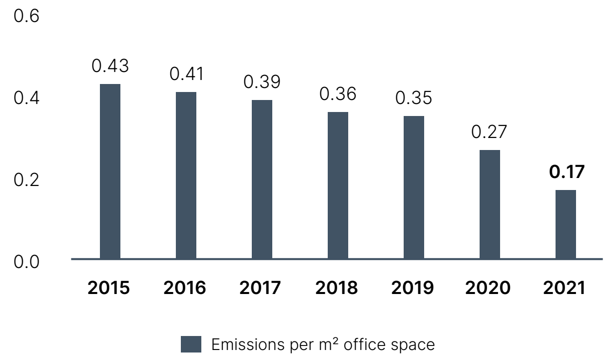
Emissions per average headcount

tCO_2e



Emissions per m^2 office space

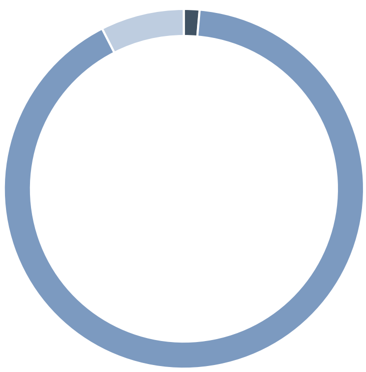
tCO_2e



Carbon footprint for the year ended 31 March 2021*

25 649 **tCO_2e (2020: 40 564 tCO_2e)**

before renewable energy certificates and carbon offset



Scope 1: 349 tCO_2 emissions[1]	1.4%
Scope 2: 23 365 tCO_2 emissions[2]	91.1%
Scope 3: 1 935 tCO_2 emissions[3]	7.5%

While operational efficiencies have been made over the course of the year, we acknowledge that our 37% decrease is largely due to the impact of COVID-19.

Total after carbon offsets and renewable energy certificates:
0 tCO_2 emissions

- Due to the COVID-19 pandemic and working from home, there has been a significant decrease in emissions
- Work-from-home emissions have been included in our Scope 3 emissions
- Renewable Energy Certificates (zaRECs for Limited and REGOs for our UK offices) were used as we source renewable energy options to meet our operational electricity needs
- Carbon credits were used to offset our remaining carbon footprint to ensure we maintain our net-zero commitment

Refer to our group sustainability and ESG supplementary report on our website for more information

1. Scope 1 emissions are direct greenhouse gas (GHG) emissions (sources controlled or owned by us for example, fuel and gas).
2. Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.
3. Scope 3 emissions are the result of activities from assets not owned or controlled by us (for example business travel and emissions). For more information on emissions in our lending and investing activities refer to our TCFD report on our website.

* Resource consumption not reflected includes water of 51 148 kl (2020: 91 346 kl) and 121.5 tonnes of waste recycled (2020: 600 tonnes).

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Fossil fuel exposures and Equator Principles

Fossil fuel exposures
The transition to a zero-carbon world cannot be achieved in isolation from the realities of the communities in which we, and our clients, operate. When assessing our participation in fossil fuel activities, we consider a variety of financial, socio-economic and environmental factors relevant to a local context (for example poverty, growth, unemployment and carbon impact).

We apply prudent due diligence to all fossil fuel activities (including extraction, power generation, infrastructure and industrial processes) which go through rigorous process and require senior decision-making approval. Our appetite for this sector is reviewed annually at the executive risk appetite forum and the DLC SEC.

Coal as a % of GCCE*
0.10%
(2020: 0.20%**)

Fossil fuels as a % of GCCE*
1.13%
(2020: 1.30%**)

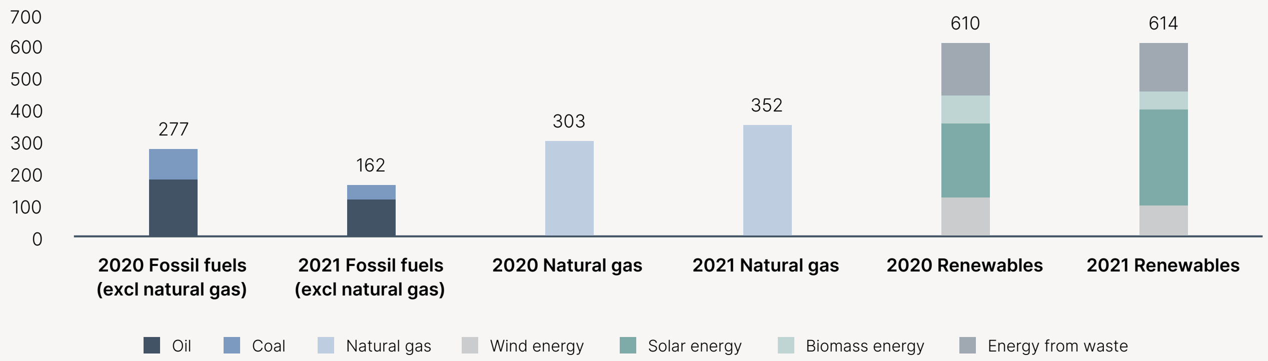
Coal as a % of core loans and advances
0.17%
(2020: 0.36%**)

Fossil fuels as a % of core loans and advances
1.92%
(2020: 2.30%**)

Coal exposure as a % of total energy lending portfolio
4.0%
(2020: 7.6%**)

* Gross credit and counterparty exposure.
** March 2020 restated to include a coal exposure that was not accounted for at the time of reporting.

Energy lending portfolio in our banking book
£'million



An important aspect of our approach is a deliberate focus on financing infrastructure solutions that promote renewable and clean energy, stimulate economic growth and provide access to essential services. A transition away from fossil fuels needs to be done in a just and orderly way whilst at the same time protecting the socio-economic considerations, especially in the developing economies where we have a presence. We focus on climate resilience as a priority for our businesses including within the communities where we operate. Over the past year, we screened 39 potential fossil fuel transactions and rigorously implemented our fossil fuel policy to ensure deliberate and stringent adherence to our guidelines.

While our overall fossil fuel exposures decreased, we are conscious that we operate on the African continent which severely lacks access to clean and renewable energy, in addition to a myriad of socio-economic needs. We are therefore aware that we may face fluctuations in our fossil fuel exposures from one year to the next as we navigate through this transition. These exposures are managed through a full due diligence process and adherence to our fossil fuel policy. We acknowledge the many opportunities within sustainable climate action and have strong expertise in this sector, especially in renewable infrastructure where we will act on these opportunities where possible.

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Investec plc banking book
The mix of the energy portfolio in our Investec plc banking book reflects the trajectory of the energy transition in developed countries.

We have a global power and infrastructure business operating across the UK, Europe, US and Australia, with a deliberate focus on financing solutions that promote renewable and clean energy.

Coal as a % of GCCE*
0.08%
(2020: 0.11%**)

Coal as a % of core loans and advances
0.13%
(2020: 0.19%**)

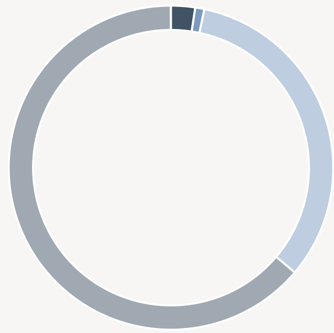
Coal exposure as a % of energy lending portfolio
2.40%
(2020: 3.40%**)

Fossil fuels as a % of GCCE*
1.12%
(2020: 1.15%)

Fossil fuels as a % of core loans and advances
1.98%^
(2020: 1.79%**)

* Gross credit and counterparty exposure.
** March 2020 restated to include a coal exposure that was not accounted for at the time of reporting.

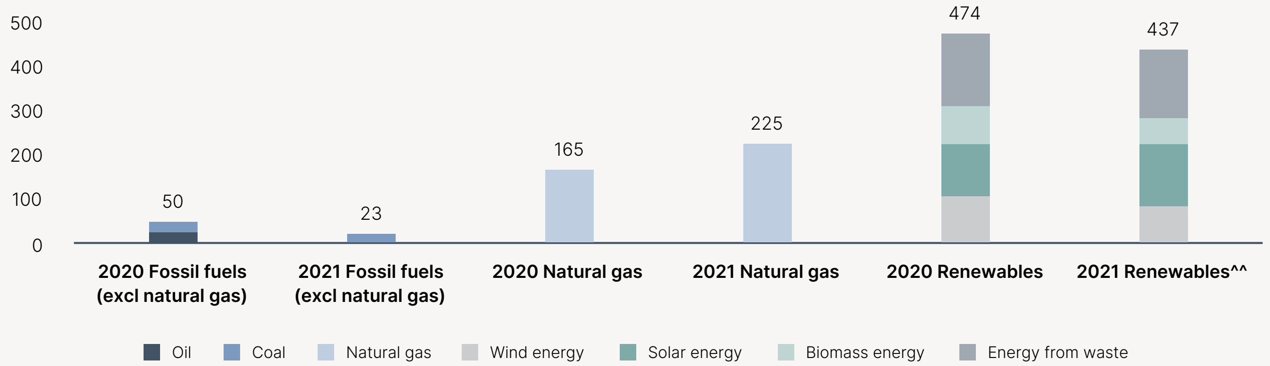
2021 Breakdown of Investec plc energy portfolio
Percentage



	2020	2021
Coal	3.4%*	2.4%
Oil and gas	3.9%	0.9%
Natural gas	23.9%	32.9%
Renewables	68.8%	63.8%

* March 2020 restated to include a coal exposure that was not accounted for at the time of reporting.

Energy lending portfolio for Investec plc
£'million



^ Fossil fuels as a % of core loans and advances increased from 1.79% in March 2020 to 1.98% in March 2021, due to an increase in natural gas. As natural gas is seen as a transition fuel, we may see an increase in these exposures as we transition to a zero-carbon world.

Over the past year we have seen a decrease in our oil and gas exposures in accordance with our fossil fuel policy, with a deliberate focus on minimising these exposures where possible. Where opportunities exist, we focus on financing infrastructure solutions that promote renewable and clean energy, as we leverage our international expertise in this sector.

^^ The decrease in renewables relates to a decrease in wind and biomass energy in Investec plc.

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Investec Limited banking book
South Africa is significantly dependent on coal for its energy requirements, which makes it challenging to find a balance between the need for increasing energy access and economic growth in the country and the urgency to reduce carbon emissions.

The mix of our energy portfolio in South Africa reflects the trajectory of the country's energy transition. We see natural gas as part of this transition in the short-to-medium term as the country shifts away from coal and builds up renewable sources.

Coal as a % of GCCE*
0.12%
(2020: 0.30%)

Coal as a % of core loans and advances
0.20%
(2020: 0.51%)

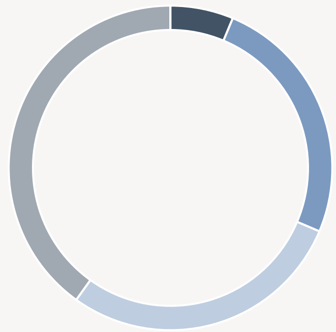
Coal exposure as a % of energy lending portfolio
6.30%
(2020: 13.50%)

Fossil fuels as a % of GCCE*
1.14%
(2020: 1.60%)

Fossil fuels as a % of core loans and advances
1.86%
(2020: 2.77%)

* Gross credit and counterparty exposure.

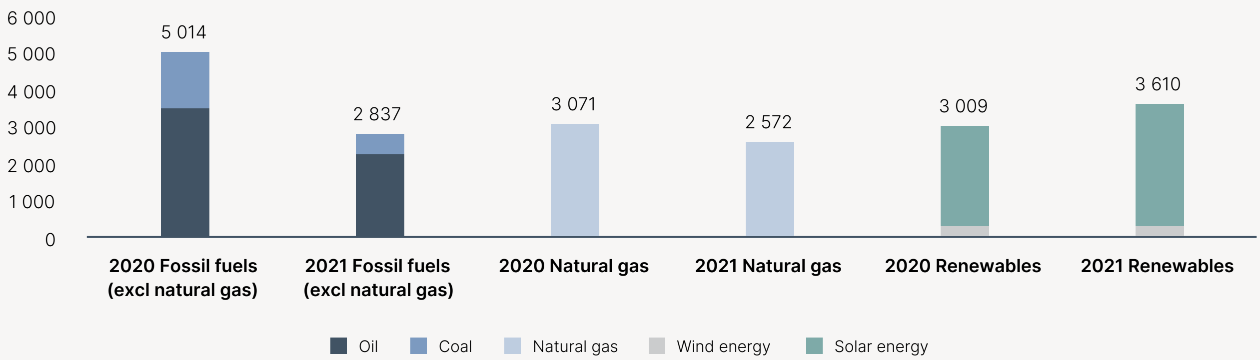
2021 Breakdown of Investec Limited energy portfolio
Percentage



	2020	2021
Coal	13.5%	6.3%
Oil and gas	31.7%	25.1%
Natural gas	27.7%	28.5%
Renewables	27.1%**	40.1%

** March 2020 restated to include a renewable exposure that was not accounted for at the time of reporting.

Energy lending portfolio for Investec Limited
R'million



We have seen a decrease in our coal exposure over the past year but are taking a cautious approach due to the needs and dependency of developing economies on fossil fuels. Where possible we will manage this exposure against our stringent fossil fuel policy while taking into consideration socio-economic factors and the countries' ambitions towards a net-zero future.

Equator Principles
We fully apply the key provisions of the Equator Principles (EP). We are not currently a signatory due to the low number of transactions that we performed in non-designated countries. All transactions in non-designated countries are EP monitored and compliant.

Where opportunities exist, we will focus on financing infrastructure solutions that promote renewable and clean energy as we leverage our international expertise in this sector.

During the past year we had no transactions in non-designated countries.

0 **(2020: 0)**

A full breakdown is available in our 2021 group sustainability and ESG supplementary report on our website

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

We partner with our clients to provide sustainable products

In the past year we launched the following sustainability products and services to our clients

UK Specialist Bank
- Arranged and participated in one of the first European mid-market ESG-linked loans to the value of €600 million to a leading European investment group
- Launched the UK's first retail ESG-linked deposit plan
- Launched a sustainable energy finance business to fund renewable assets such as solar panels, biomass boilers and onshore wind farms
- Acted as financial advisor to KKR Global Impact on its investment in GreenCollar, a leading environmental markets platform in Australia and the largest project developer in the Australian carbon market
- Participated in £639 million renewable energy projects and financed 7 916 MW (installed capacity) of clean energy.

Southern Africa Specialist Bank
- Anchor investor in Revego Africa Energy Fund: Africa's first YieldCo focused on operating renewable energy projects in sub-Saharan Africa
- Launched a funding product for private clients to install solar power at home and link the cost to their mortgages as a repayment option
- Participated in R6.2 billion renewable energy projects and financed 50 MW (installed capacity) of clean energy
- Winner of the Most Responsible Business in Africa 2020 award (overall winner category in The SERAS CSR Awards).

Investec Wealth & Investment
- Investec Wealth & Investment did a soft launch of the Investec Global Sustainable Equity Fund to charities, staff and family offices in mid-February 2021 and will be extending this offering to a broader client base.

Best Investment Bank for Sustainable Finance in Africa

2020 Global Finance Awards

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Business contribution to the SDGs

Addressing climate (SDG 13) and inequality (SDG 10) is fundamental to the success of our business. We address these core SDGs through six secondary SDGs that are globally aligned yet locally relevant to our core geographies. These secondary SDGs also reflect our current business model and growth strategy to fund a stable and sustainable economy. In addition, we have a strong focus on financing entrepreneurs who are critical in accelerating job creation and supporting sustained economic growth. Below we show some examples of how we are impacting on our chosen SDG priorities.

Group Chief Executive, Fani Titi, joined 30 other CEOs in making a commitment to join the UN GISD Alliance

Investec signed the Fintech Pledge, supported by HM Treasury and powered by Tech Nation

Maxine Gray announced as the UN Global Compact South Africa's 2020 SDG Pioneer

4 QUALITY EDUCATION

Highlights

- We are an equity partner in the Invictus Education Group, which continually reinvests in education systems, processes and technology as a key strategy. The Invictus Education Group has educated and trained over 50 000 students and corporate learners, including 30 000 in the last five years
- Investec Wealth & Investment's philanthropy offering manages foundation investments to the market value of R1.2 billion. Since 2018, the market value of this offering has grown by 52% and income allocated has grown by 30.3%.

6 CLEAN WATER AND SANITATION

Highlights

- Participated in various funding and structuring projects with two overarching objectives: providing safe and affordable drinking water and ensuring water use efficiency
- Private Capital in South Africa is an equity partner in Abeco Tanks. To date, 60 water reservoirs in rural areas totalling R42.9 million and 29 water reservoirs at schools, colleges or universities totalling R13.8 million have been installed. In addition, Abeco Tanks supported municipalities across South Africa during the COVID-19 pandemic through 55 projects at clinics or hospitals, totalling R15.2 million
- Through our collaboration with the Entrepreneurship Development Trust (EDT), Innovation Africa provide solar water pumping systems to 11 communities in rural South Africa. Approximately 20 000 litres per day of clean drinking water are distributed to at least 8 000 people per village.

7 AFFORDABLE AND CLEAN ENERGY

Highlights

- Participated in £0.9 billion of renewable and clean energy projects of which 75% is in solar energy (2020: £1.0 billion)
- Financed 12 projects (2020: 11 projects) with an installed capacity of 7 966 MW of clean energy (2020: 3 924 MW)
- Our Asset Finance Sustainable Energy Finance business in the UK, is helping companies fund renewable energy assets
- We are an anchor investor in Revego Africa Energy Fund – Africa's first YieldCo focused on operating renewable energy projects in sub-Saharan Africa.

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

Business contribution to the SDGs

8 DECENT WORK AND ECONOMIC GROWTH

Highlights

- In the UK, our Asset Finance business currently supports over 50 000 SME clients, which is just over 50% of our client population. With a current value of £996 million, this makes up most of the book at just over 55%
- Investec Property Fund (IPF) supports an enterprise and supplier development initiative known as AMP. Total contracts awarded to AMP tenants are in excess of R25 million, since inception of the programme in November 2016
- As part of the CEO Initiative, we committed R20 million to the SA SME Fund. We also supported small and medium-sized businesses impacted by the COVID-19 pandemic through our involvement in the South African Future Trust and R200 billion COVID-19 loan guarantee scheme.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Highlights

- We are applying our experience and expertise in this innovative technology ecosystem to build digital asset custody capabilities, in close collaboration with regulators. The Investec Digital Asset Vault is currently in testing with the Intergovernmental Fintech Working Group’s (IFWG) Regulatory Sandbox
- We have signed the Fintech Pledge, which is supported by HM Treasury and powered by Tech Nation
- The COVID-19 pandemic has provided opportunities for investment into technology in South Africa to leapfrog service delivery to the majority of the citizens. We have committed funding to several telecommunications and ICT specialists to increase our involvement in the development of fibre broadband infrastructure in South Africa.

11 SUSTAINABLE CITIES AND COMMUNITIES

Highlights

- IPF, managed by Investec Property and 24.3% owned by Investec Limited, actively explores sustainable business development. IPF tracks and benchmarks consumption across the portfolio in order to identify energy efficiency opportunities as well as monitor improvements
- We financed the Maina Soko Hospital in Lusaka. This state-of-the-art medical facility has 260 beds and serves the whole region of Lusaka and the surrounding cities and villages
- Investec Real Estate provided £82.52 million of facilities to a joint venture to fund the development of four student accommodation properties.

SOCIAL AND ENVIRONMENTAL REPORT
CONTINUED

17 PARTNERSHIPS FOR THE GOALS

Highlights

- Within the finance sector in South Africa, there is a collaborative effort to support and encourage sustainable finance. We participate in various climate initiatives in South Africa including:
  - The National Treasury green finance taxonomy beta testing
  - The Climate Risk Forum Steering Committee of BASA
  - The TCFD and sustainable finance working groups supporting the implementations released on Financing a Sustainable Economy by National Treasury
- Our Chief Executive, Fani Titi, has personally committed as one of 30 CEOs from financial institutions around the world who was invited to join the UN GISD Alliance, and we are actively involved in supporting working groups focussing on driving the UN GISD agenda
- Chris Mitman, founder and head of Export and Agency Finance, is the co-chair of the International Chamber of Commerce Sustainability Working Group focused on growing the sustainable funding activities of the export credit market
- One of our employees, Maxine Gray, was announced as the UN Global Compact South Africa's 2020 SDG Pioneer
- We are supporting Partnership for Carbon Accounting Financials (PCAF) and are actively involved in the formulation of financial carbon reporting methodology
- We are a member of the United for Wildlife Financial Taskforce to combat illegal wildlife trade (IWT), and lead the SAMLIT expert working group in South Africa. Our aim is to understand the financial flows related to IWT, and we work closely with other South African banks, the Financial Intelligence Centre and the Directorate for Priority Crime Investigation
- We participate in the IIF working group which is focused on providing a standardised template for TCFD disclosures. The core objective of this work is to advance an industry consensus view on how climate-related disclosures should be conveyed to the market, and how different types of metrics relevant for banks should be applied in disclosures. The core desired outcome of this project is to materially improve consistency in the structure, format, and coverage of disclosures by banks.

Value added statement

£'000	31 March 2021	%	31 March 2020	%
Net income generated – total group				
Interest receivable	1 922 299		2 700 147	
Other income	863 427		1 445 508	
Interest payable	(1 144 193)		(1 845 416)	
Other operating expenditure and impairments on loans	(251 133)		(394 729)	
Financial impact of group restructures (pre-tax)	7 386		(114 982)	
Gain on distribution of Ninety One shares (pre-tax)	—		820 233	
	1 397 786	**100%**	**2 610 761**	**100%**
Distributed as follows:				
Employees: Salaries, wages and other benefits	616 476	44.1%	722 085	27.6%
Communities: Spend on community initiatives	9 852	0.7%	10 789	0.4%
Government: Corporation, deferred payroll and other taxes	450 414	32.2%	657 815	25.2%
Shareholders:	88 120	6.3%	985 996	37.8%
Dividends to ordinary shareholders	53 346		244 323	
Dividends to perpetual preference and Other Additional Tier 1 security holders	34 774		43 819	
Distribution to shareholders	—		697 854	
Retention for future expansion and growth:	232 924	16.7%	234 076	9.0%
Depreciation	18 755		35 886	
Retained income	214 169		198 190	
Total	**1 397 786**	**100%**	**2 610 761**	**100%**

Note: The figures presented for the prior year (31 March 2020) include contributions from Investec Asset Management up until its demerger from the Investec group in March 2020.

05

Directors' remuneration report

DIRECTORS' REMUNERATION REPORT CONTENTS

Directors' remuneration report

Inside this section

ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR

Annual statement from the remuneration committee chair

Philip Hourquebie
21 June 2021

	Eligible to attend	Attended
Philip Hourquebie (Chair)	11	11
Henrietta Baldock	7	7
Zarina Bassa	11	11
Perry Crosthwaite	11	11
Charles Jacobs	11	11

Key achievements in FY 2021

- Developed a new Directors' Remuneration Policy with input from all relevant stakeholders. This policy will be subject to a vote by shareholders at the 2021 AGM on the 5th of August
- Set revised executive director targets that were appropriate in light of the uncertainty caused by the COVID-19 pandemic

Areas of focus in FY 2022

- Continuing to oversee the cascade within the organisation of remuneration structures that align with all key stakeholder interests
- Continue to engage with our key stakeholders including shareholders and our employees
- Setting of appropriate executive director targets

In this section

- Performance in the year
- Remuneration overview for the year
- Executive director outcomes
- Exercise of discretion
- Malus and clawback
- Group-wide employee remuneration
- Proposed Directors' Remuneration Policy
- Compliance and governance statement
- Response to shareholder feedback
- Proposed new share plans
- Non-executive director fees
- Looking ahead
- Approvals

Dear shareholders

On behalf of the board and as Chair of the Remuneration Committee, I am pleased to introduce the Directors' Remuneration Report for the year. We are thankful for the constructive engagement we have received from our shareholders and executives during the year.

Performance in the year

The 2021 financial year was a tale of two halves. First half performance was characterised by difficult and volatile market and economic conditions attributable primarily to COVID-19. The second half showed strong earnings recovery, supported by our resilient client base, a rebound in economic activity and a greater sense of optimism spurred on by global vaccination campaigns.

The South African Specialist Banking business produced an excellent performance in a difficult environment reporting profits that were flat year on year in Rands. The UK Specialist Bank client franchises performed strongly, showing continued traction in our client acquisition strategy across the business, reporting loan book growth of 8.7%.

The Wealth & Investment business achieved record levels of funds under management and operating profit.

The group's adjusted operating profit of £377.6 million is 38% behind the prior year (2020: £608.9 million), while adjusted operating profit from continuing operations of £377.6 million is 9.9% behind the prior year (2020: £419.2 million). For remuneration purposes an adjusted operating profit of £377.6 million has been used, which is the group's adjusted operating profit as reported. This results in the 2021 short-term incentive "pool of profit" having reduced 35% compared to 2020.

Remuneration overview for the year

Shareholders approved a revised Directors' Remuneration Policy in August 2020. Key features of that revised policy included:

- a 25% reduction in fixed remuneration, all paid in cash;
- a similar percentage reduction in on-target and maximum remuneration potential;
- delivering all variable remuneration in shares; and
- a 50% increase in the shareholding and post-termination shareholding requirements for executive directors.

In addition, the fees for non-executive directors (NEDs) were reduced by between 10% and 20%.

Our executive and non-executive directors donated a portion of their remuneration/fees via salary sacrifice during the year to COVID-19 causes, including the Solidarity Fund in South Africa.

For the financial year ending 31 March 2021, these policy changes resulted in a 25% reduction in fixed remuneration for the executive directors. The 2021 remuneration single figure increased by 41.1% from 2020, however it reduced by 12.3% from the 2019 financial year, being the last financial year not impacted by the COVID-19 pandemic. In addition, the following actions impacted the 2020 remuneration outcomes:

- the two executive directors who remained following the demerger of Ninety One (Fani Titi and Nishlan Samujh) rescinded their 2020 short-term incentive (STI), at their own request, to recognise the experience of their colleagues and our shareholders; and
- the Remuneration Committee exercised downward discretion to remuneration outcomes in three places.

The Remuneration Committee believes that the executive directors have performed very well in what has been an extremely challenging year, and therefore that the remuneration outcomes are reflective of the overall financial and non-financial performance for the year.

Executive director outcomes

Short-term incentive (STI) 2021

Return on equity of 6.6% was achieved which is above the target of 6.0% and below stretch of 7.0%. The return on risk-weighted assets (RORWA) was 0.82% which was again above the target level of 0.75% but below stretch of 1.00%. A cost to income ratio of 70.9% was achieved which was better than the threshold level of 72.0% but did not achieve the target level of 70.0%. This

ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR
CONTINUED

resulted in overall vesting of the financial elements at 105.5%.

The committee assessed achievement against the non-financial objectives at 125% of target for culture and values, 100% of target for ESG related measures and 75% of target for prudential and risk management related measures, resulting in the overall vesting of non-financial elements at 98.8% of target.

The overall short-term incentive vested at 104.2% of target. Full details of the financial and non-financial performance measures and outcomes are outlined on pages 178 to 179.

Long-term incentive (LTI) 2018 – 2021
The growth in tangible net asset value over the three year period was 34.2%, above on-target performance of 30.0% but below stretch of 45.0%. The average return on risk-weighted assets of 1.16% over the three year performance period was below on-target performance of 1.20%, while exceeding threshold performance of 0.70%. The committee assessed culture and values, franchise development, employee relationships, governance and regulatory relationships all at 100%. Achievements against both financial and non-financial measures resulted in the 2018 long-term incentive vesting at 102.5% (against a target of 100% and a maximum of 135%). Full details of the financial and non-financial performance measures and outcomes are outlined on pages 180 to 181.

Exercise of discretion
As in the prior year, the committee considered exercising its discretion but was comfortable that the remuneration plans were operating as desired and accordingly the committee did not need to exercise any discretion. The committee also reviewed other data sources including external market data to satisfy itself that the overall remuneration to executive directors was appropriate.

Malus and clawback
The committee duly and carefully considered, against pre-established criteria, whether malus and/or clawback should be applied to any unvested or vested variable remuneration awards, respectively. The committee considered all significant losses and write-downs during the year but concluded that in all cases due governance and process had been adhered to. As none of the malus and clawback thresholds were triggered, no application of these mechanisms was made.

Group-wide employee remuneration
Our remuneration approach is designed to foster a high performance culture that enables an entrepreneurial spirit as well as a strong sense of ownership. We reward our people for the contribution that they make through payment of a fixed package, variable performance bonus, and ownership through a share incentive scheme. We strive to provide a working environment that stimulates extraordinary performance within our risk appetite and prudential limits so that executive directors and employees may be positive contributors to our clients, our communities and the group.

The fixed pay comprises salary, role based allowances in certain circumstances, and benefits.

The fixed pay is generally aligned with local market practice. The general employee pension contribution is funded by the company in addition to the salary and allowances. For the executive directors, the pension contribution is deducted from the fixed pay. Therefore on a net basis the executive directors are not in a preferential position in relation to pension contributions when compared to the general employee population.

All employees are generally eligible for an annual bonus and/or short-term incentive based on a mix of financial and non-financial measures. Non-financial performance is more heavily weighted for non-revenue generating employees when determining their bonus.

In principle, all employees are eligible for long-term share incentives; this is designed to give our people a sense of ownership, so they feel invested in the organisation.

Proposed Directors' Remuneration Policy
We are proposing a new remuneration policy, effective 1 April 2021, which we believe is aligned with our strategy to simplify and focus on growth through five strategic objectives:

- Capital discipline;
- Growth initiatives;
- Improved cost management;
- Digitalisation; and
- Greater connectivity.

Proposed executive director fixed and maximum total remuneration remain unchanged, following a 25% reduction in the 2021 policy (as approved by shareholders at the AGM in 2020). The exception to this is the Group Finance Director for whom it is proposed fixed remuneration will increase to £650 000.

The on-target level of STI is set at 100% of fixed pay, similar in practice to the level under the current adjusted operating profit (AOP) linked model. The maximum STI opportunity will be set at 200% of on-target, to reward exceptional performance, meaning that the on-target STI is set at 50% of the maximum. Pay at threshold performance will increase to 25%, which is considered to be in line with broader market practice. In line with UK regulation for level 2 banks, total maximum variable remuneration (STI and LTI) will remain capped at the same level as before, at approximately 240% of fixed remuneration (in line with the standard calculation for determining the precise remuneration cap). The current extended deferral provisions will continue to apply, with a significant proportion of the total STI award deferred over a three to seven year period with a further one year retention period, well in excess of the provisions at some of our peer companies in the UK and South Africa.

We are proposing to replace return on risk-weighted assets (RORWA) as a performance measure in the STI with profit before tax (PBT). This is because the committee believes the comparability of RORWA across the industry, and over time within the organisation, is limited.

The standard LTI grant will reduce from 100% to 80% of fixed remuneration.

LTI vesting at threshold performance will increase to 25%, in line with external practice. We are proposing to replace RORWA as a performance measure with Return on Equity (ROE) and relative total shareholder return (TSR), for the reasons outlined above in STI. Many shareholders further expressed a preference for ROE and TSR as a performance measure.

The non-financial metrics have also been simplified and now account for 20% of the total for both STI and LTI awards. The non-financial metrics will include strategic objectives which are directly relevant to Investec's business priorities and ESG goals which link to targets as set out in Investec's broader sustainability reporting.

ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR
CONTINUED

A risk modifier will also be introduced to both the STI and LTI.

Compliance and governance statement
The remuneration report complies with the provisions of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the UK Corporate Governance Code, the UK Companies Act 2006, the Rules of the UK Listing Authority, the UK Financial Conduct Authority rules, the PRA and FCA Remuneration Code, the South African King IV Code of Corporate Practice and Conduct, the South African Companies Act 2008, the JSE Limited Listings Requirements and the South African Notice on the Governance and Risk Management Framework for Insurers, 2014.

The report also contains Pillar III disclosure as mandated by the UK's PRA.

Response to shareholder feedback
We undertook consultation with our key shareholders in 2020, focusing on our one year proposed remuneration policy, which was approved at the 2020 AGM. The key change in this policy was a reduction in remuneration of approximately 25%. We received considerable positive feedback and support from a range of shareholders during that process, but were disappointed to receive votes in favour of the remuneration resolutions at slightly below 80%.

Subsequently we engaged in an extensive consultation exercise in February 2021 with our key shareholders to obtain input into the design of our proposed 2022 remuneration policy. We predominantly received positive and constructive feedback. We incorporated changes as a result of this feedback. These changes aim to align reward more closely with business performance and adherence to our strategy.

We look forward to consulting further in the run up to the AGM, as we normally do.

The proposed Directors' Remuneration Policy can be found on pages 160 to 169.

Proposed new share plans
We would like to introduce new share plans, the Investec plc Share Incentive Plan 2021 in the plc regions and Investec Limited Share Incentive Plan 2021 in the Limited regions, that can be used to grant awards to all employees including executive directors. The purpose of the new share incentive plans is to update the existing documents after an extensive review of the legal and tax rules in all relevant jurisdictions. As the proposed plans can be used to grant awards to all employees there is considerable flexibility in the types of awards which can be granted under the plans.These plans will be approved for the ensuing 10 year period and a summary of the plans will be included in the AGM circular which will include resolutions for approval by shareholders.

Non-executive director fees
The fee structure for non-executive directors has been reviewed and proposed fees for 2022 are detailed on page 189.

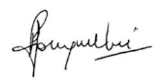
Looking ahead
Our proposed approach to executive remuneration is designed to incentivise exceptional performance from our executives, adherence to our strategy and ensure that all stakeholders, including shareholders and executives, are rewarded appropriately.

We are committed to ensuring we have remuneration structures that support the group's strategy and align with all stakeholder interests (as appropriate), allowing the group to deliver strong performance.

Approvals
We are seeking shareholder approval at the 2021 annual general meeting for:

- Proposed Directors' Remuneration Policy (pages 160 to 169)
- Our non-executive directors' remuneration (page 170)
- Our Directors' Remuneration Report for the year ended 31 March 2021 (pages 172 to 192)
- Proposed new share plans (page 188)

Signed on behalf of the board



Philip Hourquebie
Chair, DLC Remuneration Committee
21 June 2021

REMUNERATION AT A GLANCE

Remuneration at a glance

Inside this section

Remuneration overview for the year
Shareholders approved a revised Directors' Remuneration Policy in August 2020. Key features of that revised policy included:

- a 25% reduction in fixed remuneration, all paid in cash;
- a similar percentage reduction in on-target and maximum remuneration potential;
- delivering all variable remuneration in shares; and
- a 50% increase in the shareholding and post-termination shareholding requirements for executive directors.

In addition, the fees for non-executive directors were reduced by between 10% and 20%.

For the financial year ending 31 March 2021, these policy changes resulted in a 25% reduction in fixed remuneration for the executive directors. The 2021 remuneration single figure increased by 41.1% from 2020, however it reduced by 12.3% from the 2019 financial year, being the last financial year not impacted by the COVID-19 pandemic. In addition, the following actions impacted the 2020 remuneration outcomes:

- the two executive directors who remained following the demerger of Ninety One (Fani Titi and Nishlan Samujh) rescinded their 2020 STI, at their own request, to recognise the experience of their colleagues and our shareholders; and
- the Remuneration Committee exercised downward discretion to remuneration outcomes in three places.

Note that the 2021 STI "pool of profit" automatically adjusted downwards in line with the adjusted operating profit for the financial year. Adjusted operating profit from continuing operations of £377.6 million is 9.9% behind the prior year (2020: £419.2 million). The overall 2021 STI "pool of profit" has reduced 35% compared to 2020 predominantly due to the demerger of the Ninety One business.

The Remuneration Committee believes that the executive directors have performed very well in what has been an extremely challenging year, and therefore that the remuneration outcomes are reflective of the overall financial and non-financial performance for the year.

Performance and remuneration

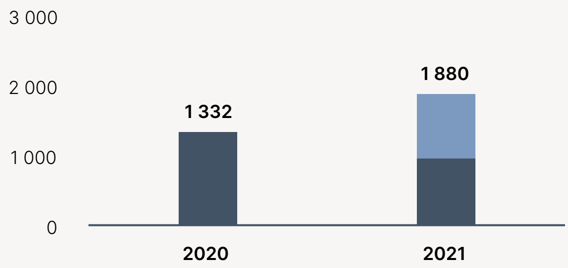
Performance	Remuneration across the group	Chief Executive remuneration
£377.6mn **AOP** (2020: £579.6mn*)	£867mn **Total pay bill** 2020: £846mn)	£1,879,798 **Single figure** (2020: £1,332,000)
6.6% **ROE** (2020: 11.0%)	80% **% of employees who received an annual salary increase** (2020: 50%)	96.0% **Pay as a % of on-target remuneration; value at grant** (2020: 61.2%)
0.82% **RORWA – 1 year performance** (2020: 1.13%)	35.3% **Investec plc – mean hourly gender pay gap** (2020: 36.0%)	104.2% **Annual bonus % of STI pool** (2020: 19.8%)
70.9% **Cost to income ratio** (2020: 72.3%)	36.1% **Investec plc – median hourly gender pay gap** (2020: 37.4%)	102.5% **LTIP vesting (former Chief Executive – 2018 award)** (2020: 76.3%)
1.16% **RORWA – 3 year performance** (2020: 1.36%)	27.1% **Investec Limited – mean hourly gender pay gap** (2020: 31.7%)	41.1% **Total remuneration change** (2020: -37.9%)
34.2% **Growth in TNAV** (2020: 27.8%)	24.1% **Investec Limited – median hourly gender pay gap** (2020: 26.0%)	38.1 **Global CEO pay ratio** (2020: 31.0)

* Adjusted downwards for remuneration purposes - published AOP of £608.9m but after the deduction of profit attributable to non-controlling interests of discontinuing operations. Adjusted operating profit from continuing operations is 9.9% down on prior year.
Note: The current executive directors do not yet have vesting LTI awards.

REMUNERATION AT A GLANCE
CONTINUED

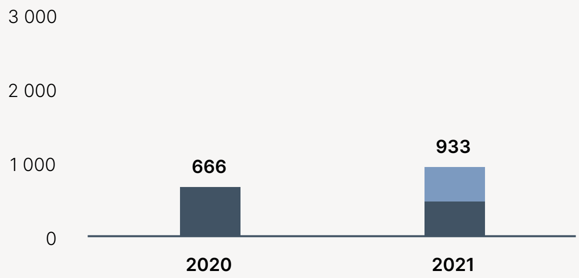
Executive director remuneration outcomes
Single figures of remuneration, calculated based on the value of fixed remuneration paid during the year, short-term incentives awarded for the year and long-term incentives where the performance conditions were assessed during the year. Due to the uncertainty of the economic climate as a result of the health pandemic, the 2020 STI was rescinded by Fani Titi and Nishlan Samujh (at their own request). The fixed pay detailed below may appear lower than that contained within the Directors' Remuneration Policy as any amounts of fixed remuneration that were donated via salary sacrifice directly to COVID-19 causes have been removed from the fixed pay totals detailed below.

Fani Titi



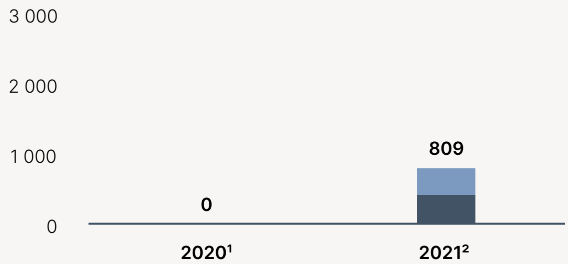
	2020	2021
Fixed Pay	1332	975
Short-term incentive	0	905
Long-term incentive vested	0	0

Nishlan Samujh



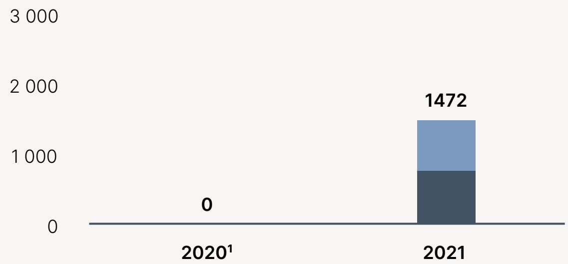
	2020	2021
Fixed Pay	666	481
Short-term incentive	0	452
Long-term incentive vested	0	0

Richard Wainwright



	2020	2021
Fixed Pay	—	429
Short-term incentive	—	380
Long-term incentive vested	—	0

Ciaran Whelan

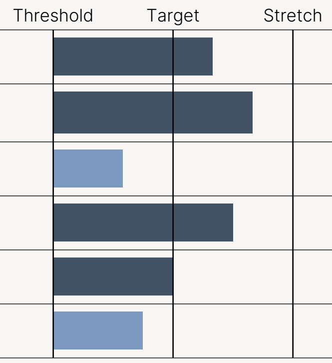


	2020	2021
Fixed Pay	—	764
Short-term incentive	—	708
Long-term incentive vested	—	0

1. 2020 remuneration not disclosed for Richard Wainwright and Ciaran Whelan as they were not executive directors in 2020.
2. Pro rata 2021 remuneration disclosed for Richard Wainwright to reflect the period of the year that he was an executive director.

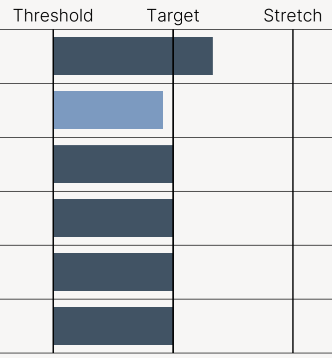
REMUNERATION AT A GLANCE
CONTINUED

Achievement against short-term incentive metrics – executive directors 2021



Measures		Weighting	Threshold (0%)	Target (100%)	Stretch (150%)	Actual performance	% of target
			2021 Targets			**Outcome**	
Financial	Return on risk-weighted assets	30%	0.55%	0.75%	1.00%	0.82%	114.8%
	Return on equity	30%	5.0%	6.0%	7.0%	6.6%	130.0%
	Cost to income ratio	20%	72.0%	70.0%	68.0%	70.9%	55.0%
Non - financial	Culture and values	7%	0	4	6	5	125.0%
	ESG related measures	5%	0	4	6	4	100.0%
	Prudential and risk measures	8%	0	4	6	3	75.0%
Total		**100%**					**104.2%**

Achievement against long-term incentive metrics – executive directors (2018 awards)



Measures		Weighting	Threshold (0%)	Target (100%)	Stretch[1] (150%)	Actual performance[2]	% of target
			2018 Targets			**Outcome**	
Financial	Growth in tangible net asset value	40%	15.0%	30.0%	45.0%	34.2%	113.9%
	Return on risk-weighted assets	35%	0.70%	1.20%	1.60%	1.16%	91.2%
Non - financial	Culture and values	4%	0	2	4	2	100.0%
	Franchise development	13%	0	2	4	2	100.0%
	Governance and regulatory	4%	0	2	4	2	100.0%
	Employee relationship	4%	0	2	4	2	100.0%
Total		**100%**					**102.5%**

1. 200% at stretch for non-financial measures.
2. Assessed over the performance period from 1 April 2018 to 31 March 2021.

The remuneration committee

Inside this section

Composition and role of the committee

Philip Hourquebie served as Chair of the committee throughout the year. The other members of the committee during the year were Zarina Bassa, Henrietta Baldock (from 8 September 2020), Perry Crosthwaite and Charles Jacobs.

The committee's terms of reference are subject to annual review and available on our website.

Advice to the committee

The committee was assisted in its considerations by Korn Ferry. Korn Ferry is a signatory to the UK Remuneration Consultants Group's Code of Conduct and does not conduct any material work for the company other than for the committee. The committee appoints Korn Ferry on an annual basis and evaluates the advice received to ensure that it is both objective and independent and considers whether this service should be retained for the forthcoming year. The committee considered Korn Ferry's role as an advisor to the group, and determined that there were no conflicts or potential conflicts arising. The committee is satisfied that the advice the committee received is objective and independent.

Total fees paid to Korn Ferry for the year amounted to £80,403 (based on their standard hourly rates).

The committee also received advice, supporting documentation and information from specialists in the business including the Group Finance Director, Global Head of People and Organisation, Global Head of Reward and Head of Share Schemes. These individuals providing support to the committee are not board directors and are not appointed by the committee, with the exception of the Group Finance Director. The committee recognises and manages any conflicts of interest when receiving views from executive directors or senior management on executive remuneration proposals. No individual decides their own remuneration.

Priorities for the committee in 2021

The key priority for the committee in 2021 was consulting with shareholders and other relevant stakeholders to develop a new Directors' Remuneration Policy aligning to the group strategy. In addition the committee also dealt with the challenges and implications of the COVID-19 health pandemic and setting of appropriate targets for the short- and long-term incentives.

Shareholder voting and shareholder engagement

In addition to our usual July shareholder engagement, the Chair of the Remuneration Committee engaged in an extensive consultation exercise in February 2021 with our key shareholders to obtain input into the design of our 2022 remuneration policy. We, by and large, received positive and constructive feedback and we incorporated some changes as a result of this feedback. These changes aim to align reward more closely with business performance and adherence to our strategy. Consultation will continue as usual in the run up to the AGM.

Activities in the year

	5 May	27 May	4 June	15 July	9 Sep	20 Oct	30 Oct	11 Nov	2 Dec	3 Feb	10 Mar
Directors' Remuneration Report	●	●	●	●							
2022 remuneration policy for executive directors				●				●		●	●
Variable remuneration for executive directors for 2019/2020		●	●								
Executive director remuneration targets					●	●	●	●			
NED fees	●	●									
Feedback from AGM voting results					●						
Consideration of shareholder feedback from roadshows				●	●						●
Annual reward review for senior management, material risk takers, control function employees and other employees	●		●	●					●		
Executive Team remuneration approach		●	●	●	●			●			
Share awards to employees	●		●						●		
Mid-year bonus review for Investec Wealth & Investment and Investec Bank Limited									●		
Reward governance					●			●		●	●
Regulatory developments	●	●		●	●			●		●	●
Authorised firm remuneration reports to the committee	●			●	●			●		●	●
Gender pay gap reporting										●	●
Non-standard remuneration analysis				●						●	

Proposed directors' remuneration policy

Inside this section

We are proposing a new remuneration policy effective 1 April 2021, subject to shareholder approval at the AGM on 5 August 2021. Our primary objective as we developed our new remuneration policy, based on input from our key stakeholders, was to ensure that the policy is aligned with our strategy. In short our strategy is to simplify and focus on growth through five strategic objectives:

- Capital discipline;
- Growth initiative;
- Improved cost management;
- Digitalisation; and
- Greater connectivity

We believe that the proposed measures in both the long- and short-term incentives align with and support these strategic objectives, balancing a long-term view with short-term strategic priorities.

The link to AOP for calculating the STI pool has been removed to enhance simplicity and the STI is now determined as a percentage of fixed pay.

Threshold vesting has been increased from 0% vesting to 25% in both the LTI and STI to reflect common market practice. The maximum STI opportunity has been increased to 200% of fixed remuneration and on-target STI is now 50% of the maximum opportunity.

RORWA has been removed from both the STI and LTI awards. Whilst we believe it is an important performance measure for banks, we believe this metric is difficult to compare across the industry without detailed analysis of each business. In addition, over time the inputs into this metric can also change. This is caused by variations in the calculation of the denominator, risk-weighted assets, which can be caused by, among other factors, the model used to determine risk-weighted assets, which may impair the comparability of RORWA over time and between institutions. The board and management do, however, monitor this important performance indicator, recognising the nuances and anomalies.

Given this, the proposed LTI financial measures are a combination of growth in tangible net asset value (which focuses on real growth), return on equity (which focuses on sustained profitability) and relative total shareholder return (shareholders' assessment of our value relative to peers).

The on-target and maximum quantum of remuneration for the executive directors reduced by approximately 25% in 2021 in light of the reduction in size and complexity of the group following the demerger. This policy is not aiming to reduce the overall quantum further but instead ensure that executive director remuneration is well aligned to all elements of the group's strategy.

Remuneration payments or payments for loss of office to executive directors will only be made if they are in line with the proposed remuneration policy (subject to approval), unless shareholders approve an amendment to the policy to authorise alternative payment.

When developing the proposed Directors' Remuneration Policy we sought advice and information on common market practice from the Global Head of Reward and Korn Ferry. Consultation took place internally with the executive directors and the views of external stakeholders were also considered by way of a shareholder consultation exercise. The formal decision to approve the proposed policy was made by the committee without the executive directors present.

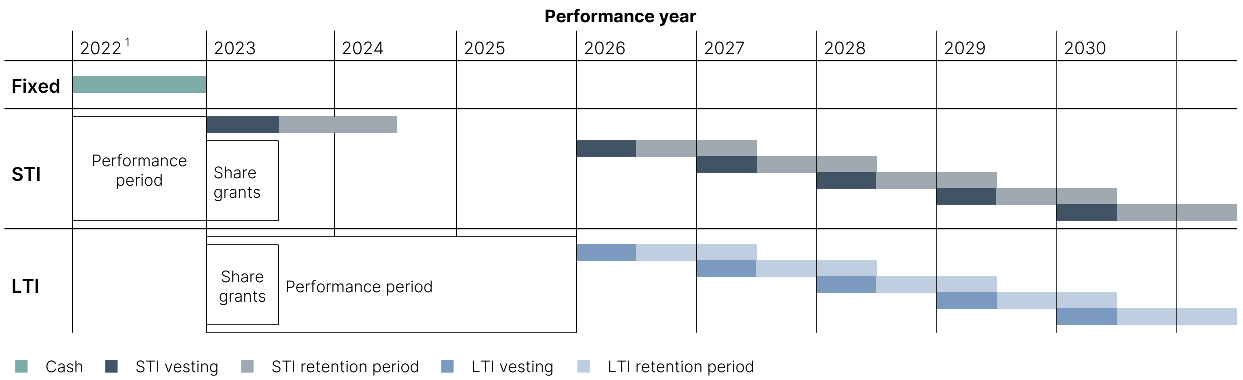
PROPOSED DIRECTOR'S REMUNERATION POLICY
CONTINUED

Key policy changes

The main policy changes are detailed on the previous page however the key features of the proposed policy and changes compared to the previous policy are summarised in the table below. The full proposed policy table can be found on pages 162 to 165. The policy will be voted on at the AGM in August 2021. Please note the June 2021 LTIP grant will operate under the existing remuneration policy and the first grant operating under the new policy will be June 2022.

	Current policy	Key changes in proposed policy
Fixed remuneration	Fixed pay award delivered 100% in cash, paid monthly	Ability to increase fixed remuneration annually, with increases generally limited to being not greater than the level of increases for the broader employee population. Fixed remuneration for the Group Finance Director is proposed to increase to £650 000
Benefits	The cost of any benefits provided are deducted from fixed pay	No change proposed
Pension/ provident	Pension/provident contributions are deducted from fixed pay	No change proposed
Short-term incentive	Paid entirely in shares; 60% in up-front shares and up to 40% deferred STI pool based on the group's AOP Outcome based on both financial and non-financial metrics	Target STI determined as 100% of fixed pay Threshold vesting to increase from 0% to 25% Maximum opportunity to be set at 200% of target; resulting in on-target STI at 50% of maximum Risk modifier added RORWA replaced with PBT In addition to the cost to income ratio, a cost growth metric is also introduced Strategic objectives included
Long-term incentive	Conditional award of shares subject to performance conditions measured over three financial years, vesting 20% per annum over years three to seven Outcome based on both financial and non-financial metrics	Standard grant to be reduced from 100% to 80% of fixed pay Threshold vesting to increase from 0% to 25% Risk modifier added Non-financial measures comprise 20% of measures to align with the STI and increase consistency across all our incentives, compared to 25% previously RORWA replaced with Relative TSR and ROE Non-financial measures split into two categories: – Strategic & ESG – Risk Scorecard
Shareholding requirements	200% of fixed remuneration, to be built up over a reasonable timeframe, to be held for two years post termination	No change proposed

Illustration of remuneration delivery for financial year ending 31 March 2022



The upfront share awards are not released until 12 months after grant, therefore at least 12 months after the end of the performance year. 60% or more of variable remuneration is released over years 5 to 9

1. Year ending 31 March 2022

PROPOSED DIRECTOR'S REMUNERATION POLICY
CONTINUED

Proposed directors' remuneration policy table

Purpose and link to strategy	Operation	Maximum value and performance targets	Proposed changes from current policy
Fixed remuneration To provide an industry competitive package so that we are able to recruit and retain the people that we need to develop our business The fixed remuneration reflects the relative skills and experience of, and contribution made by, the individual	Fixed pay award delivered 100% in cash, paid monthly	Targeted at market median levels when compared with relevant comparator groups[1]. Investec is subject to CRD V at a group level which includes a bonus cap Therefore our remuneration structure is different to those firms that are not subject to the same remuneration rules. As a result our fixed remuneration is often higher, however the maximum variable opportunity is lower Fixed remuneration is reviewed annually, with increases generally limited to being not greater than the level of increases for the broader employee population Currently the fixed remuneration for the Chief Executive is £1 000 000 per annum The proposed fixed remuneration for the Group Finance Director is £650 000 per annum Executive directors other than the Chief Executive can currently earn a maximum of 80% of the Chief Executive fixed remuneration, £800 000 per annum	Ability to increase fixed remuneration annually, with increases generally limited to being not greater than the level of increases for the broader employee population Fixed remuneration for the Group Finance Director is proposed to increase to £650 000; this is deemed more appropriate relative to the other executive directors and is below the level of £666,000 prior to the 25% reduction in 2020
Benefits To provide a market competitive package	The cost of any benefits provided are deducted from fixed pay Benefits are benchmarked against relevant comparator groups[1] Executive directors may elect to sacrifice a portion of their annual gross remuneration in exchange for benefits such as travel allowances and medical aid	Benefits include: life, disability and personal accident insurance; medical cover; and other benefits, as dictated by competitive local market practices There is no maximum value but the value of benefits provided will generally be in line with market comparators	None
Pension/provident To enable executive directors to provide for their retirement	Executive directors participate in defined contribution pension/ provident schemes Only fixed remuneration, not annual bonus, is pensionable Pension/provident contributions are deducted from fixed remuneration As pension contributions are deducted from gross pay the executive directors are not in a preferential net position relative to the general employee population	The individual can elect what proportion of fixed remuneration is allocated as their pension/provident contribution	None

1. Peer group companies include Absa Group, Brewin Dolphin, Close Brothers Group, FirstRand, Julius Baer, Nedbank Group, Quilter, Rathbone Brothers, Standard Bank Group and Virgin Money.

PROPOSED DIRECTOR'S REMUNERATION POLICY
CONTINUED

Purpose and link to strategy	Operation	Maximum value and performance targets	Proposed changes from current policy
Short-term incentive Alignment with key business objectives The short-term incentive supports the key business objectives over its 12 month performance period by having measures and metrics that are based on the key business targets Awarded in shares therefore provides alignment with shareholders	Short-term incentive awards are made annually following the completion of the financial year STI determined as a percentage of fixed pay Receive 60% upfront in shares shortly after the year end; of the remaining 40% an amount is deferred that ensures 60% of total variable remuneration (short-term incentive plus long-term incentive) is deferred over three to seven years, vesting 20% per annum commencing on the third anniversary. Any remaining portion not deferred over three to seven years is awarded in upfront shares Shares must be retained for a period of 12 months after vesting Dividends and dividend equivalents are not earned on the unvested deferred share portions but are earned once the shares have vested The Remuneration Committee retains discretion to amend the amount payable to ensure that incentives truly reflect performance and are not distorted by an unintended formulaic outcome Awards are subject to malus on unvested shares and clawback on vested shares Malus can be applied for up to seven years, and clawback for up to 10 years after award Risk modifier applied to the award (if required)	Based on a balanced scorecard of financial and non-financial performance measures with achievement levels that correspond with our short-term objectives[1]. 80% based on financial measures and 20% based on non-financial measures Measures applicable to the first year of the policy are detailed below. The committee retains discretion to apply different measures in future years if more appropriate Financial measures: • Profit before tax (30%); • Return on equity (30%); and • Efficiency metric (20%) consisting of cost to income ratio (10%) and cost growth metric (10%) Non-financial measures: • Culture and values (5%); • ESG related measures (5%); and • Strategic measures (10%) The performance achievement level is 25% of fixed remuneration for threshold performance, 100% for target performance and 200% for stretch performance The targets are reviewed and set annually; where appropriate for particular roles the financial measures may be based on a mix of group and business unit performance If all financial and non-financial stretch levels are met, up to 200% of the target may be awarded, subject to an overall maximum of variable remuneration (including LTIPs) being within the remuneration cap[2] The Remuneration Committee will review the achievement levels for the short-term incentive on an annual basis The number of shares is determined relative to the share price at the time of award	Remove sharing pool linked to adjusted operating profit; STI determined as a percentage of fixed pay (on-target at 1x fixed pay; the level is similar to the current policy) Pay at threshold performance increases to 25% to align with broader market Maximum opportunity to be set at 200% of on-target; resulting in an on-target STI at 50% of maximum RORWA has been removed from the financial section of the scorecard; profit before tax and a cost growth metric have been introduced Strategic objectives have been introduced into the non-financial section of the scorecard whilst prudential and risk management measures have been removed A risk modifier has now also been introduced, to be used in situations where a risk event or events exceeding a specific trigger threshold have occurred. It will only be used where: • the financial impacts of the risk event or events have not been fully reflected in the performance of the financial measures in the STI and LTI, and/or • the event has had a material negative impact on key stakeholders, including but not limited to shareholders, clients, communities and employees Reduction in variable remuneration will be enacted through an equal reduction in STI and LTI in the event the annual cap is reached Any remaining portion not deferred over three to seven years is awarded in up-front shares shortly after the year end with a one year retention period rather than vesting equally after one and two years In the event the annual remuneration cap is reached the reduction in variable remuneration will be enacted through an equal reduction in STI and LTI

1. The performance measures have been selected based on our business strategy and goals, taking into account regulations and our risk appetite framework. Targets will be set by the committee based on a range of internal and external factors, internal benchmarks and hurdles, and economic and market conditions.
2. Cap defined in line with EBA discounting rules which allow, when 25% of variable remuneration is deferred over at least five years a higher cap than 2x fixed remuneration, depending on the length of deferral, inflation and interest rates. This is currently 242.2% of fixed remuneration.

PROPOSED DIRECTOR'S REMUNERATION POLICY
CONTINUED

Purpose and link to strategy	Operation	Maximum value and performance targets	Proposed changes from current policy
Long-term incentive Clear link between performance and remuneration Embeds alignment with shareholder returns The long-term incentive supports the key business objectives over its three year performance period by having measures and metrics that encourage sustainable growth Non-financial measures take into account the group's strategic and operational objectives	Conditional awards of shares subject to performance conditions measured over three financial years Awards vest 20% per annum commencing on the third anniversary and ending on the seventh anniversary of award Vested shares are subject to a further 12 month retention period Dividends and dividend equivalents are not earned on the unvested deferred share portions but are earned once the shares have vested Awards are subject to malus on unvested shares and clawback on vested shares Malus can be applied for up to seven years, and clawback for up to 10 years after award The Remuneration Committee retains discretion to adjust the level of awards vesting to ensure that incentives truly reflect performance and are not distorted by an unintended formulaic outcome These long-term incentive awards are made annually following the completion of the financial year	Maximum annual award of 100% of aggregate fixed remuneration, however standard awards to be granted at 80% of fixed remuneration Based on a balanced scorecard of financial and non-financial performance measures with achievement levels that correspond with our long-term objectives[1]. 80% based on financial measures and 20% based on non-financial measures Measures applicable to the first year of the policy are detailed below, however the committee retains discretion to apply different measures in future years if more appropriate: • Growth in tangible net asset value per share (30%); • Return on equity (30%); • Relative total shareholder return (20%); and • Non-financial measures (20%) Targets for financial performance measures and non-financial measures will be reviewed and set annually by the Remuneration Committee in advance The performance achievement level is 25% for threshold performance, 100%for target performance and 150% for stretch performance The number of shares is determined relative to the share price at the time of award	Standard grants to be made at 80% of fixed remuneration rather than 100% Pay at threshold performance increases to 25% to align with broader market RORWA has been removed from the financial section of the scorecard, with relative total shareholder return and return on equity being introduced The non-financial section of the scorecard has been redesigned and now consists of a strategic measure (incorporating ESG, culture and values) and a risk scorecard. Non-financial measures comprise 20% of the scorecard, compared to 25% previously A risk modifier has now also been introduced, to be used in situations where a risk event or events exceeding a specific trigger threshold have occurred. It will only be used where: • the financial impact of the risk event or events have not been fully reflected in the performance of the financial measures in the STI and LTI, and/or • the event has had a material negative impact on key stakeholders, including but not limited to shareholders, clients, communities and employees Stretch vesting of 150% on both financial and non-financial measures (prior 200% vesting on non-financial measures removed); resulting in an overall cap on final vesting of 150% of shares initially awarded In the event the annual remuneration cap is reached the reduction in variable remuneration will be enacted through an equal reduction in STI and LTI
Other	The group will pay legal, training and other reasonable and appropriate fees, incurred by the executive directors as a result of performing their duties In limited circumstances, such as to offset double taxation or cash flow disadvantages due to our dual listing, the group may provide financial and non-financial assistance. Any such assistance will align with any approach we may use for other employees who are not executives	None	None

1. The performance measures have been selected based on our business strategy and goals, taking into account regulations and our risk appetite framework. Targets will be set by the committee based on a range of internal and external factors, internal benchmarks and hurdles, and economic and market conditions.

PROPOSED DIRECTOR'S REMUNERATION POLICY
CONTINUED

Purpose and link to strategy	Operation	Maximum value and performance targets	Proposed changes from current policy
Legacy	Any remuneration commitment made prior to an individual becoming a director and not in anticipation of their appointment to the board will be honoured, even where it is not consistent with the Directors' Remuneration Policy in place at the time it is fulfilled Awards made upon becoming an executive director will be treated in line with the Directors' Remuneration Policy	None	None
Shareholding requirements To ensure the alignment of the financial interests of executives with those of shareholders Focus on long-term performance	Shareholding requirement during employment of 200% of fixed pay Shareholding requirement to be met over a reasonable timeframe Post-termination shareholding requirement of the lower of 200% of fixed pay, or the holding on termination of employment, for two years post-termination	None	None

Approach to recruitment remuneration

It is intended that the approach to the recruitment of new executive directors will be in line with the remuneration policy outlined in the table above. This includes both internal and external hires. However the Remuneration Committee will consider levels of remuneration for new recruits that are competitive for the skills and experience of the individual being recruited.

The Remuneration Committee retains the discretion to buy out bonus or incentive awards that a potential new executive director has forfeited as a result of accepting the appointment, subject to proof of forfeiture where applicable. Any award made to compensate for forfeited remuneration will be broadly no more generous than, and should aim to mirror the value, timing, form of delivery and performance adjustment (malus and clawback) conditions of the forfeited remuneration.

PROPOSED DIRECTOR'S REMUNERATION POLICY
CONTINUED

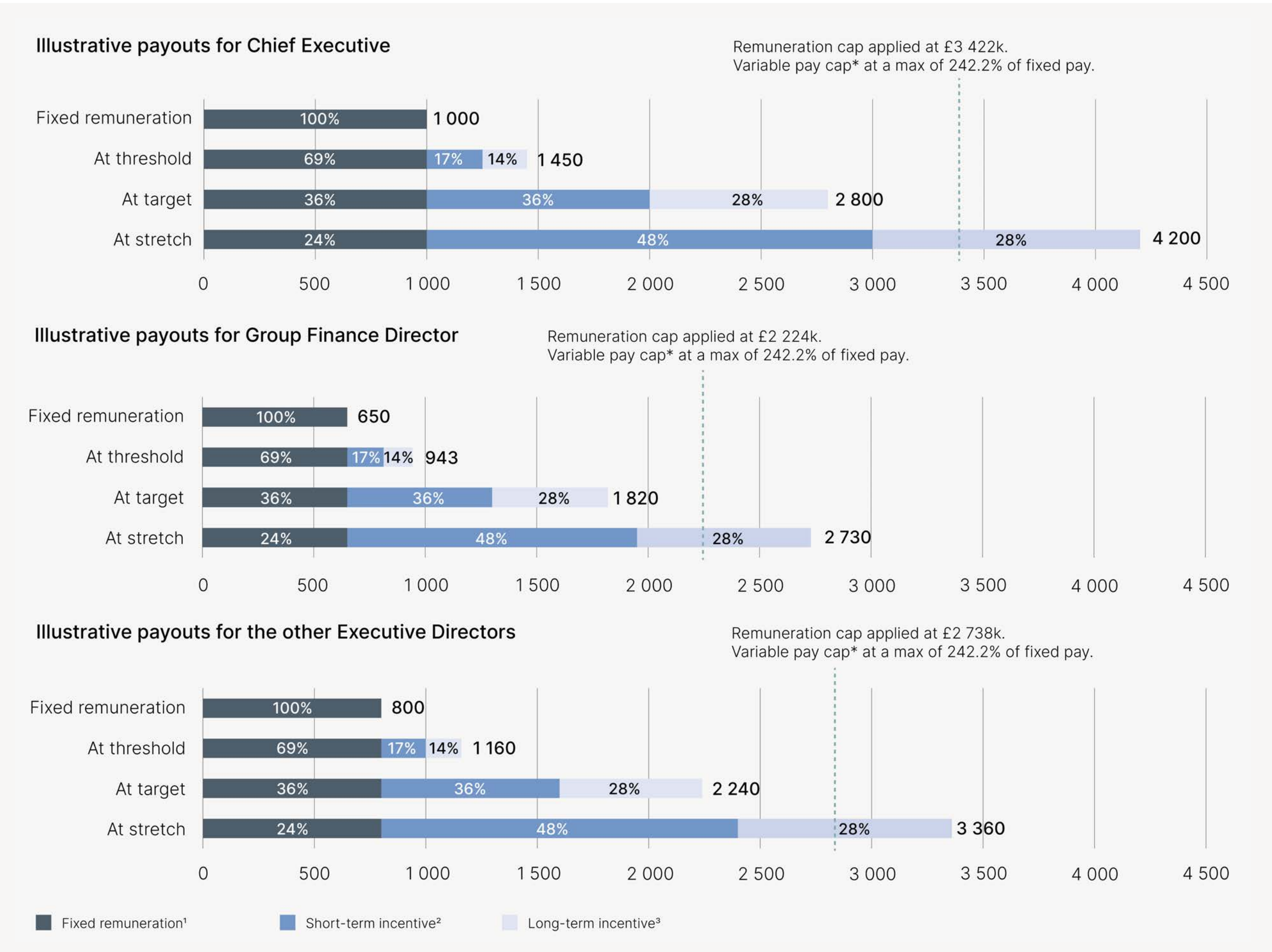
Illustrations of application of remuneration policy

The graphs illustrate the total remuneration at threshold, target and stretch achievement levels for the executive directors based on the proposed remuneration policy. Threshold vesting is 25% of target for both the STI and LTI and stretch vesting is 200% and 150% of target for STI and LTI respectively.

In addition, assuming that the share price increases by 50% from the point of award for those awards subject to performance conditions, over the three year performance period, the total remuneration at stretch achievement levels would increase from £4,200k to £4,800k for the Chief Executive, from £2,730k to £3,120k for the Group Finance Director and from £3,360k to £3,840k for the other executive directors. This exceeds the stated remuneration caps as the caps apply on award, not vesting.

The figures to demonstrate potential payout assuming a 50% share price increase are based on the following assumptions:

1. At stretch achievement levels
2. One year of short-term incentive
3. The full long-term incentive is deferred in shares
4. The starting share price is the share price at the date of award
5. The share price appreciation is 50% over the three year performance period.



* Cap defined in line with EBA discounting rules which allow, when 25% of variable remuneration is deferred over at least five years, a slightly higher cap than 2x fixed remuneration, depending on the length of deferral, inflation and interest rates. This is currently 242.2% of fixed remuneration. These limits will be in line with this cap. In the event the annual remuneration cap is reached the reduction in variable remuneration will be enacted through an equal reduction in STI and LTI.

1. Fixed remuneration includes any benefits and pension contribution.
2. The short-term incentive is determined with reference to performance for the financial year and is delivered in a combination of deferred and non-deferred shares.
3. The long-term incentive is subject to performance measures assessed over a three-year period.

PROPOSED DIRECTOR'S REMUNERATION POLICY
CONTINUED

Service contracts and policy on payment for loss of office

The terms of service contracts and provision for compensation for loss of office for executive directors is set out below. Prior contractual entitlements will be honoured.

Standard provision	Policy	Details
Contracts of employment	Indefinite service contracts	Copies are available for inspection at the company's registered office
Notice period	Terminable by either party with twelve months' written notice	Fixed pay, adjusted for benefits and pension payable, for period of notice
Compensation for loss of office in service contracts	In the event of redundancy or retrenchment (or other similar concept under applicable law), the group may make redundancy payments in line with applicable law, group policy and/or established/prior custom and practice.	This has been added to reflect legal entitlements and to ensure consistent treatment with other employees in a redundancy or retrenchment situation
Outstanding deferred short-term incentive shares	Lapse on resignation or termination for misconduct. May be retained if the director is considered a "good leaver"	"Good leaver" status may be conferred in cases such as retirement with a minimum of 10 years' service, disability or ill health
Outstanding long-term incentive awards	Lapse on resignation or termination for misconduct. May be retained if the director is considered a "good leaver"	"Good leaver" status may be conferred in cases such as retirement with a minimum of 10 years' service, disability or ill health In good leaver cases, will be pro rated based on time served relative to the performance period of the award; the committee has the ability, where appropriate, to increase pro ration up to a full year if the individual has completed more than six months of the year to recognise the further impact of their contribution on the full year
Takeover or major corporate event	The Remuneration Committee has the discretion to determine whether all outstanding awards vest at the time of the event or whether they continue in the same or revised form	
Outside appointments	Executive directors are permitted to accept outside appointments on external boards or committees providing they are in line with our related parties and private work interest policies These are required to be pre-approved by the group Chair and the DLC Nominations and Directors' Affairs Committee	Subject to being deemed not to interfere with the business of the company Fees earned in this regard are forfeited to Investec
Other notable provisions in service contracts	There are no other notable provisions in the service contracts	
Restrictive covenants	Post-termination restrictive covenants are in place for 12 months, less any period of garden leave, to protect the interests of the company	Restrictions include: • Soliciting, canvassing, enticing, inducing or encouraging any person or organisation which was a customer of the company or any group company to take business to a competing business • Accepting business from a customer of the company or any group company for the supply of services identical or similar to or competitive with those services which the company or any group company was supplying or negotiating to supply to that customer • Soliciting, canvassing, enticing or approaching in any way any relevant employee and/or any employee of any group company, with a view to inducing or persuading such individual to leave the company or group company's employment to work for a competitive, or potentially competitive company

PROPOSED DIRECTOR'S REMUNERATION POLICY
CONTINUED

Standard provision	Policy	Details
Other	The group will pay legal, training and other reasonable and appropriate fees incurred by the executive directors as a result of performing their duties In limited circumstances, such as to offset double taxation or cash flow disadvantages due to our dual listing, the group may provide financial and non-financial assistance. Any such assistance will align with any approach we may use for other employees who are not executives	This will allow reimbursement for reasonable fees and liabilities incurred as a result of performing their duties. This reduces the burden on executives that may arise from our dual listing
Legacy	Any remuneration commitment made prior to an individual becoming a director and not in anticipation of their appointment to the board will be honoured, even where it is not consistent with the Directors' Remuneration Policy in place at the time it is fulfilled. Awards made upon becoming an executive director will be treated in line with the Directors' Remuneration Policy	

PROPOSED DIRECTOR'S REMUNERATION POLICY
CONTINUED

How does our directors' remuneration policy address the key features set out in the UK corporate governance code?

Provision	Approach
Clarity and simplicity Remuneration arrangements should be transparent, avoid complexity and their rationale and operation easy to understand	• Our Directors' Remuneration Policy that was approved by our shareholders at the 2020 AGM is published and available for all employees to access in addition to other employee engagement exercises that take place. Additionally our proposed remuneration policy that is subject to a shareholder vote at the 2021 AGM is also available within this report • The committee regularly engages in shareholder consultation exercises with key shareholders to ensure there is transparency on our policy and it is understood. • Avoiding complexity is a key objective when designing our remuneration policy and structures, notwithstanding the regulatory complexity of operating as a UK regulated bank
Risk Remuneration structures should identify and mitigate against reputational and other risk from excessive rewards, as well as behavioural risks that can arise from target-based incentive plans	• In line with regulatory requirements, our remuneration practices promote sound and effective risk management while supporting our strategic objectives • Risk and conduct considerations are taken into account in the setting of any award • The committee considers risk adjustment in respect of both the non-financial and financial elements of the group scorecard and has evidenced the application of downward discretion • All executive director awards are subject to malus and clawback
Predictability The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy	• The proposed Directors' Remuneration Policy indicates in detail the various elements of remuneration and potential maximums; also included are the illustrative pay-out graphs highlighting the actual overall maximum due to the remuneration cap
Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the group should be clear and outcomes should not reward poor performance	• Our short-term incentive supports the key business objectives over the twelve month performance period and the long-term incentive supports the key business objectives over the three year performance period. • All variable remuneration is awarded in shares with deferral of up to seven years and a further one year of retention further aligning to shareholder interests • The committee has the discretion to reduce awards (to zero if required) and has evidenced the application of downward discretion
Alignment to culture Incentive schemes should drive behaviours consistent with the group's purpose, values and strategy	• Culture at Investec is very important to us and therefore culture and values is one of our non-financial measures for the short-term incentive and will also be considered within the long-term incentive

Remuneration policy for non-executive directors

The board's policy is that fees should reflect individual responsibilities and membership of board committees. The fee structure covers the dual roles that the directors perform for the UK-listed Investec plc and the South African-listed Investec Limited boards and are awarded equally between the two companies.

Purpose and link to strategy	Operation	Maximum value and performance targets	Proposed changes from current policy
Fees To provide industry competitive fees to attract non-executive directors with appropriate skills and experience	Fees for non-executive directors are reviewed annually by the committee taking into account responsibility, market data and time commitment. The committee then makes a recommendation on fees to the board for approval and are subject to shareholder approval at the AGM In addition to fees for board membership, fees are payable to the senior independent director, and for chair and membership of major DLC board committees, membership of the Investec Bank Limited and Investec Bank plc and other subsidiary company boards and for attendance at other relevant committee meetings South African Value-Added Tax (VAT), at the prevailing rate, where applicable, will be added to the fees payable by Investec Limited	Fee increases will generally be in line with inflation and market rates Aggregate fees payable by Investec plc are subject to an overall maximum of £1 million under the Investec plc articles unless specifically approved by shareholders	None
Shareholding requirement	There is no requirement for non-executive directors to hold shares in the company; this choice is left to the discretion of each non-executive director	None	None

The policy as described above will be taken into account in the recruitment of new non-executive directors.

The terms of appointment for non-executive directors

On appointment non-executive directors are provided with a letter of appointment. On the recommendation of the Nominations and Directors' Affairs Committee (Nomdac), non-executive directors will be appointed for an expected term of nine years (three times three-year terms) from the date of their first appointment to the board.

All are subject to annual shareholder re-election. No compensation is payable on termination of directorship. Copies of their letters of appointment are available for inspection at the company's registered office.

Approach to recruitment remuneration

It is intended that the approach to the recruitment of new non-executive directors will be in line with the remuneration policy outlined in the table above.

All employee remuneration

Remuneration philosophy and approach for all employees
Our remuneration approach is designed to foster an exceptional performance culture that enables an entrepreneurial spirit as well as a strong sense of ownership, whilst operating within our risk appetite. We use remuneration to help attract and retain culturally aligned, smart, innovative and talented people who adhere and subscribe to our culture, risk appetite, values and philosophies, and to recognise and drive out of the ordinary performance.

We will materially differentiate reward according to performance and ensure remuneration outcomes are reflective of business achievement

Performance targets will align to strategy, be stretching, and will balance both long- and short-term performance, absolute and relative measures

Reward will appropriately account for risk and potential risk

Performance-related variable pay will be subject to discretion and malus for all employees, with clawback provisions being included for Material Risk Takers

We are committed to transparent engagement and communication with all our stakeholders

Consideration of all employee remuneration
The committee reviews changes in remuneration arrangements in the workforce generally and we recognise that all our people play an important role in the success of the group. Investec is committed to creating an inclusive working environment and to rewarding our employees throughout the organisation in a fair manner, and the committee reviews practices around creating a fair, diverse and inclusive working environment.

In making decisions on executive pay, the committee considers wider workforce remuneration and conditions to ensure that they are aligned on an ongoing basis. Effective from 2019 we have designated a non-executive director from each of the boards of Investec Wealth & Investment, Investec Bank plc and Investec plc in the UK to represent employees in the boardroom. This is in line with one of the suggested methods recommended within the UK Corporate Governance Code. Non-executive directors act as an engagement mechanism between our employees and the board and some of their key objectives are to:

- Ensure the reward, incentives and conditions available to the company's workforce are taken into account when deciding the pay of executive directors and senior management
- Enable the workforce to understand how decisions on executive pay reflect wider company pay policy
- Allow for engagement with the workforce on remuneration throughout the organisation
- Assist the Remuneration Committee to provide feedback to the board on workforce reward, incentives and conditions, and support the board's monitoring of whether company policies and practices support culture and strategy.

We believe that employees throughout the company should be able to share in the success of the company. As such, in addition to the fixed pay element, all of our employees have access to market relevant benefits, and all employees are eligible to be considered for an annual bonus after a short initial qualifying period. We believe strongly in share ownership among our employees and therefore all employees are, in principle, eligible to participate in our long-term incentive scheme.

Statement of consideration of shareholder views
The committee engages proactively with the company's major shareholders and is committed to maintaining an open dialogue. Accordingly, we meet regularly with our major shareholders and shareholder representative bodies. The Remuneration Committee Chair and group Chair attend these meetings, accompanied by the Heads of Company Secretarial, Investor Relations and Reward, as appropriate . This engagement is meaningful and helpful to the committee in its work and contributes directly to the decisions made by the committee. The Remuneration Committee and the board believe in effective and transparent communication with key stakeholders, and will continue to engage on matters that may arise and are of importance and/or concern to stakeholders. We consulted twice with our key shareholders during the year, focusing primarily on the development of the proposed Directors' Remuneration Policy. The feedback we received was constructive, and the committee incorporated some appropriate changes into the proposed policy on the basis of that feedback.

ANNUAL REPORT ON REMUNERATION

Annual report on remuneration

Inside this section

Remuneration overview for the year

Shareholders approved a revised Directors' Remuneration Policy in August 2020. Key features of that revised policy included:

- a 25% reduction in fixed remuneration, paid in cash;
- a similar percentage reduction in on-target and maximum remuneration potential;
- delivering all variable remuneration in shares; and
- a 50% increase in the shareholding and post-termination shareholding requirements for executive directors.

In addition, the fees for non-executive directors were reduced by between 10% and 20%.

For the financial year ending 31 March 2021, these policy changes resulted in a 25% reduction in fixed remuneration for the executive directors. The 2021 remuneration single figure increased by 41.1% from 2020, however it reduced by 12.3% from the 2019 financial year, being the last financial year not impacted by the COVID-19 pandemic. In addition, the following actions impacted the 2020 remuneration outcomes:

- the two executive directors who remained following the demerger of Ninety One (Fani Titi and Nishlan Samujh) rescinded their 2020 STI, at their own request, to recognise the experience of their colleagues and our shareholders; and
- the Remuneration Committee exercised downward discretion to remuneration outcomes in three places.

Note that the 2021 STI "pool of profit" automatically adjusted downwards in line with the adjusted operating profit for the financial year. Adjusted operating profit from continuing operations of £377.6 million is 9.9% behind the prior year (2020: £419.2 million). The overall 2021 STI "pool of profit" has reduced 35% compared to 2020 predominantly due to the demerger of the Ninety One business.

Our executive and non-executive directors donated a portion of their remuneration/fees via salary sacrifice during the year to COVID-19 causes, including the Solidarity Fund in South Africa.

The Remuneration Committee believes that the executive directors have performed very well in what has been an extremely challenging year, and therefore that the remuneration outcomes are reflective of the overall financial and non-financial performance for the year.

ANNUAL REPORT ON REMUNERATION
CONTINUED

Single total figure of remuneration (Audited)

Executive directors	Year	Fixed remuneration cash £'000	Taxable benefits £'000	Retirement benefits £'000	Fixed remuneration shares £'000	**Total fixed remuneration £'000**	Short-term incentive £'000	Long-term incentive vested £'000	Value of long-term incentive vested due to share price appreciation £'000	**Total variable remuneration £'000**	**Total remuneration £'000**
Fani Titi	**2021**	930	12	33	–	975	905	–	–	905	1 880
	2020	612	12	42	666	1 332	–[1]	–	–	–	1 332
Nishlan Samujh	**2021**	411	9	61	–	481	452	–	–	452	933
	2020	272	11	50	333	666	–[1]	–	–	–	666
David van der Walt[2,3]	**2021**	86	3	8	95	192	–	–	–	–	192
	2020	–	–	–	–	–	–	–	–	–	–
Richard Wainwright[2,3]	**2021**	406	5	18	–	429	380	–	–	380	809
	2020	–	–	–	–	–	–	–	–	–	–
Ciaran Whelan[2]	**2021**	678	23	63	–	764	708	–	–	708	1 472
	2020	–	–	–	–	–	–	–	–	–	–

1. Short-term incentive awards for 2020 for Fani Titi and Nishlan Samujh were rescinded at the recipients' request to align with their colleagues and our shareholders' experience.
2. 2020 remuneration not disclosed for David van der Walt, Richard Wainwright and Ciaran Whelan as they were not executive directors in 2020.
3. Pro rata 2021 remuneration disclosed for David van der Walt and Richard Wainwright to reflect the period of the year they were executive directors.

Salary and fixed remuneration
This represents the value of salary earned and paid during the financial year.The fixed pay detailed above may appear lower than that contained within the Directors' Remuneration Policy as any amounts of fixed remuneration that were donated via salary sacrifice directly to COVID-19 causes have been removed from the fixed pay totals detailed above. Fixed pay was reduced by 25% for all executive directors in the 2021 year.

Taxable benefits
The executive directors pay for benefits which may include; life, disability and personal accident insurance; and medical cover. These amounts are funded out of gross remuneration and are as elected by each director.

Retirement benefits
The executive directors receive pension benefits. None of the directors belong to a defined benefit pension scheme and all are members of one of the defined contribution pension or provident schemes. The amounts reflected in the table above represent the contribution to these schemes payable by the company. These amounts are funded out of gross remuneration, and there is no additional company contribution for the executive directors.

Short-term incentive
Represents the total value of the short-term incentives awarded for the 2020/2021 performance year. Page 178 details the basis on which the awards were determined and page 179 shows the breakdown of the awards in up-front and deferred shares.

Long-term incentive vested
Represents the value of long-term incentive awards that were subject to performance conditions and vested during the year. No executive directors had awards granted in respect of service as an executive director vesting to them during the year.

ANNUAL REPORT ON REMUNERATION
CONTINUED

Remuneration in context

Gender pay gap - mean

35.3%

Investec plc

27.1%

Investec limited

At Investec we know that diversity of thought is critical to increasing our ability to innovate, adapt and perform in this ever-changing world. We continue to be committed to attracting, developing and retaining a diverse and representative workforce, recognising the importance of cultivating an inclusive environment where we value difference. We believe this will enhance business performance and add value to our clients and society. We are particularly focusing on female talent development in leadership and client-facing roles. In addition, over the last few years we have created an environment that is more agile and responsive to the needs of individuals, with flexible working arrangements encouraged in service of performance. Belonging, inclusion and diversity has been instrumental in supporting us during the last twelve months and as we reflect on our priorities, it will be invaluable as we go forward.

Our Belonging, Inclusion and Diversity strategy includes the following priorities and initiatives

UK initiatives

Speaking up:
Feedback from workforce engagement activities is regularly reviewed by senior leadership and reported to the boards bi-annually. Four employee networks – Gender Balance, LGBTQ+, Multicultural and YoungMinds – regularly initiate dialogues on challenging subjects such as the gender pay gap, flexible working, and shared parental leave, as well as conversations about race.

Learning initiatives
We are participating in the 30% Club women's mentoring scheme for the third year in a row. We have also launched reverse mentoring initiatives and a leadership council for our younger colleagues to encourage inter-generational learning relationships, as well as a bespoke programme for our Black, Asian, and Minority Ethnic colleagues to foster the exchange of ideas among senior leaders and people of colour. Workshops on building inclusive teams educate our people on the Equality Act, 2010 and how to create an inclusive environment by encouraging debate and dialogue.

Diversity and inclusion targets and measures
Our Board Governance and Diversity Policy has set a target of 33% female representation on the board and at the same time recognises that the balance of skills, knowledge and experience, differences in background, ethnicity, gender and other qualities all contribute to achieving diversity of thought.

We signed up to the Women in Finance Charter in 2018 with a target of 30% female representation in senior leadership by 2022.

In 2020 we signed up to the Race at Work Charter and are working towards delivering on the five commitments set out in the Charter.

Recruitment, policies and practices
We have partnerships with a number of specialist third parties to support the hiring of senior women.

We have balanced shortlists and interview panels and continue to digitally analyse all our job adverts to remove gender-biased language. We encourage conversations about flexible working and have created an environment that is more agile and responsive to the needs of individuals. Our people policies and practices help to balance these individual needs, including enhanced paid parental leave of up to 26 weeks which can be shared between parents, and a new family leave support programme.

South Africa initiatives

We have several Women in Leadership initiatives where women and men at Investec participate in the conversation around gender. We invite our clients and external stakeholders to participate in these events. These rich and informative dialogues help us to create an appropriate environment for women to thrive as leaders, employees and entrepreneurs and serve as role models for the next generation. We continued our work in support of empowering and developing women in business, education and sport and highlighting the power of partnerships to provide opportunities for women through our Women on the Rise campaign. During 2020 we ran a pilot programme, specifically designed to enable women to take up positions as non-executive directors on boards and contribute to the development of board-ready female executives within South Africa.

Our Zebra Crossing initiative in South Africa, aligned to our employment equity plan, aims to raise levels of multi-cultural awareness of staff at Investec, enable them to appreciate and celebrate the richness of our diverse population and take these insights back into the business. Let's Talk about Race dialogues have been held with groups of employees. These are unstructured discussions, facilitated by an organisation development representative, where participants are encouraged to confront unconscious bias and misconceptions around any aspect of diversity.

We are building a Young Leaders Council and reverse mentorship initiative as we recognise the need to create spaces that enable young, aspirational talent to connect and learn with leaders.

ANNUAL REPORT ON REMUNERATION
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Gender pay gap figures
Hourly and bonus gap

		Investec plc		Investec Limited	
		Mean %	Median %	Mean %	Median %
Hourly gap	**2021**	35.3%	36.1%	27.1%	24.1%
	2020	36.0%	37.4%	31.7%	26.0%
	2019	38.0%	38.3%	32.0%	26.6%
Bonus gap	**2021**	68.8%	65.2%	67.5%	27.6%
	2020	74.2%	71.0%	68.8%	26.3%
	2019	72.5%	73.4%	72.8%	33.3%

Mean – The mean figure represents the difference between the average of men's and women's pay expressed as a percentage of the average male pay
Median – The median represents the difference between the midpoints in the ranges of men's and women's pay expressed as a percentage of the male midpoint

Proportion receiving a bonus

		Investec plc	Investec Limited
		Percentage	Percentage
Male	**2021**	73.2%	79.7%
	2020	81.7%	70.5%
	2019	83.1%	77.9%
Female	**2021**	75.6%	82.0%
	2020	81.0%	71.9%
	2019	82.6%	77.6%

Percentage change in directors' remuneration
The table below shows the percentage change in the directors' remuneration between 2020 and 2021 compared with the percentage change for Investec plc employees and Investec Limited employees.

	2021		
	Base Salary/ fee	Benefits	Bonus
Fani Titi[1]	(27)%	(17)%	n/a
Nishlan Samujh[1]	(32)%	15%	n/a
David van der Walt[2]	n/a	n/a	n/a
Richard Wainwright[2]	n/a	n/a	n/a
Ciaran Whelan[2]	n/a	n/a	n/a
Perry Crosthwaite (Chair)[3]	(16)%	n/a	n/a
Henrietta Baldock[3,4]	64%	n/a	n/a
Zarina Bassa[3,5]	16%	n/a	n/a
David Friedland[3]	(10)%	n/a	n/a
Philip Hourquebie[3,5]	14%	n/a	n/a
Charles Jacobs[3]	8%	n/a	n/a
Ian Kantor[3,6]	(68)%	n/a	n/a
Stephen Koseff [3,7]	(88)%	(100%)	(100%)
Lord Malloch-Brown[3]	(7)%	n/a	n/a
Khumo Shuenyane[3]	(18)%	n/a	n/a
Philisiwe Sibiya[3,8]	46%	n/a	n/a
Increase in total compensation costs for Investec employees	2%	(2)%	11%

1. 2020 bonuses for Fani Titi and Nishlan Samujh were rescinded at their own request therefore no comparison is shown.
2. David van der Walt, Richard Wainwright and Ciaran Whelan did not receive remuneration as DLC executive directors in 2020 therefore no comparison is shown.
3. NEDs do not receive bonus or benefits.
4. Henrietta Baldock was appointed as non-executive director on 9 August 2019.
5. In order to ensure alignment with the broader Investec group, the Chairs of the Group Audit, Remuneration and Risk Committees are members of those committees recently established by the group's key operating subsidiaries, for which appointments they receive a fee. Additionally 2021 fees for Zarina Bassa and Philip Hourquebie Include fees received during the financial period for committee work performed from January 2019 to June 2020. Accordingly, the fees disclosed for Philip Hourquebie and Zarina Bassa increased over the period, notwithstanding the overall reduction to NED fees from 1 September 2020.
6. Ian Kantor stepped down from the board in 2021 resulting in the large decrease in fees.
7. Stephen Koseff was an executive director in 2020 and a non-executive director in 2021 resulting in the large decrease in fees.
8. Philisiwe Sibiya was appointed as non-executive director on 9 August 2019.

ANNUAL REPORT ON REMUNERATION
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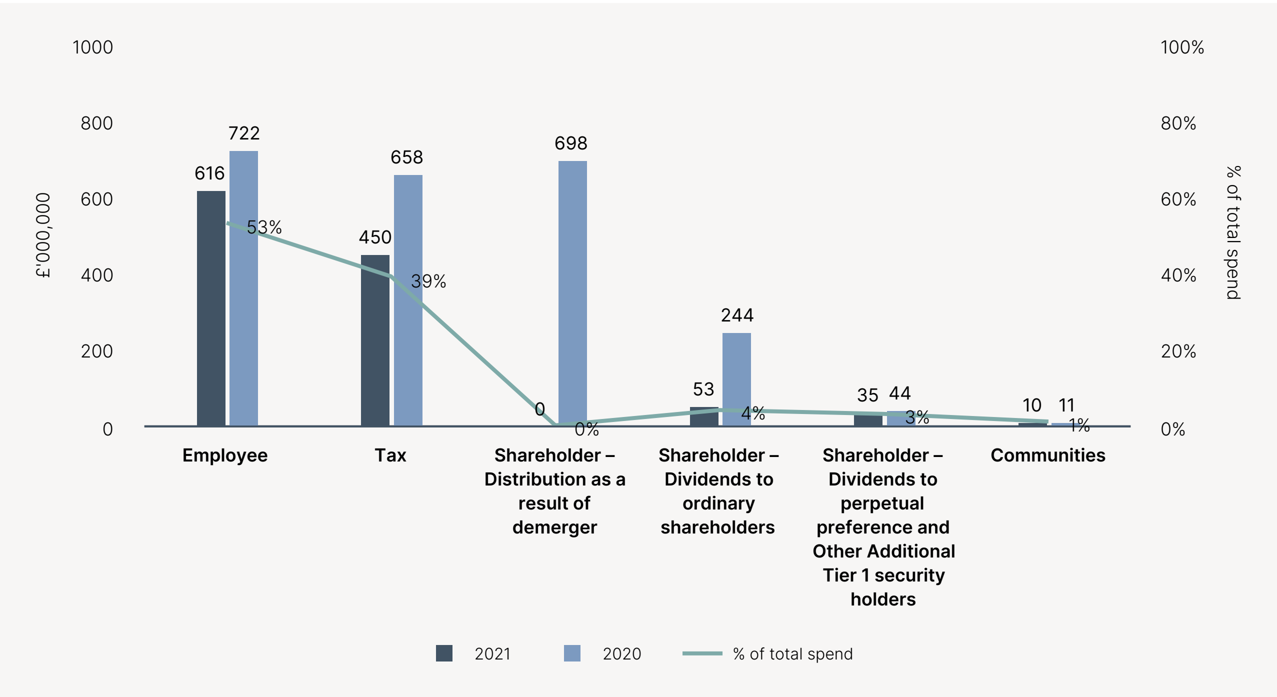
CEO pay ratio
The ratios of CEO remuneration to employee remuneration are shown below.

Year	Calculation method used	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2021	The pay for the CEO single figure is based on the single figure for Fani Titi			
UK		41.6	23.2	14.2
Global		70.1	38.1	20.0
2020	The pay for the CEO single figure is based on the single figure for Fani Titi			
UK		34.3	18.4	10.8
Global		58.3	31.0	15.6
2019	The pay for the CEO single figure is based on the single figure for Stephen Koseff for six months and the pay for Fani Titi/Hendrik du Toit for six months.			
UK		70.4	36.5	19.7
Global		122.5	61.0	28.5

We selected Option A which calculates the pay and benefits of all employees, using each element of total remuneration, to identify the employees at the 25th, 50th and 75th percentiles, and then calculates the ratio of CEO pay to the pay of each of those employees, because we believe it provides the most accurate reflection of the ratio of the CEO pay to the pay of all employees. The calculations were based on 31 March 2021. We have not annualised salaries and other remuneration elements for employees, in line with the single figure calculation methodology. The total pay and benefits for the 25th, 50th and 75th quartiles for the UK is £45,188, £81,046 and £132,543 respectively. The salaries for the 25th, 50th and 75th quartiles for the UK are £38,000, £63,000 and £93,000 respectively.

The increase in ratio from 2020 reflects the increase in the CEO single figure remuneration for 2021 for which further detail can be found on page 172.

Relative importance of spend on pay



We continue to acknowledge the importance of the appropriate division of the returns generated by our business between our owners, our workforce and the societies in which we operate. The graph above shows our distribution to our employees, our contributions to government through taxation and our owners through dividends and the distribution of Ninety One shares in 2020. The material reduction in distributions to shareholders is a result of the distribution of Ninety One shares following the demerger of the Ninety One business in March 2020. The Communities spend has also reduced following the demerger of the Ninety One business.

ANNUAL REPORT ON REMUNERATION
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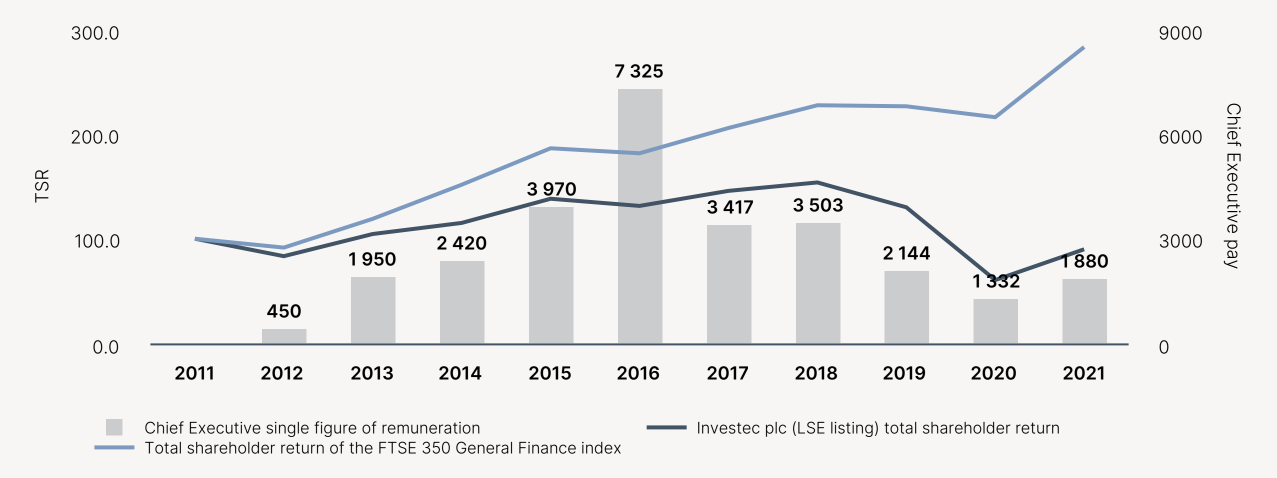
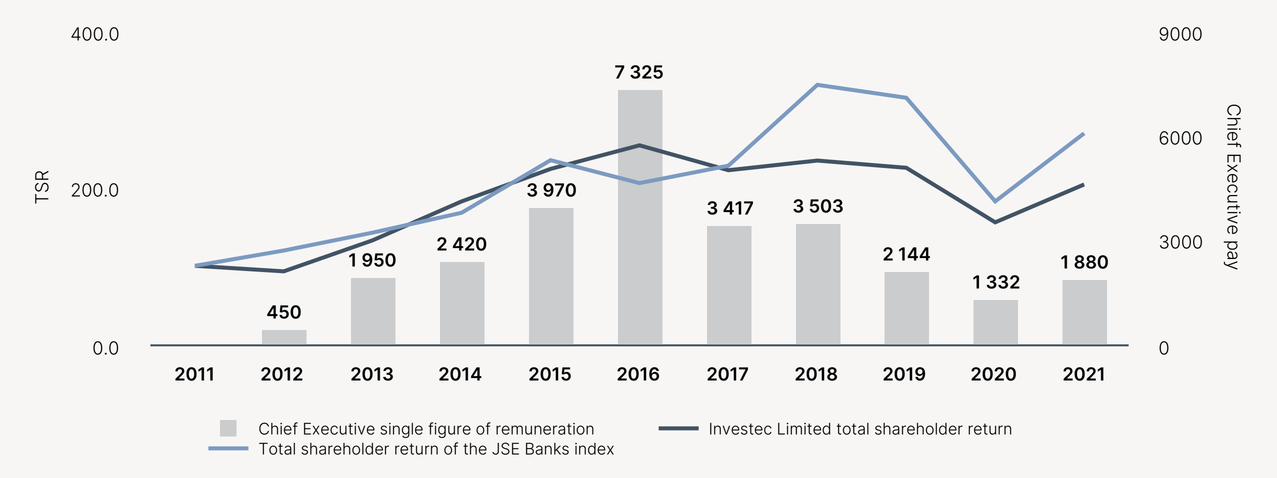
Performance graph and table (unaudited)

The graph below shows a comparison of the TSR for the company's shares for the ten years beginning on 31 March 2011 against the TSR for the companies comprising the FTSE 350 General Financial Index and JSE Banks index. Also shown is the Chief Executive single figure of remuneration for these years. We have selected these indices because a number of companies within them conduct similar activities to us, although they do not necessarily have the same geographical profile. Nevertheless, we believe they are the most appropriate indices against which to measure our performance.

Total shareholder return
Rebased to £100 and R100





Note: Total shareholder return

The graphs show the cumulative shareholder return for a holding of our shares in Pounds Sterling on the LSE and Rands on the JSE, compared with the average total shareholder return of other members of the FTSE 350 General Finance Index and the JSE Banks Index. The first graph shows that, at 31 March 2021, a hypothetical £100 invested in Investec plc at 31 March 2011 would have generated a total return of (£10) compared with a return of £183 if invested in the FTSE 350 General Finance Index. The second graph shows that, at 31 March 2021 a hypothetical R100 invested in Investec Ltd at 31 March 2011 would have generated a total return of R104 compared with a return of R169 if invested in the JSE Banks Index.

As a result of the demerger, an adjustment factor has been used to adjust the Investec historical share price and associated returns. This allows comparability between the Investec current and historical share price. The inputs to the adjustment factor calculation are the opening share price of Investec on effective date of demerger, the opening share price of Ninety One on effective date of demerger and the number of shares offered in Ninety One over the number of existing shares of Investec.

During the period from 1 April 2020 to 31 March 2021, the return to shareholders of Investec plc (measured in Pounds Sterling) and Investec Limited (measured in Rands) was 49% and 31%, respectively. This compares to a 31% return for the FTSE 350 General Finance Index and a return of 48% for the JSE Banks Index.

The market price of our shares on the LSE was £2.19 at 31 March 2021, ranging from a low of £1.26 to a high of £2.35 during the financial year. The market price of our shares on the JSE Limited was R43.27 at 31 March 2021, ranging from a low of R28.14 to a high of R46.25 during the financial year. See full details of share price high and low on page 183.

Note: Chief Executive pay

No LTIP awards had performance conditions ending in the 2017 and 2018 financial years.

Figures reported for 2019 are for each of Fani Titi and Hendrik du Toit and did not have long-term incentive awards vesting in 2019

Figures prior to 2019 are for Stephen Koseff, Figures reported for 2020 and 2021 are for Fani Titi

Short-term incentive award for 2020 rescinded at the request of Fani Titi

Details of STI and vesting LTI can be found on page 181

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Assessment of the short-term incentives for executives for the 2021 financial year (Audited)

The following table shows the achievements against the preset financial and non-financial measures and metrics for the 2021 financial year.

Measures		Weight (as a percentage of target)	Targets for 2021 Threshold (0%)	Target (100%)	Stretch (150%)	Actual perform-ance	Achieve-ment against target	Weighting achieved
Financial	Return on risk-weighted assets	30%	0.55%	0.75%	1.00%	0.82%	114.8%	34.4%
	Return on equity	30%	5.0%	6.0%	7.0%	6.6%	130.0%	39.0%
	Cost to income ratio	20%	72.0%	70.0%	68.0%	70.9%	55.0%	11.0%
Non-financial[1]	Culture, values and co-operation related measures	7%	0	4	6	5	125.0%	8.8%
	"ESG" related measures	5%	0	4	6	4	100.0%	5.0%
	Prudential and risk management related measures	8%	0	4	6	3	75.0%	6.0%
Total achieved								**104.2%**

Non-financial assessment for the 2021 financial year (Audited)

The committee assesses achievement against objectives for the non-financial measures on a seven-point scale and will award scores of 0 (0%) and 6 (150%) only in exceptional circumstances. The non-financial measures for the year ending 31 March 2021 were as follows:

	Weighting	Achievement levels						
Non-financial measures	20%	0%	25%	50%	75%	100%	125%	150%
Culture, values and co-operation related measures	7%	0	1	2	3	4	5	6
"ESG" related measures	5%	0	1	2	3	4	5	6
Prudential and risk management related measures	8%	0	1	2	3	4	5	6

Non-financial measure	Assessment	Rating (0 – 6)
Culture, values and co-operation related measures	The year began weeks after the start of the first hard lockdown in key jurisdictions and in the midst of the year end close out, which went to plan and was completed successfully and on time. Management has been extremely successful setting up and operating the working from home model for most of our people for the entire year, leading by example to ensure we continue to live our unique culture. While this has been challenging for most, management and our people and organisation function have successfully provided leadership and support to our people to ensure everybody remains engaged, our culture is reinforced, and people receive the support they need.	5
"ESG" related measures	As our new leadership structures and teams settled down the focus shifted to building leadership teaming and formalising succession plans for all senior leaders. Our Belonging, Inclusion and Diversity initiatives continue to grow across the business in spite of the challenges in working from home. We have continued to embed ESG, and particularly the E (environmental) component, with positive feedback from Just Share at our AGM last year. Led by our Chief Executive, our executive directors took a 25% salary reduction in 2020 and made a salary sacrifice donation over three months to COVID-19 causes, including the Solidarity Fund in South Africa. We have continued to be net-zero or carbon neutral in our direct operations, as has been the case since year ending 31st March 2019.	4
Prudential and risk management related measures	Our risk management structures and processes remain robust in support of the business. Capital and liquidity ratios remain strong. Our core franchise businesses have performed well through the COVID-19 health and financial crisis. A disappointment is the costs involved in managing the risk while we run down our Financial Products book, however a significant amount of work has been done to manage down the risk and book.	3

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Outcome of the short-term incentives for executives for the 2021 financial year (Audited)

The following table shows how the bonuses for each individual executive director were calculated, based on the adjusted operating profit of £377.6 million for the year, and the 104.2% performance achievement outlined above.

Name	On-target percentage pool of adjusted operating profit	On-target short-term incentive based on percentage pool (£'000)	Actual performance outcome against target	**Actual Short-term incentive outcome (£'000)**	Notes
Fani Titi	0.23%	868	104.2%	905	
Nishlan Samujh	0.12%	434	104.2%	452	
David van der Walt	—	—	—	—	Not eligible for a bonus in 2021
Richard Wainwright	0.18%	680	104.2%	708	
Ciaran Whelan	0.18%	680	104.2%	708	

All short-term incentives for the executive directors fall within the variable remuneration cap of 242.2% of fixed remuneration so no adjustments were required for that reason. In addition, the committee considered whether any further performance adjustments were required for events that occurred during the year, and whether any malus or clawback would be appropriate. The committee determined that no additional performance adjustment or malus and clawback were appropriate.

Short-term incentive and long-term incentive delivery profile

Names	Award	Total Value (£'000)	June 2021	June 2022	June 2023	June 2024	June 2025	June 2026	June 2027	June 2028
Fani Titi	**Total short-term incentive, all delivered in shares** [1/2/3]	**905**	543	109	109	28	29	29	29	29
	LTIPS awarded still subject to future performance conditions[1]	**1 000**				200	200	200	200	200
Nishlan Samujh	**Total short-term incentive, all delivered in shares** [1/2/3]	**452**	272	55	55	14	14	14	14	14
	LTIPS awarded still subject to future performance conditions[1]	**500**				100	100	100	100	100
David van der Walt	**Total short-term incentive, all delivered in shares** [1/2/3]	**0**								
	LTIPS awarded still subject to future performance conditions[1]	**0**								
Richard Wainwright	**Total short-term incentive, all delivered in shares** [1/2/3]	**708**[4]	425	89	89	21	21	21	21	21
	LTIPS awarded still subject to future performance conditions[1]	**800**				160	160	160	160	160
Ciaran Whelan	**Total short-term incentive, all delivered in shares** [1/2/3]	**708**	425	89	89	21	21	21	21	21
	LTIPS awarded still subject to future performance conditions[1]	**800**				160	160	160	160	160

1. The elements of the short-term incentive and long-term incentive delivered in shares are subject to a further twelve month post-vesting retention period.
2. Unvested deferred share awards are not eligible to receive dividends or dividend equivalents. Once they have vested they become entitled to receive dividends.
3. The short-term incentive awards detailed above are not subject to any further performance conditions.
4. The figure shown above is the full year bonus for Richard Wainwright which is subject to deferral as per the Directors' Remuneration Policy, the figure shown in the single figure table on page 173 is pro rated for length of service as an executive director.

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Assessment of the long-term incentive awards awarded in May 2018 (Audited)

The following table shows the achievements against the preset financial and non-financial measures and metrics for the long-term incentive awards which were awarded in May 2018. The vesting of these awards is subject to achievement against performance conditions covering the period from 1 April 2018 to 31 March 2021. The current executive directors were not granted long-term incentive awards under the EIP 2013 in May 2018. Awards were made in May 2018 to the former executive directors therefore the vesting outcomes are only relevant to those executive directors. These are Stephen Koseff, Bernard Kantor and Glynn Burger.

			Targets to 31 March 2021					
		Weight (as a percentage of target)	Threshold (0%)	Target (100%)	Stretch[1] (150%)	**Actual perfor-mance**	**Achieve-ment against target**	**Weighting achieved**
Financial	Growth in tangible net asset value[2]	40%	15.0%	30.0%	45.0%	34.2%	113.9%	45.6%
	Return on risk-weighted assets[3]	35%	0.70%	1.20%	1.60%	1.16%	91.2%	31.9%
Non-financial[1]	Culture and values	4%	0	2	4	2	100.0%	4.0%
	Franchise development	13%	0	2	4	2	100.0%	13.0%
	Governance and regulatory	4%	0	2	4	2	100.0%	4.0%
	Employee relationship	4%	0	2	4	2	100.0%	4.0%
Total achieved								**102.5%**

1. 200% stretch for non-financial measures.
2. The growth in tangible net asset value is expressed per share, based on neutral currency and after adding back dividends and is measured over three financial years preceding the first date of vesting.
3. Return on risk-weighted assets is defined as adjusted earnings/average risk-weighted assets, where adjusted earnings are earnings attributable to ordinary shareholders after taxation, non-controlling interests and preference dividends, but before goodwill, acquired intangibles and non-operating items, and is measured over the three financial years preceding the first date of vesting by averaging the actual return on risk-weighted assets achieved for each of those three financial years.

Stephen Koseff and Bernard Kantor were awarded 264 759 shares each on 31 May 2018. Given the vesting at 102.5%, pro rata for length of service (both retired as executive directors on 8 August 2019), the final number of Investec shares that vested for each was 122 414. A further 61 207 Ninety One plc shares also vested, in line with the treatment of Investec shares at the demerger. Glynn Burger was awarded 239 066 shares on 31 May 2018. Given the vesting at 102.5%, pro rata for length of service (resigned as an executive director on 31 March 2019), the final number of Investec shares that vested for Glynn Burger was 81,671. A further 40 835 Ninety One plc shares also vested, in line with the treatment of Investec shares at the demerger. The committee considered whether malus or clawback would be appropriate for any events that occurred prior to vesting. The committee determined that no malus and clawback adjustments would be appropriate.

These long-term incentive shares vest 20% per annum commencing on 31 May 2021 through to 31 May 2025. They are subject to a further twelve month retention period following each vesting date. No dividends or dividend equivalents are earned on these awards prior to vesting.

The grant price per share at date of award was £5.59, and the opening prices on the first available date after vesting (1 June 2021) were £2.96 for the Investec plc shares and £2.36 for the Ninety One shares.

Non-financial assessment for the 2018 LTIP award vesting in May 2021 (Audited)

The committee assessed achievement against objectives for the non-financial measures on a five-point scale. The awards were tested over the three financial years preceding the date of vesting.

	Weighting	**Achievement levels**				
Non-financial metrics	25%	0%	50%	100%	150%	200%
Culture and values	4%	0	1	2	3	4
Franchise development	13%	0	1	2	3	4
Governance and regulatory and shareholder relationships	4%	0	1	2	3	4
Employee relationship and development	4%	0	1	2	3	4

ANNUAL REPORT ON REMUNERATION
CONTINUED

The following sets out the committee's assessment of the 2018 awards in respect of the non-financial performance conditions:

Non-financial measure	Assessment	Rating (0 – 4)
Culture and values	The first half of the period represented the final eighteen months of the significant leadership change from the founders, as well as a new strategy and refreshed leadership teams while focusing on the business, its clients and people, culture and values. Both outgoing and incoming leaders engaged effectively with our people, reinforcing our values and culture and providing appropriate leadership.	2
Franchise development	Our core banking and wealth franchises continued to grow across our major jurisdictions. The demerger of Investec Asset Management (now Ninety One) was successfully completed during the period. Our focus and commitment to leading environmental, social (both internally and externally) and governance strategies continued through the period.	2
Governance and regulatory and shareholder relationships	Our incoming leadership team built their relationships with key stakeholders, including regulators and shareholders, supported appropriately by the outgoing leaders.	2
Employee relationship and development	Through the leadership transition and beyond, our leadership both incoming and outgoing has focused on engaging with our people about our values and culture, our refreshed strategy and our Belonging, Inclusion and Diversity commitment ensuring our people remain engaged.	2

Historic short-term and long-term incentive vesting for the Chief Executive

	2012	2013	2014	2015	2016	2017	2018	2019 [1]	2020 [2]	2021
Annual short-term incentive as a percentage of maximum opportunity	n/a [3]	n/a [3]	50 %	65 %	95 %	92 %	95 %	43 %	0% [4]	69 %
Vesting of long-term incentive as a percentage of maximum	n/a	n/a	n/a	n/a	100 %	n/a [5]	n/a [5]	n/a	n/a	76 %

1. Percentages reported for 2019 are for Fani Titi and Hendrik du Toit. They did not have any long-term incentives awards vesting with reference to the 2019 financial year. Percentages prior to 2019 detailed in the table are for Stephen Koseff.
2. Figures reported for 2020 are for Fani Titi.
3. Prior to 2014 annual bonuses were not determined in terms of a formulaic approach where maximum and minimum awards could be derived
4. Award rescinded at the request of Fani Titi.
5. No LTIP awards had performance conditions ending in the 2017 and 2018 financial years.

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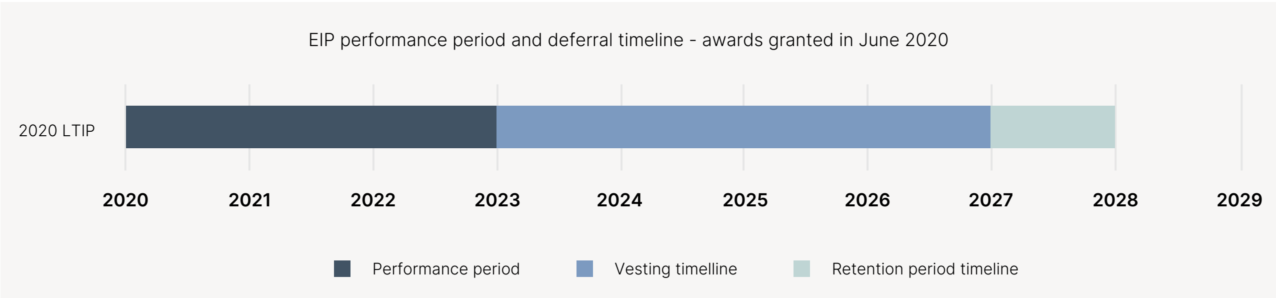
Scheme interests awarded, exercised and lapsed during the year (audited)

Investec plc shares*

Name	Award name and date	Balance as at 1 April 2020 – shares	Awarded during the year – shares	Awarded – face value £'000	Exercised	Lapsed	As at 31 March 2021
Fani Titi	EIP 2013 June 2020	—	769 231	1 200	—	—	769 231
Nishlan Samujh	EIP 2013 June 2020	—	384 616	600	—	—	384 616

Notes:
David van der Walt, Richard Wainwright and Ciaran Whelan did not have any awards, exercises or lapses in respect of their service as DLC executive directors under the EIP during the year.



* First vesting aligns with the end of the performance period

EIP 2013 – awarded 2020
These awards formed part of the variable remuneration for the financial year ending 31 March 2020. They are conditional shares and the face value at grant of awards would ordinarily be equivalent to 100% of fixed remuneration, however the committee exercised discretion and reduced the grants by 10% to reflect the significant reduction in share price in the months prior to grant. The share price used to calculate the number of shares awarded was based on the five day average closing market share price from 27 May to 2 June 2020, which was £1.56. The performance measures and metrics are as shown below.

Financial measures (75%)

Measure	Weighting	Achievement levels		
Financial measures	**75%**	**Threshold (0%)**	**Target (100%)**	**Stretch (150%)**
Growth in tangible net asset value[1]	40%	10%	25%	40%
Return on risk-weighted assets[2]	35%	1.00%	1.25%	1.50%

1. The growth in tangible net asset value is expressed per share, based on neutral currency and after adding back dividends and will be measured cumulatively over the three financial years preceding the first date of vesting.
2. Return on risk-weighted assets is defined as adjusted earnings/average risk-weighted assets, where adjusted earnings are earnings attributable to ordinary shareholders after taxation, non-controlling interests and preference dividends, but before goodwill, acquired intangibles and non-operating items, and will be measured over the three financial years preceding the first date of vesting by averaging the actual return on risk-weighted assets achieved for each of those three financial years.

ANNUAL REPORT ON REMUNERATION
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Non-financial measures (25%)

The committee assesses achievement against objectives for the non-financial measures on a seven-point scale and will award scores of 0 (0%) and 6 (200%) only in exceptional circumstances. The non-financial measures for the award in respect of the year ending 31 March 2020 are as follows:

Measure	Weighting	Achievement levels						
Non-financial measures	**25%**	**0%**	**25%**	**50%**	**75%**	**100%**	**150%**	**200%**
Culture and values	4%	0	1	2	3	4	5	6
Franchise development	13%	0	1	2	3	4	5	6
Governance and regulatory and shareholder relationships	4%	0	1	2	3	4	5	6
Employee relationship and development	4%	0	1	2	3	4	5	6

Directors' interest in preference shares as at 31 March 2021 (audited)

	Investec plc		Investec Limited		Investec Bank Limited	
Name	**31 March 2021**	**1 April 2020**	**31 March 2021**	**1 April 2020**	**31 March 2021**	**1 April 2020**
Stephen Koseff	12 139	12 139	3 000	3 000	3 000	4 000

The market price of an Investec Limited preference share at 31 March 2021 was R62.29 (2020: R49.97).
The market price of an Investec Bank Limited preference share at 31 March 2021 was R68.99 (2020: R50.00).
The market price of an Investec plc preference share at 31 March 2021 was R71.00 (2020: R90.00).

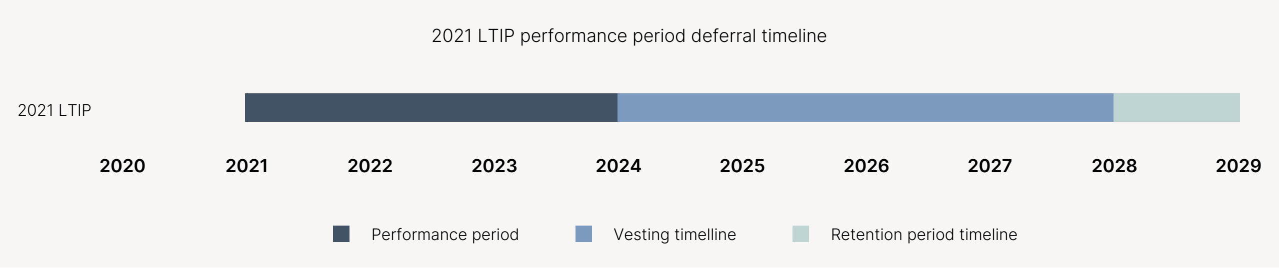
The number of shares in issue and share prices for Investec plc and Investec Limited

	31 March 2021	31 March 2020	High over the period	Low over the period
Investec plc share price	£2.19	£1.52	£2.35	£1.26
Investec Limited share price	R43.27	R33.99	R46.25	R28.14
Number of Investec plc shares in issue (million)	696.1	696.1		
Number of Investec Limited shares in issue (million)	318.9	318.9		

Scheme interests awarded in respect of the financial year ended 31 March 2021 (audited)
Investec plc shares

Name	Award	As at 1 April – shares	Award date	Awarded – shares	Awarded – face value £'000
Fani Titi	EIP 2013 – 2021	–	27 May 2021	349 651	1 000 000
Nishlan Samujh	EIP 2013 – 2021	–	27 May 2021	174 826	500 000
Richard Wainwright	EIP 2013 – 2021	–	27 May 2021	279 721	800 000
Ciaran Whelan	EIP 2013 – 2021	–	27 May 2021	279 721	800 000

These are conditional shares and the awards formed part of the variable remuneration of the executive directors for the financial year ending 31 March 2021. The face value at award of these awards was equivalent to 100% of fixed remuneration. The share price used to calculate the number of shares granted was based on the five day average closing market price from 18 to 24 May 2021, which was £2.86. Vesting is subject to achievement against performance conditions; the performance period, vesting schedule and holding periods are outlined below. The first vesting will be on 27 May 2024, with 20% vesting per annum from that date until 27 May 2028, subject to achievement against the performance targets.



ANNUAL REPORT ON REMUNERATION
CONTINUED

Financial measures (75%)

Measure	Weighting	Achievement levels		
Financial measures	**75%**	**Threshold (0%)**	**Target (100%)**	**Stretch (150%)**
Growth in tangible net asset value[1]	40%	15%	30%	45%
Return on risk-weighted assets[2]	35%	1.1%	1.4%	1.7%

1. The growth in tangible net asset value is expressed per share, based on neutral currency and after adding back dividends and will be measured cumulatively over the three financial years preceding the first date of vesting.
2. Return on risk-weighted assets is defined as adjusted earnings/average risk-weighted assets, where adjusted earnings are earnings attributable to ordinary shareholders after taxation, non-controlling interests and preference dividends, but before goodwill, acquired intangibles and non-operating items, and will be measured over the three financial years preceding the first date of vesting by averaging the actual return on risk-weighted assets achieved for each of those three financial years.

Non-financial measures (25%)

The committee assesses achievement against objectives for the non-financial measures on a seven-point scale and will award scores of 0 (0%) and 6 (200%) only in exceptional circumstances. The non-financial measures for awards made in respect of the year ending 31 March 2021 are as follows:

Measure	Weighting	Achievement levels						
Non-financial measures	**25%**	**0%**	**25%**	**50%**	**75%**	**100%**	**150%**	**200%**
Culture and values	4%	0	1	2	3	4	5	6
Franchise development	13%	0	1	2	3	4	5	6
Governance and regulatory and shareholder relationships	4%	0	1	2	3	4	5	6
Employee relationship and development	4%	0	1	2	3	4	5	6

Payments to past directors and payments for loss of office (audited)

No such payments have been made in the year ending 31 March 2021

ANNUAL REPORT ON REMUNERATION
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Statement of directors' shareholding and share interests (audited)

Name	Beneficial and non-beneficial interest Investec plc		% of shares in issue Investec plc	Beneficial and non-beneficial interest Investec Limited		% of shares in issue Investec Limited	Share-holdings requirements met?[1]
Executive directors	**31 March 2021**	1 April 2020	**31 March 2021**	**31 March 2021**	1 April 2020	**31 March 2021**	
Fani Titi[2]	541 970	145 481	0.08%	—	—	0.00%	No[2]
Nishlan Samujh	181 844	625	0.03%	230 451	201 080	0.07%	No[3]
David van der Walt	566 907	566 907	0.08%	90 140	90 140	0.03%	n/a
Richard Wainwright	—	—	0.00%	830 316	738 650	0.26%	Yes
Ciaran Whelan	689 134	512 690	0.10%	437 076	437 076	0.14%	Yes
Total	**1 979 855**	**1 225 703**	**0.29%**	**1 587 983**	**1 466 946**	**0.50%**	
Non-executive directors							
Perry Crosthwaite (Chair)	115 738	115 738	0.02%	—	—	0.00%	n/a
Henrietta Baldock	—	—	0.00%	—	—	0.00%	n/a
Zarina Bassa	—	—	0.00%	—	—	0.00%	n/a
David Friedland	—	—	0.00%	—	—	0.00%	n/a
Philip Hourquebie	—	—	0.00%	—	—	0.00%	n/a
Charles Jacobs	—	—	0.00%	—	—	0.00%	n/a
Ian Kantor	9 045	9 045	0.00%	325	325	0.00%	n/a
Stephen Koseff[4]	3 270 323	6 327 759	0.47%	221 215	537 416	0.07%	Yes
Lord Malloch-Brown	—	—	0.00%	—	—	0.00%	n/a
Khumo Shuenyane	19 900	19 900	0.00%	—	—	0.00%	n/a
Philisiwe Sibiya	—	—	0.00%	—	—	0.00%	n/a
Total	**3 415 006**	**6 472 442**	**0.49%**	**221 540**	**537 741**	**0.07%**	
Total	**5 394 861**	**7 698 145**	**0.78%**	**1 809 523**	**2 004 687**	**0.57%**	

The number of shares in issue and share prices for Investec plc and Investec Limited over the period is provided on page 183.

1. The executive directors have a shareholding requirement of 200% of fixed remuneration during employment. Post-termination shareholding requirements are also the lower of 200% of fixed remuneration, or the holding on termination for two years post termination. Calculation based on fully vested shares that are detailed within the table above and all other shares awards that are no longer subject to performance conditions, as at 31 March 2021.
2. Fani Titi was appointed as an executive director on 1 April 2018 and will be able to build up his shareholdings over a reasonable period of time, particularly taking into account the vesting schedule of shares awarded through the short-term incentive and long-term incentive.
3. Nishlan Samujh was appointed as an executive director on 1 April 2019 and will be able to build up his shareholdings over a reasonable period of time, particularly taking into account the vesting schedule of shares awarded through the short-term incentive and long-term incentive.
4. Stephen Koseff was appointed as non-executive director on 17th September 2020.

ANNUAL REPORT ON REMUNERATION
CONTINUED

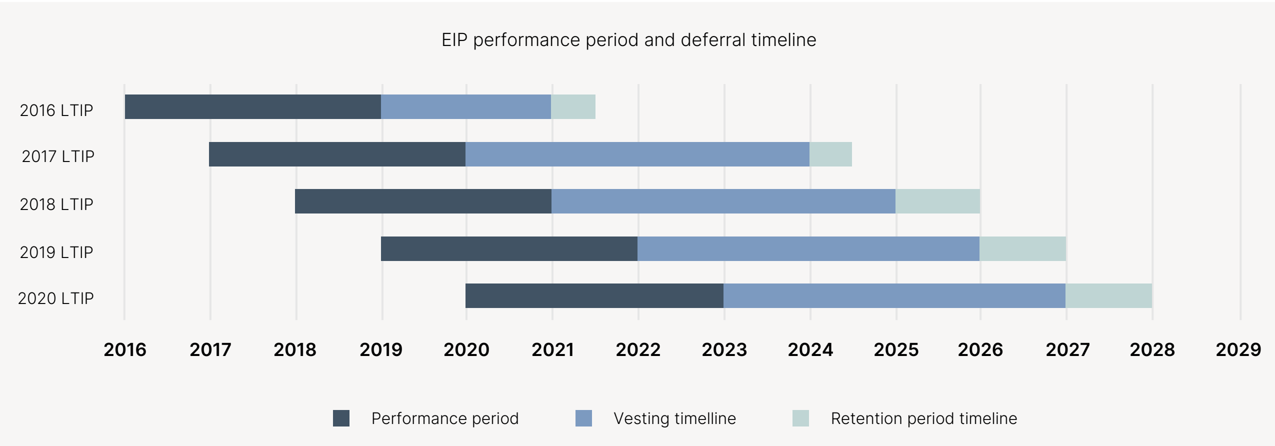
Directors' interests in the Investec plc Executive Incentive Plan 2013 at 31 March 2021 (audited)

Investec shares

The Executive Incentive Plan and the awards made thereunder were approved at the August 2018 annual general meeting.

Name	Date of award	Exercise price	Number of Investec plc shares at 1 April 2020	Conditional awards made during the year	Balance at 31 March 2021
Fani Titi	29 May 2019	Nil	278 080		278 080
	5 June 2020	Nil		769 231	769 231
Nishlan Samujh	5 June 2020	Nil		384 616	384 616

Note: Upon termination of employment awards will be pro rated based on service over the performance period



* First vesting aligns with the end of the performance period

** The June 2016 and 2017 awards have a 6 month retention period post vesting and all other awards a 12 month retention period

Outstanding unvested deferred share awards not subject to performance conditions granted in respect of service as an executive director

Name	Award type	Performance conditions	Eligible for dividends	Vesting period	Total number outstanding at 31 March 2021
Fani Titi	INVP Conditional shares	None	No	From 1 to 7 years	36 902
Nishlan Samujh	INVP Conditional shares	None	No		
David van der Walt	INVP Conditional shares	None	No		
Richard Wainwright	INVP Conditional shares	None	No		
Ciaran Whelan	INVP Conditional shares	None	No		

These awards are all unvested shares that were deferred as part of prior year remuneration. They lapse on resignation or termination for misconduct, although they may be retained if the director is considered a "good leaver".

ANNUAL REPORT ON REMUNERATION
CONTINUED

Summary of Investec's share option and long-term incentive plans

Eligibility	Maximum award per individual		Instrument vesting period	Options/ shares awarded during the year[2]	Total in issue at 31 March 2021
Investec 1 Limited Share Incentive Plan – 16 March 2005 – Investec plc [1,2]					
New and existing full-time employees	Cumulative limit of 2 500 000 across all plans	INVP	Long-term incentive awards - nil cost options:	–	15 000
	Excluding deferred bonus share awards		Non-Material Risk Takers: vesting 75% at the end of year four and 25% at the end of year five	0.001% of issued share capital of company	
	In any financial year: 1x remuneration package		Material Risk Takers: vesting 75% at the end of 3.5 years and 25% at the end of 4.5 years with 12 month retention		
New and existing full-time employees	Cumulative limit of 2 500 000 across all plans	INVP	Long-term share awards: forfeitable shares and conditional shares	3 918 500	14 354 736
	Excluding deferred bonus share awards		One third vesting at the end of years three, four and five for non-material risk takers	1.41% of issued share capital of company	
	In any financial year: 1x remuneration package				
New and existing full- time employees	Cumulative limit of 2 500 000 across all plans	INVP	Market strike options: 25% vesting at the end of years 2, 3, 4 and 5	–	40 787
	Excluding deferred bonus share awards			0.004% of issued share capital of company	
	In any financial year: 1x remuneration package				
Investec plc Executive Incentive Plan – 2013 [1]					
Executive management and material risk takers	Cumulative limit of 2 500 000 across all plans	INVP	Long-term share awards: Junior Material Risk Takers: vest one third at the end of 2, 3 and 4 years	2 973 005	6 671 867
	Excluding deferred bonus share awards		Risk Managers and FCA Designated Senior Managers: vest one third at the end of 2.5, 3.5 and 5 years	0.66% of issued share capital of company	
	In any financial year: 1x remuneration		PRA Designated Senior Managers: vest 25% per annum from 3-7 years All have a 12 month retention period thereafter, with the exception of risk managers who have a 6 month retention period		

ANNUAL REPORT ON REMUNERATION
CONTINUED

Eligibility	Maximum award per individual		Instrument vesting period	Options/ shares awarded during the year[2]	Total in issue at 31 March 2020
Investec Limited Share Incentive Plan – 16 March 2005 – Investec Limited [1,2]					
New and existing full- time employees	Cumulative limit of 2 500 000 across all plans	INL	Long-term incentive awards - nil cost options:	–	–
	Excluding deferred bonus share awards		Vesting 75% in year 4 and 25% in year 5	0.00% of issued share capital of company	
	In any financial year: 1x remuneration package				
New and existing full- time employees	Cumulative limit of 2 500 000 across all plans	INL	Long-term share awards: forfeitable shares and conditional shares	9 813 855	24 817 072
	Excluding deferred bonus share awards		Vesting one third in years 3, 4 and 5	2.45% of issued share capital of company	
	In any financial year: 1x remuneration package	IPF		1 496 185	1 496 185

New share plans

Investec would like to introduce new share plans, the Investec plc Share Incentive Plan 2021 in the plc regions and Investec Limited Share Incentive Plan 2021 in the Limited regions, that can be used to grant awards to all employees including executive directors. The purpose of the new share incentive plans is to update the existing documents after an extensive review of the legal and tax rules in all relevant jurisdictions. As the proposed plans can be used to grant awards to all employees there is considerable flexibility in the types of awards which can be granted under the plans.

These plans will be approved for the ensuing 10 year period and a summary of the plans will be included in the AGM circular which will include resolutions for approval by shareholders.

1. The limits for allocations to employees and executive management during a financial year may be exceeded if the directors determine that exceptional circumstances make it desirable that awards should be granted in excess of that limit.
2. The rules of these long-term incentive plans do not allow awards to be made to executive directors, with the exception of the Executive Incentive Plan 2013.

ANNUAL REPORT ON REMUNERATION
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Non-executive directors
The fee structure for non-executive directors for the period ending 31 August 2021 and as proposed for 2022 are shown in the table below.

Non-executive directors' remuneration	Reduction in fees at 31 Aug 2020	Period ending 31 August 2021	As proposed by the board for the period from 1 September 2021 to 1 August 2022	% change
Chair's total fee	(20%)	£360,000 per year	£375,000 per year	4%
Basic non-executive director fee	(10%)	£67,500 per year	£70,000 per year	4%
Senior independent director	(10%)	£9,000 per year	£10,000 per year	11%[1]
Chair of the DLC audit committee	(15%)	£68,000 per year	£68,000 per year	0%
Chair of the DLC remuneration committee	(15%)	£39,950 per year	£40,500 per year	1%
Chair of the DLC social and ethics committee	(15%)	£25,500 per year	£30,000 per year	18%[2]
Chair of the board risk and capital committee	(15%)	£39,100 per year	£40,500 per year	4%
Member of the DLC audit committee	(10%)	£22,500 per year	£23,000 per year	2%
Member of the DLC remuneration committee	(10%)	£15,750 per year	£15,750 per year	0%
Member of the DLC nominations and directors' affairs committee	(10%)	£11,700 per year	£11,700 per year	0%
Member of the DLC social and ethics committee	(10%)	£11,700 per year	£12,000 per year	3%
Member of the board risk and capital committee	(10%)	£13,950 per year	£14,500 per year	4%
Designated NED responsible for workforce engagement	0%	£10,000 per year	£10,000 per year	0%
Per diem fee for additional work committed to the group	(10%)	£1,800/R27,000	£1,800/R27,000	0%

1. Increase in fees for senior independent director to align with market rates.
2. Increase in fees for Chair of the DLC social and ethics committee to reflect the increased workload and responsibilities of the committee Chair.

ANNUAL REPORT ON REMUNERATION
CONTINUED

Non-executive directors' single total remuneration figure (audited)

The table below provides a single total remuneration figure for each non-executive director over the financial period. Executive and non-executive directors donated a portion of their remuneration/fees via salary sacrifice during the year to COVID-19 causes including the Solidarity Fund in South Africa.

Name	**Total remuneration 2021 £**	Total remuneration 2020 £	Date of appointment to the board as non-executive director
Perry Crosthwaite (Chair)	376 125	450 000	18 June 2010
Henrietta Baldock	95 748	58 319	9 August 2019
Zarina Bassa[1]	332 911	286 101	1 November 2014
David Friedland	193 624	214 214	1 March 2013
Philip Hourquebie[1]	233 434	205 185	14 August 2017
Charles Jacobs	87 104	80 941	8 August 2014
Ian Kantor[2]	26 154	80 801	26 June 2002
Stephen Koseff[3]	44 192	966 000	17 September 2020
Lord Malloch-Brown	110 242	118 000	8 August 2014
Khumo Shuenyane	207 976	252 961	8 August 2014
Philisiwe Sibiya	108 763	74 429	9 August 2019
Total in Pounds Sterling	**1 816 273**	**2 786 951**	

1. In order to ensure alignment with the broader Investec group, the Chairs of the Group Audit, Remuneration and Risk Committees are members of those committees recently established by the group's key operating subsidiaries, for which appointments they receive a fee. Additionally 2021 fees for Zarina Bassa and Philip Hourquebie include fees received during the financial period for committee work performed from January 2019 to June 2020. Accordingly, the fees disclosed for Philip Hourquebie and Zarina Bassa increased over the period, notwithstanding the overall reduction to NED fees from 1 September 2020.
2. Ian Kantor was a non-independent non-executive director and stood down on 6th August 2020.
3. Stephen Koseff was appointed as non-independent non-executive director on 17th September 2020, he was an executive director until 8 August 2019 and the 2020 total remuneration figure includes all elements of remuneration for him as an executive director.

Non-executive directors do not receive any additional taxable benefits. On the recommendation of the Nominations and Directors' Affairs Committee (Nomdac), independent non-executive directors will be appointed for an expected term of nine years (three times three-year terms) from the date of their first appointment to the board. In accordance with the UK Corporate Governance Code, all of the directors will retire and those willing to serve again will submit themselves for re-election at the AGM.

ANNUAL REPORT ON REMUNERATION
CONTINUED

Statement of implementation of remuneration policy in the following financial year

The proposed remuneration policy, as outlined on pages 160 to 169, will be in operation for the 2021/2022 financial year, subject to shareholder approval. Within the proposed policy, fixed (with the exception of the Group Finance Director) and maximum total remuneration remain unchanged following a 25% reduction in the 2021 policy, however some adjustments have been made to align more closely with our strategy. The policy will be voted on at the AGM on 5 August 2021. The key features of the proposed policy and changes from the previous policy are detailed on page 161.

Short-term incentive

The weightings for the financial measures for the annual short-term incentive for the 2022 year will be as follows, and threshold target and stretch levels will be disclosed in the 2022 annual report due to commercial sensitivity:

Financial measures

	Weighting	Achievement levels		
Financial measures	**80%**	**Threshold (25%)**	**Target (100%)**	**Stretch (200%)**
Profit before tax	30%	Targets have been set and agreed with the executive directors' and will be disclosed in the 2022 annual report due to commercial sensitivity		
Return on equity[1]	30%			
Cost to income ratio	10%			
Cost growth metric	10%			

1. Return on equity is defined as adjusted earnings/average ordinary shareholders' equity (excluding preference share capital).

Non-financial measures:

The committee assesses achievement against objectives for the non-financial measures on a 5 point scale as illustrated below

Measure	Weighting	Achievement levels					
	20%	**0%**	**25%**	**50%**	**100%**	**150%**	**200%**
Culture and values	5%	0	1	2	3	4	5
ESG related measures	5%	0	1	2	3	4	5
Strategic objectives	10%	0	1	2	3	4	5

Long-term incentive

The measures for the annual long-term incentive award to be granted in May 2022 year will be as follows:

Financial measures

	Weighting	Achievement levels		
Financial measures	**80%**	**Threshold (25%)**	**Target (100%)**	**Stretch (150%)**
Growth in net tangible asset value[1]	30%	The threshold, target and stretch levels will be confirmed prospectively at the time of award		
Return on equity[2]	30%			
Relative TSR	20%			

1. The growth in net tangible asset value is expressed per share, based on neutral currency and after adding back dividends and will be measured cumulatively over the three financial years preceding the first date of vesting.
2. Return on equity is defined as adjusted earnings/average ordinary shareholders' equity (excluding preference share capital).

Non-financial measures:

The committee will assess achievement against objectives for the non-financial measures on a 5 point scale and will award scores of 0 (0%) and 5 (150%) only in exceptional circumstances. The non-financial measures and achievement levels for the year ending 31 March 2022 are unchanged, as follows:

Measure	Weighting	Achievement levels					
	20%	**0%**	**25%**	**63%**	**100%**	**125%**	**150%**
Strategic & ESG (incorporating culture and values)	10%	0	1	2	3	4	5
Risk scorecard	10%	0	1	2	3	4	5

ANNUAL REPORT ON REMUNERATION
CONTINUED

Statement of voting at the annual general meeting

The combined results on each of the remuneration resolutions passed at the 2020 annual general meetings of Investec plc and Investec Limited were as follows:

	Number of votes cast "for" resolution	% of votes "for" resolution	Number of votes cast "against" resolution	% of votes "against" resolution	Number of abstentions
To approve the Directors' Remuneration Report	602 017 078	76.12%	188 905 936	23.88%	1 801 640
To approve the non-executive directors' remuneration	781 705 142	98.73%	10 027 170	1.27%	992 342
To approve the Directors' Remuneration Policy	596 259 658	75.40%	194 494 260	24.60%	1 970 736

We undertook consultation exercises in 2019 with our key shareholders which focused on the technical adjustments in relation to the demerger of Ninety One. These adjustments were supported at the 2019 AGM.

We undertook consultation with our key shareholders again in 2020, focusing on our one year proposed remuneration policy which was approved at the 2020 AGM. The key change in this policy was a reduction in remuneration of approximately 25%. We received considerable positive feedback and support from a range of shareholders during that process, but were disappointed to receive votes in favour of the remuneration resolutions slightly below 80%.

Subsequently we engaged in an extensive consultation exercise in February 2021 with our key shareholders to obtain input into the design of our proposed 2022 remuneration policy. We, by and large, received positive and constructive feedback, and we incorporated some changes as a result of this feedback. These changes aim to align reward more closely with business performance and adherence to our strategy.

We look forward to consulting further in the run up to the AGM, as we normally do.

Equity and inclusion, including gender pay gap reporting

While we have actively tried to increase the diversity of our senior leadership, we recognise that across our organisation we have more work to do. We have thus put together our own set of diversity principles to help define the framework for that journey. These apply across the global business and apply to all our efforts, including transformation in South Africa.

- We believe in the importance and benefits of diversity and foster a culture that is supportive and inclusive of different perspectives and experiences.
- As a global specialist bank and wealth manager, our workforce should reflect the diversity of our global client base.
- We are progressing towards a working environment that is more agile and responsive to the needs of all individuals, for example with flexible work arrangements encouraged where appropriate.
- We work proactively to rebalance our organisation in line with the communities in which we operate through entrepreneurship and education, and leveraging the value in our diversity.
- We will continue to measure and track progress annually and strive to achieve our targets through concrete actions.

Investec UK gender pay gap reporting

The official UK gender pay gap results, required under the UK gender pay gap legislation are published on our website and are shown on page 175.

Additional remuneration disclosures (audited) A

South African Companies Act, 2008 disclosures

In compliance with regulatory developments in South Africa, Investec Limited is required to disclose the remuneration of those individuals that are defined by the South African Companies Act, No 71 of 2008 (as amended), read together with the Companies Regulations 2011 (together the Act), as prescribed officers.

A prescribed officer is a person who "Exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the company" this is the Chief Executive's executive committee (The DLC executive). For the 2021 year that was:

- Fani Titi
- Nishlan Samujh
- David van der Walt
- Richard Wainwright and
- Ciaran Whelan.

PRA AND FCA REMUNERATION CODE AND PILLAR III DISCLOSURES

PRA and FCA Remuneration Code and Pillar III disclosures
In terms of the PRA's Chapter on Disclosure Requirements and Part 8 of the Capital Requirements Regulation the bank in the UK is required to make certain quantitative and qualitative remuneration disclosures on an annual basis with respect to Material Risk Takers.

Material Risk Takers are defined as those employees (including directors) whose professional activities could have a material impact on the bank's risk profile. A total of 60 individuals were Material Risk Takers at 31 March 2021.

The bank's qualitative remuneration disclosures are provided on pages 153 to 192.

The information contained in the tables below sets out the bank's quantitative disclosures in respect of Material Risk Takers for the year ended 31 March 2021.

Aggregate remuneration by remuneration type awarded during the financial year

	Senior management	Other Material Risk Takers	**Total**
Fixed remuneration			
– Cash	9.3	12.6	21.9
– Shares	—	—	—
Variable remuneration*			
– Upfront cash	1.3	1.9	3.2
– Deferred cash	0.1	0.2	0.3
– Upfront shares	2.2	2.5	4.7
– Deferred shares	0.9	0.7	1.6
– Deferred shares – long-term incentive awards**	3.9	4.9	8.8
Total aggregate remuneration and deferred incentives (£'million)	**17.7**	**22.8**	**40.5**
Number of employees	21	33	54
Ratio between fixed and variable pay	0.9	0.8	0.8

* Total number of employees receiving variable remuneration was 42.
** Value represents the number of shares awarded multiplied by the applicable share price. These awards were made during the period but have not yet vested. These awards are subject to performance conditions and vest over a period of two and a half to four and a half years, up to three to seven years, determined by regulatory requirements. They are also subject to a six or 12 month retention period after vesting.

Material Risk Takers received total remuneration in the following bands:

	Number of Material Risk Takers
£800 000 – £1 200 000	7
£1 200 001 – £1 600 000	7
£1 600 001 – £2 000 000	2
£2 000 001 – £2 400 000	1
£2 400 001 – £2 800 000	0
£2 800 001 – £3 200 000	1
£3 200 001 – £3 600 000	0
£3 600 001 – £4 000 000	0
£4 000 001 – £4 400 000	0
£4 400 001 – £4 800 000	0
£4 800 001 – £5 200 000	0
> £5 200 001	0

PRA AND FCA REMUNERATION CODE AND PILLAR III DISCLOSURES
CONTINUED

Additional disclosure on deferred remuneration

£'million	Senior management	Other Material Risk Takers	Total
Deferred unvested remuneration outstanding at the beginning of the year	26.7	22.9	49.6
Deferred unvested remuneration adjustment – employees no longer Material Risk Takers and reclassifications	(3.9)	(3.1)	(7.0)
Deferred remuneration awarded in year	4.9	5.8	10.7
Deferred remuneration reduced in year through performance adjustments	—	—	—
Deferred remuneration reduced in year through malus and clawback adjustments^^	—	—	—
Deferred remuneration vested in year	(4.2)	(7.0)	(11.2)
Deferred unvested remuneration outstanding at the end of the year	**23.5**	**18.6**	**42.1**

^^ All employees are subject to malus and clawback provisions. No remuneration was reduced for ex post implicit adjustments during the year.

£'million	Senior management	Other Material Risk Takers	Total
Deferred unvested remuneration outstanding at the end of the year			
Equity	22.1	16.4	38.5
Cash	1.3	2.1	3.4
	23.4	**18.5**	**41.9**

£'million	Senior management	Other Material Risk Takers	Total
Deferred remuneration vested in year			
For awards made in 2019 financial year	0.9	1.5	2.4
For awards made in 2018 financial year	1.4	2.7	4.1
For awards made in 2017 financial year	1.2	2.2	3.4
For awards made in 2016 financial year	0.8	0.5	1.3
	4.3	**6.9**	**11.2**

Other remuneration disclosures

£'million	Senior management	Other Material Risk Takers	Total
Sign-on payments			
Made during the year (£'million)	—	—	—
Number of beneficiaries	—	—	—
Severance payments			
Made during the year (£'million)	0.2	1.7	1.9
Number of beneficiaries	2	8	10
Guaranteed bonuses			
Made during the year (£'million)	—	—	—
Number of beneficiaries	—	—	—

PRA AND FCA REMUNERATION CODE AND PILLAR III DISCLOSURES
CONTINUED

Pillar III remuneration disclosures
Investec Bank Ltd is required to make certain quantitative and qualitative remuneration disclosures on an annual basis in terms of the South African Prudential Authority's Basel Pillar III disclosure requirements.

The Pillar 3 remuneration disclosures will be set out in the Investec Bank Ltd pillar III risk management report.

Key Management Personnel
Details of directors' remuneration and interest in shares are disclosed within the annual report on remuneration section of this report. IAS 24 "Related party disclosures" requires the following additional information for key management compensation.

Compensation of key management personnel	**2021 £'000**	2020 £'000
Short-term employee benefits	12 208	12 912
Other long-term employee benefits	4 510	6 693
Share-based payments	2 925	6 697
Total	**19 643**	**26 302**

Shareholdings, options and other securities of key management personnel

	2021 000's	2020 000's
Number of options held over Investec plc or Investec Limited ordinary shares under employee share schemes	2 395	4 914

	2021 000's	2020 000's
Number of Investec plc or Investec Limited Ordinary shares held beneficially and non-beneficially	5 150	4 659

We have defined key management personnel as the executive directors of Investec DLC plus those classified as persons discharging managerial responsibility. For this year, in addition to the directors listed in the report, those are Henry Blumenthal, Mark Currie, Marc Kahn, Ruth Leas, Stuart Spencer and Lyndon Subroyen.

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Annexures

GLOSSARY

AFS	Available for sale
AGM	Annual general meeting
AI	Artificial Intelligence
AIRB	Advanced Internal Ratings-Based
ALCO	Asset and Liability Committee
AOP	Adjusted operating profit
AT1	Additional Tier 1
BASA	Banking Association of South Africa
BBLS	Bounce Back Loan Scheme
BCBS	Basel Committee of Banking Supervision
BID	Belonging, Inclusion and Diversity
BIS	Bank for International Settlements
BoE	Bank of England
BOM	Bank of Mauritius
BRCC	Board Risk and Capital Committee
BSE	Botswana Stock Exchange
CA	Chartered Accountant
CAM	Combined Assurance Matrix
CBILS	Coronavirus Business Interruption Loan Scheme
CDO	Collateralised debt obligation
CEO	Chief Executive
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CLBILS	Coronavirus Large Business Interruption Loan Scheme
CLF	Committed liquidity facility
CLO	Collateralised loan obligation
CLR	Credit loss ratio
CMD	Capital Markets Day
COO	Chief Operating Officer
COVID	Corona Virus Disease
CPI	Consumer Price Index
CPR	Conditional prepayment rate
CRDIV (BASEL III)	Capital Requirements Directive IV
CRO	Chief Risk Officer
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
CVA	Credit value adjustment
DCF	Discounted cash flow
DLC	Dual listed company
DLC BRCC	DLC Board Risk and Capital Committee
DLC Nomdac	DLC Nominations and Directors Affairs Committee
DLC Remco	DLC Remuneration Committee
DLC SEC	DLC Social and Ethics Committee
DMRE	Department of Mineral Resources and Energy
EAD	Exposure at default
EBA	European Banking Authority
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECB	European Central Bank
ECL	Expected credit losses
EDT	Entrepreneurship Development Trust
EE	Employment equity
EP	Equator Principles
EPS	Earnings per share
ERRP	Economic Reconstruction and Recovery Plan
ERV	Expected rental value
ESG	Environmental, social and governance
EU	European Union
EQAR	Engagement Quality Assurance Review
FCA	Financial Conduct Authority
FIRB	Foundation Internal Ratings Based
FRC	Financial Reporting Council
FTA	Foreign Trade Agreement
FSB	Financial Services Board
FSC	Financial Sector Code
FSCS	Financial Services Compensation Scheme
FUM	Funds under management
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit and loss
GBV	Gender-based violence
GCCE	Gross credit and counterparty exposure
GDP	Gross Domestic Product
GDPR	General Data Protection Plan
GHG	Greenhouse Gas
HNW	High net worth
HR	Human resources
IAM	Investec Asset Management
IAPF	Investec Australia Property Fund
IASB	International Accounting Standards Board
IAS	International Accounting Standards
IBL	Investec Bank Limited
IBL BRCC	IBL Board Risk and Capital Committee
IBL ERC	IBL Executive Risk Committee
IBM	Investec Bank Mauritius
IBP	Investec Bank plc
IBP BRCC	IBP Board Risk and Capital Committee
IBP ERC	IBP Executive Risk Committee
ICAAP	Internal Capital Adequacy Assessment Process
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
IFWG	Intergovernmental Fintech Working Group
IIA	Institute of Internal Auditors
IIF	Institute of International Finance
ILAAP	Internal Liquidity Adequacy Assessment Process
IPF	Investec Property Fund
IPRE	Income Producing Real Estate
IRBA	International Regulatory Board for Auditors
ISAs (UK)	International Standards on Auditing (UK)
IT	Information technology
IWT	Illegal wildlife trade
IW&I	Investec Wealth & Investment
JSE	Johannesburg Stock Exchange
L&D	Learning and development
LCR	Liquidity Coverage Ratio
LGD	Loss given default

GLOSSARY
CONTINUED

LHS	Left hand side
LIBOR	London Inter-Bank Offered Rate
LSE	London Stock Exchange
LTI	Long-term incentive
MAFR	Mandatory Audit Firm Rotation
MD	Managing Director
MiFID	Markets in Financial Instruments Directive
MLRO	Money Laundering Reporting Officer
MW	Megawatt
NAV	Net asset value
NBFI	Non-Banking Financial Institution
NCI	Non-controlling interests
NGO	Non-governmental organisation
NPO	Non-profit organisation
NSFR	Net Stable Funding Ratio
NSX	Namibian Stock Exchange
OCI	Other comprehensive income
OTC	Over the counter
PBT	Profit before tax
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of default
PPE	Personal Protective Equipment
PRA	Prudential Regulation Authority
REIT	Real Estate Investment Trust
RHS	Right hand side
RLS	Recovery Loan Scheme
RMIPPP	Risk Mitigation Independent Power Producer Procurement Programme
ROE	Return on equity
RORWA	Return on risk-weighted assets
ROTE	Return on tangible equity
ROU	Right of use asset
RPI	Retail Price Index
RRP	Recovery Resolution Plan
S&P	Standard & Poor’s
SA	South Africa
SAMLIT	South African Anti-Money Laundering Integrated Task Force
SARS	South African Revenue Service
SDGs	Sustainable Development Goals
SICR	Significant increase in credit risk
SID	Senior independent director
SIDSSA	Sustainable Infrastructure Development Symposium South Africa
SME	Small and Medium-sized Enterprises
SMMEs	Small, Medium & Micro Enterprises
South African PA	South African Prudential Authority (previously known as the Banking Supervision Division of the South African Reserve Bank)
SOE	State-Owned Enterprise
SPPI	Solely payments of principal and interest
STI	Short-term incentive
TAS	Targeted Attack Simulation
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	Tonnes of CO_2 emissions
TDI	Tolerance and Diversity Institute
TNAV	Tangible net asset value
TSR	Total shareholder return
UK	United Kingdom
UKLA	United Kingdom Listing Authority
UN	United Nations
UN GISD	United Nations Global Investment for Sustainable Development
UNEP FI	United Nations Environment Programme Finance Initiative
UNGC	United Nations Global Compact
UNPRB	United Nations Principles for Responsible Banking
UNPRI	United Nations Principles for Responsible Investment
US	United States
W&I	Wealth & Investment
WACC	Weighted average cost of capital
YES	Youth Employment Service

ALTERNATIVE PERFORMANCE MEASURES

We supplement our IFRS figures with alternative performance measures used by management internally and which provide valuable, relevant information to readers. These measures are used to align internal and external reporting, identify items management believes are not representative of the underlying performance of the business and provide insight into how management assesses period on period performance. A description of the group's alternative performance measures and their calculation, where relevant, is set out below.

Alternative performance measures are not measures within the scope of IFRS and are not a substitute for IFRS financial measures. Alternative performance measures constitute pro-forma financial information. The pro-forma financial information is the responsibility of the board of directors and is presented for illustrative purposes only and because of its nature may not fairly present the group's financial position, changes in equity, and results in operations or cash flows. External auditors Ernst & Young Inc. performed a review of the pro-forma financial information and the opinion is available for inspection at the registered office of Investec upon request.

Adjusted earnings attributable to ordinary shareholders

Earnings attributable to shareholders adjusted to remove goodwill, acquired intangibles, strategic actions, and earnings attributable to perpetual preference shareholders and Other Additional Tier 1 security holders

Refer to pages 67 to 69 of volume three for the reconciliation of earnings attributable to shareholders to adjusted earnings attributable to ordinary shareholders

Adjusted earnings per share

Adjusted earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year

Refer to pages 67 to 69 of volume three for calculation

Adjusted operating profit

Refer to the calculation in the table below:

£'000	31 March 2021	31 March 2020
Operating profit before goodwill, acquired intangibles and strategic actions	377 110	487 111
Loss/(Profit) attributable to other non-controlling interests	472	(67 952)
Adjusted operating profit	**377 582**	**419 159**

Adjusted operating profit per employee

Adjusted operating profit divided by average total employees including permanent and temporary employees

Refer to page 48 for calculation

Annuity income

Net interest income plus net annuity fees and commissions

Refer to pages 55 to 57 of volume three

Core loans

The table below describes the differences between 'loans and advances to customers' as per the balance sheet and gross core loans

	UK and Other		Southern Africa		Total group	
£'million	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Loans and advances to customers per the balance sheet	12 336	11 872	13 705	12 716	26 041	24 588
Add: own originated loans and advances to customers per the balance sheet	—	—	402	325	402	325
Add: ECL held against FVOCI loans reported on the balance sheet within reserves	(5)	(2)	—	—	(5)	(2)
Net core loans	**12 331**	**11 870**	**14 107**	**13 041**	**26 438**	**24 911**
of which subject to ECL*	11 819	11 217	14 030	12 933	25 849	24 150
Net core loans at amortised cost and FVOCI	11 819	11 217	12 935	11 998	24 754	23 215
Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes)^	—	—	1 095	935	1 095	935
of which FVPL (excluding fixed rate loans above)	512	653	77	108	589	761
Add: ECL	170	175	134	152	304	327
Gross core loans	**12 501**	**12 045**	**14 241**	**13 193**	**26 742**	**25 238**
of which subject to ECL*	11 989	11 392	14 164	13 085	26 153	24 477
of which FVPL (excluding fixed rate loans above)	512	653	77	108	589	761

^ These are fixed rate loans which have passed the solely payments of principal and interest test (SPPI) and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. The drawn (£1.1 billion) exposure falls predominantly into Stage 1 (consistent throughout the period) (31 March 2020: £0.9 billion). The ECL on the portfolio is £5.2 million (31 March 2020: £3.0 million).

* Includes portfolios for which ECL is not required for IFRS purposes, but for which management evaluates on this basis.

ALTERNATIVE PERFORMANCE MEASURES
CONTINUED

Core loans to equity ratio	Net core loans divided by total shareholders' equity per the balance sheet
Cost to income ratio	Refer to calculation in the table below:

£'000	31 March 2021	31 March 2020
Operating costs (A)^	1 164 513	1 186 427
Total operating income before expected credit losses	1 641 061	1 806 839
Loss/(Profit) attributable to other non-controlling interests	472	(67 952)
Total (B)	1 641 533	1 738 887
Cost to income ratio (A/B)	**70.9%**	**68.2%**

Coverage ratio	ECL as a percentage of gross core loans subject to ECL
Credit loss ratio	ECL impairment charges on core loans as a percentage of average gross core loans subject to ECL
Dividend payout ratio	Ordinary dividend per share divided by adjusted earnings per share
Gearing ratio	Total assets excluding assurance assets divided by total equity
Loans and advances to customers as a % of customer deposits	Loans and advances to customers as a percentage of customer accounts (deposits)
Net tangible asset value per share	Refer to calculation on page 48
Net interest margin	Interest income net of interest expense, divided by average interest-earning assets Refer to calculation on page 55 of volume three
Return on average assets	Adjusted earnings attributable to ordinary shareholders divided by average total assets excluding assurance assets
Return on average ordinary shareholders' equity (ROE)	Refer to calculations on pages 43 to 45
Return on average tangible ordinary shareholders' equity	Refer to calculations on pages 43 to 45
Return on risk-weighted assets	Adjusted earnings attributable to ordinary shareholders divided by average risk-weighted assets, where risk-weighted assets is calculated as the sum of risk-weighted assets for Investec plc and Investec Limited (converted into Pound Sterling) As reflected on page 48
Staff compensation to operating income ratio	All staff compensation costs expressed as a percentage of operating income before ECL (net of operating profits or losses attributable to other non-controlling interests)

^ Restated as detailed on pages 141 and 142 of volume three.

Profit Forecast
The following matter highlighted in the CFO report contains forward-looking statements:

- Adjusted EPS is expected to be between 36p and 41p in FY2022.

The basis of preparation of this statement and the assumptions upon which it was based are set out below. This statement is subject to various risks and uncertainties and other factors – these factors may cause the group's actual future results, performance or achievements in the markets in which it operates to differ from those expressed in this Profit Forecast.

Any forward looking statements made are based on the knowledge of the group at 22 June 2021.

This forward looking statement represents a profit forecast under the Listing Rules. The Profit Forecast relates to the year ending 31 March 2022.

The financial information on which the Profit Forecast was based is the responsibility of the directors of the group and has not been reviewed and reported on by the group's auditors.

Basis of preparation
The Profit Forecast has been properly compiled using the assumptions stated below, and on a basis consistent with the accounting policies adopted in the group's 31 March 2021 financial statements, which are in accordance with IFRS.

ALTERNATIVE PERFORMANCE MEASURES
CONTINUED

Assumptions
The Profit Forecast has been prepared on the basis of the following assumptions during the forecast period:

Factors outside the influence or control of the Investec board:

- There will be no material change in the political and/or economic environment that would materially affect the Investec group.
- There will be no material change in legislation or regulation impacting on the Investec group's operations or its accounting policies.
- There will be no business disruption that will have a significant impact on the Investec group's operations, whether for COVID-19 or otherwise.
- The Rand: Pound Sterling and US Dollar: Pound Sterling exchange rates and the tax rates remain materially unchanged from the prevailing rates detailed above.
- There will be no material changes in the structure of the markets, client demand or the competitive environment.

Estimates and judgements
In preparation of the Profit Forecast, the group makes estimations and applies judgement that could affect the reported amount of assets and liabilities within the reporting period. Key areas in which judgement is applied include:

- Valuation of unlisted investments primarily in the private equity, direct investments portfolios and embedded derivatives. Key valuation inputs are based on the most relevant observable market inputs, adjusted where necessary for factors that specifically apply to the individual investments and recognising market volatility.
- The determination of ECL against assets that are carried at amortised cost and ECL relating to debt instruments at fair value through other comprehensive income (FVOCI) involves the assessment of future cash flows which is judgmental in nature.
- Valuation of investment properties is performed by capitalising the budget net income of the property at the market related yield applicable at the time.
- The group's income tax charge and balance sheet provision are judgmental in nature. This arises from certain transactions for which the ultimate tax treatment can only be determined by final resolution with the relevant local tax authorities. The group recognises in its tax provision certain amounts in respect of taxation that involve a degree of estimation and uncertainty where the tax treatment cannot finally be determined until a resolution has been reached by the relevant tax authority. The carrying amount of this provision is often dependent on the timetable and progress of discussions and negotiations with the relevant tax authorities, arbitration processes and legal proceedings in the relevant tax jurisdictions in which the group operates. Issues can take many years to resolve and assumptions on the likely outcome would therefore have to be made by the group.
- Where appropriate, the group has utilised expert external advice as well as experience of similar situations elsewhere in making any such provisions. Determination of interest income and interest expense using the effective interest rate method involves judgement in determining the timing and extent of future cash flows.

DEFINITIONS

Cash and near cash
Includes cash, near cash (other 'monetisable assets') and Central Bank cash placements and guaranteed liquidity.

Diluted earnings per share
Diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders of Investec plc and Investec Limited, adjusted for the effects of dilutive ordinary potential shares, by the weighted average number of shares in issue during the period plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive ordinary potential shares during the year.

Refer to pages 67 to 69 of volume three for the calculation of diluted earnings per share.

Earnings per share
Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders in Investec plc and Investec Limited by the weighted average number of ordinary shares in issue during the year.

Refer to pages 67 to 69 of volume three for the calculation of earnings per share.

Effective operational tax rate
Tax on profit on ordinary activities (excluding non-operating items) divided by operating profit before goodwill and acquired intangibles and excluding share of post-taxation profit of associates and joint venture holdings.

Funds under management
Consists of funds managed by the Wealth & Investment business and by the Property business (which forms part of the Specialist Bank).

Headline earnings per share
Headline earnings is calculated in accordance with the JSE listing requirements and in terms of circular 1/2019 issued by the South African Institute of Chartered Accountants. Headline earnings per share calculated by dividing the group's headline earnings by the average number of shares which it had in issue during the accounting period.

Refer to pages 67 to 69 of volume three for the calculation of headline earnings per share.

Interest-bearing liabilities
Deposits by banks, debt securities in issue, repurchase agreements and cash collateral on securities lent, customer accounts (deposits), subordinated liabilities, liabilities arising on securitisation of own originated loans and advances, and finance lease liabilities. Refer to page 55 of volume three for calculation.

Interest-earning assets
Cash and near cash, bank debt securities, sovereign debt securities, core loans, other debt securities, other loans and advances, other securitised assets, and finance lease receivables. Refer to page 55 of volume three for calculation.

Legacy business in the UK Specialist Bank ('Legacy')
Legacy, as separately disclosed from 2014 to 2018, comprises pre-2008 assets held on the UK bank's balance sheet, that had very low/negative margins and assets relating to business we are no longer undertaking.

Market capitalisation
Total number of shares in issue (including Investec plc and Investec Limited) excluding treasury shares, multiplied by the closing share price of Investec plc on the London Stock Exchange.

Net-zero
Balancing the amount of emitted greenhouse gases with equivalent emissions that are either offset or sequestered.

Ninety One and Ninety One group
All references to Ninety One and Ninety One group refer to Ninety One plc and its subsidiaries plus Ninety One Limited and its subsidiaries.

Ongoing basis
Ongoing information, as separately disclosed from 2014 to 2018, excludes Legacy assets (refer to definition), as well as the following businesses sold in previous years: Investec Bank (Australia) Limited, Kensington Group plc and Start Mortgage Holdings Limited.

Strategic actions
Comprises the closure and rundown of the Hong Kong direct investments business, the demerger of the asset management business and the financial impact of group restructures.

Structured credit
Reflects the gross exposure of rated and unrated structured credit classified within other debt securities and other loans and advances on the balance sheet. Refer to page 59 of volume two for detail.

Subject to ECL
Includes financial assets held at amortised cost and FVOCI as well as designated at FVPL loan portfolios for which ECL is not required for IFRS purposes, but for which management evaluates on this basis.

Total group
Total group represents the group's results including the results of discontinued operations in the prior period.

Weighted number of ordinary shares in issue
The number of ordinary shares in issue at the beginning of the year increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the group less treasury shares. Refer to calculation on pages 67 to 69 of volume three.

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Nishlan Samujh (Group Finance Director)
Richard Wainwright (Executive director)
Ciaran Whelan (Executive director)

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Zarina Bassa (Senior independent director)
Henrietta Baldock
David Friedland
Philip Hourquebie
Charles Jacobs
Stephen Koseff
Lord Malloch-Brown KCMG
Nicky Newton-King
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