Investec

OUT OF THE ORDINARY

Distinct
Agile
Resilient

Investec interim results booklet 2021

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.

Page references
Refers readers to information elsewhere in this report.

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

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WHO WE ARE

We have worked hard to simplify and focus our business to deliver improved shareholder returns. Our performance is back to the levels seen in 2019, pre the COVID-19 pandemic, and the business is now positioned for growth. The strength of the relationships we have built with our clients is reflected in the trust that they have continued to place in our people and our organisation. We are proud of our progressive ESG credentials, and we are pushing to go further.

WHO WE ARE
CONTINUED

WHO WE ARE
CONTINUED

WHO WE ARE
CONTINUED

As we look to grow the business, we remain mindful of the challenges, but are focused firmly on the opportunities that lie ahead.

We are encouraged by the momentum we are seeing across our client franchises, and we remain committed to providing clients with the outstanding service that has always set us apart. Above all, we are dedicated to our purpose of creating enduring worth – living in, not off, society.

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 four 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

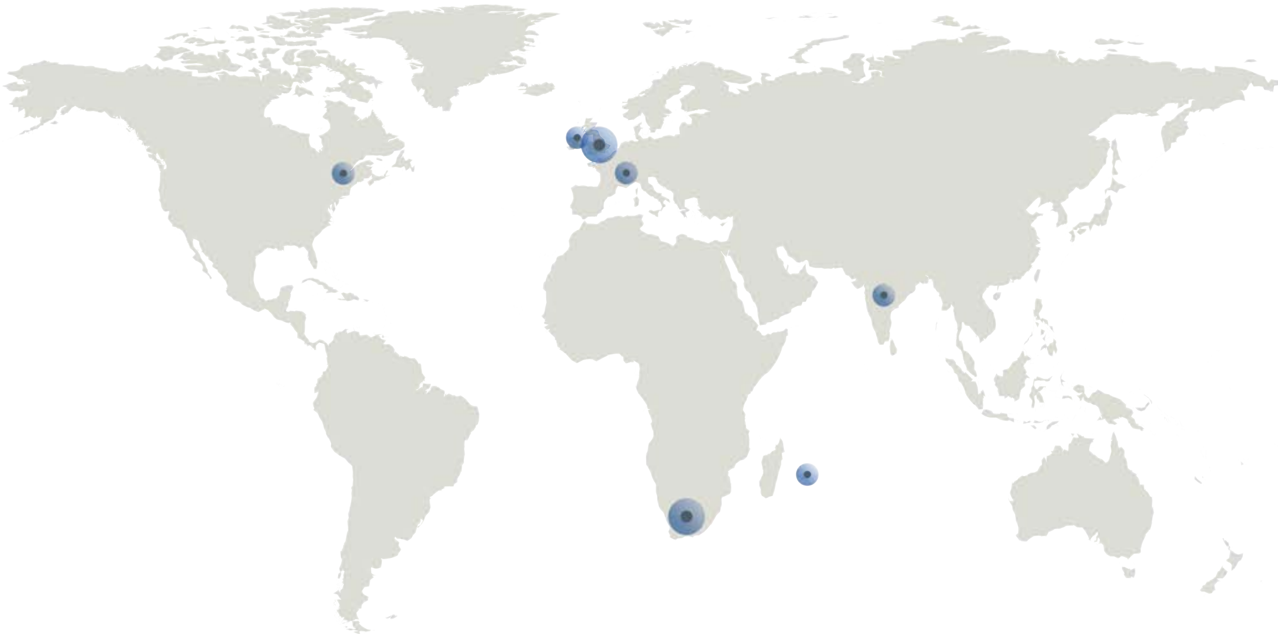
We are committed to genuine collaboration and unwavering dedication to our clients' needs and goals.

4

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

Non-Southern African operations

Investec plc

LSE primary listing

JSE secondary listing

A2X secondary listing

SHARING AGREEMENT

Southern African operations

Investec Limited

JSE primary listing

A2X secondary listing

NSX secondary listing

BSE secondary listing

Investec Bank plc

Investec Wealth & Investment Limited

Investec Bank Limited

Investec Securities (Pty) Ltd^

^ 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

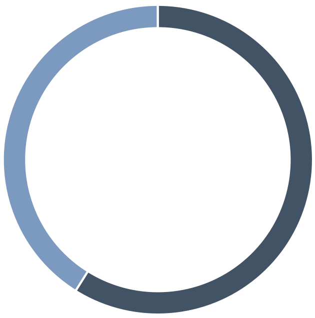
40+ years of heritage.
Two core geographies.
One Investec.

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

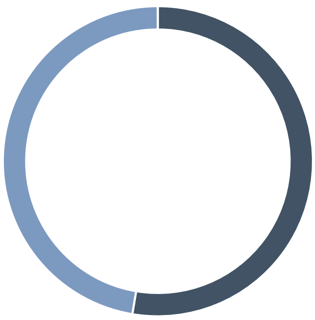
£325.7mn



Southern Africa	£191.9mn
UK and Other	£133.8mn

Total assets

£53.5bn



Southern Africa	£28.1bn
UK and Other	£25.3bn

Note: Figures on this page relate to the six months ended 30 September 2021.

	1 Southern Africa	2 UK and Other	Total group
Net core loans	£14.6bn	£13.7bn	£28.3bn
Customer deposits	£19.7bn	£16.7bn	£36.4bn
Funds under management	£18.7bn	£44.7bn	£63.4bn
Total employees	c.4 760	c.3 440	c.8 200
ROE	12.0%	10.5%	11.2%
Cost to income ratio	52.5%	73.3%	64.0%

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.

16%

annualised growth in SA HNW clients with UK Bank products

c.£100mn

incremental FUM referred to UK Wealth & Investment from UK Bank

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 Specialist 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.**

Framework to drive improved business performance

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

Read more in our Divisional review section on pages 68 to 95

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	c.8 200	£28.3bn	£36.4bn	£63.4bn

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

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

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 17 November 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)	AA+(zaf)		
Short-term ratings				
Foreign currency	B	B		F2
National	F1+(zaf)	F1+(zaf)		
Outlook	Negative	Negative		Stable
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)		
Short-term ratings				
International scale, local currency		B		A2
National scale		A1+(ZA)		
Outlook (International scale)		Negative		
Outlook (National scale)		Stable		Stable

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

02

Overview of results

2021 INTERIM RESULTS COMMENTARY

Highlights for 30 September 2021 (1H2022) compared to 30 September 2020 (1H2021)

- Revenue grew 30.5% supported by the strength of our client franchises and improved market conditions.
- Adjusted earnings per share increased 134.8% to 26.3p (1H2021: 11.2p), ahead of comparable pre-COVID levels (September 2019).
- Wealth & Investment funds under management (FUM) increased 8.6% to £63.0 billion (31 March 2021: £58.0 billion) underpinned by net inflows of £1.5 billion, market recovery and good investment performance.
- Loan books within Specialist Banking grew 7.2% to £28.3 billion (31 March 2021: £26.4 billion) given increased activity levels and continued client acquisition in both geographies.
- The cost to income ratio improved to 64.0% (1H2021: 72.0%), with operating costs increasing 11.7%. Fixed operating expenditure increased 3.3% reflecting continued cost discipline.
- Pre-provision adjusted operating profit increased 61.2% to £336.0 million (1H2021: £208.5 million), 9.3% ahead of September 2019.
- Expected credit loss (ECL) impairment charges were 84.5% lower, resulting in a credit loss ratio (CLR) of 7bps (31 March 2021: 35bps; 1H2021: 47bps), reflecting strong asset quality and higher recoveries.
- Return on equity (ROE) was 11.2% for the period (1H2021: 5.3%) and return on tangible equity (ROTE) was 12.1% (1H2021: 5.8%).
- Tangible net asset value (TNAV) per share increased 10.2% (annualised) to 445.2p (31 March 2021: 423.6p). Net asset value (NAV) per share increased 9.3% (annualised) to 479.2p (31 March 2021: 458.0p).
- Maintained strong capital, funding, and liquidity positions.
- The Board has proposed an interim dividend of 11.0p (1H2021: 5.5p) resulting in a payout ratio of 41.8%.
- The Board has further resolved to distribute a 15% holding in Ninety One to shareholders.

Updated guidance for 31 March 2022 (FY2022)

- Updated FY2022 adjusted earnings per share guidance of between 48p and 53p (Range guided in May 2021: 36p – 41p).

Fani Titi, Group Chief Executive commented:

“The group delivered a strong first half result, underpinned by resilient client franchises, strong revenue momentum and sound asset quality – resulting in adjusted earnings per share of 26.3p, ahead of comparable pre-COVID levels.

I am pleased to share that the Board has proposed an interim dividend of 11.0p relative to 5.5p in 1H2021.

Further, in line with our strategy to optimise the allocation of capital, the Board has resolved to distribute a 15% holding in Ninety One to our shareholders.

I am grateful for the hard work and commitment of my colleagues, which has enabled us to deliver this solid result.

The strength of the relationships we have built with our clients is reflected in the trust they have continued to place in our people and our organisation. The changes made to simplify and focus the group are bearing fruit, positioning us well for the future. Our resilient business model and strong balance sheet will support our drive to achieve sustainable long-term value and growth for our colleagues, clients, shareholders, and societies in which we live."

2021 INTERIM RESULTS COMMENTARY
CONTINUED

Key financial data

This announcement covers the results of Investec plc and Investec Limited (together "the Investec group" or "Investec" or "the group") for the six months ended 30 September 2021 (1H2022). Unless stated otherwise, comparatives relate to the group's operations for the six-month period ended 30 September 2020 (1H2021). The average Rand/Pound Sterling exchange rate appreciated by 9.6% relative to 1H2021.

Performance	1H2022	1H2021	Variance	% change	Neutral currency % change
Total operating income before expected credit losses (£'m)	951.1	729.0	222.1	30.5%	24.8%
Operating costs (£'m)	598.5	535.8	62.7	11.7%	7.8%
Adjusted operating profit (£'m)	325.7	142.5	183.2	128.6%	116.9%
Adjusted earnings attributable to shareholders (£'m)	242.3	104.4	137.9	132.2%	121.2%
Adjusted basic earnings per share (pence)	26.3	11.2	15.1	134.8%	123.2%
Basic earnings per share (pence)	25.0	9.6	15.4	160.4%	146.9%
Headline earnings per share (pence)	24.7	9.2	15.5	168.5%	154.3%
Dividend per share (pence)	11.0	5.5			
Dividend payout ratio	41.8%	49.1%			
CLR (credit loss ratio)	0.07%	0.47%			
Cost to income ratio	64.0%	72.0%			
ROE (return on equity)	11.2%	5.3%			
ROTE (return on tangible equity)	12.1%	5.8%			

Balance sheet	1H2022	FY2021	Variance	% change	Neutral currency % change
Funds under management (£'bn)	63.4	58.4	5.0	8.5%	8.4%
Customer accounts (deposits) (£'bn)	36.4	34.4	2.0	5.5%	5.3%
Core loans and advances (£'bn)	28.3	26.4	1.9	7.2%	7.0%
Cash and near cash (£'bn)	13.9	13.2	0.7	5.4%	5.3%
NAV per share (pence)	479.2	458.0	21.2	4.6%	4.3%
TNAV per share (pence)	445.2	423.6	21.6	5.1%	4.8%

Performance, capital and leverage by geography	1H2022	1H2021	Variance	% change	Neutral currency % change
Investec Limited (Southern Africa)					
Adjusted operating profit (£'m)	191.9	99.1	92.8	93.6%	73.5%
Cost to income ratio	52.5%	58.7%			
ROE	12.0%	8.1%			
ROTE	12.0%	8.1%			
CET1	13.9%	12.2%			
Leverage	7.6%	7.6%			
Investec plc (UK & Other)					
Adjusted operating profit (£'m)	133.8	43.4	90.4	208.6%	n/a
Cost to income ratio	73.3%	81.1%			
ROE	10.5%	2.8%			
ROTE	12.2%	3.3%			
CET1	11.1%	11.2%			
Leverage	7.8%	7.9%			

2021 INTERIM RESULTS COMMENTARY
CONTINUED

Interim dividend
The Board has proposed an interim dividend of 11.0p (1H2021: 5.5p), translating to a 41.8% payout ratio, within the group's 30% to 50% payout range.

Distribution of 15% holding in Ninety One
Given the group's strong capital generation; capital optimisation strategy; and in line with previous communication that 15% of Ninety One is surplus to our capital requirements, the Board has resolved to distribute the 15% holding to shareholders whilst retaining an approximate 10% interest.

The distribution will be subject to regulatory, shareholder and other approvals.

Announcements will be made in due course updating shareholders on the distribution terms and process.

Outlook
Based on the group's performance to date, we have updated our FY2022 adjusted earnings per share guidance to between 48p - 53p (Range guided in May 2021: 36p – 41p). We will provide further guidance in our March 2022 pre-close briefing.

The macro-economic environment is improving; however, global recovery remains uneven. Underlying consumer and business confidence in our core markets will continue to be tested by the ongoing presence of COVID-19, along with the consequences of Brexit in the UK and the slow progress in implementing economic reforms in South Africa.

Group financial performance
Overview
Our performance reflects higher income levels and significantly lower impairment charges, partly offset by increased operating costs. The group's underlying client franchises showed resilience with continued momentum in client acquisition in both geographies which underpinned loan and deposit growth within banking, and net inflows in wealth management.

The prior period was negatively impacted by the effects of general economic contraction brought on by COVID-19 related lockdowns which affected transactional levels, net interest margins, valuations, and impairments. In this reporting period, we have experienced the positive effects of higher client activity, favourable liability repricing and sustained market improvement. Additionally, risk management and risk reduction costs associated with the UK structured products book were immaterial in the current period.

Pre-provision adjusted operating profit increased 61.2% to £336.0 million (1H2021: £208.5 million).

Revenue increased 30.5% to £951.1 million (1H2021: £729.0 million)
Net interest income increased 29.7% to £459.8 million (1H2021: £354.4 million) driven by higher average lending books and lower funding costs across the group as liabilities repriced and as the UK business grew into the elevated liquidity built up in the early months of the pandemic.

Non-interest revenue (NIR) increased by 31.2% to £491.4 million (1H2021: £374.6 million).

- Net fee and commission income increased by 18.6% to £391.2 million (1H2021: £329.8 million) driven by improved client activity across the specialist bank and higher average FUM in Wealth & Investment.
- Investment income decreased by 79.3% to £3.5 million (1H2021: £16.9 million) due to the non-repeat of realisations in the prior period.
- Share of post-taxation profit of associates and joint venture holdings increased 155.1% to £41.5 million (1H2021: £16.3 million) due to improved performance across the Group Investments' portfolio.
- Trading income arising from customer flow was £65.1 million compared to a loss of £8.5 million in the prior period as risk management and risk reduction costs associated with the UK structured products book were c.£52 million lower than the prior period (underpinned by risk mitigation strategies implemented on the book and improving markets). We expect these costs to remain immaterial should markets remain stable.
- Trading income arising from balance sheet management and other trading activities cost £18.5 million compared to income of £8.1 million in the prior period, mainly resulting from currency and interest rate hedges on the balance sheet.
- Other operating income of £8.5 million (1H2021: £12.0 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 (ECL) impairment charges decreased by 84.5% to £10.2 million (1H2021: £66.0 million) resulting in a credit loss ratio of 7bps (31 March 2021: 35bps; 2H2021: 24bps; 1H2021: 47bps)
Overall, the group has maintained prior period post-model adjustments and in certain instances, introduced further adjustments following model driven provision releases given improved macro-economic factors. The post-model adjustments account for risks which management believe are not reflected in the models.

Operating costs increased 11.7% to £598.5 million (1H2021: £535.8 million) driven by higher variable remuneration
The cost to income ratio improved to 64.0% from 72.0% in the prior period. Operating costs increased by 11.7%, with fixed costs increasing 3.3% in the period.

2021 INTERIM RESULTS COMMENTARY
CONTINUED

Taxation
The taxation charge on adjusted operating profit was £63.7 million (1H2021: £20.9 million), resulting in an effective tax rate of 21.2% (1H2021: 18.8%).

In the UK, the lower effective tax rate of 11.0% (1H2021: 18.5%) was driven by higher deferred tax assets arising from enacted higher tax rates. We anticipate this effect to reduce in the second half as the enacted bank surcharge reduces from 8% to 3%. The surcharge is levied on bank profits in addition to the UK corporation tax.

In SA, the higher rate of 27.1% (1H2021: 18.9%) was influenced by one-off adjustments to certain deferred tax assets.

The effects of the above largely offset each other.

Profit or loss attributable to other non-controlling interests
The profit attributable to other non-controlling interests was £16.7 million compared to a loss of £15.3 million in the prior period. This relates to the profit and loss attributable to non-controlling interests in the Investec Property Fund (IPF).

Funding and liquidity
Customer deposits grew 5.5% to £36.4 billion (31 March 2021: £34.5 billion). Cash and near cash of £13.9 billion (£7.3 billion in Investec plc and R134.6 billion in Investec Limited) at 30 September 2021 represents 38.4% of customer deposits.

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 30 September 2021 with the three-month average of its LCR at 158.0% and an NSFR of 110.6%.
- 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 30 September 2021 was 284% and the internally calculated NSFR was 127% at 30 September 2021.

Capital adequacy and leverage ratios
Capital and leverage ratios remain sound, ahead of Board-approved minimum targets and regulatory requirements. The CET1 and leverage ratio were 13.9% and 7.6% for Investec Limited (partial AIRB) and 11.1% and 7.8% for Investec plc (standardised approach) 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.

Refer to page 121 for further capital adequacy disclosures.

Segmental performance

Wealth & Investment
Adjusted operating profit from the Wealth & Investment business increased by 41.4% to £57.7 million (1H2021: £40.8 million).

Wealth & Investment	Southern Africa					UK & Other			
	1H2022	1H2021	Variance			**1H2022**	1H2021	Variance	
	£'m	£'m	£'m	%	% in Rands	**£'m**	£'m	£'m	%
Operating income	49.4	36.5	12.9	35.4%	22.6%	173.9	155.1	18.8	12.1%
Operating costs	(33.8)	(24.5)	(9.3)	38.0%	24.9%	(131.7)	(126.2)	(5.5)	4.4%
Adjusted operating profit	**15.6**	**12.0**	**3.6**	**30.1%**	**17.8%**	**42.2**	**28.9**	**13.3**	**46.1%**

Totals and variance determined in £'000 which may result in rounding differences.

Southern Africa Wealth & Investment (in Rands)
Adjusted operating profit for SA Wealth & Investment increased 17.8% (1H2021: R264 million).

The SA business reported 11.7% growth in FUM to R372.1 billion (31 March 2021: R333.0 billion) supported by R10.1 billion of discretionary and annuity net inflows (non-discretionary net inflows of R6.8 billion), strong investment performance and favourable market conditions.

Revenue grew by 22.6% supported by sustained inflows into our offshore product range and higher average discretionary and annuity assets.

Operating costs increased 24.9%, driven by higher variable remuneration and increased average headcount of investment specialists, wealth managers and information technology (IT) personnel. The cost to income ratio increased to 68.5% (1H2021: 67.2%).

2021 INTERIM RESULTS COMMENTARY
CONTINUED

UK & Other Wealth & Investment

Adjusted operating profit for UK & Other Wealth & Investment increased 46.1% to £42.2 million (1H2021: £28.9 million).

The business achieved record FUM during the period, reporting £44.7 billion at 30 September 2021 (31 March 2021: £41.7 billion), supported by net inflows of £627 million.

Revenue grew by 12.1% supported by higher market levels, positive net organic growth in FUM of 3.0%, as well as favourable investment performance. Commission income returned to normalised levels as the exceptionally high trading volumes seen at the onset of COVID-19 were not repeated.

Operating costs were higher by 4.4% driven by continued investment in technology, increased discretionary expenditure as COVID-19 related restrictions eased and the normalisation of variable staff compensation in line with business performance. One-off costs in the base of c.£3.5 million (relating to headcount reduction) were not repeated.

The UK domestic business (which accounts for 97.1% of FUM) reported an operating margin of 26.0% (1H2021: 20.5%), while a combined operating margin for UK & Other of 24.3% (1H2021: 18.6%) was achieved.

Specialist Banking

Adjusted operating profit from Specialist Banking increased 143.8% to £257.9 million (1H2021: £105.8 million).

Specialist Banking	Southern Africa					UK & Other			
	1H2022	1H2021	Variance			**1H2022**	1H2021	Variance	
	£'m	£'m	£'m	%	% in Rands	**£'m**	£'m	£'m	%
Operating income	352.7	262.8	89.9	34.2%	21.6%	328.7	273.8	55.0	20.1%
ECL impairment charges	(4.0)	(24.2)	20.2	(83.5%)	(84.8%)	(4.9)	(39.9)	35.0	(87.8%)
Operating costs	(175.6)	(145.6)	(29.9)	20.5%	9.1%	(239.4)	(221.5)	(17.9)	8.1%
Loss attributable to NCI	0.3	—	0.3	100.0	100.0	—	0.5	(0.5)	(100.0%)
Adjusted operating profit	**173.4**	**92.9**	**80.5**	**86.7%**	**69.1%**	**84.5**	**12.9**	**71.6**	**554.8%**

Totals and variance determined in £'000 which may result in rounding differences.

Southern Africa Specialist Banking (in Rands)

Adjusted operating profit for the SA bank increased 69.1% to R3 460 million (1H2021: R2 046 million).

Strong revenue growth of 21.6%, was positively impacted by recovery in NIR as the bank saw increased client activity levels across the board, liability repricing, lower impairments, higher average loan balances and good client acquisition. This was partly offset by higher investment write-downs on certain portfolios in the current period, mark-to-market (MTM) losses in balance sheet management and the non-repeat of prior period gains from hedging non-ZAR investments.

Net interest income increased 17.4% driven by lower funding costs and higher average lending books (particularly within the private bank).

Non-interest revenue increased 33.1% driven primarily by higher fee income on the back of higher lending and forex (FX) turnover, increased structuring fees and recovery in point-of-sale relative to the prior period. Client flow trading income increased as equity derivatives, FX and interest rate trading desks took advantage of favourable market movements in a more predictable trading environment.

Expected credit loss impairment charges decreased 84.8% to R81 million, resulting in a CLR of 4bps (31 March 2021: 18bps; 1H2021: 35bps). The decline was mainly driven by higher recoveries in the period and lower specific impairments. Modelled impairments (stage 1 and 2) reduced given the improved economic outlook. Post-model overlays were retained given the uncertainty that remains.

The cost to income ratio was lower at 49.7% (1H2021: 55.4%) given continued cost discipline and higher revenues. Total operating costs increased 9.1%, with fixed costs increasing by 3.7%.

Net core loans grew by 3.4% to R297.1 billion (31 March 2021: R287.3 billion) driven primarily by the private clients' loan book. Strong growth in corporate lending turnover was offset by elevated repayment rates as clients used excess liquidity to pay down facilities.

2021 INTERIM RESULTS COMMENTARY
CONTINUED

UK & Other Specialist Banking

Adjusted operating profit for the UK bank increased substantially to £84.5 million (1H2021: £12.9 million).

Revenue grew by 20.1% influenced by lower cost of funds, increased loan origination, FX flows, reduced structured products book costs, and client acquisition within Private Banking. Corporate lending activity increased across portfolios supported by new client acquisition.

Net interest income increased 24.6% driven by lower cost of funding and higher average lending books, partially offset by the impact of the disposal of the Australian corporate book in March 2021.

Non-interest revenue increased 10.9% mainly attributable to:

- Lower risk management and risk reduction costs associated with the UK structured products book (£1.2 million in 1H2022 vs £53.0 million in 1H2021), offset by
- Decreased investment income due to lower net realisations in the current period, and
- Reduced balance sheet management and other trading activities, driven by costs associated with the early redemption of a senior bond and interest rate hedges on the balance sheet.

Expected credit loss impairment charges decreased 87.8% to £4.9 million, resulting in a credit loss ratio of 9bps (31 March 2021: 56bps; 1H2021: 60bps). Specific impairments in the period and run-rate ECL charges on the performing book totalled £8.1 million and the effect of updated macro-economic scenarios together with the new management overlay and in-model adjustments resulted in an ECL release of £3.2 million. This includes an increase in post-model ECL overlay provisions of £5.0 million to £21.0 million, taking into consideration the uncertainties that management believe remain in the environment.

Operating costs increased 8.1% driven by higher variable remuneration and discretionary spend in line with revenue growth. The increase was offset by cost savings from reduced headcount across the business. Fixed costs were well contained, declining 3.5% over the period. The cost to income ratio reduced to 72.8% (1H2021: 80.7%).

Net core loans grew by 11.0% (12.4% excluding Australia) to £13.7 billion (31 March 2021: £12.3 billion) driven by strong private clients book growth (up 19.6%) in the period and continued client acquisition. Demand for corporate credit was strong across several portfolios with book growth of 7.8% (9.5% excluding Australia) since year end.

Group Investments

Group Investments includes the group's 25% holding in Ninety One, 47.4% stake in the IEP Group, 24.31% held in the Investec Property Fund (IPF) and some other equity investments.

Group Investments	Southern Africa					UK & Other			
	1H2022	1H2021	Variance			**1H2022**	1H2021	Variance	
	£'m	£'m	£'m	%	% in Rands	**£'m**	£'m	£'m	%
Operating income (net of ECL charges)	28.6	(12.7)	41.3	325.1%	306.3%	16.5	11.8	4.7	39.9%
Operating costs	(0.9)	(0.6)	(0.3)	60.8%	44.6%	—	—	—	—
(Profit) /loss attributable to NCI	(17.0)	14.7	(31.7)	(215.5%)	(206.8%)	—	—	—	—
Adjusted operating profit	**10.7**	**1.4**	**9.2**	**647.5%**	**643.7%**	**16.5**	**11.8**	**4.7**	**39.9%**

Totals and variance determined in £'000 which may result in rounding differences.

Adjusted operating profit from Group Investments increased by 105.5% to £27.2 million (1H2021: £13.2 million) driven by:

- improved performance in the underlying investee companies within IEP,
- growth in earnings from Ninety One in the period under review, and
- lower negative fair value adjustments in the property portfolio and the non-repeat of prior period losses in IPF's UK associate investment.

Group Costs

Group Costs decreased by 1.7% to £17.0 million (1H2021: £17.3 million).

On behalf of the boards of Investec plc and Investec Limited

Philip Hourquebie
Chair

17 November 2021

Fani Titi
Chief Executive

2021 INTERIM RESULTS COMMENTARY
CONTINUED

Profit Forecast
The following matters highlighted in this announcement contain forward-looking statements:

- Adjusted EPS is expected to be between 48p and 53p 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 17 November 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 30 September 2021 reviewed interim financial statements, which are in accordance with IFRS.

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.

2021 INTERIM RESULTS COMMENTARY
CONTINUED

Accounting policies, significant judgements and disclosures
These reviewed condensed combined consolidated financial results have been prepared in terms of the recognition and measurement criteria of the presentation and disclosure requirements of IAS 34, "Interim Financial Reporting" and IFRS as adopted by the UK which comply with IFRS' as issued by the IASB. At 30 September 2021, UK adopted IFRS are identical in all material respects to current IFRS applicable to the group, with differences only in the effective dates of certain standards.

The accounting policies applied in the preparation of the results for the six months ended 30 September 2021 are consistent with those adopted in the financial statements for year ended 31 March 2021.

The combined consolidated financial results for the period ended 30 September 2021 have been reviewed by Ernst & Young LLP and Ernst & Young Inc., who expressed an unmodified review conclusion. A copy of the auditors review opinion is available for inspection at the company's registered office together with the financial statements identified in the auditors report or on our website.

The financial results have been prepared under the supervision of Nishlan Samujh, the Group Finance Director. The interim financial statements for the six months ended 30 September 2021 are available on the group's website.

www.investec.com

Proviso
- Please note that matters discussed in this announcement may contain forward-looking statements which are subject to various risks and uncertainties and other factors, including, but not limited to:
  - changes in the political and/or economic environment that would materially affect the Investec group
  - changes in the economic environment caused by the resulting lockdowns and government programmes aimed to stimulate the economy
  - changes in legislation or regulation impacting the Investec group's operations or its accounting policies
  - changes in business conditions that will have a significant impact on the Investec group's operations
  - changes in exchange rates and/or tax rates from the prevailing rates outlined in this announcement
  - changes in the structure of the markets, client demand or the competitive environment.
- A number of these factors are beyond the group's control.
- 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 or implied.
- Any forward-looking statements made are based on the knowledge of the group at 17 November 2021.
- The information in the group's announcement for the six months ended 30 September 2021, which was approved by the board of directors on 17 November 2021, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006. The 31 March 2021 financial statements were filed with the registrar and were unqualified with the audit report containing no statements in respect of sections 498(2) or 498(3) of the UK Companies Act.
- The financial information on which forward-looking statements are based is the responsibility of the directors of the group and has not been reviewed and reported on by the group's auditors.

A full version of the group's announcement is available on the group's website:

www.investec.com

Financial assistance
Shareholders are referred to Special Resolution number 30, which was approved at the annual general meeting held on 5 August 2021, relating to the provision of direct or indirect financial assistance in terms of Section 45 of the South African Companies Act, No 71 of 2008 to related or inter-related companies. Shareholders are hereby notified that in terms of S45(5)(a) of the South African Companies Act, the boards of directors of Investec Limited and Investec Bank Limited provided such financial assistance during the period 1 April 2021 to 30 September 2021 to various group subsidiaries.

PRESENTATION OF FINANCIAL INFORMATION

Basis of presentation

Investec operates under a Dual Listed Companies (DLC) structure with primary listings of Investec plc on the London Stock Exchange and Investec Limited on the JSE Limited.

In terms of the contracts constituting the DLC structure, Investec plc and Investec Limited effectively form a single economic enterprise in which the economic and voting rights of ordinary shareholders of the companies are maintained in equilibrium relative to each other. The directors of the two companies consider that for financial reporting purposes, the fairest presentation is achieved by combining the results and financial position of both companies.

Accordingly, these interim results reflect the results and financial position of the combined DLC group under UK adopted International Financial Reporting Standards (IFRS) which comply with IFRS as issued by the International Accounting Standards Board (IASB), denominated in Pounds Sterling. In the commentary above, all references to Investec or the group relate to the combined DLC group comprising Investec plc and Investec Limited.

Following a review of the liquidity, capital position, profitability, the business model and operational risks facing the business including the ongoing impact of the COVID-19 pandemic, the directors have a reasonable expectation that the Investec group will be a going concern for a period of at least 12 months. The results for the six month period ended 30 September 2021 has accordingly been prepared on the going concern basis.

Unless the context indicates otherwise, all comparatives included in the commentary above relate to the period ended 30 September 2020.

Amounts represented on a neutral currency basis for income statement items assume that the relevant average exchange rates for the period ended 30 September 2021 remain the same as those in the prior period. Amounts represented on a neutral currency basis for balance sheet items assume that the relevant closing exchange rates at 30 September 2021 remain the same as those at 31 March 2021.

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 performed a review of the pro-forma financial information and the opinion is available for inspection at the registered office of Investec upon request.

Foreign currency impact

The group's reporting currency is Pounds Sterling. Certain of the group's operations are conducted by entities outside the UK. The results of operations and the financial condition of these individual companies are reported in the local currencies in which they are domiciled, including Rands, Australian Dollars, Euros and US Dollars. These results are then translated into Pounds Sterling at the applicable foreign currency exchange rates for inclusion in the group's combined consolidated financial statements. 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 Pounds Sterling over the period:

	30 Sept 2021		31 March 2021		30 Sept 2020	
Currency per £1.00	**Closing**	**Average**	Closing	Average	Closing	Average
South African Rand	20.29	19.94	20.36	21.33	21.58	22.05
Australian Dollar	1.86	1.85	1.81	1.82	1.80	1.85
Euro	1.16	1.16	1.17	1.12	1.10	1.12
US Dollar	1.35	1.39	1.38	1.31	1.29	1.27

Exchange rates between local currencies and Pounds 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 appreciated by 9.6% against the comparative six-month period ended 30 September 2020, and the closing rate has appreciated by 0.3% since 31 March 2021.

SALIENT FEATURES

	30 Sept 2021	30 Sept 2020^^	% change	31 March 2021
Income statement and selected returns				
Adjusted earnings attributable to ordinary shareholders (£'000)	242 322	104 379	132.2%	268 269
Headline earnings (£'000)	227 912	86 170	164.5%	247 558
Adjusted operating profit (£'000)	325 730	142 486	128.6%	377 582
Cost to income ratio	64.0%	72.0%		70.9%
Staff compensation to operating income ratio	45.8%	53.6%		52.8%
Return on average shareholders' equity (post-tax)	11.2%	5.3%		6.6%
Return on average tangible shareholders' equity (post-tax)	12.1%	5.8%		7.2%
Return on average risk-weighted assets	1.47%	0.65%		0.82%
Net interest income as a % of operating income	48.3%	48.6%		47.4%
Non-interest income as a % of operating income	51.7%	51.4%		52.6%
Annuity income as a % of total operating income	78.1%	80.4%		77.6%
Effective operational tax rate	21.2%	18.8%		22.3%
Share statistics				
Adjusted earnings per share (pence)	26.3	11.2	134.8%	28.9
Headline earnings per share (pence)	24.7	9.2	168.5%	26.6
Basic earnings per share (pence)	25.0	9.6	160.4%	25.2
Diluted earnings per share (pence)	24.4	9.5	156.8%	24.9
Dividend per share (pence)	11.0	5.5	100.0%	13.0
Dividend payout ratio	41.8%	49.1%		45.0%

	30 Sept 2021	31 March 2021	% change	30 Sept 2020^^
Balance sheet				
Total assets^^ (£'million)	53 454	51 512	3.8%	50 599
Net core loans (£'million)	28 336	26 438	7.2%	25 160
Cash and near cash balances (£'million)	13 949	13 229	5.4%	12 861
Customer accounts (deposits) (£'million)	36 353	34 449	5.5%	32 552
Funds under management (£'million)	63 419	58 436	8.5%	51 988
Gearing ratio (assets excluding assurance assets to total equity)	9.7x	9.7x		10.0x
Core loans to equity ratio	5.1x	5.0x		5.2x
Loans and advances to customers as a % of customer deposits	76.9%	75.6%		76.4%
Annualised credit loss ratio	0.07%	0.35%		0.47%
Stage 3 net of ECL as a % of net core loans subject to ECL	1.7%	2.1%		1.9%
Share statistics continued				
Net asset value per share (pence)	479.2	458.0	4.6%	433.5
Tangible net asset value per share (pence)	445.2	423.6	5.1%	397.4
Weighted number of ordinary shares in issue (million)	921.4	929.1	(0.8%)	931.6
Total number of shares in issue (million)	1 015.0	1 015.0	—	1 015.0
Capital ratios^				
Investec plc				
Total capital ratio	14.8%	15.1%		14.8%
Common Equity Tier 1 ratio	11.1%	11.2%		10.7%
Leverage ratio	7.8%	7.9%		7.8%
Investec Limited				
Total capital adequacy ratio	17.7%	16.0%		15.5%
Common Equity Tier 1 ratio	13.9%	12.2%		11.6%
Leverage ratio	7.6%	7.6%		7.0%

Refer to alternative performance measures and definitions sections found on pages 141 to 143.

^ The group's expected Basel III 'fully loaded' numbers are provided on page 121.
^^ Restated as detailed on pages 66 and 67.

EXCHANGE RATE IMPACT ON RESULTS

As noted on page 22, exchange rates between local currencies and Pounds 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 appreciated by 9.6% against the comparative six-month period ended 30 September 2020, and the closing rate has appreciated by 0.3% since 31 March 2021. The following tables provide an analysis of the impact of the Rand on our reported numbers.

	Results in Pounds Sterling					Results in Rands		
	Six months to 30 Sept 2021	Six months to 30 Sept 2020	% change	**Neutral currency^ Six months to 30 Sept 2021**	Neutral currency % change	**Six months to 30 Sept 2021**	Six months to 30 Sept 2020	% change
Adjusted operating profit before taxation (million)	£326	£142	128.6%	£308	116.9%	R6 496	R3 143	106.7%
Earnings attributable to shareholders (million)	£250	£109	129.4%	£236	117.4%	R4 977	R2 405	106.9%
Adjusted earnings attributable to shareholders (million)	£242	£104	132.2%	£230	121.2%	R4 832	R2 309	109.3%
Adjusted earnings per share	26.3p	11.2p	134.8%	25.0p	123.2%	524c	248c	111.3%
Basic earnings per share	25.0p	9.6p	160.4%	23.7p	146.9%	499c	212c	135.4%
Headline earnings per share	24.7p	9.2p	168.5%	23.4p	154.3%	494c	213c	131.9%

	Results in Pounds Sterling					Results in Rands		
	At 30 Sept 2021	At 31 March 2021	% change	**Neutral currency^^ At 30 Sept 2021**	Neutral currency % change	**At 30 Sept 2021**	At 31 March 2021	% change
Net asset value per share	479.2p	458.0p	4.6%	477.9p	4.3%	9 723c	9 326c	4.3%
Tangible net asset value per share	445.2p	423.6p	5.1%	443.9p	4.8%	9 033c	8 624c	4.7%
Total equity (million)	£5 514	£5 312	3.8%	£5 503	3.6%	R111 880	R108 161	3.4%
Total assets (million)	£53 454	£51 512	3.8%	£53 356	3.6%	R1 084 593	R1 048 867	3.4%
Core loans (million)	£28 336	£26 438	7.2%	£28 284	7.0%	R574 951	R538 320	6.8%
Cash and near cash balances (million)	£13 949	£13 229	5.4%	£13 926	5.3%	R283 028	R269 364	5.1%
Customer accounts (deposits) (million)	£36 353	£34 449	5.5%	£36 284	5.3%	R737 610	R701 446	5.2%
Funds under management (million)	£63 419	£58 436	8.5%	£63 352	8.4%	R1 286 775	R1 189 872	8.1%

^ For income statement items we have used the average Rand: Pound Sterling exchange rate that was applied in the prior period, i.e. 22.05.
^^ For balance sheet items we have assumed that the Rand: Pound Sterling closing exchange rate has remained neutral since 31 March 2021.

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.

CONDENSED COMBINED CONSOLIDATED INCOME STATEMENT

£'000	Note*	Six months to 30 Sept 2021	Six months to 30 Sept 2020^	Year to 31 March 2021
Interest income	2	985 473	1 009 374	1 922 299
Interest expense	2	(525 699)	(654 971)	(1 144 193)
Net interest income	2	**459 774**	**354 403**	**778 106**
Fee and commission income	3	414 181	349 668	791 153
Fee and commission expense	3	(22 966)	(19 842)	(42 275)
Investment income	4	3 491	16 859	32 002
Share of post-taxation profit of associates and joint venture holdings	5	41 502	16 272	42 459
Trading income/(loss) arising from				
– customer flow	6	65 141	(8 527)	35 566
– balance sheet management and other trading activities	6	(18 452)	8 144	(18 903)
Other operating income	7	8 461	11 983	22 953
Total operating income before expected credit loss impairment charges	1	**951 132**	**728 960**	**1 641 061**
Expected credit loss impairment charges	8	(10 237)	(65 974)	(99 438)
Operating income		**940 895**	**662 986**	**1 541 623**
Operating costs	9	(598 453)	(535 755)	(1 164 513)
Operating profit before goodwill, acquired intangibles and strategic actions		**342 442**	**127 231**	**377 110**
Impairment of goodwill	10	—	—	(11 599)
Impairment of associates and joint venture holdings	5	—	—	(16 773)
Amortisation of acquired intangibles	10	(7 773)	(7 603)	(15 287)
Amortisation of acquired intangibles of associates	10	(4 628)	(4 625)	(9 268)
Closure and rundown of the Hong Kong direct investments business		(596)	(2 158)	7 386
Profit before taxation		**329 445**	**112 845**	**331 569**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	11	(63 720)	(20 892)	(74 539)
Taxation on acquired intangibles and strategic actions		620	1 558	1 712
Profit after taxation		**266 345**	**93 511**	**258 742**
(Profit)/loss attributable to non-controlling interests		(16 712)	15 255	472
Loss attributable to other non-controlling interests relating to impairments of associates		—	—	9 126
Earnings attributable to shareholders		**249 633**	**108 766**	**268 340**

* Refer to Financial review section for notes.
^ Restated as detailed on pages 66 and 67.

COMBINED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

£'000	Six months to 30 Sept 2021	Six months to 30 Sept 2020^	Year to 31 March 2021
Profit after taxation	266 345	93 511	258 742
Other comprehensive income:			
Items that may be reclassified to the income statement			
Fair value movements on cash flow hedges taken directly to other comprehensive income^	(5 822)	(4 427)	242
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income^	4 004	84 566	152 355
Gain on realisation of debt instruments at FVOCI recycled through the income statement^	(847)	(1 446)	(717)
Foreign currency adjustments on translating foreign operations	14 903	17 837	111 779
Items that will never be reclassified to the income statement			
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	1 049	828	380
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income^	1 043	736	1 778
Remeasurement of net defined benefit pension liability	—	(32)	(39)
Net gain/(loss) attributable to own credit risk	4 928	(1 725)	(850)
Total comprehensive income	**285 603**	**189 848**	**523 670**
Total comprehensive income attributable to ordinary shareholders	247 456	171 379	448 637
Total comprehensive income/(loss) attributable to non-controlling interests	18 780	(1 159)	37 846
Total comprehensive income attributable to perpetual preferred securities	19 367	19 628	37 187
Total comprehensive income	**285 603**	**189 848**	**523 670**

^ Net of taxation of £3.4 million (30 September 2020: £22.3 million; 31 March 2021: £38.5 million).

COMBINED CONSOLIDATED BALANCE SHEET

At £'000	30 Sept 2021	31 March 2021	30 Sept 2020^
Assets			
Cash and balances at central banks	3 957 654	3 517 100	2 477 636
Loans and advances to banks	2 602 105	2 699 317	3 079 807
Non-sovereign and non-bank cash placements	475 875	439 841	363 350
Reverse repurchase agreements and cash collateral on securities borrowed	3 820 376	3 575 713	4 964 729
Sovereign debt securities	3 837 115	3 711 623	4 264 692
Bank debt securities	1 440 998	1 121 730	590 173
Other debt securities	1 246 231	1 364 235	1 427 174
Derivative financial instruments	1 206 299	1 714 743	1 885 399
Securities arising from trading activities	1 085 375	1 024 671	658 552
Investment portfolio	928 741	909 050	994 543
Loans and advances to customers	27 966 330	26 041 087	24 855 877
Own originated loans and advances to customers securitised	372 602	401 912	307 532
Other loans and advances	109 006	102 135	100 659
Other securitised assets	133 690	140 087	122 892
Interests in associated undertakings and joint venture holdings	695 756	679 157	722 227
Current taxation assets	38 141	60 325	61 523
Deferred taxation assets	216 290	246 622	256 581
Other assets	1 733 188	2 165 438	1 850 502
Property and equipment	344 729	329 972	341 343
Investment properties	788 540	832 061	799 588
Goodwill	259 842	259 805	270 991
Software	11 363	12 574	13 045
Other acquired intangible assets	51 700	58 968	66 224
Non-current assets classified as held for sale	75 752	51 783	87 248
	53 397 698	**51 459 949**	**50 562 287**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	56 662	52 405	37 178
	53 454 360	**51 512 354**	**50 599 465**
Liabilities			
Deposits by banks	2 294 873	2 403 712	3 319 727
Derivative financial instruments	1 973 996	2 190 487	1 727 813
Other trading liabilities	225 498	326 189	577 821
Repurchase agreements and cash collateral on securities lent	1 179 581	1 003 312	1 692 050
Customer accounts (deposits)	36 353 007	34 449 430	32 551 697
Debt securities in issue	1 971 123	1 892 319	1 815 257
Liabilities arising on securitisation of own originated loans and advances	155 200	160 646	73 042
Liabilities arising on securitisation of other assets	104 215	108 281	109 107
Current taxation liabilities	54 104	78 790	95 940
Deferred taxation liabilities	19 448	40 333	50 727
Other liabilities	2 116 098	2 013 003	2 025 931
	46 447 143	**44 666 502**	**44 039 112**
Liabilities to customers under investment contracts	54 018	49 798	34 494
Insurance liabilities, including unit-linked liabilities	2 644	2 607	2 684
	46 503 805	**44 718 907**	**44 076 290**
Subordinated liabilities	1 436 763	1 480 951	1 447 948
	47 940 568	**46 199 858**	**45 524 238**
Equity			
Ordinary share capital	247	247	247
Ordinary share premium	1 517 852	1 517 852	1 517 852
Treasury shares	(296 714)	(267 508)	(261 729)
Other reserves	(767 299)	(788 222)	(910 668)
Retained income	3 939 028	3 772 628	3 699 652
Ordinary shareholders' equity	**4 393 114**	**4 234 997**	**4 045 354**
Perpetual preference share capital and premium	174 579	174 053	172 349
Shareholders' equity excluding non-controlling interests	**4 567 693**	**4 409 050**	**4 217 703**
Other Additional Tier 1 securities in issue	373 705	335 111	296 809
Non-controlling interests	572 394	568 335	560 715
– Perpetual preferred securities issued by subsidiaries	73 006	72 750	71 106
– Non-controlling interests in partially held subsidiaries	499 388	495 585	489 609
Total equity	**5 513 792**	**5 312 496**	**5 075 227**
Total liabilities and equity	**53 454 360**	**51 512 354**	**50 599 465**

^ Restated as detailed on pages 66 and 67.

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary share capital	Ordinary share premium	Treasury shares
At 1 April 2020	**247**	**1 517 852**	**(272 881)**
Movement in reserves 1 April 2020 – 30 September 2020			
Profit after taxation	—	—	—
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	—	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Net loss attributable to own credit risk	—	—	—
Remeasurement of net defined benefit pension liability	—	—	—
Total comprehensive income for the period	**—**	**—**	**—**
Net equity movements in interests in associated undertakings	—	—	—
Movement of treasury shares	—	—	11 073
Share-based payments adjustments	—	—	—
Transfer from share-based payments reserve to treasury shares	—	—	79
Transfer from regulatory general risk reserves	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
Dividends declared to other equity holders including Other Additional Tier 1 security holders	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 security holders	—	—	—
Dividends paid to non-controlling interests	—	—	—
At 30 September 2020	**247**	**1 517 852**	**(261 729)**

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

Other reserves												
Capital reserve account	Fair value reserve	Regulatory general risk reserve	Cash flow hedge reserve	Foreign currency reserves	Own credit risk reserve	Retained income	**Ordinary shareholders' equity**	Perpetual preference share capital and premium	**Shareholders' equity excluding non-controlling interests**	Other Additional Tier 1 securities in issue	Non-controlling interests	**Total equity**
(6 797)	**(152 882)**	**41 346**	**(99 144)**	**(748 225)**	**(10 595)**	**3 593 384**	**3 862 305**	**168 518**	**4 030 823**	**295 593**	**571 216**	**4 897 632**
—	—	—	—	—	—	108 766	108 766	—	108 766	—	(15 255)	93 511
—	828	—	—	—	—	—	828	—	828	—	—	828
—	—	—	(4 427)	—	—	—	(4 427)	—	(4 427)	—	—	(4 427)
—	84 566	—	—	—	—	—	84 566	—	84 566	—	—	84 566
—	(1 446)	—	—	—	—	—	(1 446)	—	(1 446)	—	—	(1 446)
—	736	—	—	—	—	—	736	—	736	—	—	736
—	—	—	—	(1 306)	—	—	(1 306)	3 831	2 525	1 216	14 096	17 837
—	—	—	—	—	(1 725)	—	(1 725)	—	(1 725)	—	—	(1 725)
—	—	—	—	—	—	(32)	(32)	—	(32)	—	—	(32)
—	**84 684**	**—**	**(4 427)**	**(1 306)**	**(1 725)**	**108 734**	**185 960**	**3 831**	**189 791**	**1 216**	**(1 159)**	**189 848**
—	—	—	—	—	—	225	225	—	225	—	—	225
(12 934)	—	—	—	—	—	—	(1 861)	—	(1 861)	—	—	(1 861)
—	—	—	—	—	—	18 353	18 353	—	18 353	—	—	18 353
—	—	—	—	—	—	(79)	—	—	—	—	—	—
—	—	1 337	—	—	—	(1 337)	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	1 687	1 687
—	—	—	—	—	—	(19 628)	(19 628)	6 002	(13 626)	10 676	2 950	—
—	—	—	—	—	—	—	—	(6 002)	(6 002)	(10 676)	(2 950)	(19 628)
—	—	—	—	—	—	—	—	—	—	—	(11 029)	(11 029)
(19 731)	**(68 198)**	**42 683**	**(103 571)**	**(749 531)**	**(12 320)**	**3 699 652**	**4 045 354**	**172 349**	**4 217 703**	**296 809**	**560 715**	**5 075 227**

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

£'000	Ordinary share capital	Ordinary share premium	Treasury shares
At 1 October 2020	**247**	**1 517 852**	**(261 729)**
Movement in reserves 1 October 2020 – 31 March 2021			
Profit after taxation	—	—	—
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	—	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Net gain attributable to own credit risk	—	—	—
Remeasurement of net defined benefit pension liability	—	—	—
Total comprehensive income for the period	**—**	**—**	**—**
Issue of Other Additional Tier 1 Security instruments	—	—	—
Net equity movements in interests in associated undertakings	—	—	—
Movement of treasury shares	—	—	(6 750)
Share-based payments adjustments	—	—	—
Transfer from share-based payments reserve to treasury shares	—	—	971
Transfer to regulatory general risk reserves	—	—	—
Transfer to foreign currency reserve	—	—	—
Redemption of perpetual preference share capital	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
Transfer from capital reserve	—	—	—
Dividends declared to other equity holders including Other Additional Tier 1 security holders	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 security holders	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
At 31 March 2021	**247**	**1 517 852**	**(267 508)**

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

Other reserves												
Capital reserve account	Fair value reserve	Regulatory general risk reserve	Cash flow hedge reserve	Foreign currency reserves	Own credit risk reserve	Retained income	**Ordinary shareholders' equity**	Perpetual preference share capital and premium	**Shareholders' equity excluding non-controlling interests**	Other Additional Tier 1 securities in issue	Non-controlling interests	**Total equity**
(19 731)	**(68 198)**	**42 683**	**(103 571)**	**(749 531)**	**(12 320)**	**3 699 652**	**4 045 354**	**172 349**	**4 217 703**	**296 809**	**560 715**	**5 075 227**
—	—	—	—	—	—	159 574	159 574	—	159 574	—	5 657	165 231
—	(847)	—	—	—	399	—	(448)	—	(448)	—	—	(448)
—	—	—	4 669	—	—	—	4 669	—	4 669	—	—	4 669
—	67 789	—	—	—	—	—	67 789	—	67 789	—	—	67 789
—	729	—	—	—	—	—	729	—	729	—	—	729
—	1 042	—	—	—	—	—	1 042	—	1 042	—	—	1 042
—	—	—	—	48 993	—	—	48 993	8 807	57 800	2 794	33 348	93 942
—	—	—	—	—	875	—	875	—	875	—	—	875
—	—	—	—	—	—	(7)	(7)	—	(7)	—	—	(7)
—	**68 713**	**—**	**4 669**	**48 993**	**1 274**	**159 567**	**283 216**	**8 807**	**292 023**	**2 794**	**39 005**	**333 822**
—	—	—	—	—	—	—	—	—	—	35 508	—	35 508
—	—	—	—	—	—	(18 179)	(18 179)	—	(18 179)	—	—	(18 179)
(1 550)	—	—	—	—	—	—	(8 300)	—	(8 300)	—	—	(8 300)
—	—	—	—	—	—	768	768	—	768	—	—	768
—	—	—	—	—	—	(971)	—	—	—	—	—	—
—	—	(551)	—	—	—	551	—	—	—	—	—	—
—	—	—	—	980	—	(980)	—	—	—	—	—	—
—	—	—	—	—	—	3 311	3 311	(7 103)	(3 792)	—	(2 482)	(6 274)
—	—	—	—	—	—	(268)	(268)	—	(268)	—	(7 547)	(7 815)
(82)	—	—	—	—	—	82	—	—	—	—	—	—
—	—	—	—	—	—	(17 559)	(17 559)	4 601	(12 958)	10 623	2 335	—
—	—	—	—	—	—	—	—	(4 601)	(4 601)	(10 623)	(2 335)	(17 559)
—	—	—	—	—	—	(53 346)	(53 346)	—	(53 346)	—	—	(53 346)
—	—	—	—	—	—	—	—	—	—	—	(21 356)	(21 356)
(21 363)	**515**	**42 132**	**(98 902)**	**(699 558)**	**(11 046)**	**3 772 628**	**4 234 997**	**174 053**	**4 409 050**	**335 111**	**568 335**	**5 312 496**

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

£'000	Ordinary share capital	Ordinary share premium	Treasury shares
31 March 2021	**247**	**1 517 852**	**(267 508)**
Movement in reserves 1 April 2020 – 30 September 2021			
Profit after taxation	—	—	—
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	—	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Net gain attributable to own credit risk	—	—	—
Total comprehensive income for the period	**—**	**—**	**—**
Issue of Other Additional Tier 1 Security instruments	—	—	—
Net equity movements in interests in associated undertakings	—	—	—
Movement of treasury shares	—	—	(29 206)
Share-based payments adjustments	—	—	—
Transfer to regulatory general risk reserves	—	—	—
Dividends declared to other equity holders including other Additional Tier 1 security holders	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 security holders	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
At 30 September 2021	**247**	**1 517 852**	**(296 714)**

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

Other reserves												
Capital reserve account	Fair value reserve	Regulatory general risk reserve	Cash flow hedge reserve	Foreign currency reserves	Own credit risk reserve	Retained income	**Ordinary shareholders' equity**	Perpetual preference share capital and premium	**Shareholders' equity excluding non-controlling interests**	Other Additional Tier 1 securities in issue	Non-controlling interests	**Total equity**
(21 363)	**515**	**42 132**	**(98 902)**	**(699 558)**	**(11 046)**	**3 772 628**	**4 234 997**	**174 053**	**4 409 050**	**335 111**	**568 335**	**5 312 496**
—	—	—	—	—	—	249 633	249 633	—	249 633	—	16 712	266 345
—	(55)	—	—	—	1 104	—	1 049	—	1 049	—	—	1 049
—	—	—	(5 822)	—	—	—	(5 822)	—	(5 822)	—	—	(5 822)
—	4 004	—	—	—	—	—	4 004	—	4 004	—	—	4 004
—	(847)	—	—	—	—	—	(847)	—	(847)	—	—	(847)
—	1 043	—	—	—	—	—	1 043	—	1 043	—	—	1 043
—	—	—	—	12 009	—	—	12 009	526	12 535	300	2 068	14 903
—	—	—	—	—	4 928	—	4 928	—	4 928	—	—	4 928
—	**4 145**	**—**	**(5 822)**	**12 009**	**6 032**	**249 633**	**265 997**	**526**	**266 523**	**300**	**18 780**	**285 603**
—	—	—	—	—	—	—	—	—	—	38 294	—	38 294
—	—	—	—	—	—	1 051	1 051	—	1 051	—	—	1 051
2 488	—	—	—	—	—	—	(26 718)	—	(26 718)	—	—	(26 718)
—	—	—	—	—	—	9 515	9 515	—	9 515	—	—	9 515
—	—	2 071	—	—	—	(2 071)	—	—	—	—	—	—
—	—	—	—	—	—	(19 367)	(19 367)	4 457	(14 910)	12 685	2 225	—
—	—	—	—	—	—	—	—	(4 457)	(4 457)	(12 685)	(2 225)	(19 367)
—	—	—	—	—	—	(72 361)	(72 361)	—	(72 361)	—	—	(72 361)
—	—	—	—	—	—	—	—	—	—	—	(14 721)	(14 721)
(18 875)	**4 660**	**44 203**	**(104 724)**	**(687 549)**	**(5 014)**	**3 939 028**	**4 393 114**	**174 579**	**4 567 693**	**373 705**	**572 394**	**5 513 792**

CONDENSED COMBINED CONSOLIDATED CASH FLOW STATEMENT

£'000	Six months to 30 Sept 2021	Six months to 30 Sept 2020^	Year to 31 March 2021
Net cash inflow/(outflow) from operating activities	551 100	(2 250 741)	(557 837)
Net cash inflow/(outflow) from investing activities	35 705	(6 967)	1 414
Net cash outflow from financing activities	(204 181)	(65 532)	(134 626)
Effects of exchange rates on cash and cash equivalents	6 554	49 930	146 030
Net increase/(decrease) in cash and cash equivalents	**389 178**	**(2 273 310)**	**(545 019)**
Cash and cash equivalents at the beginning of the period	6 551 511	7 096 530	7 096 530
Cash and cash equivalents at the end of the period	**6 940 689**	**4 823 220**	**6 551 511**

Cash and cash equivalents is defined as including: cash and balances at central banks, on demand loans and advances to banks and non-sovereign and non-bank cash placements (all of which have a maturity profile of less than three months).

^ Restated as detailed on pages 66 and 67.

EARNINGS PER SHARE

For the six months to 30 September	2021	2020
Earnings	**£’000**	£’000
Earnings attributable to shareholders	249 633	108 766
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(19 367)	(19 628)
Earnings and diluted earnings attributable to ordinary shareholders	**230 266**	**89 138**
Adjusted earnings		
Earnings attributable to shareholders	249 633	108 766
Amortisation of acquired intangibles	7 773	7 603
Amortisation of acquired intangibles of associates	4 628	4 625
Closure and rundown of the Hong Kong direct investments business	596	2 158
Taxation on acquired intangibles and strategic actions	(620)	(1 558)
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(19 367)	(19 628)
Accrual adjustment on earnings attributable to other equity holders*	(321)	2 413
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items	**242 322**	**104 379**
Headline earnings		
Earnings attributable to shareholders	249 633	108 766
Gain on disposal of subsidiary of associate company	(3 275)	—
Re-measurement of group investment	—	(10 770)
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(19 367)	(19 628)
Property revaluation, net of taxation and non-controlling interests**	921	7 802
Headline earnings attributable to ordinary shareholders* **	**227 912**	**86 170**
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	1 014 987 327	1 014 987 327
Weighted average number of treasury shares	(93 544 986)	(83 384 649)
Weighted average number of shares in issue during the year	**921 442 341**	**931 602 678**
Weighted average number of shares resulting from future dilutive potential shares	21 770 525	7 264 992
Adjusted weighted number of shares potentially in issue	**943 212 866**	**938 867 670**
Earnings per share – pence	**25.0**	**9.6**
Diluted earnings per share – pence	24.4	9.5
Adjusted earnings per share – pence	**26.3**	**11.2**
Diluted adjusted earnings per share – pence	25.7	11.1
Headline earnings per share – pence* **	**24.7**	**9.2**
Diluted headline earnings per share – pence***	24.2	9.2

* In accordance with IFRS, dividends attributable to equity holders are accounted for when a constructive liability arises i.e. on declaration by the board of directors and approval by the shareholders where required. Investec is of the view that EPS is best reflected by adjusting for earnings that are attributed to equity instruments (other than ordinary shares) on an accrual basis and therefore adjusts the paid dividend on such instruments to accrued in arriving at adjusted EPS.

** Taxation on revaluation headline earnings adjustments amounted to a tax credit of £0.2 million (2020: £2.6 million) with an impact of £4.2 million (2020: £14.5 million) on earnings attributable to non-controlling interests. The amount includes property revaluations included in equity accounted earnings.

*** Headline earnings per share has been calculated and is disclosed in accordance with the JSE listing requirements, and in terms of circular 1/2021 issued by the South African Institute of Chartered Accountants.

SEGMENTAL INCOME STATEMENT – GEOGRAPHIC ANALYSIS

For the six months to 30 September 2021 **£'000**	UK and Other	Southern Africa	**Total**
Net interest income	229 223	230 551	459 774
Net fee and commission income	231 027	160 188	391 215
Investment income/(loss)	5 239	(1 748)	3 491
Share of post-taxation profit of associates and joint venture holdings	23 276	18 226	41 502
Trading income/(loss) arising from			
– customer flow	32 715	32 426	65 141
– balance sheet management and other trading activities	(9 861)	(8 591)	(18 452)
Other operating income	7 505	956	8 461
Total operating income before expected credit loss impairment charges	**519 124**	**432 008**	**951 132**
Expected credit loss impairment charges	(4 877)	(5 360)	(10 237)
Operating income	**514 247**	**426 648**	**940 895**
Operating costs	(380 426)	(218 027)	(598 453)
Operating profit before goodwill, acquired intangibles and strategic actions	**133 821**	**208 621**	**342 442**
Profit attributable to non-controlling interests	—	(16 712)	(16 712)
Adjusted operating profit	**133 821**	**191 909**	**325 730**
Amortisation of acquired intangibles	(6 481)	(1 292)	(7 773)
Amortisation of acquired intangibles of associates	(3 009)	(1 619)	(4 628)
Closure and rundown of the Hong Kong direct investments business	(596)	—	(596)
Earnings attributable to shareholders before taxation	**123 735**	**188 998**	**312 733**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(12 167)	(51 553)	(63 720)
Taxation on acquired intangibles and strategic actions	258	362	620
Earnings attributable to shareholders	**111 826**	**137 807**	**249 633**
Selected returns and key statistics			
ROE (post-tax)	10.5%	12.0%	11.2%
Return on tangible equity (post-tax)	12.2%	12.0%	12.1%
Cost to income ratio	73.3%	52.5%	64.0%
Staff compensation to operating income	52.3%	38.0%	45.8%
Adjusted operating profit per employee (£'000)	38.7	43.4	41.3
Effective operational tax rate	11.0%	27.1%	21.2%
Total assets (£'million)	25 317	28 137	53 454

SEGMENTAL INCOME STATEMENT – GEOGRAPHIC ANALYSIS
CONTINUED

For the six months to 30 September 2020^ £'000	UK and Other	Southern Africa	Total
Net interest income	185 256	169 147	354 403
Net fee and commission income	219 887	109 939	329 826
Investment income/(loss)	25 189	(8 330)	16 859
Share of post-taxation profit of associates and joint venture holdings	14 018	2 254	16 272
Trading income/(loss) arising from			
– customer flow	(20 081)	11 554	(8 527)
– balance sheet management and other trading activities	9 374	(1 230)	8 144
Other operating income	6 976	5 007	11 983
Total operating income before expected credit loss impairment charges	**440 619**	**288 341**	**728 960**
Expected credit loss impairment charges	(39 906)	(26 068)	(65 974)
Operating income	**400 713**	**262 273**	**662 986**
Operating costs	(357 880)	(177 875)	(535 755)
Operating profit before goodwill, acquired intangibles and strategic actions	**42 833**	**84 398**	**127 231**
Loss attributable to non-controlling interests	530	14 725	15 255
Adjusted operating profit	**43 363**	**99 123**	**142 486**
Amortisation of acquired intangibles	(6 413)	(1 190)	(7 603)
Amortisation of acquired intangibles of associates	(3 009)	(1 616)	(4 625)
Closure and rundown of the Hong Kong direct investments business	(2 158)	—	(2 158)
Earnings attributable to shareholders before taxation	**31 783**	**96 317**	**128 100**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(5 337)	(15 555)	(20 892)
Taxation on acquired intangibles and strategic actions	1 225	333	1 558
Earnings attributable to shareholders	**27 671**	**81 095**	**108 766**
Selected returns and key statistics			
ROE (post-tax)	2.8%	8.1%	5.3%
Return on tangible equity (post-tax)	3.3%	8.1%	5.8%
Cost to income ratio	81.1%	58.7%	72.0%
Staff compensation to operating income	59.4%	44.8%	53.6%
Adjusted operating profit per employee (£'000)	11.3	22.2	17.2
Effective operational tax rate	18.5%	18.9%	18.8%
Total assets (£'million)	24 316	26 283	50 599

^ Restated as detailed on pages 66 and 67.

SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS

For the six months to 30 September 2021	UK and Other						
		Specialist Banking					
£'000	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	**Total Specialist Banking**	Group Investments	Group Costs	**Total**
Net interest income/(expense)	436	30 546	198 241	228 787	—	—	229 223
Net fee and commission income	173 045	390	57 592	57 982	—	—	231 027
Investment income/(loss)	5	(12)	5 246	5 234	—	—	5 239
Share of post-taxation profit/(loss) of associates and joint venture holdings	—	—	6 786	6 786	16 490	—	23 276
Trading income/(loss) arising from							
– customer flow	534	767	31 414	32 181	—	—	32 715
– balance sheet management and other trading activities	(115)	1	(9 747)	(9 746)	—	—	(9 861)
Other operating income	—	—	7 505	7 505	—	—	7 505
Total operating income before expected credit loss impairment charges	**173 905**	**31 692**	**297 037**	**328 729**	**16 490**	**—**	**519 124**
Expected credit loss impairment charges	(2)	(560)	(4 315)	(4 875)	—	—	(4 877)
Operating income	**173 903**	**31 132**	**292 722**	**323 854**	**16 490**	**—**	**514 247**
Operating costs	(131 728)	(19 842)	(219 517)	(239 359)	—	(9 339)	(380 426)
Operating profit/(loss) before goodwill, acquired intangibles and strategic actions	**42 175**	**11 290**	**73 205**	**84 495**	**16 490**	**(9 339)**	**133 821**
(Profit)/loss attributable to non-controlling interests	—	—	—	—	—	—	—
Operating profit before goodwill, acquired intangibles and after non-controlling interests	**42 175**	**11 290**	**73 205**	**84 495**	**16 490**	**(9 339)**	**133 821**
Selected returns and key statistics							
ROE (post-tax)	27.3%	2.7%	12.8%	9.4%	13.7%	n/a	10.5%
Return on tangible equity (post-tax)	57.5%	2.7%	12.9%	9.5%	13.7%	n/a	12.2%
Cost to income ratio	75.7%	62.6%	73.9%	72.8%	n/a	n/a	73.3%
Total assets (£'million)	992	3 993	20 092	24 085	240	n/a	25 317

SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS
CONTINUED

Southern Africa							
	Specialist Banking						
Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	**Total Specialist Banking**	Group Investments	Group Costs	**Total**	**Total group**
1 197	137 230	112 473	249 703	(20 349)	—	230 551	459 774
47 494	28 842	58 325	87 167	25 527	—	160 188	391 215
597	6 732	(12 645)	(5 913)	3 568	—	(1 748)	3 491
—	(126)	(290)	(416)	18 642	—	18 226	41 502
(16)	47	23 403	23 450	8 992	—	32 426	65 141
118	78	(2 385)	(2 307)	(6 402)	—	(8 591)	(18 452)
(13)	5	964	969	—	—	956	8 461
49 377	**172 808**	**179 845**	**352 653**	**29 978**	**—**	**432 008**	**951 132**
—	6 982	(10 987)	(4 005)	(1 355)	—	(5 360)	(10 237)
49 377	**179 790**	**168 858**	**348 648**	**28 623**	**—**	**426 648**	**940 895**
(33 818)	(79 055)	(96 512)	(175 567)	(939)	(7 703)	(218 027)	(598 453)
15 559	**100 735**	**72 346**	**173 081**	**27 684**	**(7 703)**	**208 621**	**342 442**
—	—	298	298	(17 010)	—	(16 712)	(16 712)
15 559	**100 735**	**72 644**	**173 379**	**10 674**	**(7 703)**	**191 909**	**325 730**
59.8%	16.4%	8.5%	12.4%	7.3%	n/a	12.0%	11.2%
62.5%	16.4%	8.7%	12.5%	7.3%	n/a	12.0%	12.1%
68.5%	45.7%	53.6%	49.7%	n/a	n/a	52.5%	64.0%
377	10 977	15 201	26 178	1 582	n/a	28 137	53 454

SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS
CONTINUED

For the six months to 30 September 2020^	UK and Other						
		Specialist Banking					
£'000	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	Total Specialist Banking	Group Investments	Group Costs	Total
Net interest income/(expense)	1 597	14 013	169 646	183 659	—	—	185 256
Net fee and commission income	153 004	269	66 614	66 883	—	—	219 887
Investment income/(loss)	47	—	25 142	25 142	—	—	25 189
Share of post-taxation profit/(loss) of associates and joint venture holdings	—	—	2 227	2 227	11 791	—	14 018
Trading income/(loss) arising from							
– customer flow	323	538	(20 942)	(20 404)	—	—	(20 081)
– balance sheet management and other trading activities	102	2	9 270	9 272	—	—	9 374
Other operating income	—	—	6 976	6 976	—	—	6 976
Total operating income before expected credit loss impairment charges	**155 073**	**14 822**	**258 933**	**273 755**	**11 791**	**—**	**440 619**
Expected credit loss impairment charges	(6)	(981)	(38 919)	(39 900)	—	—	(39 906)
Operating income	**155 067**	**13 841**	**220 014**	**233 855**	**11 791**	**—**	**400 713**
Operating costs	(126 190)	(16 989)	(204 493)	(221 482)	**—**	**(10 208)**	(357 880)
Operating profit/(loss) before goodwill, acquired intangibles and strategic actions	**28 877**	**(3 148)**	**15 521**	**12 373**	**11 791**	**(10 208)**	**42 833**
Loss attributable to non-controlling interests	—	—	530	530	**—**	**—**	530
Operating profit before goodwill, acquired intangibles and after non-controlling interests	**28 877**	**(3 148)**	**16 051**	**12 903**	**11 791**	**(10 208)**	**43 363**
Selected returns and key statistics							
ROE (post-tax)	18.2%	(1.4%)	1.5%	0.7%	15.2%	n/a	2.8%
Return on tangible equity (post-tax)	45.1%	(1.4%)	1.5%	0.8%	15.2%	n/a	3.3%
Cost to income ratio	81.4%	114.6%	78.8%	80.7%	n/a	n/a	81.1%
Total assets (£'million)	935	2 783	20 364	23 147	234	n/a	24 316

^ Restated as detailed on pages 66 and 67.

* The results of Investec Private Banking and Investec Corporate, Investment Banking and Other were disclosed as separate segments for the first time in the 31 March 2021 results. Investec Private Banking and Investec Corporate, Investment Banking and Other were previously presented as components of the Investec Specialist Bank. Comparatives have been restated.

SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS
CONTINUED

Southern Africa							
	Specialist Banking						
Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	**Total Specialist Banking**	Group Investments	Group Costs	**Total**	**Total group**
(382)	97 635	95 235	192 870	(23 341)	—	169 147	354 403
36 236	18 724	31 949	50 673	23 030	—	109 939	329 826
496	(504)	(3 619)	(4 123)	(4 703)	—	(8 330)	16 859
—	(80)	1	(79)	2 333	—	2 254	16 272
20	89	14 854	14 943	(3 409)	—	11 554	(8 527)
99	(2)	3 465	3 463	(4 792)	—	(1 230)	8 144
—	5	5 002	5 007	—	—	5 007	11 983
36 469	**115 867**	**146 887**	**262 754**	**(10 882)**	**—**	**288 341**	**728 960**
—	(7 861)	(16 376)	(24 237)	(1 831)	—	(26 068)	(65 974)
36 469	**108 006**	**130 511**	**238 517**	**(12 713)**	**—**	**262 273**	**662 986**
(24 509)	(63 456)	(82 191)	(145 647)	(584)	(7 135)	(177 875)	(535 755)
11 960	**44 550**	**48 320**	**92 870**	**(13 297)**	**(7 135)**	**84 398**	**127 231**
—	—	—	—	14 725	—	14 725	15 255
11 960	**44 550**	**48 320**	**92 870**	**1 428**	**(7 135)**	**99 123**	**142 486**
71.2%	13.0%	6.1%	9.1%	0.9%	n/a	8.1%	5.3%
76.1%	13.0%	6.2%	9.2%	0.9%	n/a	8.1%	5.8%
67.2%	54.8%	56.0%	55.4%	n/a	n/a	58.7%	72.0%
397	9 549	14 577	24 126	1 760	n/a	26 283	50 599

SEGMENTAL BALANCE SHEET – GEOGRAPHIC ANALYSIS

At 30 September 2021 £'000	UK and Other	Southern Africa	Total
Assets			
Cash and balances at central banks	3 332 458	625 196	3 957 654
Loans and advances to banks	1 523 509	1 078 596	2 602 105
Non-sovereign and non-bank cash placements	—	475 875	475 875
Reverse repurchase agreements and cash collateral on securities borrowed	1 486 577	2 333 799	3 820 376
Sovereign debt securities	1 086 517	2 750 598	3 837 115
Bank debt securities	50 699	1 390 299	1 440 998
Other debt securities	493 680	752 551	1 246 231
Derivative financial instruments	628 569	577 730	1 206 299
Securities arising from trading activities	457 478	627 897	1 085 375
Investment portfolio	364 048	564 693	928 741
Loans and advances to customers	13 695 269	14 271 061	27 966 330
Own originated loans and advances to customers securitised	—	372 602	372 602
Other loans and advances	102 765	6 241	109 006
Other securitised assets	101 851	31 839	133 690
Interests in associated undertakings and joint venture holdings	301 021	394 735	695 756
Current taxation assets	36 173	1 968	38 141
Deferred taxation assets	91 024	125 266	216 290
Other assets	1 090 254	642 934	1 733 188
Property and equipment	170 369	174 360	344 729
Investment properties	—	788 540	788 540
Goodwill	249 836	10 006	259 842
Software	7 892	3 471	11 363
Other acquired intangible assets	47 261	4 439	51 700
Non-current assets classified as held for sale	—	75 752	75 752
	25 317 250	**28 080 448**	**53 397 698**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	56 662	56 662
	25 317 250	**28 137 110**	**53 454 360**
Liabilities			
Deposits by banks	1 417 705	877 168	2 294 873
Derivative financial instruments	749 778	1 224 218	1 973 996
Other trading liabilities	42 364	183 134	225 498
Repurchase agreements and cash collateral on securities lent	140 531	1 039 050	1 179 581
Customer accounts (deposits)	16 691 486	19 661 521	36 353 007
Debt securities in issue	1 572 783	398 340	1 971 123
Liabilities arising on securitisation of own originated loans and advances	—	155 200	155 200
Liabilities arising on securitisation of other assets	104 215	—	104 215
Current taxation liabilities	17 708	36 396	54 104
Deferred taxation liabilities	—	19 448	19 448
Other liabilities	1 323 612	792 486	2 116 098
	22 060 182	**24 386 961**	**46 447 143**
Liabilities to customers under investment contracts	—	54 018	54 018
Insurance liabilities, including unit-linked liabilities	—	2 644	2 644
	22 060 182	**24 443 623**	**46 503 805**
Subordinated liabilities	762 505	674 258	1 436 763
	22 822 687	**25 117 881**	**47 940 568**

SEGMENTAL BALANCE SHEET – GEOGRAPHIC ANALYSIS
CONTINUED

At 31 March 2021 £'000	UK and Other	Southern Africa	Total
Assets			
Cash and balances at central banks	3 043 034	474 066	3 517 100
Loans and advances to banks	1 374 154	1 325 163	2 699 317
Non-sovereign and non-bank cash placements	—	439 841	439 841
Reverse repurchase agreements and cash collateral on securities borrowed	2 065 232	1 510 481	3 575 713
Sovereign debt securities	1 108 253	2 603 370	3 711 623
Bank debt securities	48 044	1 073 686	1 121 730
Other debt securities	669 403	694 832	1 364 235
Derivative financial instruments	772 501	942 242	1 714 743
Securities arising from trading activities	278 074	746 597	1 024 671
Investment portfolio	355 974	553 076	909 050
Loans and advances to customers	12 335 837	13 705 250	26 041 087
Own originated loans and advances to customers securitised	—	401 912	401 912
Other loans and advances	93 233	8 902	102 135
Other securitised assets	111 676	28 411	140 087
Interests in associated undertakings and joint venture holdings	295 313	383 844	679 157
Current taxation assets	58 174	2 151	60 325
Deferred taxation assets	110 750	135 872	246 622
Other assets	1 388 431	777 007	2 165 438
Property and equipment	185 502	144 470	329 972
Investment properties	—	832 061	832 061
Goodwill	249 836	9 969	259 805
Software	7 791	4 783	12 574
Other acquired intangible assets	53 281	5 687	58 968
Non-current assets classified as held for sale	—	51 783	51 783
	24 604 493	**26 855 456**	**51 459 949**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	52 405	52 405
	24 604 493	**26 907 861**	**51 512 354**
Liabilities			
Deposits by banks	1 320 675	1 083 037	2 403 712
Derivative financial instruments	906 001	1 284 486	2 190 487
Other trading liabilities	49 055	277 134	326 189
Repurchase agreements and cash collateral on securities lent	139 014	864 298	1 003 312
Customer accounts (deposits)	16 070 313	18 379 117	34 449 430
Debt securities in issue	1 573 450	318 869	1 892 319
Liabilities arising on securitisation of own originated loans and advances	—	160 646	160 646
Liabilities arising on securitisation of other assets	108 281	—	108 281
Current taxation liabilities	36 862	41 928	78 790
Deferred taxation liabilities	19 984	20 349	40 333
Other liabilities	1 199 285	813 718	2 013 003
	21 422 920	**23 243 582**	**44 666 502**
Liabilities to customers under investment contracts	—	49 798	49 798
Insurance liabilities, including unit-linked liabilities	—	2 607	2 607
	21 422 920	**23 295 987**	**44 718 907**
Subordinated liabilities	771 481	709 470	1 480 951
	22 194 401	**24 005 457**	**46 199 858**

SEGMENTAL BALANCE SHEET – GEOGRAPHIC ANALYSIS
CONTINUED

At 30 September 2020^ **£'000**	UK and Other	Southern Africa	**Total**
Assets			
Cash and balances at central banks	1 918 509	559 127	2 477 636
Loans and advances to banks	1 621 011	1 458 796	3 079 807
Non-sovereign and non-bank cash placements	—	363 350	363 350
Reverse repurchase agreements and cash collateral on securities borrowed	3 024 055	1 940 674	4 964 729
Sovereign debt securities	903 752	3 360 940	4 264 692
Bank debt securities	65 645	524 528	590 173
Other debt securities	709 654	717 520	1 427 174
Derivative financial instruments	897 938	987 461	1 885 399
Securities arising from trading activities	390 771	267 781	658 552
Investment portfolio	397 798	596 745	994 543
Loans and advances to customers	11 982 727	12 873 150	24 855 877
Own originated loans and advances to customers securitised	—	307 532	307 532
Other loans and advances	90 581	10 078	100 659
Other securitised assets	110 370	12 522	122 892
Interests in associated undertakings and joint venture holdings	290 219	432 008	722 227
Current taxation assets	45 779	15 744	61 523
Deferred taxation assets	121 259	135 322	256 581
Other assets	1 216 354	634 148	1 850 502
Property and equipment	202 038	139 305	341 343
Investment properties	—	799 588	799 588
Goodwill	261 283	9 708	270 991
Software	7 108	5 937	13 045
Other acquired intangible assets	59 669	6 555	66 224
Non-current assets classified as held for sale	—	87 248	87 248
	24 316 520	**26 245 767**	**50 562 287**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	37 178	37 178
	24 316 520	**26 282 945**	**50 599 465**
Liabilities			
Deposits by banks	1 317 481	2 002 246	3 319 727
Derivative financial instruments	869 235	858 578	1 727 813
Other trading liabilities	101 542	476 279	577 821
Repurchase agreements and cash collateral on securities lent	172 307	1 519 743	1 692 050
Customer accounts (deposits)	15 635 506	16 916 191	32 551 697
Debt securities in issue	1 460 275	354 982	1 815 257
Liabilities arising on securitisation of own originated loans and advances	—	73 042	73 042
Liabilities arising on securitisation of other assets	109 107	—	109 107
Current taxation liabilities	36 153	59 787	95 940
Deferred taxation liabilities	19 336	31 391	50 727
Other liabilities	1 376 093	649 838	2 025 931
	21 097 035	**22 942 077**	**44 039 112**
Liabilities to customers under investment contracts	—	34 494	34 494
Insurance liabilities, including unit-linked liabilities	—	2 684	2 684
	21 097 035	**22 979 255**	**44 076 290**
Subordinated liabilities	790 305	657 643	1 447 948
	21 887 340	**23 636 898**	**45 524 238**

^ Restated as detailed on pages 66 and 67.

03

Financial review

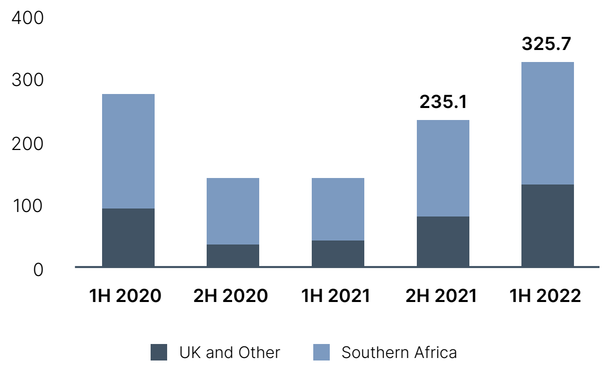
PERFORMANCE IN REVIEW

We have a diversified business model

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

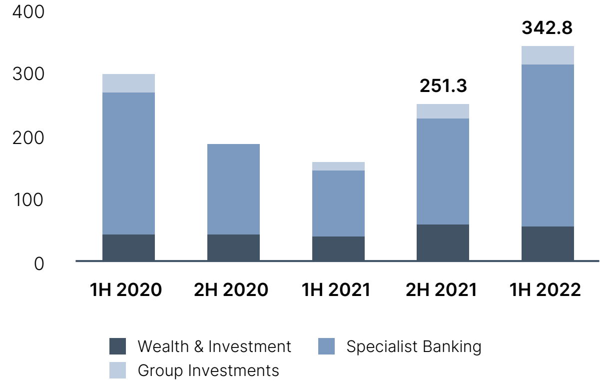
Adjusted operating profit (including Group Costs)

£'million



Adjusted operating profit (excluding Group Costs)

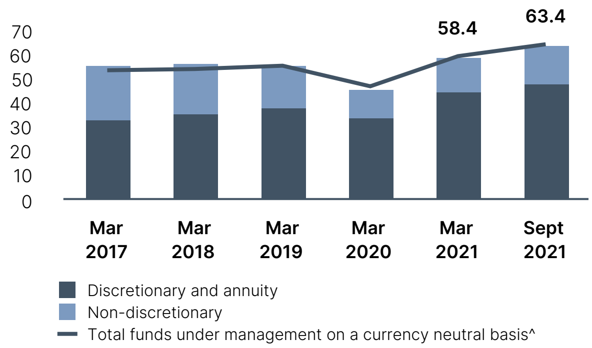
£'million



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

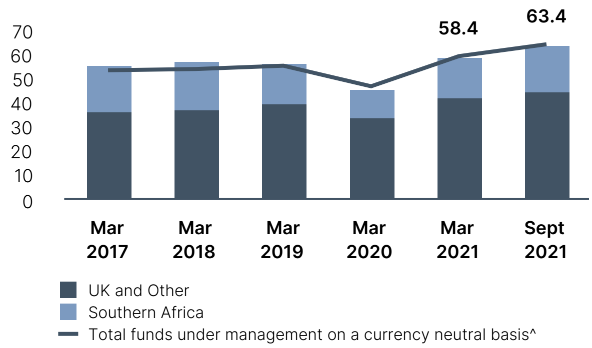
Funds under management by type

£'billion



Funds under management by geography

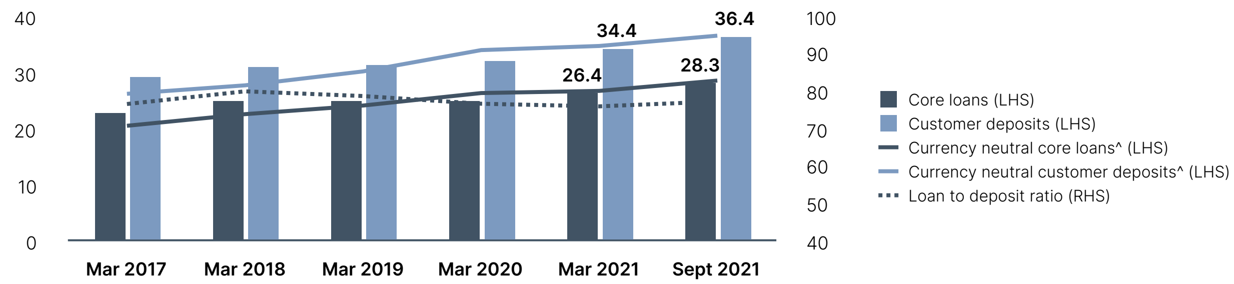
£'billion



Core loans and customer deposits

£'billion

Percentage

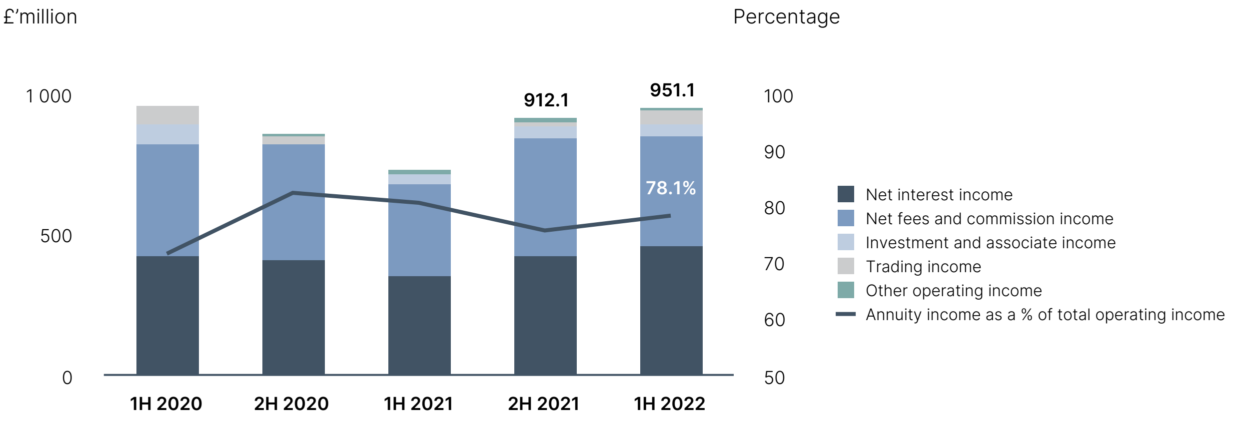


^ This trend line is shown on a currency neutral basis using the closing Rand: Pound Sterling exchange rate applicable at 30 September 2021.

PERFORMANCE IN REVIEW
CONTINUED

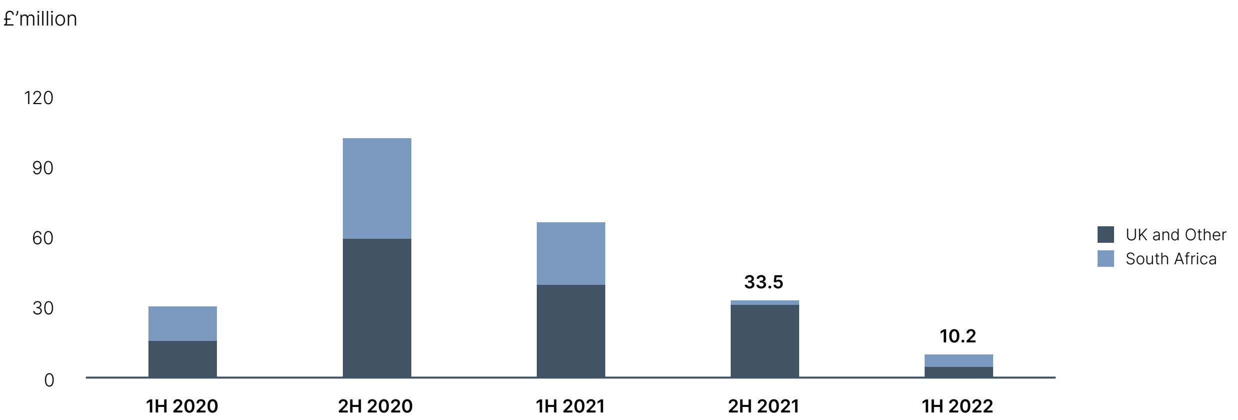
Revenue supported by strong performance from client franchises and improved market conditions

Total operating income



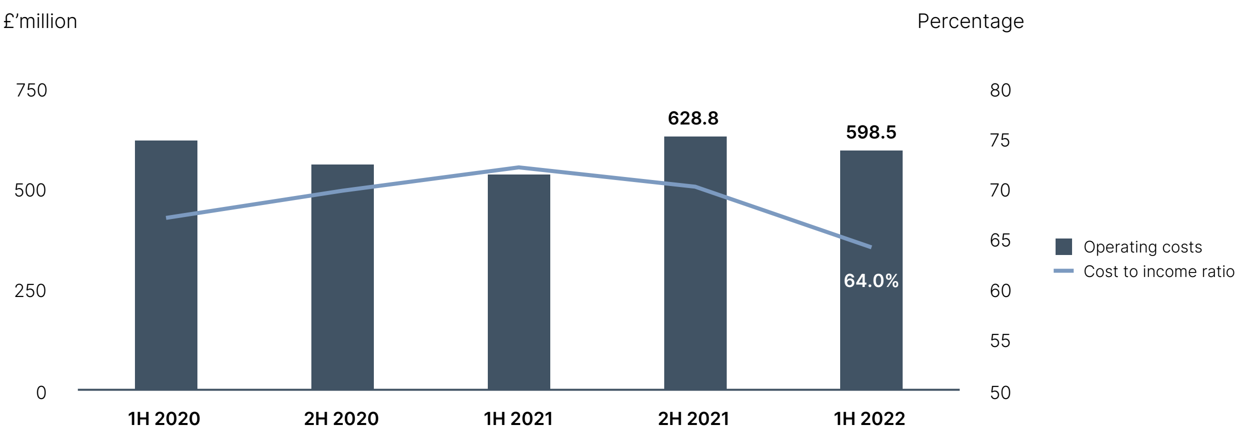
Significantly lower credit losses reflect improved macro-economic outlook and robust asset quality in the current period

Expected credit loss impairment charges



Cost to income ratio improved as a result of cost discipline and higher revenue growth

Operating costs and cost to income ratio



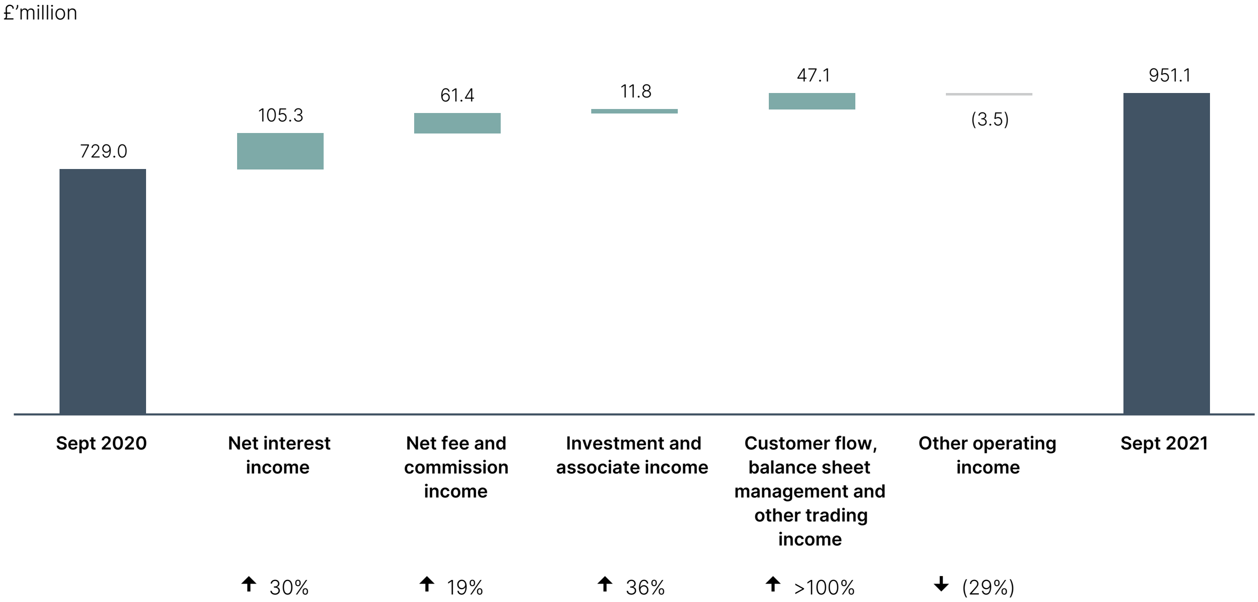
PERFORMANCE IN REVIEW
CONTINUED

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 during the six months under review.

Further details on the key income drivers and significant variances in the various components of our operating income, expenses and profit can be found in the description of our principal businesses on pages 68 to 95.

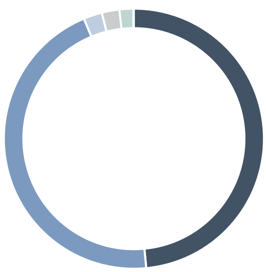
1. Total operating income before expected credit loss impairment charges
Total operating income before expected credit loss impairment charges increased 30.5% to £951.1 million (2020: £729.0 million).

A breakdown of total operating income before expected credit loss impairment charges by geography and division for the year under review can be found in our segmental disclosures on pages 36 to 44.



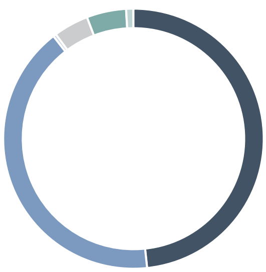
Percentage contribution to total operating income before expected credit loss impairment charges

30 September 2020
£729.0 million total operating income before expected credit loss impairment charges



Net interest income	48.6%
Net fee and commission income	45.3%
Investment income	2.3%
Share of post-taxation profit of associates and joint venture holdings	2.2%
Trading income arising from customer flow, balance sheet management and other trading activities	(0.1%)
Other operating income	1.7%

30 September 2021
£951.1 million total operating income before expected credit loss impairment charges



Net interest income	48.3%
Net fee and commission income	41.1%
Investment income	0.4%
Share of post-taxation profit of associates and joint venture holdings	4.4%
Trading income arising from customer flow, balance sheet management and other trading activities	4.9%
Other operating income	0.9%

PERFORMANCE IN REVIEW
CONTINUED

2. Net interest income
Net interest income increased by 29.7% to £459.8 million (2020: £354.4 million).

Factors driving the variance over the period:

Favourable:
- Higher average interest earning assets, including average loan book growth
- Lower funding costs as liabilities repriced post rate cuts
- Excess liquidity deployed into higher-yielding loans
- Higher accelerations of effective interest rate (EIR) fees in the UK

Unfavourable:
- Higher repayments in certain areas of the South African corporate lending portfolio
- Lower average yield earned on cash, near cash and bank debt and sovereign debt

		UK and Other			Southern Africa			Total	
For the six months to 30 September 2021 £'000	Notes	Average balance sheet value	Interest income	Average yield	Average balance sheet value	Interest income	Average yield	**Average balance sheet value**	**Interest income**
Cash, near cash and bank debt and sovereign debt	1	7 327 132	8 779	0.24%	8 364 357	117 338	2.80%	15 691 489	126 117
Core loans	2	12 911 716	298 553	4.62%	14 582 363	490 778	6.72%	27 494 079	789 331
Private Client		3 683 613	55 397	3.01%	10 359 905	350 571	6.44%	14 043 518	405 968
Corporate, Investment Banking and Other		9 228 103	243 156	5.27%	4 222 458	140 207	7.53%	13 450 561	383 363
Other debt securities and other loans and advances		669 623	11 406	3.41%	787 380	16 073	4.08%	1 457 003	27 479
Other	3	239 318	25 509	n/a	27 356	17 037	n/a	266 674	42 546
Total interest-earning assets		**21 147 789**	**344 247**		**23 761 456**	**641 226**		**44 909 245**	**985 473**

		UK and Other			Southern Africa			Total	
For the six months to 30 September 2021 £'000	Notes	Average balance sheet value	Interest expense	Average yield	Average balance sheet value	Interest expense	Average yield	**Average balance sheet value**	**Interest expense**
Deposits by banks and other debt-related securities	4	3 059 454	(16 301)	1.07%	2 260 059	(30 358)	2.68%	5 319 513	(46 659)
Customer accounts (deposits)		16 056 758	(44 355)	0.55%	19 611 847	(344 025)	3.50%	35 668 605	(388 380)
Subordinated liabilities		767 890	(24 301)	6.33%	717 203	(23 284)	6.47%	1 485 093	(47 585)
Other	5	372 770	(30 067)	n/a	137 511	(13 008)	n/a	510 281	(43 075)
Total interest-bearing liabilities		**20 256 872**	**(115 024)**		**22 726 620**	**(410 675)**		**42 983 492**	**(525 699)**
Net interest income			**229 223**			**230 551**			**459 774**
Net interest margin			**2.17%**			**1.94%****			

The average balance sheet value and average yield for Southern Africa have been determined in Rands. The average balance sheet value shown above has been translated using the average Rand: Pound sterling exchange rate for the period of R19.94 (September 2020: R22.05).

1. Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; non-sovereign and non-bank cash placements; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities; bank debt securities.
2. Comprises (as per the balance sheet) loans and advances to customers; own originated loans and advances to customers securitised.
3. Comprises (as per the balance sheet) other securitised assets, finance lease receivables as well as interest income from derivative financial instruments and off-balance sheet assets where there is no associated balance sheet value.
4. Comprises (as per the balance sheet) deposits by banks; debt securities in issue; repurchase agreements and cash collateral on securities lent.
5. Comprises (as per the balance sheet) liabilities arising on securitisation of own originated loans and advance, finance lease liabilities as well as interest expense from derivative financial instruments where there is no associated balance sheet value.

** Impacted by debt funding issued by the Investec Property Fund in which the group has a 24.31% (September 2020: 24.31%) interest. Excluding this debt funding cost, the net interest margin amounted to 2.06% (September 2020: 1.69%).

PERFORMANCE IN REVIEW
CONTINUED

For the six months to 30 September 2020^ £'000	Notes	UK and Other Average balance sheet value	UK and Other Interest income	UK and Other Average yield	Southern Africa Average balance sheet value	Southern Africa Interest income	Southern Africa Average yield	Total Average balance sheet value	Total Interest income
Cash, near cash and bank debt and sovereign debt securities	1	7 748 065	14 943	0.39%	7 933 750	142 728	3.67%	15 681 815	157 671
Core loans	2	12 024 771	289 165	4.81%	12 996 227	479 133	7.60%	25 020 998	768 298
Private client		5 322 895	98 211	3.69%	8 863 595	334 088	7.69%	14 186 490	432 299
Corporate, Investment Banking and Other		6 701 876	190 954	5.70%	4 132 632	145 045	7.40%	10 834 508	335 999
Other debt securities and other loans and advances		889 025	17 400	3.91%	765 234	24 022	6.40%	1 654 259	41 422
Other	3	306 365	34 546	n/a	14 588	7 437	n/a	320 953	41 983
Total interest-earning assets		**20 968 226**	**356 054**		**21 709 799**	**653 320**		**42 678 025**	**1 009 374**

For the six months to 30 September 2020 £'000	Notes	UK and Other Average balance sheet value	UK and Other Interest expense	UK and Other Average yield	Southern Africa Average balance sheet value	Southern Africa Interest expense	Southern Africa Average yield	Total Average balance sheet value	Total Interest expense
Deposits by banks and other debt-related securities	4	3 177 572	(25 476)	1.60%	3 783 653	(59 519)	3.23%	6 961 225	(84 995)
Customer accounts (deposits)		15 924 317	(76 885)	0.97%	16 675 221	(392 903)	4.84%	32 599 538	(469 788)
Subordinated liabilities		790 805	(24 125)	6.10%	650 640	(22 191)	7.01%	1 441 445	(46 316)
Other	5	459 493	(44 312)	n/a	1 632 664	(9 560)	n/a	2 092 157	(53 872)
Total interest-bearing liabilities		**20 352 187**	**(170 798)**		**22 742 178**	**(484 173)**		**43 094 365**	**(654 971)**
Net interest income			**185 256**			**169 147**			**354 403**
Net interest margin			**1.77%**			**1.56%****			

The average balance sheet value and average yield for Southern Africa have been determined in Rands. The average balance sheet value shown above has been translated using the average Rand: Pound sterling exchange rate for the period of R22.05.

1. Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; non-sovereign and non-bank cash placements; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities; bank debt securities.
2. Comprises (as per the balance sheet) loans and advances to customers; own originated loans and advances to customers securitised.
3. Comprises (as per the balance sheet) other securitised assets, finance lease receivables as well as interest income from derivative financial instruments and off-balance sheet assets where there is no associated balance sheet value.
4. Comprises (as per the balance sheet) deposits by banks; debt securities in issue; repurchase agreements and cash collateral on securities lent.
5. Comprises (as per the balance sheet) liabilities arising on securitisation of own originated loans and advance, finance lease liabilities as well as interest expense from derivative financial instruments where there is no associated balance sheet value.

** Impacted by debt funding issued by the Investec Property Fund in which the group has a 24.31% interest. Excluding this debt funding cost, the net interest margin amounted to 1.69%.
^ Restated as detailed on pages 66 and 67.

PERFORMANCE IN REVIEW
CONTINUED

3. Net fee and commission income

Net fee and commission income increased 18.6% to £391.2 million (2020: £329.8 million).

Factors driving the variance over the period:

Favourable:

- Higher lending fees due to increased origination activity
- Increased client activity and trading volumes as COVID-19 restrictions eased
- Higher average FUM (supported by net inflows) and investment outperformance in South Africa and the UK

Unfavourable:

- Loss of fee income following exit of Australian business
- Non-repeat of exceptional transaction volumes seen in the prior period for UK Wealth & Investment
- Lower equity capital markets activity in the UK off a high base

For the six months to 30 September 2021 **£'000**	UK and Other	Southern Africa	**Total**
Wealth & Investment net fee and commission income	**173 045**	**47 494**	**220 539**
Fund management fees/fees for funds under management	152 287	27 354	179 641
Private client transactional fees	21 103	20 978	42 081
Fee and commission expense	(345)	(838)	(1 183)
Specialist Banking net fee and commission income	**57 982**	**87 167**	**145 149**
Specialist Banking fee and commission income*	64 916	100 154	165 070
Specialist Banking fee and commission expense	(6 934)	(12 987)	(19 921)
Group Investments net fee and commission income	**—**	**25 527**	**25 527**
Group Investments fee and commission income	—	27 389	27 389
Group Investments fee and commission expense	—	(1 862)	(1 862)
Net fee and commission income	**231 027**	**160 188**	**391 215**
Annuity fees (net of fees payable)	159 969	123 067	283 036
Deal fees	71 058	37 121	108 179

For the six months to 30 September 2020^ **£'000**	UK and Other	Southern Africa	**Total**
Wealth & Investment net fee and commission income	**153 004**	**36 236**	**189 240**
Fund management fees/fees for funds under management	129 086	20 484	149 570
Private client transactional fees	24 303	16 384	40 687
Fee and commission expense	(385)	(632)	(1 017)
Specialist Banking net fee and commission income	**66 883**	**50 673**	**117 556**
Specialist Banking fee and commission income*	73 011	61 534	134 545
Specialist Banking fee and commission expense	(6 128)	(10 861)	(16 989)
Group Investments net fee and commission income	**—**	**23 030**	**23 030**
Group Investments fee and commission income	—	24 866	24 866
Group Investments fee and commission expense	—	(1 836)	(1 836)
Net fee and commission income	**219 887**	**109 939**	**329 826**
Annuity fees (net of fees payable)	137 486	94 011	231 497
Deal fees	82 401	15 928	98 329

^ Restated as detailed on pages 66 and 67.
* Included in Specialist Banking is fee income of £40.2 million (2020: £32.7 million) for operating lease income which is out of the scope of IFRS 15 – Revenue from contracts with customers.

PERFORMANCE IN REVIEW
CONTINUED

Total funds under management

£'million	30 Sept 2021	31 March 2021	% change	30 Sept 2020
Wealth & Investment	**63 041**	**58 039**	**8.6%**	**51 145**
UK and Other	**44 704**	**41 684**	**7.2%**	**37 551**
Discretionary	37 671	35 207	7.0%	31 622
Non-discretionary	7 033	6 477	8.6%	5 929
Southern Africa	**18 337**	**16 355**	**12.1%**	**13 594**
Discretionary and annuity assets	9 439	8 587	9.9%	7 438
Non-discretionary	8 898	7 768	14.5%	6 156
Specialist Banking	**378**	**397**	**(4.8%)**	**843**
	63 419	**58 436**	**8.5%**	**51 988**

PERFORMANCE IN REVIEW
CONTINUED

4. Investment income

Investment income decreased 79.3% to £3.5 million (2020: £16.9 million).

Factors driving the variance over the period:

Favourable:

- Higher dividend income and profit shares realised in SA
- Fair value adjustments on certain unlisted assets
- Lower investment property write-downs in IPF

Unfavourable:

- Write downs on certain unlisted investments
- Loss of income from investment in IAPF (sold in the second half of the prior financial year)
- Non-repeat of mark-to-market gains on listed equities and fair value gains on certain unlisted assets in the prior period

The following tables analyse investment income generated by the asset portfolio shown on the balance sheet:

For the six months to 30 September 2021 £'000	Listed equities	Unlisted equities	Fair value loan investments	Warrants and profit shares	**Investment portfolio**	Debt securities (sovereign, bank and other)	Investment and trading properties	Other	**Total**
UK and Other									
Realised	(489)	6 150	—	—	5 661	565	(4 725)	(4 698)	(3 197)
Unrealised^	(233)	13 617	—	—	13 384	51	4 843	(13 459)	4 819
Dividend income	32	2 516	—	—	2 548	—	—	213	2 761
Funding and other net related income	—	—	—	—	—	—	856	—	856
	(690)	**22 283**	**—**	**—**	**21 593**	**616**	**974**	**(17 944)**	**5 239**
Southern Africa									
Realised	370	778	15 216	4 508	20 872	869	691	5	22 437
Unrealised^	1 094	(23 719)	(959)	—	(23 584)	317	(10 130)	668	(32 729)
Dividend income	845	4 963	—	—	5 808	—	—	334	6 142
Funding and other net related (costs)/income	—	(541)	—	—	(541)	—	2 943	—	2 402
	2 309	**(18 519)**	**14 257**	**4 508**	**2 555**	**1 186**	**(6 496)**	**1 007**	**(1 748)**
Investment income	**1 619**	**3 764**	**14 257**	**4 508**	**24 148**	**1 802**	**(5 522)**	**(16 937)**	**3 491**

For the six months to 30 September 2020 £'000	Listed equities	Unlisted equities	Fair value loan investments	Warrants and profit shares	**Investment portfolio**	Debt securities (sovereign, bank and other)	Investment and trading properties	Other	**Total**
UK and Other									
Realised	2 769	(13 337)	—	—	(10 568)	5 108	(110)	2 294	(3 276)
Unrealised^	13 049	27 432	—	—	40 481	141	(3 522)	(10 813)	26 287
Dividend income	7	1 011	—	—	1 018	—	—	—	1 018
Funding and other net related income	—	—	—	—	—	—	1 160	—	1 160
	15 825	**15 106**	**—**	**—**	**30 931**	**5 249**	**(2 472)**	**(8 519)**	**25 189**
Southern Africa									
Realised	5 334	403	—	434	6 171	339	(338)	(3)	6 169
Unrealised^	8 166	(4 763)	(1 012)	—	2 391	601	(22 051)	(7)	(19 066)
Dividend income	3 638	782	—	—	4 420	—	—	—	4 420
Funding and other net related income/(costs)	—	(592)	—	—	(592)	—	739	—	147
	17 138	**(4 170)**	**(1 012)**	**434**	**12 390**	**940**	**(21 650)**	**(10)**	**(8 330)**
Investment income	**32 963**	**10 936**	**(1 012)**	**434**	**43 321**	**6 189**	**(24 122)**	**(8 529)**	**16 859**

^ In a year of realisation, any prior period mark-to-market gains/(losses) recognised are reversed in the unrealised line item.

PERFORMANCE IN REVIEW
CONTINUED

5. Interests in associated undertakings and joint venture holdings

Share of post-taxation profit of associates and joint venture holdings of £41.5 million (2020: £16.3 million) primarily reflects earnings in relation to the group's investments in Ninety One and the IEP Group.

Factors driving the variance over the period:

Favourable:

- Higher earnings from the group's 25% holding in Ninety One
- Significantly higher earnings from the IEP Group as trading recovered following COVID-19 related lockdowns
- Non-repeat of prior period losses in IPF's UK associate investment

6. Trading income

Trading income arising from customer flow increased to £65.1 million (2020: net loss £8.5 million).

Factors driving the variance over the period:

Favourable:

- Immaterial risk management and risk reduction costs associated with the UK structured products book (compared to costs of £53 million in the prior period) due to risk mitigation strategies and improving markets
- Increased trading activity across the equity, FX and interest rate desks in South Africa
- Favourable fair value adjustments related to hedge positions in IPF, which include interest rate swaps

Trading income from balance sheet management and other trading activities cost £18.5 million (2020: profit of £8.1 million).

Factors driving the variance over the period:

Favourable:

- Positive FX revaluations on Euro-denominated investments in IPF

Unfavourable:

- Upfront loss on the buyback of Investec plc senior notes
- Non-repeat of prior period gains which followed extreme COVID-19 related volatility
- Fair value losses on derivative instruments in IPF, which include interest rate swaps, cross currency swaps and foreign exchange contracts
- Negative movement on interest rate swaps hedging fixed deposits in South Africa

7. Other operating income

Other operating income of £8.5 million (2020: £12.0 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, whereby shareholders received one Ninety One share for every two Investec shares held. 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.

PERFORMANCE IN REVIEW
CONTINUED

8. Expected credit loss (ECL) impairment charges

Total ECL impairment charges declined significantly to £10.2 million (2020: £66.0 million) and the group's annualised credit loss ratio reduced to 0.07% (FY2021: 0.35%; Sept 2020: 0.47%), reflecting strong asset quality and recoveries. Overall, the group has maintained prior period post-model adjustments and in certain instances, introduced further adjustments following model-driven provision releases given improved macro-economic factors. The post-model adjustments account for risks which management believe are not reflected in the models.

Refer to pages 97 to 98 for further information on the macro-economic scenarios underpinning the group's ECL impairment charges and page 99 for information on the group's asset quality.

£'000	**30 Sept 2021**	30 Sept 2020	Variance	% change
UK and Other	(4 877)	(39 906)	35 029	(87.8%)
Southern Africa	(5 360)	(26 068)	20 708	(79.4%)
ECL impairment charges	**(10 237)**	**(65 974)**	**55 737**	**(84.5%)**
ECL impairment charges in home currency				
Southern Africa (R'million)	**(108)**	**(573)**	**465**	**(81.1%)**

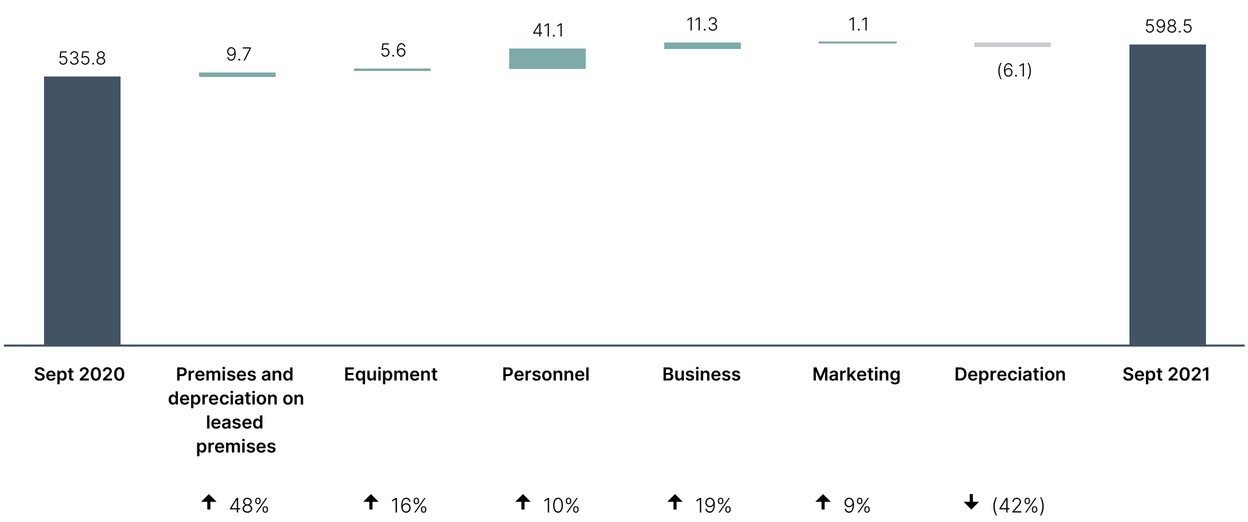
£'000	**30 Sept 2021**	30 Sept 2020
ECL impairment charges are recognised on the following assets:		
Loans and advances to customers	(9 056)	(57 220)
Own originated loans and advances to customers securitised	(25)	(353)
Core loans	**(9 081)**	**(57 573)**
Other loans and advances	109	(28)
Other balance sheet assets	(2 109)	(3 047)
Off-balance sheet commitments and guarantees	844	(5 326)
ECL impairment charges	**(10 237)**	**(65 974)**

9. Operating costs

Operating costs increased by 11.7% to £598.5 million (2020: £535.8 million) driven by higher variable remuneration. Total operating cost growth was driven by continued investment in technology, increased discretionary spend and higher variable remuneration in line with improved financial performance. As a result of management's focus on cost discipline, fixed costs were well contained, increasing by 3.3%. The cost to income ratio improved to 64.0% from 72.0% in the prior period. Group Costs decreased by 1.7% to £17.0 million (2020: £17.3 million).

Operating costs

£'million



PERFORMANCE IN REVIEW
CONTINUED

The following tables set out information on total operating costs by business and geography for the period under review.

£'000	30 Sept 2021	30 Sept 2020	Variance	% change
Wealth & Investment	(165 546)	(150 699)	(14 847)	9.9%
Private Banking	(98 897)	(80 445)	(18 452)	22.9%
Corporate, Investment Banking and Other	(316 029)	(286 684)	(29 345)	10.2%
Group Investments	(939)	(584)	(355)	60.8%
Group costs	(17 042)	(17 343)	301	(1.7%)
Total operating costs	**(598 453)**	**(535 755)**	**(62 698)**	**11.7%**

£'000	30 Sept 2021	30 Sept 2020	Variance	% change
UK and Other	(380 426)	(357 880)	(22 546)	6.3%
Southern Africa	(218 027)	(177 875)	(40 152)	22.6%
Total operating costs	**(598 453)**	**(535 755)**	**(62 698)**	**11.7%**

£'000	30 Sept 2021	% of total operating costs	30 Sept 2020	% of total operating costs	% change
Staff costs	(435 628)	72.8%	(394 544)	73.6%	10.4%
Salaries and wages	(231 234)	38.6%	(245 743)	45.9%	(5.9%)
Variable remuneration	(123 003)	20.6%	(75 395)	14.1%	63.1%
Share-based payments expense	(23 677)	4.0%	(24 029)	4.5%	(1.5%)
Other	(57 714)	9.6%	(49 377)	9.2%	16.9%
Business expenses	(71 840)	12.0%	(60 546)	11.3%	18.7%
Equipment expenses (excluding depreciation)	(39 731)	6.6%	(34 109)	6.4%	16.5%
Premises expenses	(29 843)	5.0%	(20 147)	3.8%	48.1%
Premises expenses (excluding depreciation)	(12 995)	2.2%	(10 388)	1.9%	25.1%
Premises depreciation	(16 848)	2.8%	(9 759)	1.8%	72.6%
Marketing expenses	(12 873)	2.2%	(11 800)	2.2%	9.1%
Depreciation, amortisation and impairment on property, equipment and intangibles	(8 538)	1.4%	(14 609)	2.7%	(41.6%)
Total operating costs	**(598 453)**	**100.0%**	**(535 755)**	**100.0%**	**11.7%**

Of which IT costs and headcount:

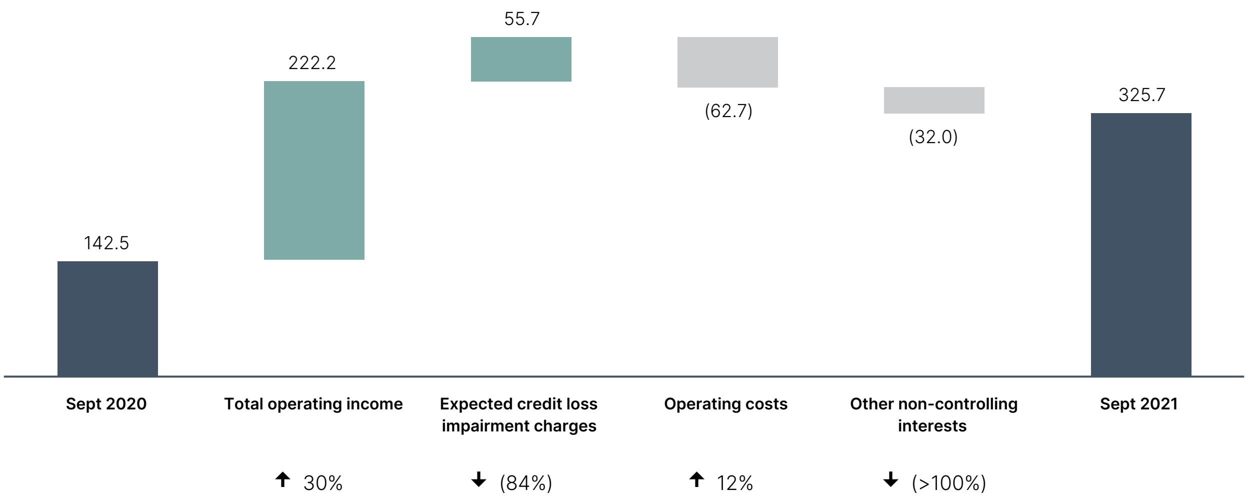
£'000	30 Sept 2021	30 Sept 2020	Variance	% change
Staff costs	(55 906)	(57 558)	1 652	(2.9%)
Equipment expenses (excluding depreciation)	(42 139)	(35 039)	(7 100)	20.3%
Depreciation on equipment	(8 658)	(8 761)	103	(1.2%)
Other	(1 662)	(1 979)	317	(16.0%)
Total IT costs	**(108 365)**	**(103 337)**	**(5 028)**	**4.9%**
Headcount	**1 616**	**1 522**	**94**	**6.2%**

PERFORMANCE IN REVIEW
CONTINUED

Adjusted operating profit

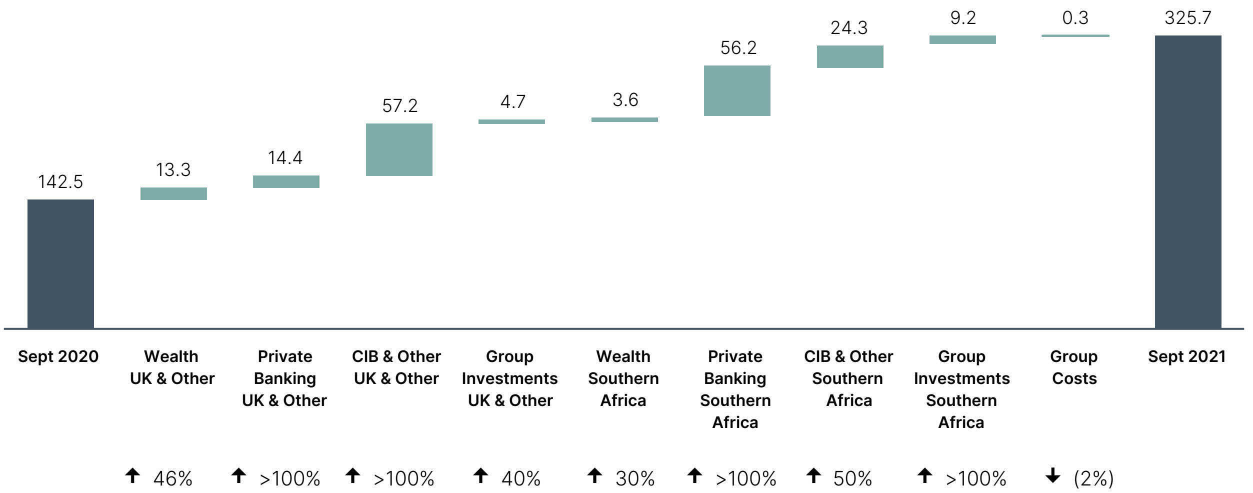
As a result of the foregoing factors, adjusted operating profit increased by 128.6% from £142.5 million to £325.7 million.

£'million



Adjusted operating profit by business and geography

£'million



PERFORMANCE IN REVIEW
CONTINUED

Adjusted operating profit

The following tables set out information on adjusted operating profit by geography and by division for the period under review.

For the six months to 30 September 2021 £'000	Wealth & Investment	Specialist Banking Private Banking	Specialist Banking Corporate, Investment Banking and Other	Group Investments	Group costs	Total group	% change	% of total
UK and Other	42 175	11 290	73 205	16 490	(9 339)	133 821	208.6%	41.1%
Southern Africa	15 559	100 735	72 644	10 674	(7 703)	191 909	93.6%	58.9%
Adjusted operating profit	**57 734**	**112 025**	**145 849**	**27 164**	**(17 042)**	**325 730**	**128.6%**	**100.0%**
Non-controlling interest*						16 712		
Adjusted operating profit before non-controlling interests						**342 442**		
% change	**41.4%**	**170.6%**	**126.6%**	**105.5%**	**(1.7%)**	**128.6%**		
% of total	**17.7%**	**34.4%**	**44.8%**	**8.3%**	**(5.2%)**	**100.0%**		

For the six months to 30 September 2020 £'000	Wealth & Investment	Specialist Banking Private Banking	Specialist Banking Corporate, Investment Banking and Other	Group Investments	Group Costs	Total group	% of total
UK and Other	28 877	(3 148)	16 051	11 791	(10 208)	43 363	30.4%
Southern Africa	11 960	44 550	48 320	1 428	(7 135)	99 123	69.6%
Adjusted operating profit	**40 837**	**41 402**	**64 371**	**13 219**	**(17 343)**	**142 486**	**100.0%**
Non-controlling interest*						(15 255)	
Adjusted operating profit before non-controlling interests						**127 231**	
% of total	**28.7%**	**29.0%**	**45.2%**	**9.3%**	**(12.2%)**	**100.0%**	

* Profit/(loss) attributable to other non-controlling interests predominantly relates to the Investec Property Fund Limited.

PERFORMANCE IN REVIEW
CONTINUED

Number of employees

By division	30 Sept 2021	31 March 2021
Wealth & Investment		
UK and Other	1 363	1 330
Southern Africa	381	389
Total	**1 744**	**1 719**
Specialist Banking		
UK and Other	2 061	2 157
Southern Africa	4 034	4 013
Total	**6 095**	**6 170**
Total number of permanent employees	**7 839**	**7 889**
Temporary employees and contractors	368	355
Total number of employees	**8 207**	**8 244**

Adjusted operating profit per employee

By division	Wealth & Investment	Specialist Banking
Number of permanent employees – 30 September 2021	**1 744**	**6 095**
Number of permanent employees – 31 March 2021	1 719	6 170
Number of permanent employees – 30 September 2020	1 683	6 488
Number of permanent employees – 31 March 2020	1 751	6 604
Average permanent employees – six months to 30 September 2021	**1 679**	**6 200**
Average permanent employees – six months to 30 September 2020	1 738	6 549
Adjusted operating profit# – six months to 30 September 2021	**57 734**	**257 874**
Adjusted operating profit# – six months to 30 September 2020	40 837	105 773
Adjusted operating profit per employee^ – six months to 30 September 2021 (£'000)	**34.4**	**41.6**
Adjusted operating profit per employee^ – six months to 30 September 2020 (£'000)	23.5*	16.2*

Adjusted operating profit excluding group costs.
^ Based on average number of permanent employees over the period.
* In the prior period these ratios were calculated using average total employees and were disclosed as 22.6 and 15.5 respectively.

By geography	UK and Other	Southern Africa	Total
Number of permanent employees – 30 September 2021	**3 424**	**4 415**	**7 839**
Number of permanent employees – 31 March 2021	3 487	4 402	7 889
Number of permanent employees – 30 September 2020	3 739	4 432	8 171
Number of permanent employees – 31 March 2020	3 872	4 483	8 355
Average permanent employees – six months to 30 September 2021	**3 460**	**4 418**	**7 878**
Average permanent employees – six months to 30 September 2020	3 827	4 460	8 287
Adjusted operating profit – six months to 30 September 2021	**133 821**	**191 909**	**325 730**
Adjusted operating profit – six months to 30 September 2020	43 363	99 123	142 486
Adjusted operating profit per employee^ – six months to 30 September 2021 (£'000)	**38.7**	**43.4**	**41.3**
Adjusted operating profit per employee^ – six months to 30 September 2020 (£'000)	11.3**	22.2**	17.2**

^ Based on average number of permanent employees over the period.
** In the prior period these ratios were calculated using average total employees and were disclosed as 11.2, 20.8 and 16.5 respectively.

PERFORMANCE IN REVIEW
CONTINUED

10. Goodwill and intangible assets
Amortisation of acquired intangibles of £7.8 million (2020: £7.6 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 £4.6 million (2020: £4.6 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 2021 are predominantly due to the appreciation of the Rand.

Goodwill and intangible assets analysis by geography and line of business

£'000	30 Sept 2021	31 March 2021
UK and Other	**249 836**	**249 836**
Wealth & Investment	236 318	236 317
Specialist Banking	13 518	13 519
Southern Africa	**10 006**	**9 969**
Wealth & Investment	1 780	1 774
Specialist Banking	8 226	8 195
Other intangible assets	**51 700**	**58 968**
Wealth & Investment	50 599	56 619
Specialist Banking	1 101	2 349
Goodwill and intangible assets	**311 542**	**318 773**

11. Taxation
The taxation charge on operating profit before goodwill, acquired intangibles and strategic actions was £63.7 million (2020: £20.9 million), resulting in an effective tax rate of 21.2% (2020: 18.8%). In the UK, the lower effective tax rate of 11.0% (2020: 18.5%) was driven by higher deferred tax assets arising from enacted higher tax rates. We anticipate this benefit to reduce in the second half as enacted bank surcharge reduces from 8% to 3%. The surcharge is levied on bank profits, in addition to the UK corporation tax. In South Africa, the higher rate of 27.1% (2020: 18.9%) was influenced by one-off adjustments to certain deferred tax assets. The effects of the above largely offset each other.

	Effective tax rates				
	30 Sept 2021	30 Sept 2020	30 Sept 2021 £'000	30 Sept 2020 £'000	% change
UK and Other	11.0%	18.5%	(12 167)	(5 337)	>100.0%
Southern Africa	27.1%	18.9%	(51 553)	(15 555)	>100.0%
Taxation	**21.2%**	**18.8%**	**(63 720)**	**(20 892)**	**>100.0%**

PERFORMANCE IN REVIEW
CONTINUED

Net asset value per share

NAV per share increased 4.6% to 479.2 pence and TNAV per share (which excludes goodwill and other acquired intangible assets) increased 5.1% to 445.2 pence mainly due to an increase in retained earnings. The group's net asset value per share and net tangible asset value per share are reflected in the table below.

£'000	30 Sept 2021	31 March 2021	30 Sept 2020
Ordinary shareholders' equity/net asset value	**4 393 114**	**4 234 997**	**4 045 354**
Less: goodwill and intangible assets (excluding software)	(311 542)	(318 773)	(337 215)
Tangible ordinary shareholders' equity/net tangible asset value	**4 081 572**	**3 916 224**	**3 708 139**
Number of shares in issue (million)	1 015.0	1 015.0	1 015.0
Treasury shares (million)	(98.2)	(90.4)	(81.9)
Number of shares in issue for this calculation (million)	**916.8**	**924.6**	**933.1**
Net asset value per share (pence)	**479.2**	**458.0**	**433.5**
Tangible net asset value per share (pence)	**445.2**	**423.6**	**397.4**

Return on risk-weighted assets

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

	30 Sept 2021	31 March 2021	Average risk-weighted assets	30 Sept 2020	31 March 2020*	Average risk-weighted assets
Adjusted earnings attributable to ordinary shareholders (£'000)	**242 322**	**268 269**		**104 379**	**320 650**	
Investec plc risk-weighted assets (£'million)	16 723	16 332	16 527	16 482	16 285	16 384
Investec Limited risk-weighted assets (£'million)	15 800	17 244	16 522	16 023	15 247	15 635
Total risk-weighted assets (£'million)	**32 523**	**33 576**	**33 049**	**32 505**	**31 532**	**32 019**
Annualised return on risk-weighted assets	**1.47%**	**0.82%**		**0.65%**	**1.01%**	
Investec Limited risk-weighted assets (R'million)	320 582	351 125	335 854	345 723	337 755	341 739

* For 31 March 2020, 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.

PERFORMANCE IN REVIEW
CONTINUED

Return on equity

£'000	30 Sept 2021	31 March 2021	Average	30 Sept 2020	31 March 2020	Average
Ordinary shareholders' equity	**4 393 114**	**4 234 997**	**4 314 056**	**4 045 354**	**3 862 305**	**3 953 830**
Goodwill and intangible assets (excluding software)	(311 542)	(318 773)	(315 158)	(337 215)	(342 282)	(339 749)
Tangible ordinary shareholders' equity	**4 081 572**	**3 916 224**	**3 998 898**	**3 708 139**	**3 520 023**	**3 614 081**

£'000	30 Sept 2021	30 Sept 2020	31 March 2021
Operating profit before goodwill, acquired intangibles and strategic actions	342 442	127 231	377 110
Non-controlling interests	(16 712)	15 255	472
Earnings attributable to perpetual preference and Other Additional Tier 1 security holders (other equity holders)	(19 688)	(17 215)	(34 774)
Adjusted earnings (pre-tax)	**306 042**	**125 271**	**342 808**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(63 720)	(20 892)	(74 539)
Adjusted earnings attributable to ordinary shareholders	**242 322**	**104 379**	**268 269**
Pre-tax return on average shareholders' equity (pre-tax ROE)	14.2%	6.3%	8.5%
Post-tax return on average shareholders' equity (post-tax ROE)	**11.2%**	**5.3%**	**6.6%**
Pre-tax return on average tangible shareholders' equity (pre-tax ROTE)	15.3%	6.9%	9.2%
Post-tax return on average tangible shareholders' equity (post-tax ROTE)	**12.1%**	**5.8%**	**7.2%**

PERFORMANCE IN REVIEW
CONTINUED

Return on equity by geography

£'000	UK and Other	Southern Africa	Total
Operating profit before goodwill, acquired intangibles and strategic actions	133 821	208 621	342 442
Non-controlling interests	—	(16 712)	(16 712)
Earnings attributable to other equity holders	(8 614)	(11 074)	(19 688)
Adjusted earnings (pre-tax)	**125 207**	**180 835**	**306 042**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(12 167)	(51 553)	(63 720)
Adjusted earnings attributable to ordinary shareholders – 30 September 2021	**113 040**	**129 282**	**242 322**
Adjusted earnings attributable to ordinary shareholders – 30 September 2020	29 413	74 966	104 379
Ordinary shareholders' equity – 30 September 2021	**2 191 976**	**2 201 138**	**4 393 114**
Goodwill and intangible assets (excluding software)	(297 097)	(14 445)	(311 542)
Tangible ordinary shareholders' equity – 30 September 2021	**1 894 879**	**2 186 693**	**4 081 572**
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**
Average ordinary shareholders' equity – 30 September 2021	**2 150 782**	**2 163 274**	**4 314 056**
Average ordinary shareholders' equity – 30 September 2020	2 093 033	1 860 797	3 953 830
Average tangible ordinary shareholders' equity – 30 September 2021	**1 850 675**	**2 148 223**	**3 998 898**
Average tangible ordinary shareholders' equity – 30 September 2020	1 769 911	1 844 171	3 614 082
Post-tax ROE – 30 September 2021	**10.5%**	**12.0%**	**11.2%**
Post-tax ROE – 30 September 2020	2.8%	8.1%	5.3%
Post-tax ROTE – 30 September 2021	**12.2%**	**12.0%**	**12.1%**
Post-tax ROTE – 30 September 2020	3.3%	8.1%	5.8%
Pre-tax ROTE – 30 September 2021	**11.6%**	**16.7%**	**14.2%**
Pre-tax ROTE – 30 September 2020	3.3%	9.7%	6.3%
Pre-tax ROTE – 30 September 2021	**13.5%**	**16.8%**	**15.3%**
Pre-tax ROTE – 30 September 2020	3.9%	9.8%	6.9%

PERFORMANCE IN REVIEW
CONTINUED

Return on equity by business and geography#

	Specialist Banking UK and Other			Specialist Banking Southern Africa			Group Investments		
£'000	Private Banking	Corporate, Investment Banking & Other	**Total**	Private Banking	Corporate, Investment Banking & Other	**Total**	UK and Other	Southern Africa	**Total**
Adjusted operating profit	**11 290**	**73 205**	**84 495**	**100 735**	**72 644**	**173 379**	**16 490**	**10 674**	**27 164**
Notional return on regulatory capital	281	(489)	(208)	489	(1 784)	(1 295)	—	—	—
Notional cost of statutory capital	—	244	244	(5 597)	5 597	—	—	—	—
Cost of subordinated debt	(2 344)	2 655	311	(2 942)	3 145	203	—	—	—
Earnings attributable to other equity	(2 006)	(6 342)	(8 348)	(2 518)	(8 434)	(10 952)	—	—	—
Adjusted earnings (pre-tax) – 2021	**7 221**	**69 273**	**76 494**	**90 167**	**71 168**	**161 335**	**16 490**	**10 674**	**27 164**
Tax on operating profit before goodwill, acquired intangibles and strategic actions	(318)	(5 280)	(5 598)	(18 033)	(31 324)	(49 357)	—	726	726
Adjusted earnings attributable to ordinary shareholders – 2021	**6 903**	**63 993**	**70 896**	**72 134**	**39 844**	**111 978**	**16 490**	**11 400**	**27 890**
Adjusted earnings (pre-tax) – 2020	**(3 499)**	**10 326**	**6 827**	**53 685**	**30 162**	**83 847**	**10 698**	**1 428**	**12 126**
Adjusted earnings attributable to ordinary shareholders – 2020	**(2 834)**	**8 680**	**5 846**	**43 485**	**26 724**	**70 209**	**10 698**	**1 339**	**12 037**
Ordinary shareholders' equity – 30 September 2021	**562 668**	**957 089**	**1 519 757**	**954 715**	**869 541**	**1 824 256**	**255 380**	**332 471**	**587 851**
Goodwill and intangible assets (excluding software)	—	(13 518)	(13 518)	—	(12 665)	(12 665)	—	—	—
Tangible ordinary shareholders' equity – 30 September 2021	**562 668**	**943 571**	**1 506 239**	**954 715**	**856 876**	**1 811 591**	**255 380**	**332 471**	**587 851**
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 – 30 September 2020	402 460	1 138 743	1 541 203	610 848	1 018 595	1 629 443	184 610	279 923	464 533
Goodwill and intangible assets (excluding software)	—	(24 964)	(24 964)	—	(14 589)	(14 589)	—	—	—
Tangible ordinary shareholders' equity –30 September 2020	402 460	1 113 779	1 516 239	610 848	1 004 006	1 614 854	184 610	279 923	464 533
Average ordinary shareholders' equity – 2021	**503 965**	**1 003 470**	**1 507 435**	**877 943**	**933 327**	**1 811 270**	**241 287**	**311 622**	**552 909**
Average ordinary shareholders' equity – 2020	397 145	1 162 808	1 559 953	669 957	879 610	1 549 567	141 125	285 504	426 629
Average tangible ordinary shareholders' equity – 2021	**503 963**	**989 954**	**1 493 917**	**877 942**	**920 053**	**1 797 995**	**241 287**	**311 622**	**552 909**
Average tangible ordinary shareholders' equity – 2020	397 145	1 137 893	1 535 038	669 957	864 637	1 534 594	141 125	285 504	426 629
Pre-tax ROE – 30 September 2021	**2.9%**	**13.8%**	**10.1%**	**20.5%**	**15.3%**	**17.8%**	**13.7%**	**6.9%**	**9.8%**
Pre-tax ROE – 30 September 2020	(1.8%)	1.8%	0.9%	16.0%	6.9%	10.8%	15.2%	1.0%	5.7%
Post-tax ROE – 30 September 2021	**2.7%**	**12.8%**	**9.4%**	**16.4%**	**8.5%**	**12.4%**	**13.7%**	**7.3%**	**10.1%**
Post-tax ROE – 30 September 2020	(1.4%)	1.5%	0.7%	13.0%	6.1%	9.1%	15.2%	0.9%	5.6%
Pre-tax ROTE – 30 September 2021	**2.9%**	**14.0%**	**10.2%**	**20.5%**	**15.5%**	**17.9%**	**13.7%**	**6.9%**	**9.8%**
Pre-tax ROTE – 30 September 2020	(1.8%)	1.8%	0.9%	16.0%	7.0%	10.9%	15.2%	1.0%	5.7%
Post-tax ROTE – 30 September 2021	**2.7%**	**12.9%**	**9.5%**	**16.4%**	**8.7%**	**12.5%**	**13.7%**	**7.3%**	**10.1%**
Post-tax ROTE – 30 September 2020	(1.4%)	1.5%	0.8%	13.0%	6.2%	9.2%	15.2%	0.9%	5.6%

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.

PERFORMANCE IN REVIEW
CONTINUED

	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**
	42 175	**15 559**	**57 734**	**(9 339)**	**(7 703)**	**(17 042)**	**—**	**—**	**—**	**133 821**	**191 909**	**325 730**
	208	1 295	1 503	—	—	—	—	—	—	—	—	—
	(244)	—	(244)	—	—	—	—	—	—	—	—	—
	(311)	(203)	(514)	—	—	—	—	—	—	—	—	—
	(266)	(122)	(388)	—	—	—	—	—	—	(8 614)	(11 074)	(19 688)
	41 562	**16 529**	**58 091**	**(9 339)**	**(7 703)**	**(17 042)**	**—**	**—**	**—**	**125 207**	**180 835**	**306 042**
	(8 343)	(4 463)	(12 806)	1 774	1 541	3 315	—	—	—	(12 167)	(51 553)	(63 720)
	33 219	**12 066**	**45 285**	**(7 565)**	**(6 162)**	**(13 727)**	**—**	**—**	**—**	**113 040**	**129 282**	**242 322**
	27 433	**12 381**	**39 814**	**(10 208)**	**(7 135)**	**(17 343)**	**—**	**—**	**—**	**34 750**	**90 521**	**125 271**
	21 137	**9 162**	**30 299**	**(8 268)**	**(5 744)**	**(14 012)**	**—**	**—**	**—**	**29 413**	**74 966**	**104 379**
	257 789	**44 411**	**302 200**	**—**	**—**	**—**	**159 050**	**—**	**159 050**	**2 191 976**	**2 201 138**	**4 393 114**
	(124 529)	(1 780)	(126 309)	—	—	—	(159 050)	—	(159 050)	(297 097)	(14 445)	(311 542)
	133 260	**42 631**	**175 891**	**—**	**—**	**—**	**—**	**—**	**—**	**1 894 879**	**2 186 693**	**4 081 572**
	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
	224 242	26 883	251 125	—	—	—	159 050	—	159 050	2 109 105	1 936 249	4 045 354
	(136 937)	(1 675)	(138 612)	—	—	—	(159 050)	—	(159 050)	(320 951)	(16 264)	(337 215)
	87 305	25 208	112 513	—	—	—	—	—	—	1 788 154	1 919 985	3 708 139
	243 010	**40 382**	**283 392**	**—**	**—**	**—**	**159 050**	**—**	**159 050**	**2 150 782**	**2 163 274**	**4 314 056**
	232 905	25 726	258 631	—	—	—	159 050	—	159 050	2 093 033	1 860 797	3 953 830
	115 471	**38 605**	**154 076**	**—**	**—**	**—**	**—**	**—**	**—**	**1 850 675**	**2 148 222**	**3 998 897**
	93 747	24 073	117 820						—	1 769 910	1 844 171	3 614 081
	34.2%	**81.9%**	**41.0%**						**—**	**11.6%**	**16.7%**	**14.2%**
	23.6%	96.3%	30.8%						—	3.3%	9.7%	6.3%
	27.3%	**59.8%**	**32.0%**						**—**	**10.5%**	**12.0%**	**11.2%**
	18.2%	71.2%	23.4%						—	2.8%	8.1%	5.3%
	72.0%	**85.6%**	**75.4%**						**—**	**13.5%**	**16.8%**	**15.3%**
	58.5%	102.9%	67.6%						—	3.9%	9.8%	6.9%
	57.5%	**62.5%**	**58.8%**						**—**	**12.2%**	**12.0%**	**12.1%**
	45.1%	76.1%	51.4%						—	3.3%	8.1%	5.8%

RESTATEMENTS

Income statement restatements

Interest income and fee and commission income restatement
For the six months to 30 September 2020, management identified that revenue relating to services rendered to customers (for the facilitation of import and export transactions) was previously reported within interest income rather than within fee and commission income.

As a result, interest income and fee and commission income for the prior period have been restated. The restatement has no impact on total operating income in the income statement, headline earnings, the statement of cash flows and the balance sheet.

The impact of the restatement on the 30 September 2020 income statement is:

£'000	Six months to 30 Sept 2020 as previously reported	Reclassification	Six months to 30 Sept 2020 restated
Interest income	1 014 392	(5 018)	1 009 374
Fee and commission income	344 650	5 018	349 668

Balance sheet restatements

Current taxation assets and other assets
At 31 March 2021, current taxation assets, which were previously reported within other assets, were reported as a separate line item in accordance with IAS 1 Presentation of Financial Statements. As at 30 September 2020, current taxation assets of £61.5 million have been re-presented to reflect the same basis.

Gilts and Total Return Swaps reclassification
As at 31 March 2021, amounts previously reported within sovereign debt securities, derivative financial instruments and securities arising from trading were corrected to present them as reverse repurchase agreements and cash collateral on securities borrowed. This change in accounting treatment has been made where sovereign debt securities have been purchased at the same time as total return swaps with the same counterparty, such that the combined position has the economic substance of secured lending. The prior period balance sheet has been restated to reflect the same basis. This change has no impact on the income statement.

The impact of this change on the 30 September 2020 balance sheet is:

£'000	At 30 Sept 2020 as previously reported	Reclassification	At 30 Sept 2020 restated
Assets			
Reverse repurchase agreements and cash collateral on securities borrowed	4 124 591	840 138	4 964 729
Sovereign debt securities	4 898 936	(634 244)	4 264 692
Derivative financial instruments	1 885 922	(523)	1 885 399
Securities arising from trading activities	929 143	(270 591)	658 552
Total assets	50 664 685	(65 220)	50 599 465
Liabilities			
Derivative financial instruments	1 793 033	(65 220)	1 727 813
Total liabilities	45 589 458	(65 220)	45 524 238

RESTATEMENTS
CONTINUED

Cash flow statement restatements

As at 31 March 2021, amounts previously reported within loans and advances to banks were correctly presented as cash and cash equivalents. This change has been made to include items previously reported as loans and advances to banks identified as short term in nature, with a maturity date of less than three months, which therefore meet the definition of cash and cash equivalents.

The prior period has been restated as follows:

£'000	Six months to 30 Sept 2020 as previously reported	Restatement	Six months to 30 Sept 2020 restated
Net cash outflow from operating activities	(3 038 706)	787 965	(2 250 741)
Net cash outflow from investing activities	(6 967)	—	(6 967)
Net cash outflow from financing activities	(59 855)	(5 677)	(65 532)
Effects of exchange rate changes on cash and cash equivalents	41 935	7 995	49 930
Net (decrease)/increase in cash and cash equivalents	**(3 063 593)**	**790 283**	**(2 273 310)**
Cash and cash equivalents at the beginning of the period	6 193 708	902 822	7 096 530
Cash and cash equivalents at the end of the period	**3 130 115**	**1 693 105**	**4 823 220**

In addition to the above, we have also re-presented the operating section of the cash flow statement in our preliminary financial results as the disaggregation between operating assets and operating liabilities does not provide additional meaningful information to users.

CONTINGENT LIABILITIES

The group assessed its exposure to legal proceedings and the appropriateness of related provisions recognised on the balance sheet as at 30 September 2021. It was concluded that the provisions held as at 31 March 2021, in relation to the matters set out in Note 54 of the Annual Financial Statements, continue to reflect our best estimate of the potential financial outflows that may arise.

04

Divisional review

INTRODUCTION

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.

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

£44.7bn

(31 March 2021: £41.7bn)

Net core loans

£13.7bn

(31 March 2021: £12.3bn)

Customer deposits

£16.7bn

(31 March 2021: £16.1bn)

Adjusted operating profit

£133.8mn

(2020: £43.4mn)

Cost to income

73.3%

(2020: 81.1%)

ROE post-tax

10.5%

(2020: 2.8%)

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

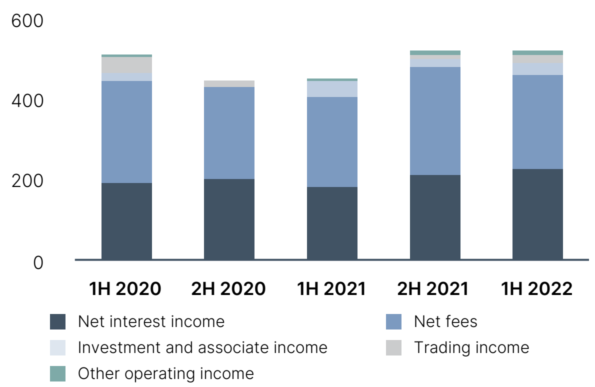
- Individuals with > £250k minimum investable amount
- Charities
- Trusts
- High net worth active wealth creators (with > £300k annual income and > £3mn NAV)

Corporate client offering

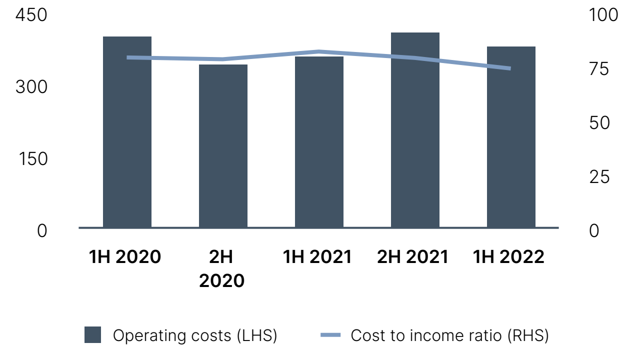
- Corporates
- Private equity
- Institutions
- Intermediaries
- Government

UK AND OTHER
CONTINUED

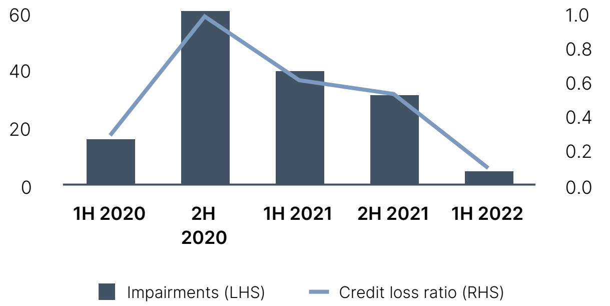
Operating income
£'million



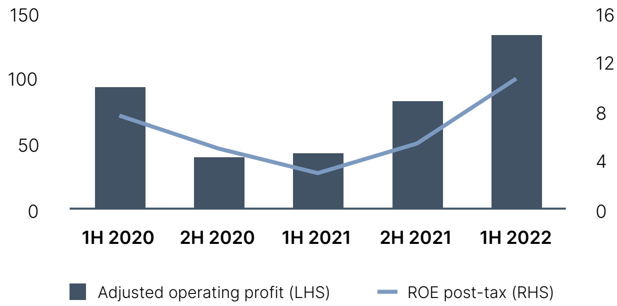
Operating costs
£'million Percentage



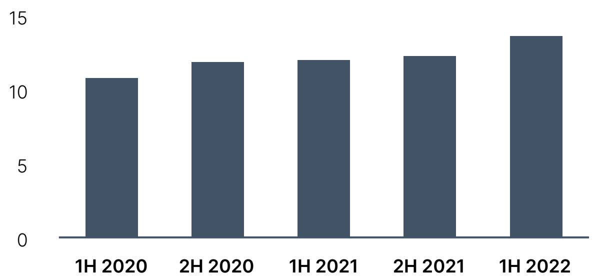
Expected credit loss impairment charges
£'million Percentage



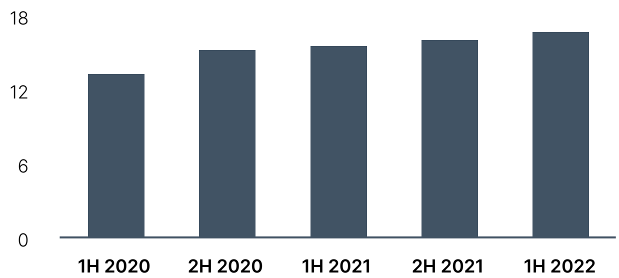
Adjusted operating profit and ROE
£'million Percentage



Net core loans
£'billion



Total customer deposits
£'billion



Note: Figures on this page for 1H 2020 and 2H 2020 relate to continuing operations.

WEALTH & INVESTMENT

Business head
Ciaran Whelan

Awards

Voted the 'Best Discretionary Fund Manager' at the Investment Life & Pensions Moneyfacts Awards 2021

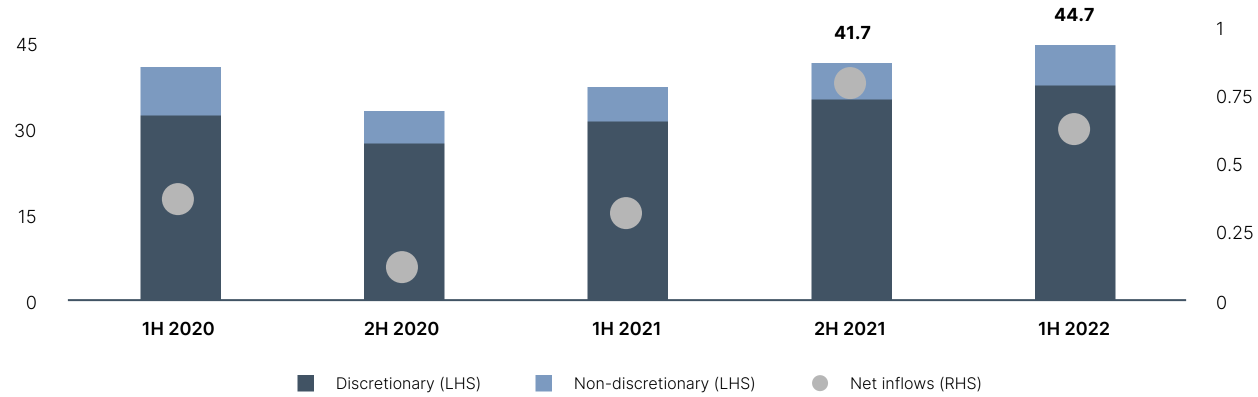
With c.£45 billion of FUM, we are one of the UK's largest wealth and investment managers. We work with individual clients to plan and manage their wealth, and with charities, trusts and clients of professional advisers to help deliver optimal returns on their investments and to bring financial peace of mind.

Performance highlights

- Increased stability in the market and good recovery from the impact of the pandemic has allowed us to focus on strategy execution in this period
- A strong financial performance has resulted in operating profit of £42.2 million (46.1% above the prior period) and an operating margin for the UK domestic business of 26.0% (2020: 20.5%)
- Record FUM during the period – reporting £44.7 billion at 30 September 2021 – reflects continued net inflows and good investment performance.

Funds under management and net flows

£'billion



Reasons for the variance in FUM since 31 March 2021:

- Favourable market movements (MSCI PIMFA Balanced index up 4.5%) and investment outperformance
- Net inflows of £627 million resulting in annualised net organic growth in funds under management of 3.0%.

Funds under management

£'million	30 Sept 2021	31 March 2021	% change	30 Sept 2020	31 March 2020	% change
UK domestic (including Channel Islands)	**43 387**	**40 474**	**7.2%**	**36 340**	**32 068**	**13.3%**
Discretionary	37 236	34 812	7.0%	31 221	27 276	14.5%
Non-discretionary*	6 151	5 662	8.6%	5 119	4 792	6.8%
Switzerland	**1 317**	**1 210**	**8.8%**	**1 211**	**1 049**	**15.4%**
Discretionary	435	395	10.1%	401	323	24.1%
Non-discretionary	882	815	8.2%	810	726	11.6%
Total	**44 704**	**41 684**	**7.2%**	**37 551**	**33 117**	**13.4%**

* Non-discretionary includes advisory-managed FUM of £1 832 million (31 March 2021: £1 829 million). Managed funds therefore represent 90% of the UK domestic total FUM at 30 September 2021 (31 March 2021: 91%).

Net inflows over the period

£'million	30 Sept 2021	31 March 2021	30 Sept 2020°	31 March 2020
Discretionary	471	959	353	614
Non-discretionary	156	150	(38)	(130)
Total	**627**	**1 109**	**315**	**484**

° Composition of prior period total net inflows has been re-presented. This was previously disclosed as Discretionary: 351 and Non-discretionary: (36).

WEALTH & INVESTMENT
CONTINUED

Income statement analysis and key income drivers

£'000	30 Sept 2021	30 Sept 2020	Variance	% change
Net interest income	436	1 597	(1 161)	(72.7%)
Net fee and commission income	173 045	153 004	20 041	13.1%
Investment income	5	47	(42)	(89.4%)
Trading income arising from				
– customer flow	534	323	211	65.3%
– balance sheet management and other trading activities	(115)	102	(217)	(>100%)
Total operating income before expected credit loss impairment charges	**173 905**	**155 073**	**18 832**	**12.1%**
Of which: UK domestic	169 614	151 272	18 342	12.1%
Of which: Switzerland*	4 291	3 801	490	12.9%
Expected credit loss impairment charges	(2)	(6)	4	(66.7%)
Operating income	**173 903**	**155 067**	**18 836**	**12.1%**
Operating costs	(131 728)	(126 190)	(5 538)	4.4%
Of which: UK domestic	(125 899)	(120 521)	(5 378)	4.5%
Of which: Switzerland*	(5 829)	(5 669)	(160)	2.8%
Adjusted operating profit/(loss)	**42 175**	**28 877**	**13 298**	**46.1%**
Of which: UK domestic	43 715	30 751	12 964	42.2%
Of which: Switzerland*	(1 540)	(1 874)	334	(17.8%)
Key income drivers				
Operating margin	24.3%	18.6%		
Of which: UK domestic#	26.0%	20.5%		
Annualised net inflows in FUM as a % of opening FUM	3.0%	1.9%		
Annualised average income yield earned on FUM^	0.8%	0.9%		
Of which: UK domestic	0.8%	0.9%		

* The results of the Switzerland business have been reported separately to demonstrate the value of the UK domestic business. Following a strategic review, our Swiss operations are being restructured to play a key role in the group's strategic expansion of its international banking and wealth services.

\# The calculation of the operating margin for the UK domestic business excludes net interest expense of £466 000 (2020: £187 000) relating to net interest income earned on the firm's cash deposits and the IFRS 16 Leases interest expense on right-of-use assets. This presentation is consistent with wealth managers that are not part of a banking group and are therefore not required to report in accordance with the presentation and disclosure standards for banks. Excluding this adjustment, the operating margin for the UK domestic business would be 25.8% (2020: 20.3%).

^ The average income yield on funds under management represents the annualised 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:

- Net fee and commission income increased by £20.0 million (13.1%) as a result of higher market levels, positive net organic growth in FUM (in the current and prior year) as well as favourable investment performance. Commission income returned to a more normalised level following the exceptional transaction volumes seen in the early part of the prior period.
- Operating costs were up 4.4% due to investment in technology, increased discretionary expenditure as COVID-19 related restrictions eased, as well as higher variable remuneration in line with business performance. One-off costs incurred in the prior period of c.£3.5 million (relating to headcount reduction) were not repeated. Overall, fixed costs reduced as the lower cost base was maintained.

Strategy execution:

Belonging, Inclusion and Diversity (BID) highlights:

- As part of our commitment to the Race at Work Charter, we collated diversity data to create a holistic view of our organisation and track our progress.
- We launched a reverse mentoring programme for Black, Asian and minority ethnic employees which aims to facilitate reciprocal learning and enable the organisation to harness the value of difference.
- We participated in the #100blackinterns programme and signed up to the 2022 #10,000blackinterns programme.
- Our recently launched Return to Work Programme has seen a number of women join us following extended career breaks.
- Mandatory learning on Bullying, Harassment and Discrimination was introduced for all employees.

Sustainability highlights:

- We are proud to be one of the first signatories to the Financial Reporting Council's revised UK Stewardship Code, which sets the standards for investing on behalf of UK savers and pensioners.
- Two sustainable Managed Portfolio Service (MPS) models for intermediaries were launched, reflecting our expertise in fund selection and our sustainable values.
- We continued to focus on investing responsibly on behalf of clients. Environmental, Social and Governance (ESG) considerations are integrated into our investment process, and we are actively engaged with the businesses in which we invest.

WEALTH & INVESTMENT
CONTINUED

Overall:
- The formation of our new Investment and Research Office expands on the strength of our existing Research division, including the appointment of a new Chief Investment Officer and other senior roles.
- Co-Heads of Wealth Advisory were appointed to lead financial planning, wealth planning and advice services.
- We also appointed a new head of our Charities business to lead the expansion of this business area.
- In line with our One Investec ambitions, we continued to collaborate with the private client banking business to address the wealth management needs of HNW clients. Successful referrals between the businesses resulted in c.£100 million of FUM and c.£50 million of new lending.
- We have expanded our intermediary sales team to drive growth in the external adviser segment.

Growth opportunities and outlook:
- We remain well positioned to participate in industry consolidation in the UK wealth market.
- We will continue to focus on expanding our advice capabilities to meet the growing need for more holistic, advice-led services.
- Developing our ESG and sustainable investment offering remains a strategic commitment.
- We are enhancing our value proposition by building out our product and investment offering, including developing our service for HNW clients.

SPECIALIST BANKING OVERVIEW

Business head
Ruth Leas

Awards

Recognised as the 'Best-performing bank in the UK' by The Banker, 2021

Winner of the 'Bank of the Year' award at the Real Deals Private Equity Awards, 2020

Five Star Rating from Moneyfacts for our Premium Current Account, Voyage, for the fourth consecutive year

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

Highlights

Adjusted operating profit

£84.5mn

(2020: £12.9mn)

ROE post-tax

9.4%

(2020: 0.7%)

Cost to income

72.8%

(2020: 80.7%)

Annualised credit loss ratio

0.09%

(2020: 0.60%)

Overview of performance in the period under review:

- The business delivered a strong set of results, returning to pre-COVID levels of profitability. Continued client acquisition supported solid loan book growth of 11.0% since 31 March 2021, 12.4% excluding the Australian corporate book
- As a result of risk mitigation strategies and improving markets, risk management and risk reduction costs associated with the UK structured products book were immaterial, compared to a £53 million loss incurred in the prior period
- Operating costs were up 8.1% in line with revenue growth and increased activity. However, fixed costs were well contained, down 3.5%
- Pre-provision adjusted operating profit was up 69.3% to £89.4 million (2020: £52.8 million)
- ECL impairment charges of £4.9 million were materially below the prior period (2020: £39.9 million) due to the impact of an improved macro-economic outlook on Stage 1 and 2 ECLs and lower specific impairments
- These results are underpinned by positive momentum in our client franchises and strategic cross-collaboration within the One Investec client ecosystem.

Income statement

£'000	**30 Sept 2021**	30 Sept 2020	Variance	% change
Net interest income	228 787	183 659	45 128	24.6%
Net fee and commission income	57 982	66 883	(8 901)	(13.3%)
Investment income	5 234	25 142	(19 908)	(79.2%)
Share of post-taxation profit of associates and joint venture holdings	6 786	2 227	4 559	>100.0%
Trading income arising from				
– customer flow	32 181	(20 404)	52 585	(>100.0%)
– balance sheet management and other trading activities	(9 746)	9 272	(19 018)	(>100.0%)
Other operating income	7 505	6 976	529	7.6%
Total operating income before expected credit loss impairment charges	**328 729**	**273 755**	**54 974**	**20.1%**
Expected credit loss impairment charges	(4 875)	(39 900)	35 025	(87.8%)
Operating income	**323 854**	**233 855**	**89 999**	**38.5%**
Operating costs	(239 359)	(221 482)	(17 877)	8.1%
Operating profit before goodwill, acquired intangibles and strategic actions	**84 495**	**12 373**	**72 122**	**>100.0%**
Loss attributable to non-controlling interests	—	530	(530)	(100.0%)
Adjusted operating profit	**84 495**	**12 903**	**71 592**	**>100.0%**

SPECIALIST BANKING OVERVIEW
CONTINUED

Diversified loan book by risk category: Core loans

£13.7 billion

Corporate and other lending	**50%**
Asset finance	15%
Corporate and acquisition finance	12%
Fund finance	10%
Other corporate and financial institutions and governments	5%
Power and infrastructure finance	5%
Asset-based lending	3%

Lending collateralised by property	**16%**
Commercial real estate	11%
Residential real estate	5%

High net worth and other private client lending	**34%**
Mortgages	27%
HNW and specialised lending	7%

Highlights: Sustainability
- Closed Investec Bank plc's first Sustainability Linked Loan for USD600 million of funding which was 3 times oversubscribed
- Climate resolution on Scope 3 financed emissions passed with 99.9% vote at the group's AGM on 5 August 2021
- Signed up to the UN-convened Net-Zero Banking Alliance which is committed to aligning lending and investment portfolios with net-zero emissions by 2050
- Entered a £90 million partnership with Privilege Finance for UK renewable energy or carbon reduction projects
- Provided a Sustainability Linked Loan to a client who provides professional learning and development programmes
- Created and published a Sustainable Finance Framework for the bank.

Highlights: Belonging, Inclusion and Diversity (BID)
- Introduced our first reverse mentoring programme for Black, Asian and minority ethnic employees, which aims to facilitate reciprocal learning and enable the organisation to harness the value of difference
- Launched our inaugural Allies programme and BID Champion network
- Joined the Diversity Project (a cross-company initiative), the aim of which is to create a truly diverse and inclusive UK investment and savings industry
- Introduced mandatory learning for all employees in respect of Bullying, Harassment and Discrimination
- Undertook a series of listening circles to understand in more depth the experiences of our Black, Asian and minority ethnic colleagues, in relation to culture in the workplace, recruitment, progression and development, and the way we do things at Investec.

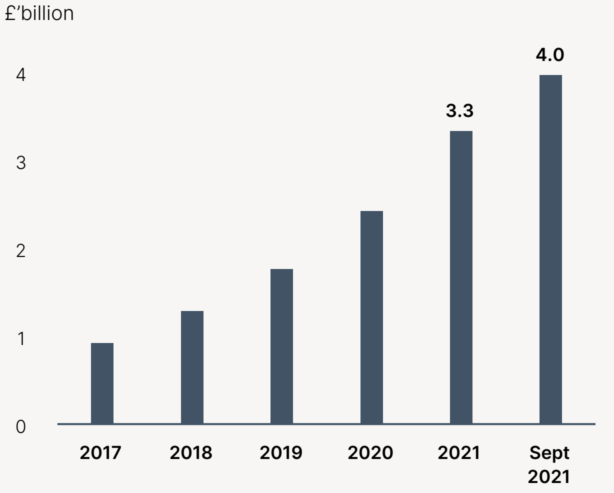
PRIVATE BANKING

Our Private Banking activities focus 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

- It was another successful trading period in terms of loan origination, FX flows and client acquisition. Private Banking activities exceeded all internal growth targets whilst navigating a challenging COVID-19 operating environment.
- Net interest income increased significantly compared to the prior period (>100%), driven by strong loan book growth of 19.6% since 31 March 2021 and lower funding costs.
- Overall, the business reported an adjusted operating profit of £11.3 million (2020: net loss of £3.1 million) – on track to exceed our stated breakeven target by March 2022.

Loans and advances to customers

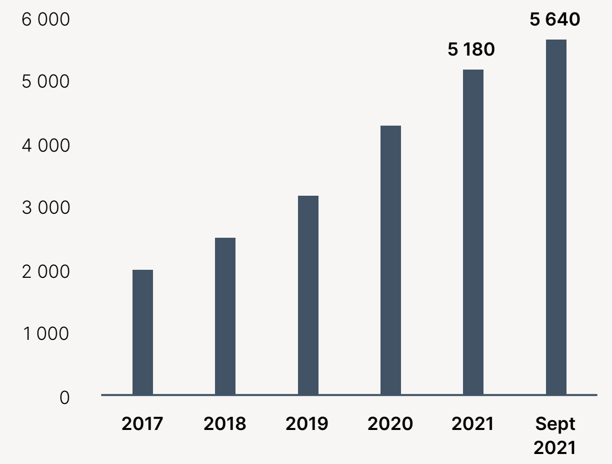


Loan book growth:

- Strong growth in the loan book (up 19.6% since 31 March 2021) was driven by continued client acquisition
- The business experienced high demand for mortgage lending throughout the period, particularly in the month of June when demand for residential mortgages accelerated ahead of the deadline for the COVID-19 related Stamp Duty relief in the UK
- The book growth was achieved without compromising margins and underlying credit quality in an increasingly competitive market.

Note: In addition to the loan book shown above, our Channel Islands business had c.£500 million of mortgages as at 30 September 2021.

HNW client acquisition



Continued success in client acquisition:

- The business acquired 560 new clients over the period, a number of which were introduced via referrals by existing Investec clients
- Our clients have an average income of £700 000+ and average NAV of £11 million – 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 continue to successfully execute on our HNW client acquisition strategy, which translates 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 190 referrals were made to the UK Wealth & Investment business, resulting in c.£100 million in incremental FUM.
- We continue to collaborate with our Wealth & Investment business to provide an integrated HNW proposition – areas of overlap have been identified, bringing opportunities to realise both client revenue and cost synergies. In addition, the ability to provide our UK private banking offering to South African clients seeking an international proposition continues to be a key differentiator for the group.

PRIVATE BANKING
CONTINUED

Income statement analysis and key income drivers

£'000	30 Sept 2021	30 Sept 2020	Variance	% change
Net interest income	30 546	14 013	16 533	>100.0%
Net fee and commission income	390	269	121	45.0%
Investment income	(12)	—	(12)	100.0%
Trading income arising from				
– customer flow	767	538	229	42.6%
– balance sheet management and other trading activities	1	2	(1)	(50.0%)
Total operating income before expected credit loss impairment charges	**31 692**	**14 822**	**16 870**	**>100.0%**
Expected credit loss impairment charges	(560)	(981)	421	(42.9%)
Operating income	**31 132**	**13 841**	**17 291**	**>100.0%**
Operating costs	(19 842)	(16 989)	(2 853)	16.8%
Adjusted operating profit/(loss)	**11 290**	**(3 148)**	**14 438**	**>100.0%**
Key income drivers				
ROE post-tax	2.7%	(1.4%)		
Cost to income ratio	62.6%	114.6%		
Growth in loans and advances to customers	19.6%	14.4%		
Growth in risk-weighted assets	13.2%	5.2%		

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

- Adjusted operating profit of £11.3 million compares to a net loss of £3.1 million in the prior period as the business grows to scale by leveraging on existing infrastructure.
- Growth in net interest income was driven by a higher average loan book and an improved net interest margin – primarily due to higher lending activity and lower funding costs.
- ECL impairment charges for the period decreased to £0.6 million (2020: £1.0 million) due to limited defaults and a robust credit performance. The credit loss ratio on this book is c.5bps, indicative of the quality of the underlying franchise. Refer to page 99 for further information on the group's asset quality.
- Operating costs increased by £2.9 million or 16.8%, reflecting normalised discretionary expenditure post the COVID-19 related lockdowns as well as increased variable remuneration in line with improved business performance.

Growth opportunities and outlook:

- Notwithstanding our success to date in building scale and relevance, we believe we are only beginning to capitalise on the existing market opportunity. We are seeing growing demand for our efficient, refreshingly human private client offering.
- We have partnered with Monese, a leading pan-European fintech, to evolve and transform our transactional banking offering. This strategic partnership will enable us to leverage Monese's scale, expertise, and digital capabilities to bring accelerated efficiency and enhancements to our private client transactional banking offering.
- 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.
- At this time, we are focused on maintaining business momentum, ensuring that we resonate with our clients, and generating increased annuity income for the group.

CORPORATE, INVESTMENT BANKING AND OTHER

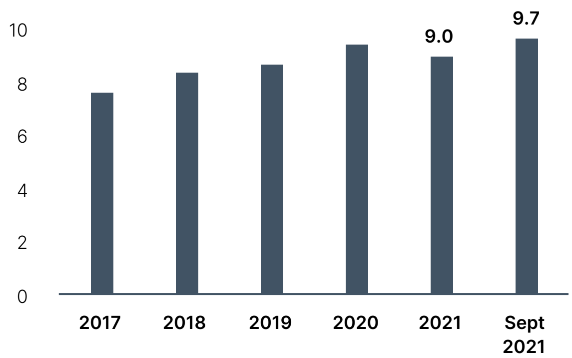
This segment comprises business activities that provide capital, advisory and risk management services to growth-orientated corporate clients in the private companies, private equity and listed companies arenas, including specialist sector-focused expertise. This segment also comprises our central treasury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

Performance in the period under review

- The results reflect a strong start to the year, with an adjusted operating profit of £73.2 million (2020: £16.1 million). The significant improvement in performance is largely attributable to improved market conditions and increased client activity as economies opened up and bounced back from the COVID-19 pandemic.
- Net interest income increased by £28.6 million or 16.9% on the prior period, driven by higher lending activity and lower funding costs.
- Impairment charges were considerably lower due to an improved macro-economic outlook and limited specific impairments.

Loans and advances to customers

£'billion

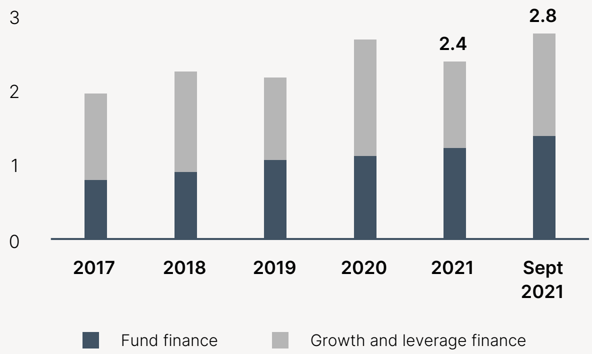


Robust book growth:

- The loan book grew by 7.8% since 31 March 2021 to £9.7 billion, or 9.5% excluding the Australian business
- Lending activity increased across portfolios, supported by new client acquisition as we continue to build scale and relevance in our client franchises
- Higher turnover was achieved in a number of lending areas, particularly in Growth & Leverage finance, Fund Solutions, Power and Infrastructure finance, and Asset finance.

Loan book: private equity franchise

£'billion



Strong franchise for private equity clients:

- Fully integrated proposition spanning advisory (M&A and IPO), capital solutions (leverage finance and fund level finance) and risk management (currency and interest rate hedging) for private equity funds and their portfolio companies
- Broad European footprint with activity weighted to UK (given heritage of the business) complemented by fast growing continental European activity levels, aided through the minority stake recently purchased in Capital Mind, an M&A boutique
- Access to third party capital through a formalised distribution model and private debt fundraising strategy (recently raised inaugural dedicated private debt fund of €165m)
- Significant momentum in 1H 2022 across all parts of the franchise driven by an active market.

Winner
Corporate Broker of the Year
(GlobalCapital ECM Awards 2020)

Winner
Property Financier/Lender of the Year
(Property Awards 2020)

Research rank across seven sectors
#1
(2021 Institutional Investor's UK Small & Mid-Cap survey)

Broker rank
#2
(2021 Institutional Investor's UK Small & Mid-Cap survey)

Winner
Best Leasing and Asset Finance Provider
Best Business FX provider
(Business MoneyFacts Awards 2021)

Winner
Conventional Power Lead Arranger of the Year
(Power Finance & Risk Awards 2020)

Winner
Fund Financing Provider of the Year
(Drawdown Awards 2021)

Winner
Broker Champion Lessor
(Leasing World, Gold Awards 2021)

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

Income statement analysis and key income drivers

£'000	30 Sept 2021	30 Sept 2020	Variance	% change
Net interest income	198 241	169 646	28 595	16.9%
Net fee and commission income	57 592	66 614	(9 022)	(13.5%)
Investment income	5 246	25 142	(19 896)	(79.1%)
Share of post-taxation profit of associates and joint venture holdings	6 786	2 227	4 559	>100.0%
Trading income arising from				
– customer flow	31 414	(20 942)	52 356	>100.0%
– balance sheet management and other trading activities	(9 747)	9 270	(19 017)	(>100%)
Other operating income	7 505	6 976	529	7.6%
Total operating income before expected credit loss impairment charges	**297 037**	**258 933**	**38 104**	**14.7%**
Expected credit loss impairment charges	(4 315)	(38 919)	34 604	(88.9%)
Operating income	**292 722**	**220 014**	**72 708**	**33.0%**
Operating costs	(219 517)	(204 493)	(15 024)	7.3%
Operating profit before goodwill, acquired intangibles and strategic actions	**73 205**	**15 521**	**57 684**	**>100.0%**
Profit attributable to non-controlling interests	—	530	(530)	(100.0%)
Adjusted operating profit	**73 205**	**16 051**	**57 154**	**>100.0%**
Key income drivers				
ROE post-tax	12.8%	1.5%		
Cost to income ratio	73.9%	78.8%		
Growth in loans and advances to customers	7.8%	(2.6%)		
Growth in risk-weighted assets	(1.9%)	0.0%		

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

- The £28.6 million increase in net interest income was primarily driven by reduced funding costs as liabilities repriced and utilisation of excess liquidity. In addition, net interest income growth was supported by higher average loan books across a number of portfolios and accelerated effective interest rate (EIR) fees
- Net fee and commission income decreased by £9.0 million or 13.5%, impacted by the wind down of the Australian business and the restructure of operations in India (whereby earnings from the joint venture are now reflected as fair value movements within investment income). Lower advisory fees in the listed companies space were offset by higher advisory fees from the private companies and private equity client franchises
- Investment income of £5.2 million was £19.9 million lower than the prior period, largely due to lower net realisations and the non-repeat of a £13 million gain recognised from the formation of a joint venture with State Bank of India in the prior period
- Trading income from customer flow was significantly higher than the prior period as a result of immaterial risk management and risk reduction costs associated with the UK structured products book in the current period due to risk mitigation strategies and improving markets (2020: £53 million). We expect these costs to remain immaterial should markets remain stable
- Trading income from balance sheet management and other trading activities cost £9.7 million, primarily driven by costs associated with the early redemption of a senior bond, the non-repeat of prior period gains which followed extreme COVID-19 related volatility, and the impact of the closure of the Australian business
- Other operating income of £7.5 million (2020: £7.0 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
- Expected credit loss impairment charges of £4.3 million were 88.9% lower than the prior period. The decrease was driven by the positive impact of model-driven impairment releases (for Stage 1 and 2) and limited specific impairments, offset by the effect of model recalibration on certain portfolios and increase in post-model overlays. Refer to pages 97 and 98 for further information on the macro-economic scenarios applied and page 99 for information on the group's asset quality
- Operating costs increased by 7.3% to £219.5 million due to higher variable remuneration in line with improved profitability. Fixed costs were down 4.3% on the prior period, predominantly driven by lower staff costs as a result of reduced headcount following the UK bank restructure and exit of Australia.

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

Strategy execution:

- Following a period of simplification and focus, the business has entered the growth phase of its journey to deliver improved shareholder returns. Our success to date in building scale and relevance in the UK market is reflected in solid loan book growth and client acquisition across our business
- The strength of our client franchises has been independently recognised through the numerous awards we have won
- We continued to support our clients through the COVID-19 pandemic as an accredited lender of the government lending schemes (CBILS, CLBILS, BBLS and RLS) – as at 30 September 2021 we had exposures totalling £185 million under these schemes
- Our One Investec approach – underpinned by connected client ecosystems – has led to an increased number of multi-product clients and a pipeline of opportunities
- We continue to generate capital light earnings by utilising third party capital to facilitate off-balance sheet growth and through our highly successful origination and distribution capability
- In terms of funding, we have grown our digital retail savings channels, broadened our retail funding base, and achieved a reduction in our cost of funds. This has aided our competitiveness in the market and led to an improved net interest margin.

Growth opportunities and outlook:

- We expect business momentum and growth to continue in line with improved client activity
- The scale of the underserviced UK private companies market represents a significant opportunity for growth: 20 000 UK private companies have been identified as potential new clients for our comprehensive suite of banking products
- We expect further strong activity in the private equity arena, from which our lending and advisory activities will continue to benefit
- In addition to expecting a pick-up in advisory deal activity in the UK market, our international partnerships in Continental Europe and the USA continue to facilitate an expansion of our cross-border M&A advisory services
- We continue to leverage opportunities in supporting our clients from the increased focus on ESG/Sustainability, through renewable energy financing and innovative debt structuring
- Our strategic partnership with fintech company, Monese, will transform our transactional banking platform and enable us to deliver on key focus areas such as reducing our overall cost of funds and improving our proposition to private companies by introducing a Business Current Account
- In order to grow our market share in North America and to grow our corporate brokerships and research client base, we have made a number of strategic hires in our US Equities business
- We intend to raise additional third party capital through funds and syndications to facilitate off-balance sheet loan growth and generate further capital light revenue.

GROUP INVESTMENTS

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: £240.1 million at 30 September 2021. This differs to the market value of the 16.3% stake held by Investec plc which was £386.0 million at 30 September 2021.

Portfolio breakdown and ROE

30 September 2021	**Asset analysis £'000**	Income analysis £'000
Ninety One plc	240 083	16 490
Total exposures on balance sheet	**240 083**	
Ordinary shareholders' equity held on investment portfolio – 30 September 2021	255 380	
Ordinary shareholders' equity held on investment portfolio – 31 March 2021	227 190	
Average ordinary shareholders' equity held on investment portfolio – 30 September 2021	241 285	
Post-tax return on adjusted average ordinary shareholders' equity – 30 September 2021		**13.7%**

30 September 2020	**Asset analysis £'million**	Income analysis £'000
Ninety One plc	234 271	11 791
Total exposures on balance sheet	**234 271**	
Ordinary shareholders' equity held on investment portfolio – 30 September 2020	184 610	
Ordinary shareholders' equity held on investment portfolio – 31 March 2020	97 640	
Average ordinary shareholders' equity held on investment portfolio – 30 September 2020	141 125	
Post-tax return on adjusted average ordinary shareholders' equity – 30 September 2020		**15.2%**

Income statement analysis

£'000	**30 Sept 2021**	30 Sept 2020	Variance	% change
Share of post-taxation profit of associates and joint venture holdings	16 490	11 791	4 699	39.9%
Total operating income before expected credit loss impairment charges	**16 490**	**11 791**	**4 699**	**39.9%**
Expected credit loss impairment charges	—	—	—	—
Operating costs	—	—	—	—
Adjusted operating profit	**16 490**	**11 791**	**4 699**	**39.9%**
ROE post-tax	13.7%	15.2%		

Factors driving the performance in the period under review included:

- Share of post-taxation profit of associates reflects growth in earnings from the group's retained investment in Ninety One following the demerger of the asset management business in March 2020.

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 nine consecutive years

Recognised by the Financial Times of London.

Highlights

Funds under management

£18.7bn

(31 March 2021: £16.7bn)

Net core loans

£14.6bn

(31 March 2021: £14.1bn)

Customer deposits

£19.7bn

(2020: £18.4bn)

Adjusted operating profit

£191.9mn

(2020: £99.1mn)

Cost to income

52.5%

(2020: 58.7%)

ROE post-tax

12.0%

(2020: 8.1%)

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

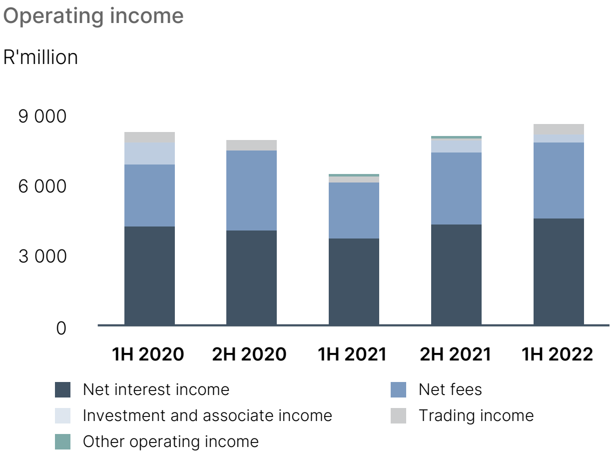
Private client offering

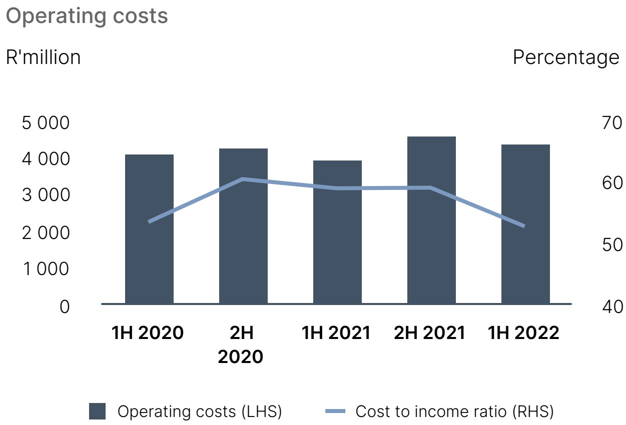
- Individuals
- Charities and trusts
- Financial advisers and intermediaries
- High net worth individuals
- Entrepreneurs
- High-income professionals
- Sophisticated investors
- Owner managers in mid-market companies

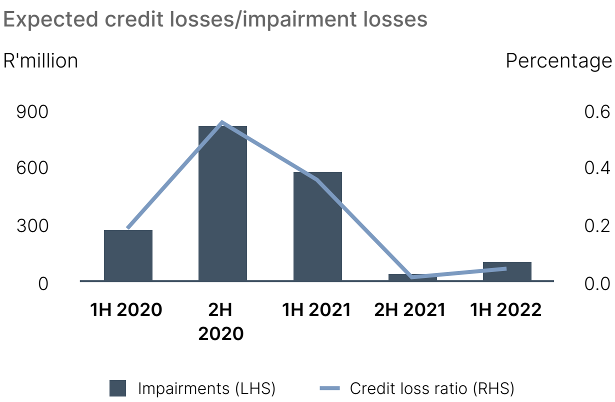
Corporate client offering

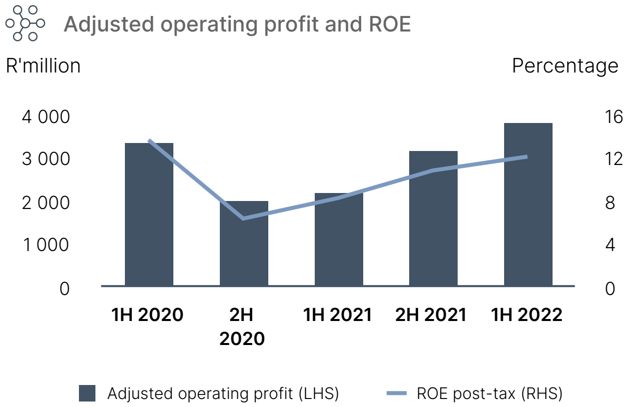
- Mid to large size corporates
- Intermediaries
- Institutions
- Government bodies

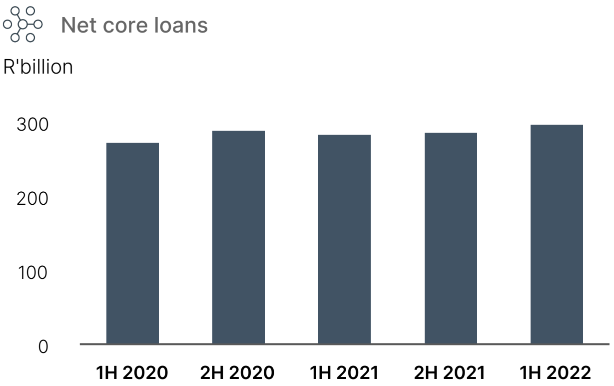
SOUTHERN AFRICA
CONTINUED

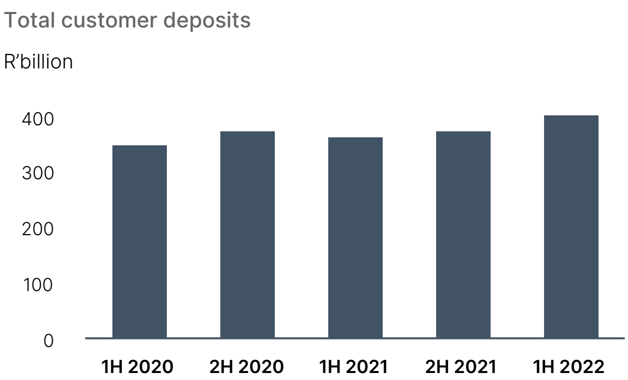












Note: Figures on this page for 1H 2020 and 2H 2020 relate to continuing operations.

WEALTH & INVESTMENT

Business head
Henry Blumenthal

Awards

Voted 'Best Private Bank & Wealth Manager' by London's Financial Times – nine years in a row (2013 to 2021)
"Excellence in Wealth Management South Africa"

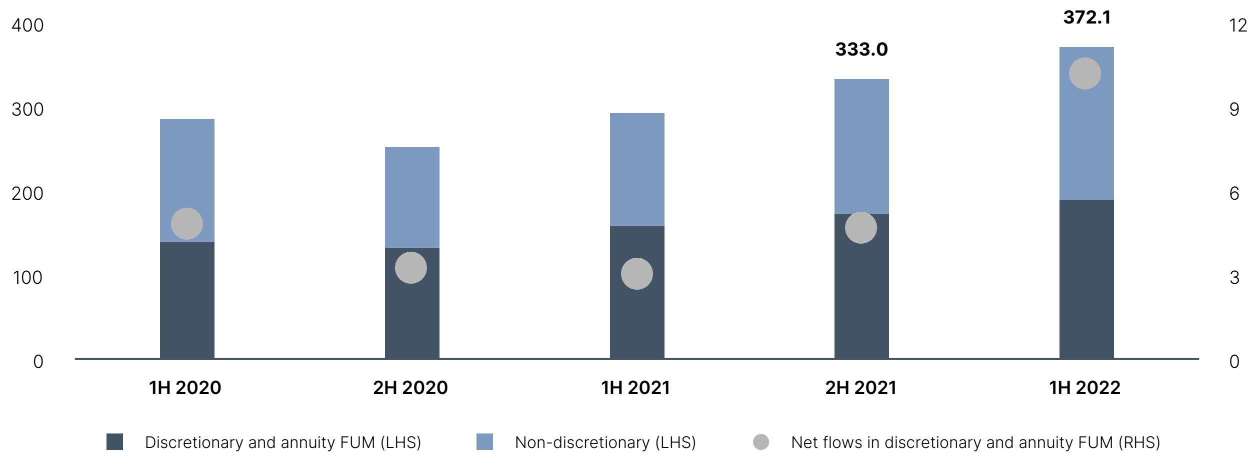
Wealth & Investment manages the wealth of many leading private investors and families in South Africa, as well as charities and trusts. With a global approach to wealth management, portfolio management and stockbroking, we enable our clients to navigate the complexities of being global citizens aligned to achieving their holistic wealth and investment management goals.

Performance highlights:

- A strong performance with adjusted operating profit up 17.8% to R311 million (2020: R264 million). Success has been driven by enduring client relationships, our strong brand, deep wealth and investment management expertise, diversified revenue streams and our unique offering which allows clients to invest and bank locally and offshore, all in One Place™.
- The business reported 11.7% growth in FUM to R372.1 billion (31 March 2021: R333.0 billion) supported by R10.1 billion of discretionary and annuity flows, strong investment performance and favourable market conditions.

Funds under management and net flows

R'billion



FUM variance drivers since 31 March 2021:

- Annualised net organic growth in discretionary and annuity assets of 11.6% largely driven by flows into our offshore offering.
- Favourable market conditions and strong investment performance.

Funds under management

R'million	30 Sept 2021	31 March 2021	% change	30 Sept 2020	31 March 2020	% change
Discretionary and annuity assets	191 519	174 852	9.5%	160 492	132 515	21.1%
Non-discretionary	180 542	158 172	14.1%	132 837	119 869	10.8%
Total	**372 061**	**333 024**	**11.7%**	**293 329**	**252 384**	**16.2%**

Net flows over the period

R'million	30 Sept 2021	31 March 2021	30 Sept 2020	31 March 2020
Discretionary and annuity assets	10 120	7 600	2 978	8 015
Non-discretionary	6 827	(8 500)	(2 500)	(5 850)
Total	**16 947**	**(900)**	**478**	**2 165**

WEALTH & INVESTMENT
CONTINUED

Income statement analysis and key income drivers

£'000	30 Sept 2021	30 Sept 2020	Variance	% change	% change in Rands
Net interest (loss)/income	1 197	(382)	1 579	>100.0%	>100.0%
Net fee and commission income	47 494	36 236	11 258	31.1%	18.6%
Investment income	597	496	101	20.3%	5.9%
Trading (loss)/income arising from					
– customer flow	(16)	20	(36)	>100.0%	(>100.0%)
– balance sheet management and other trading activities	118	99	19	19.2%	5.1%
Other operating income	(13)	—	(13)	100.0%	100.0%
Total operating income before expected credit loss impairment charges	**49 377**	**36 469**	**12 908**	**35.4%**	**22.6%**
Operating costs	(33 818)	(24 509)	(9 309)	38.0%	24.9%
Adjusted operating profit	**15 559**	**11 960**	**3 599**	**30.1%**	**17.8%**
Key income drivers					
Operating margin	31.5%	32.8%			
Annualised net organic growth in discretionary and annuity FUM as a % of opening FUM	11.6%	4.5%			
Annualised average income yield earned on discretionary and annuity FUM°	0.9%	0.9%			

° The average income yield on discretionary and annuity FUM represents the annualised operating income earned on discretionary and annuity FUM for the period as a percentage of the average of opening and closing discretionary and annuity FUM.

Overview of financial performance (in Rands):
- Revenue grew by 22.6% supported by sustained inflows into our offshore product range and higher average discretionary and annuity assets.
- Operating costs increased 24.9%, driven by higher variable remuneration and increased average headcount of investment specialists, wealth managers and IT personnel. The cost to income ratio increased to 68.5% (2020: 67.2%).
- The South African business achieved an operating margin of 31.5% (2020: 32.8%).

Strategy execution:
- Our expanded international investment universe provides clients access to a broad range of international investment opportunities together with the proximity to our globally integrated investment process.
- Integration of ESG into our investment process and decision making continues. The launch of our Investec Global Sustainable Equity Fund during the period has been well received by the market.
- Continued success from relationships across W&I and Private Bank, as well as the strategic focus on delivering our unique One Place™ value proposition.
- Maintaining client connectivity largely through virtual client events with thought leaders, authors and experts.
- Positioning our investment offering beyond direct channels.

Looking ahead:
- Integrating Investec Switzerland, our international UK team and W&I SA across our operations, wealth management and our investment capabilities as a platform for future growth.
- Developing our specialist and alternative investment capabilities.
- The enhancement of our IT and digital capabilities across data, reporting and client management to improve client experience.
- Continued commitment aligned to our Belonging, Inclusion and Diversity strategy regarding new appointments, leadership representation, 'Next Gen' development and mentorship as well as fostering a culture of belonging.
- Focus on achieving an optimal hybrid work environment will be key to leveraging efficiencies gained from working from home, while not losing team cohesion, culture, and the value of in-person engagement.

SPECIALIST BANKING OVERVIEW

Business head
Richard Wainwright

Award

Crowned 'Best-performing bank in South Africa' by The Banker for the second consecutive year

Voted 'Best Private Bank & Wealth Manager' by London's Financial Times – nine years in a row (2013 to 2021)

Ranked #1 by Euromoney in the 'Best Private Bank and Wealth Manager' survey for nine consecutive years (2013 to 2021)

Highlights

Adjusted operating profit

£173.4mn

(2020: £92.9mn)

ROE post-tax

12.4%

(2020: 9.1%)

Cost to income

49.7%

(2020: 55.4%)

Credit loss ratio

0.04%

(2020: 0.35%)

Overview of performance in the period under review (in Rands):

- Adjusted operating profit for the SA bank increased 69.1% (86.7% in Pounds).
- Strong revenue growth of 21.6% was positively impacted by recovery in NIR as the bank saw increased client activity levels across the board, liability repricing, lower impairments, higher average loan balances and good client acquisition.
- The cost to income ratio was lower at 49.7% (2020: 55.4%) given continued cost discipline and higher revenues. Total operating costs increased 9.1%, with fixed costs increasing by 3.7%.
- Pre-provision adjusted operating profit increased 37.3% to R3.5 billion (2020: R2.6 billion).
- ECL impairment charges decreased 84.8%, resulting in a CLR of 4bps (FY 2021: 18bps; 1H 2021 35bps). The decline was mainly driven by higher recoveries in the period and lower specific impairments. Modelled impairments (Stage 1 and 2) reduced given the improved economic outlook. Post-model overlays were retained given the uncertainty that remains.
- Net core loans grew by 3.4% to R297.1 billion (31 March 2021: R287.3 billion) driven primarily by the private clients' loan book. Strong growth in corporate lending turnover was offset by elevated repayment rates as clients used excess liquidity to pay down facilities.

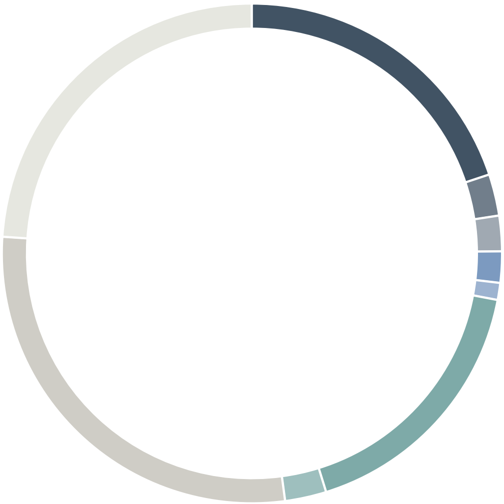
Income statement

£'000	30 Sept 2021	30 Sept 2020	Variance	% change	% change in Rands
Net interest income	249 703	192 870	56 833	29.5%	17.4%
Net fee and commission income	87 167	50 673	36 494	72.0%	56.0%
Investment (loss)/income	(5 913)	(4 123)	(1 790)	43.4%	34.7%
Share of post-taxation (loss)/profit of associates and joint venture holdings	(416)	(79)	(337)	(>100.0%)	(>100.0%)
Trading income arising from					
– customer flow	23 450	14 943	8 507	56.9%	43.0%
– balance sheet management and other trading activities	(2 307)	3 463	(5 770)	>100.0%	(>100.0%)
Other operating income	969	5 007	(4 038)	(80.6%)	(81.0%)
Total operating income before expected credit loss impairment charges	**352 653**	**262 754**	**89 899**	**34.2%**	**21.6%**
Expected credit loss impairment charges	(4 005)	(24 237)	20 232	(83.5%)	(84.8%)
Operating income	**348 648**	**238 517**	**110 131**	**46.2%**	**32.4%**
Operating costs	(175 567)	(145 647)	(29 920)	20.5%	9.1%
Operating profit before goodwill, acquired intangibles and strategic actions	**173 081**	**92 870**	**80 211**	**86.4%**	**68.8%**
Profit attributable to non-controlling interests	298	—	298	100.0%	100.0%
Adjusted operating profit	**173 379**	**92 870**	**80 509**	**86.7%**	**69.1%**

SPECIALIST BANKING OVERVIEW
CONTINUED

Diversified loan book by risk category: Core loans

£14.6 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	**20%**
Commercial real estate	17%
Residential real estate	3%
High net worth and other private client lending	**52%**
Mortgages	28%
HNW and specialised lending*	24%

* Of the 24% in HNW and specialised lending, 13.6% (being 57% of 24%) (31 March 2021: 13.2%) relates to lending collateralised by property which is supported by high net worth clients.

Highlights: ESG

- Climate resolution on Scope 3 financed emissions passed with 99.9% vote at the group's AGM on 5 August 2021
- Signed up to the UN-convened Net-Zero Banking Alliance which is committed to aligning lending and investment portfolios with net-zero emissions by 2050
- Provided R1.65 billion in funding to Trans Caledon Tunnel Authority to help secure South Africa's water supply
- Acted as sole mandated lead arranger on a EUR215 million sustainable finance agreement for two major hospital projects in Ghana to improve access to affordable and quality healthcare in that country
- Created and published a Sustainable Finance Framework for the bank.

Highlights: Belonging, Inclusion and Diversity (BID)

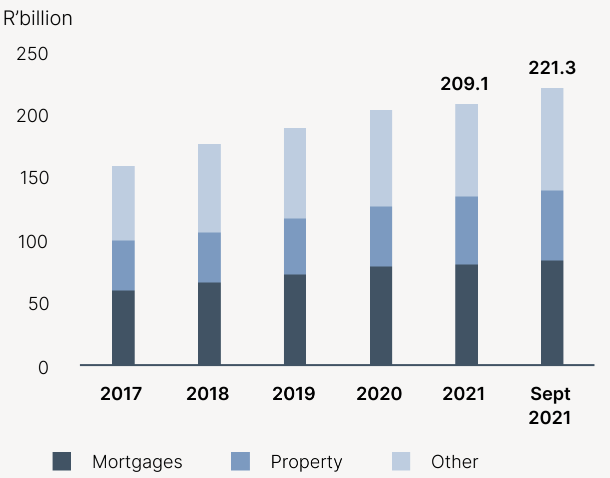
- Achieved a level 1 BEE rating for the FY2021 financial year.
- Our LGBTQ+ network was launched in October 2021. This network is a community open to all staff, that aims to create awareness through shared learning initiatives and impactful events.
- We are currently reviewing our diversity learning programmes and have added a digital offering of diversity insights and a programme aimed at leadership.

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. Our unique One Place™ offering, allows clients to invest and bank locally and in the UK, all in One Place™.

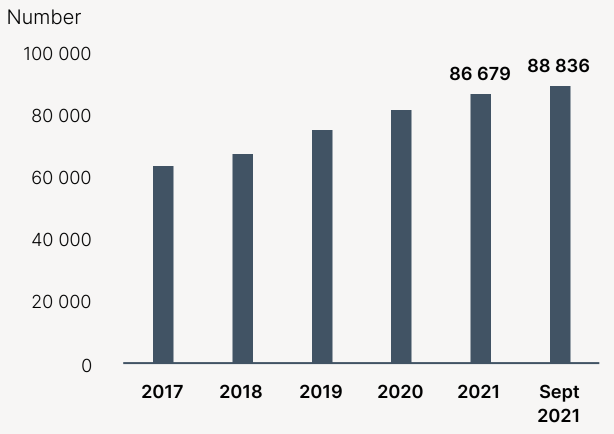
Performance highlights:
- Private Banking had a stellar performance with adjusted operating profit up 105.6% to R2 015 million for the six months to 30 September 2021 (2020: R980 million). Revenue increased 35.1% benefiting from lower funding costs, increased activity levels, higher lending books and significantly reduced impairments.
- Point of sale (POS) activity increased 46% tracking higher than pre-COVID levels as spending patterns normalised. The low interest rate environment continued to support growth in residential mortgages as the differential between buying and renting was negligible.

Loans and advances to customers*



Strong loan book growth in first half:
- The loan book recovered well, growing 5.9% since 31 March 2021.
- During the period, advances to the listed commercial real estate sector that resided in Corporate and Institutional Banking were transferred to Private Banking. Excluding the transferred loans, the Private Banking loan book grew by 3.9%.
- Lending turnover was 63% higher than the prior period.
- The property and mortgage book pipeline remains strong.

Client acquisition



Good client acquisition:
- Our client base grew by 2.5% since year end.
- We continue to focus on client acquisition growth strategies, pursuing new and emerging professions.

* Including own originated securitised assets, net of impairments and deferred fees.

Strategy execution:
- **Client acquisition**: client acquisition and retention remains a key priority supported by a client centric approach, expansion of our value proposition and engagement via multiple channels.
- **Client entrenchment**: ensuring clients are wholly entrenched in the entire Investec value proposition through client and banker education, a redesigned rewards platform and driving banker activity through incentive programs.
- **Capital light revenues**: uptake for 'My Investments' is gaining momentum and will assist in growing 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.

PRIVATE BANKING
CONTINUED

Income statement analysis and key income drivers

£'000	30 Sept 2021	30 Sept 2020	Variance	% change	% change in Rands
Net interest income	137 230	97 635	39 595	40.6%	27.3%
Net fee and commission income	28 842	18 724	10 118	54.0%	39.9%
Investment income	6 732	(504)	7 236	>100.0%	>100.0%
Share of post-taxation (loss)/profit of associates and joint venture holdings	(126)	(80)	(46)	57.5%	49.3%
Trading income/(loss) arising from					
– customer flow	47	89	(42)	(47.2%)	(52.4%)
– balance sheet management and other trading activities	78	(2)	80	>100.0%	>100.0%
Other operating income	5	5	—	—%	(25.0%)
Total operating income before expected credit losses	**172 808**	**115 867**	**56 941**	**49.1%**	**35.1%**
Expected credit loss impairment charges	6 982	(7 861)	14 843	>100.0%	>100.0%
Operating income	**179 790**	**108 006**	**71 784**	**66.5%**	**51.0%**
Operating costs	(79 055)	(63 456)	(15 599)	24.6%	12.7%
Adjusted operating profit	**100 735**	**44 550**	**56 185**	**>100.0%**	**>100.0%**
Key income drivers					
ROE post-tax	16.4%	13.0%			
Cost to income ratio	45.7%	54.8%			
Growth in loans and advances to customers*	5.9%	0.1%			
Growth in risk-weighted assets^	(5.5%)	2.9%			

* Including own originated securitised assets.
^ Investec Limited obtained approval to adopt the Advanced Internal Ratings Based (AIRB) approach for the SME and Corporate models, effective 1 April 2021. Risk-weighted assets (RWA) for the current period are presented on a Partial AIRB approach, while the prior period is calculated using the Foundation Internal Ratings Based (FIRB) approach.

Overview of financial performance (in Rands):
- Net interest income was 27.3% ahead of the prior period driven by lower funding costs as liabilities repriced and higher average lending books.
- Net fees were 39.9% higher than the prior period on the back of recovering client activity, higher lending turnover (63% up), increased POS activity (46% up) and higher FX turnover – albeit off a low base.
- Investment income increased significantly due to higher dividend income and profit share realisations that did not materialise in the prior period.
- Impairments declined by 181.4% driven by lower specific impairments, including the reversal of certain prior year specific provisions (on recovery of collateral values) and higher post write-off recoveries. Stage 1 and 2 ECL charges also declined, given the improved macro-economic outlook. The COVID-19 related ECL overlays of R290 million were retained to account for risks that remain in the operating environment. Refer to page 99 for further information on the group's asset quality.
- Operating costs increased 12.7% due to higher discretionary expenditure, inflationary increases in personnel costs and higher variable compensation in line with profits. Fixed costs were well contained, increasing by 3%. The cost to income ratio was lower at 45.7% (2020: 54.8%) reflecting continued cost discipline and higher revenues.

Growth opportunities:
- **Programmable banking:** partnership between Investec and Fintech company OfferZen, which targets the niche software developer community, 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. The digital platform provides private clients (not serviced by W&I) the ability to trade shares and invest in selected investments which will help us grow our capital light revenues over time. At 30 September 2021, there were 6 031 clients on the platform (31 March 2021: 3 467) and c.R0.6 billion funds under management.

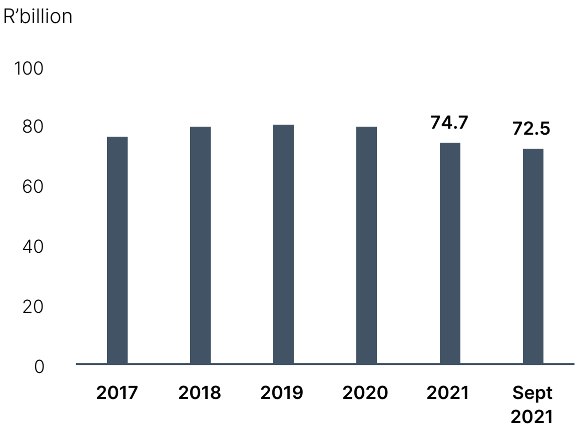
CORPORATE, INVESTMENT BANKING AND OTHER

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: Corporate and Institutional Banking, Investec Life, Investec for Business, Investment Banking, Principal Investments, Investec Property (IPF management company) and certain centrally managed activities.

Performance highlights:

- The business delivered a solid performance this first half, with adjusted operating profit increasing 35.5% to R1 439 million (2020: R1 066 million).
- Revenue grew by 11.0% supported primarily by lower funding costs and increased activity levels across the business. Higher advisory fees and strong client flow trading was partially offset by the impact of lower lending books and higher investment write-downs on certain portfolios. Trade finance remained under pressure though turnover rates have improved. The property portfolio has seen better rental collections and more stable property valuations.

Loans and advances to customers*



* Net of impairments and deferred fees.

Lending activity:

- Strong growth in corporate lending turnover was offset by elevated repayment rates as clients used excess liquidity to pay down facilities. Consequently the loan book declined by 2.8% since year-end.
- During the period, advances to the listed commercial real estate sector residing in Corporate and Institutional Banking of R4.1 billion were transferred to Private Banking. Excluding the transferred loans, corporate advances grew by 2.7%.
- Opportunities in infrastructure finance remain promising.

Growth initiatives:

+7 374
31 Mar 2021: +6 231
Total policies issued to date – Investec Life

+1 032
31 Mar 2021: +539
Number of clients on Investec Business Online

R34.3bn
31 Mar 2021: R34bn
Investec Property Fund – FUM

+918
31 Mar 2021: +868
Investec for Business – number of clients

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	30 Sept 2021	30 Sept 2020	Variance	% change	% change in Rands
Net interest income	112 473	95 235	17 238	18.1%	7.3%
Net fee and commission income	58 325	31 949	26 376	82.6%	65.3%
Investment (loss)/income	(12 645)	(3 619)	(9 026)	>100%	>100%
Share of post-taxation (loss)/profit of associates and joint venture holdings	(290)	1	(291)	(>100%)	(>100%)
Trading income/(loss) arising from					
– customer flow	23 403	14 854	8 549	57.6%	43.4%
– balance sheet management and other trading activities	(2 385)	3 465	(5 850)	(>100%)	(>100%)
Other operating income	964	5 002	(4 038)	(80.7%)	(80.7%)
Total operating income before expected credit losses	**179 845**	**146 887**	**32 958**	**22.4%**	**11.0%**
Expected credit loss impairment charges	(10 987)	(16 376)	5 389	(32.9%)	(37.9%)
Operating income	**168 858**	**130 511**	**38 347**	**29.4%**	**17.0%**
Operating costs	(96 512)	(82 191)	(14 321)	17.4%	6.5%
Operating profit before goodwill, acquired intangibles and strategic actions	**72 346**	**48 320**	**24 026**	**49.7%**	**35.0%**
Profit attributable to non-controlling interests	298	—	298	>100%	>100%
Adjusted operating profit	**72 644**	**48 320**	**24 324**	**50.3%**	**35.5%**
Key income drivers					
ROE post-tax	8.5%	6.1%			
Cost to income ratio	53.6%	56.0%			
Growth in loans and advances to customers	(2.8%)	(2.1%)			
Growth in risk-weighted assets^	(13.0%)	(4.2%)			

^ Investec Limited obtained approval to adopt the Advanced Internal Ratings Based (AIRB) approach for the SME and Corporate models, effective 1 April 2021. Risk-weighted assets (RWA) for the current period are presented on a Partial AIRB approach, while the prior period is calculated using the Foundation Internal Ratings Based (FIRB) approach.

Overview of financial performance (in Rands):

- Net interest income increased 7.3% driven by lower funding costs and improved trade finance turnover which attracts higher margins. The increase was partially offset by lower average lending books and margin squeeze from A-rated corporates due to competitive pricing.
- Net fees were 65.3% higher than the prior period due to increased activity across all desks within Corporate and Institutional Banking, higher advisory fees from corporate finance and the consolidation of a European logistics property asset manager from the second half of last year.
- Investment income and share of post-taxation profit from associates decreased further from a loss of (R79 million) in the prior period to (R255 million), driven by additional write-downs taken on certain unlisted investments.
- Total trading income increased 2% overall compared to the prior period. Client flow trading was strong (up 43.4%) as equity derivatives, FX and interest rate trading desks took advantage of favourable market movements in a more predictable trading environment. Balance sheet management and other trading activities were negatively impacted by MTM losses on fixed-rate funding swaps and the non-repeat of prior period gains from hedging non-ZAR investments.
- Expected credit loss impairment charges decreased 37.9%. Lower book growth and improved forward-looking macro-economic factors were partly offset by an increase in specific impairments. Refer to page 99 for further information on the group's asset quality.
- Costs increased 6.5% over the period. Fixed personnel costs increased as a result of salary increases this period (delayed increase in the prior period), partially offset by a lower employee benefits liability for Ninety One shares. Variable remuneration increased in line with profitability. Further increasing costs this period was the consolidation of the asset manager described above. Continued cost discipline and higher revenues resulted in a cost to income ratio of 53.6% (2020: 56.0%).

Strategy execution and growth opportunities:

- **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**: Uptake on Investec Business Online (a single platform transactional banking capability targeting our corporate and business clients) has been encouraging. The platform will further enhance our offering to the IFB mid-market segment.
- **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

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 82). 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: £129.2 million at 30 September 2021. This differs to the market value of the 8.7% stake held by Investec Limited which was £200.3 million (R4.1 billion) at 30 September 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 £260.5 million (R5.3 billion) at 30 September 2021. During the period, Investec recognised equity accounted earnings of £9.8 million (R195.0 million) in relation to this investment.

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. Its investment portfolio of R21.5 billion comprises direct and indirect real estate investments in South Africa and Europe.

In South Africa, IPF directly owns a sizeable portfolio of 88 properties in the retail, industrial and office sectors valued at R15.2 billion and a 35% interest in Izandla valued at R0.3 billion. 43% of IPF's balance sheet and 40% of earnings are derived from offshore investments. This comprises strategic property investments in Europe (R5.8 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 £665 million (R13.5 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 £43.4 million (R880 million).

Investec Australia Property Fund (IAPF)
Investec disposed of its 9.1% holding in IAPF in the second half of the prior financial year.

GROUP INVESTMENTS
CONTINUED

Portfolio breakdown and ROE

30 September 2021	Asset analysis £'000	Income analysis £'000	Asset analysis R'million	Income analysis R'million
Ninety One Limited	129 248	8 860	2 622	177
IEP Group Proprietary Limited (IEP)	260 512	9 768	5 286	195
Equity investments^	43 360	(5 506)	880	(110)
Investec Property Fund*	160 601	3 940	3 254	78
Total exposures on balance sheet	**593 721**	**17 062**	**12 042**	**340**
Debt funded	261 250	(6 388)	5 297	(127)
Equity	332 471		6 745	
Total capital resources and funding	**593 721**		**12 042**	
Adjusted operating profit		**10 674**		**213**
Taxation		726		15
Operating profit after taxation		**11 400**		**228**
Risk-weighted assets	**2 239 698**		**48 326**	
Ordinary shareholders' equity held on investment portfolio – 30 September 2021	332 471		6 745	
Ordinary shareholders' equity held on investment portfolio – 31 March 2021	290 773		6 250	
Average ordinary shareholders' equity held on investment portfolio – 30 September 2021	311 622		6 498	
Post-tax return on adjusted average ordinary shareholders' equity 30 September 2021		**7.3%**		

30 September 2020	Asset analysis £'000	Income analysis £'000	Asset analysis R'million	Income analysis R'million
Ninety One Limited	113 818	6 334	2 517	136
IEP Group Proprietary Limited (IEP)	260 738	688	5 626	15
Equity investments^	57 066	—	1 232	—
Investec Property Fund*	158 898	(3 774)	3 424	(81)
Investec Australia Property Fund**	40 840	10 576	881	237
Total equity exposures	**631 360**	**13 824**	**13 680**	**307**
Associated loans and other assets	—	(3 526)	—	(84)
Total exposures on balance sheet	**631 360**	**10 298**	**13 680**	**223**
Debt funded	351 437	(8 870)	7 640	(194)
Equity	279 923		6 040	
Total capital resources and funding	**631 360**		**13 680**	
Adjusted operating profit		**1 428**		**29**
Taxation		(90)		(2)
Operating profit after taxation		**1 338**		**27**
Risk-weighted assets	**2 705 752**		**58 382**	
Ordinary shareholders' equity held on investment portfolio – 30 September 2020	279 923		6 040	
Ordinary shareholders' equity held on investment portfolio – 31 March 2020	291 085		6 448	
Average ordinary shareholders' equity held on investment portfolio – 30 September 2020	285 504		6 244	
Post-tax return on adjusted average ordinary shareholders' equity 30 September 2020		**0.9%**		

^ 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 second half of the financial year ended 31 March 2021. Information as at 30 September 2020 reflects the proportionate NAV consolidated for the group's investment holding of 9.1% in the Investec Australia Property Fund.

GROUP INVESTMENTS
CONTINUED

Income statement analysis

£'000	30 Sept 2021	30 Sept 2020	Variance	% change	% change in Rands
Net interest expense	(20 349)	(23 341)	2 992	(12.8%)	(20.7%)
Net fee and commission income	25 527	23 030	2 497	10.8%	(0.1%)
Investment income/(loss)	3 568	(4 703)	8 271	>100.0%	>100.0%
Share of post-taxation profit of associates and joint venture holdings	18 642	2 333	16 309	>100.0%	>100.0%
Trading income/(loss) arising from					
– customer flow	8 992	(3 409)	12 401	>100.0%	>100.0%
– balance sheet management and other trading activities	(6 402)	(4 792)	(1 610)	33.6%	19.4%
Total operating loss before expected credit loss impairment charges	**29 978**	**(10 882)**	**40 860**	**>100.0%**	**>100.0%**
Expected credit loss impairment charges	(1 355)	(1 831)	476	(26.0%)	(33.9%)
Operating (loss)/income	**28 623**	**(12 713)**	**41 336**	**>100.0%**	**>100.0%**
Operating costs	(939)	(584)	(355)	60.8%	44.6%
Operating (loss)/profit before goodwill, acquired intangibles and strategic actions	**27 684**	**(13 297)**	**40 981**	**>100.0%**	**>100.0%**
Loss/(profit) attributable to other non-controlling interests	(17 010)	14 725	(31 735)	(>100.0%)	(>100.0%)
Adjusted operating profit	**10 674**	**1 428**	**9 246**	**>100.0%**	**>100.0%**
ROE post-tax	7.3%	0.9%			

Factors driving the performance in the period under review:

- Net interest expense was lower than the prior period, mainly due to IPF's reduced funding costs following the sale of certain investments
- Net fee and commission income (comprising rental income earned by IPF) was flat in Rands versus the prior period
- Investment income in the current period was positively impacted by revaluation adjustments on IPF's European Logistics and European Light Industrial portfolios, and negatively impacted by fair value write-downs on some of the group's equity investments. The prior period included mark-to-market gains on the group's holding in IAPF which were offset by negative revaluation adjustments on IPF's investment properties
- Share of post-taxation profit of associates and joint venture holdings increased significantly due to improved performance of the underlying investee companies in the IEP Group and higher earnings from Ninety One. The prior period included negative fair value adjustments in IPF's UK associate investment
- The net trading income arising from customer flow, balance sheet management and other trading activities is primarily driven by fair value gains on derivative instruments in IPF and positive FX revaluations on Euro-denominated investments in IPF. The prior period included negative mark-to-market adjustments on interest rate hedge positions in IPF and on currency hedges related to the group's investment in IAPF
- ECL impairment charges declined, reflecting lower bad debt provisions raised in IPF
- Other non-controlling interests comprises the 75.69% shareholding in IPF that is not held by the Investec group.

05

Risk disclosures

MACRO-ECONOMIC SCENARIOS AND KEY JUDGEMENTS

Macro-economic scenarios

UK and Other

For Investec plc, four macro-economic scenarios are used in the measurement of ECL. These scenarios incorporate a base case, an upside case and two downside cases. The table below shows the key factors that form part of the UK and Other macro-economic scenarios and their relative applied weightings as well as annual averages of economic factors for the base case over a five-year period based on the economic forecasts in place as at 30 September 2021.

As at 30 September 2021 the base case was updated to represent the latest economic outlook that envisaged the continued recovery from the COVID-19 pandemic. In light of the latest global developments, an adjustment was made to the composition of the downside scenarios. An Inflation scenario was introduced to capture the emergence of risks related to rising prices which anticipates UK CPI inflation peaking at 4.2% in the the second quarter of 2022 and remaining around those levels throughout the calendar year. This scenario replaced the Fiscal crisis scenario which was used at 31 March 2021, whilst the L-shape scenario remains in place, albeit updated for the latest economic data.

	Base case					At 30 September 2021 average 2021 – 2026			
Macro-economic scenarios %	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	**Upside**	**Base case**	**Downside 1 L-shape**	**Downside 2 Inflation**
UK									
GDP growth	11.7	3.6	2.0	1.6	1.6	5.2	4.1	2.2	2.2
Unemployment rate	5.1	4.5	4.2	4.2	4.2	3.7	4.4	6.7	6.7
House price growth	10.1	3.5	2.4	2.4	2.4	6.7	4.2	2.3	(3.9)
Bank of England – bank rate (end year)	0.1	0.3	0.8	1.3	1.8	1.3	0.8	(0.4)	1.8
Euro area									
GDP growth	6.8	3.8	2.2	1.8	1.6	4.2	3.2	1.1	1.1
US									
GDP growth	9.1	3.6	2.0	1.8	1.8	5.0	3.7	2.4	1.9
Scenario weightings			**50**			**10**	**50**	**20**	**20**

South Africa

For Investec Limited, five macro-economic scenarios are used in the measurement of ECL. These scenarios incorporate a base case, two upside cases and two downside cases. The table below shows the key factors that form part of the South African macro-economic scenarios and their relative applied weightings as well as annual averages of economic factors for the base case over a five-year period based on the economic forecasts in place as at 30 September 2021.

As at 30 September 2021 all five scenarios were updated to incorporate the latest available data, although it should be noted that there has been a substantial upwards revision to the size of South Africa's economy by the country's statistical agency, in line with its re-basing, re-estimation and re-weighting of GDP and its composition every five years. This has reduced the size of the contraction in GDP in 2020 and increased the pace of recovery.

	Base case					At 30 September 2021 average 2021 – 2026				
Macro-economic scenarios %	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	**Extreme up case**	**Up case**	**Base case**	**Lite down case**	**Severe down case**
South Africa										
GDP growth	5.1	2.5	2.2	2.7	2.9	6.6	5.0	3.2	2.0	0.4
Repo rate	3.6	3.9	4.3	4.6	4.8	3.6	3.8	4.2	4.8	5.3
Bond yield	10.1	10.0	10.0	10.1	10.2	9.2	9.5	10.1	10.8	11.5
CPI inflation	5.0	5.0	5.1	5.0	5.0	4.0	4.5	5.0	5.7	6.4
Residential property price growth	4.8	5.4	5.4	5.6	6.0	7.3	6.7	5.4	4.6	3.5
Commercial property price growth	(2.3)	0.9	1.1	1.5	2.0	3.8	2.3	0.6	(0.6)	(1.9)
Exchange rate (South African Rand:US Dollar)	14.3	14.7	14.9	15.2	15.3	12.0	12.7	14.9	16.7	18.7
Scenario weightings			**48**			**1**	**2**	**48**	**43**	**6**

MACRO-ECONOMIC SCENARIOS AND KEY JUDGEMENTS
CONTINUED

Key judgements at 30 September 2021

UK and Other

COVID-19 has had a substantial impact on the macro-economic scenarios required under IFRS 9. Since the implementation of IFRS 9, we have seen changes to underlying macro-economic factors, scenarios and weightings. The assessment of the impact from COVID-19 as well as the offsetting effect of the unprecedented levels of government measures required significant judgement. To ensure that the overall level of ECL was reasonable and that the judgements applied had been suitably tested, management reviewed the overall output of ECLs and considered a number of alternative assumptions.

At 31 March 2021, based on the outcome of this review, an ECL overlay amounting to £16 million was considered appropriate to account for latent risk in the performing portfolio as well as to capture the significant level of judgement required in the application of the macro-economic scenarios. At 30 September 2021, the updated macro-economic scenarios result in a material release of ECL on the performing book as a result of the improved actual macro-economic factors and despite an increased weighting to the downside of the economists' updated scenarios (which includes a new inflationary scenario). As such, the existing ECL overlay has been maintained at £16 million and a new management overlay of £5 million has been introduced to capture the ongoing uncertainty in the UK operating environment and to offset modelled releases that aren’t deemed fully reflective of the unchartered territory currently being navigated. The £21 million ECL overlay has been applied across Stage 1 (£5 million) and Stage 2 (£16 million) gross core loans (31 March 2021: £16 million ECL overlay was applied to Stage 2). The combined effect of the updated macro-economic scenarios, overlays and certain in-model adjustments, result in a net release in the period across Stage 1 and 2 of £3.2 million. Taken together with specific impairments in the period and run-rate ECL charges on the performing books results in the bank reporting a £4.9 million ECL impairment charge.

South Africa

The continued impact from COVID-19 has required significant judgement. Management performed extensive benchmarking of credit loss ratios, macro-economic scenarios applied and the coverage ratios against South African banks. It was concluded that the ECL position appeared reasonable in comparison to industry peers.

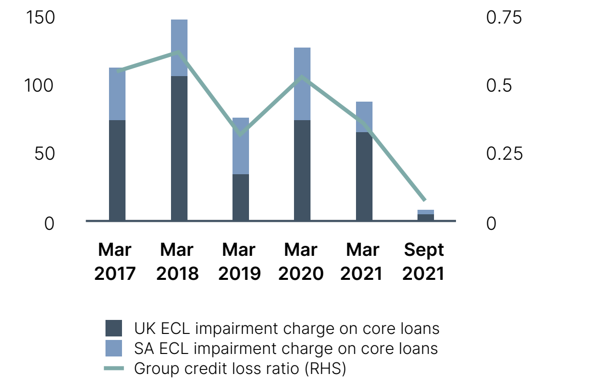
After careful review of portfolio performance and updated published market data, management retained the ECL overlay of R290 million (31 March 2021: R290 million) in the Private Bank portfolio. The overlay accounts for the unique nature of the COVID-19 pandemic and the impact on the South African economy. Specifically, the management ECL overlay accounts for emerging risks identified for certain categories of borrowers within the commercial real estate and mortgage portfolios. Management believes that these risks are not adequately represented by the historic data used to populate the ECL models. The management ECL overlay was calculated with reference to published market data that best represents the possible exposure to these emerging risks. In line with our previous approach Stage 3 ECLs continued to be assessed using a combination of scenario analysis, informed by expert judgement and modelled ECL. Management will continue to review the need and basis of calculation for the overlay given the evolving situation and significant uncertainty faced with respect to the economic outlook.

ASSET QUALITY

An analysis of gross core loans, asset quality and ECL

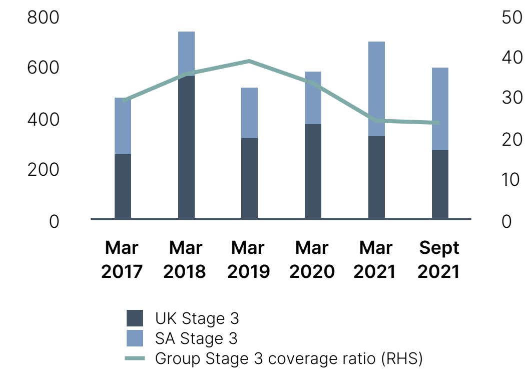
Credit loss ratio and ECL impairment charge on core loans

£'million | Percentage



Stage 3 gross core loans

£'million | Percentage



Asset quality metrics reflect a solid performance of core loans to date. The group reported an annualised credit loss ratio of 0.07% at 30 September 2021 down from 0.35% reported at 31 March 2021. The credit loss ratio is well below 'through-the-cycle' levels, predominantly due to limited new defaults, improved macro-economic conditions as well as, in South Africa, the reversal of certain prior year specific provisions and higher post write-off recoveries.

Stage 3 loans improved from 2.7% at 31 March 2021 to 2.1% of gross core loans subject to ECL at 30 September 2021. Stage 1 and 2 coverage remains elevated reflecting ongoing uncertainty in the macro-economic environment. Stage 3 coverage reduced due to certain exits (and requisite write-offs) of previously provided for exposures.

	UK and Other		Southern Africa		Total group	
£'million	**30 Sept 2021**	31 March 2021	**30 Sept 2021**	31 March 2021	**30 Sept 2021**	31 March 2021
Gross core loans	**13 831**	**12 501**	**14 785**	**14 241**	**28 616**	**26 742**
Gross core loans at FVPL (excluding fixed rate loans)	684	512	78	77	762	589
Gross core loans subject to ECL^	**13 147**	**11 989**	**14 707**	**14 164**	**27 854**	**26 153**
Stage 1	12 031	10 415	13 570	13 064	25 601	23 479
Stage 2	841	1 242	815	735	1 656	1 977
of which past due greater than 30 days	30	90	14	13	44	103
Stage 3	275	332	322	365	597	697
of which Ongoing (excluding Legacy) Stage 3#	215	231	322	365	537	596
Stage 3 as a % of gross core loans subject to ECL	2.1%	2.8%	2.2%	2.6%	2.1%	2.7%
ECL	**(139)**	**(170)**	**(141)**	**(134)**	**(280)**	**(304)**
Stage 1	(33)	(27)	(49)	(49)	(82)	(76)
Stage 2	(33)	(42)	(26)	(20)	(59)	(62)
Stage 3	(73)	(101)	(66)	(65)	(139)	(166)
of which Ongoing (excluding Legacy) Stage 3#	(41)	(62)	(66)	(65)	(107)	(127)
Coverage ratio						
Stage 1 and 2	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%
Stage 3	26.5%	30.4%	20.5%	17.8%	23.3%	23.8%
of which Ongoing (excluding Legacy) Stage 3#	19.1%	26.8%	20.5%	17.8%	19.9%	21.3%
Total coverage ratio	1.1%	1.4%	1.0%	0.9%	1.0%	1.2%
Annualised credit loss ratio	**0.09%**	**0.56%**	**0.04%**	**0.18%**	**0.07%**	**0.35%**
ECL impairment charges on core loans	(6)	(65)	(3)	(24)	(9)	(89)
Average gross core loans subject to ECL	12 568	11 691	14 436	13 624	27 004	25 315

^ Includes portfolios for which ECL is not required for IFRS purpose, but which management evaluates on this basis. These are fixed rate loans which have passed the solely payments of principal and interest (SPPI) test 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 (£1.0 billion) exposure falls predominantly into Stage 1 (consistent throughout the period) (31 March 2021: £1.1 billion). The ECL on the portfolio is £4.7 million (31 March 2021: £5.2 million).

\# Refer to definitions on page 143. Our exposure (net of ECL) to the UK Legacy portfolio has reduced from £84 million at 31 March 2021 to £49 million at 30 September 2021. These assets are substantially impaired and are largely reported under Stage 3.

ASSET QUALITY
CONTINUED

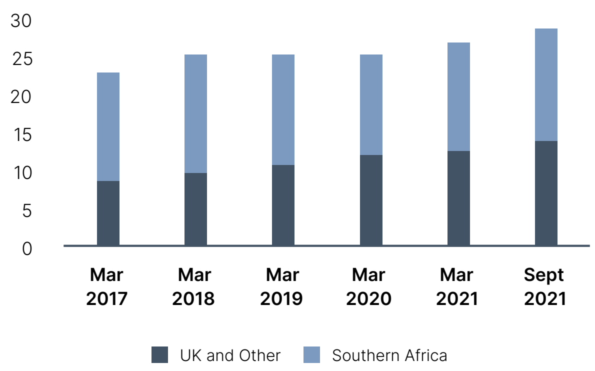
The group's net core loan book increased to £28.3 billion, 7.0% growth in neutral currency.

In the UK, growth was driven by the residential mortgage portfolio as we gained good traction in our Private Banking strategy and clients took advantage of the UK Stamp Duty Land Tax relief. Additionally, corporate client lending portfolios saw diversified lending growth across multiple asset classes as activity picked up in line with the wider operating environment.

In South Africa the net core loan growth was due to the high net worth portfolio, with increased activity in both specialised lending and residential mortgages, and the corporate lending portfolio.

Gross core loans by geography

£'billion



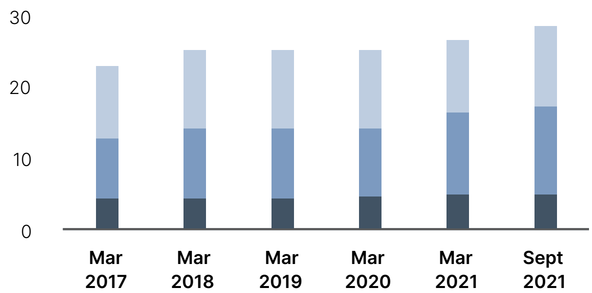
An analysis of core loans by risk category – Total group

£'million	Stage 1			Stage 2		
	Gross exposure subject to ECL	ECL	Coverage	Gross exposure subject to ECL	ECL	Coverage
At 30 September 2021						
Commercial real estate	3 466	(17)	0.49%	381	(10)	2.6%
Residential real estate	971	(3)	0.31%	75	(1)	1.3%
Total lending collateralised by property	**4 437**	**(20)**	**0.45%**	**456**	**(11)**	**2.4%**
Mortgages	7 506	(7)	0.09%	285	(9)	3.2%
High net worth and specialised lending	4 313	(15)	0.35%	61	(2)	3.3%
Total high net worth and other private client lending	**11 819**	**(22)**	**0.19%**	**346**	**(11)**	**3.2%**
Corporate and acquisition finance	3 881	(19)	0.49%	465	(23)	4.9%
Asset-based lending	315	(1)	0.32%	37	—	—%
Fund finance	1 697	(2)	0.12%	18	—	—%
Other corporate and financial institutions and governments	652	(4)	0.61%	84	(3)	3.6%
Asset finance	2 094	(11)	0.53%	189	(10)	5.3%
Power and infrastructure finance	706	(3)	0.42%	61	(1)	1.6%
Resource finance	—	—	—%	—	—	—%
Total corporate and other lending	**9 345**	**(40)**	**0.43%**	**854**	**(37)**	**4.3%**
Total core loans	**25 601**	**(82)**	**0.32%**	**1 656**	**(59)**	**3.6%**
At 31 March 2021						
Commercial real estate	3 403	(11)	0.32%	273	(7)	2.6%
Residential real estate	991	(2)	0.20%	23	—	—%
Total lending collateralised by property	**4 394**	**(13)**	**0.30%**	**296**	**(7)**	**2.4%**
Mortgages	6 865	(7)	0.10%	252	(7)	2.8%
High net worth and specialised lending	4 039	(14)	0.35%	83	(2)	2.4%
Total high net worth and other private client lending	**10 904**	**(21)**	**0.19%**	**335**	**(9)**	**2.7%**
Corporate and acquisition finance	3 280	(18)	0.55%	651	(25)	3.8%
Asset-based lending	206	(2)	0.97%	119	(3)	2.5%
Fund finance	1 551	(4)	0.26%	57	—	—%
Other corporate and financial institutions and governments	617	(2)	0.32%	121	(2)	1.7%
Asset finance	1 841	(13)	0.71%	295	(12)	4.1%
Power and infrastructure finance	658	(3)	0.46%	103	(4)	3.9%
Resource finance	28	—	—%	—	—	—%
Total corporate and other lending	**8 181**	**(42)**	**0.51%**	**1 346**	**(46)**	**3.4%**
Total core loans	**23 479**	**(76)**	**0.32%**	**1 977**	**(62)**	**3.1%**

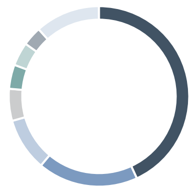
ASSET QUALITY
CONTINUED

Gross core loans by risk category

£'billion



Gross core loans by industry



	Sept 2021	Mar 2021
High net worth and other professional individuals	43.1%	42.6%
Lending collateralised by property – largely to private clients	18.0%	18.9%
Finance and insurance	9.5%	9.0%
Business services	5.7%	5.8%
Manufacturing and commerce	4.3%	4.2%
Electricity, gas and water (utility services)	4.2%	3.9%
Transport	3.6%	3.7%
Other	11.6%	11.9%

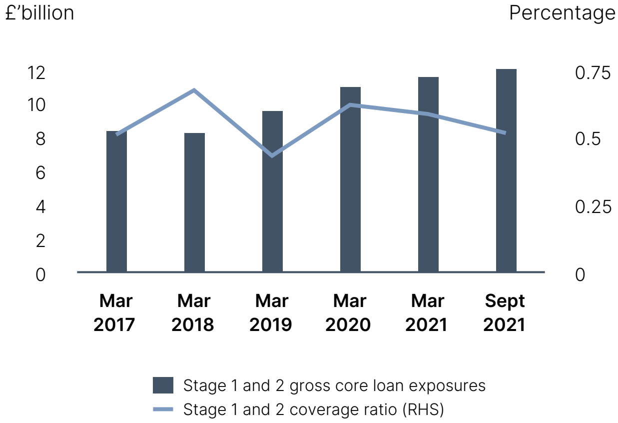
Stage 3			Total				
Gross exposure subject to ECL	ECL	Coverage	**Gross exposure subject to ECL**	**ECL**	**Coverage**	**Gross core loans at FVPL (not subject to ECL)**	**Net core loans**
178	(36)	20.2%	4 025	(63)	1.6%	19	3 981
57	(27)	47.4%	1 103	(31)	2.8%	10	1 082
235	**(63)**	**26.8%**	**5 128**	**(94)**	**1.8%**	**29**	**5 063**
92	(15)	16.3%	7 883	(31)	0.4%	—	7 852
75	(9)	12.0%	4 449	(26)	0.6%	4	4 427
167	**(24)**	**14.4%**	**12 332**	**(57)**	**0.5%**	**4**	**12 279**
98	(29)	29.6%	4 444	(71)	1.6%	192	4 565
—	—	—%	352	(1)	0.3%	12	363
—	—	—%	1 715	(2)	0.1%	102	1 815
4	(2)	50.0%	740	(9)	1.2%	130	861
49	(19)	38.8%	2 332	(40)	1.7%	125	2 417
44	(2)	4.5%	811	(6)	0.7%	168	973
—	—	—%	—	—	—%	—	—
195	**(52)**	**26.7%**	**10 394**	**(129)**	**1.2%**	**729**	**10 994**
597	**(139)**	**23.3%**	**27 854**	**(280)**	**1.0%**	**762**	**28 336**
245	(38)	15.5%	3 921	(56)	1.4%	19	3 884
78	(30)	38.5%	1 092	(32)	2.9%	11	1 071
323	**(68)**	**21.1%**	**5 013**	**(88)**	**1.8%**	**30**	**4 955**
84	(17)	20.2%	7 201	(31)	0.4%	—	7 170
74	(17)	23.0%	4 196	(33)	0.8%	7	4 170
158	**(34)**	**21.5%**	**11 397**	**(64)**	**0.6%**	**7**	**11 340**
97	(21)	21.6%	4 028	(64)	1.6%	164	4 128
—	—	—%	325	(5)	1.5%	14	334
—	—	—%	1 608	(4)	0.2%	48	1 652
9	(3)	33.3%	747	(7)	0.9%	144	884
85	(39)	45.9%	2 221	(64)	2.9%	135	2 292
25	(1)	4.0%	786	(8)	1.0%	47	825
—	—	—%	28	—	—%	—	28
216	**(64)**	**29.6%**	**9 743**	**(152)**	**1.6%**	**552**	**10 143**
697	**(166)**	**23.8%**	**26 153**	**(304)**	**1.2%**	**589**	**26 438**

ASSET QUALITY
CONTINUED

In the UK, net core loans grew to £13.7 billion (31 March 2021: £12.3 billion). The overall asset quality improved due to a 17.2% reduction in Stage 3 gross core loan exposure from £332 million at 31 March 2021 to £275 million of 2.1% of gross core loans subject to ECL at 30 September 2021.

Overall coverage for Stage 1 and Stage 2 remains elevated at 30 September 2021, reflecting the ongoing uncertainty arising from the COVID-19 pandemic. A slight reduction in coverage reflects the transfer of loans back to Stage 1 from Stage 2 resulting from the updated forward-looking macro-economic scenarios.

UK Stage 1 and 2 gross core loan exposures and coverage



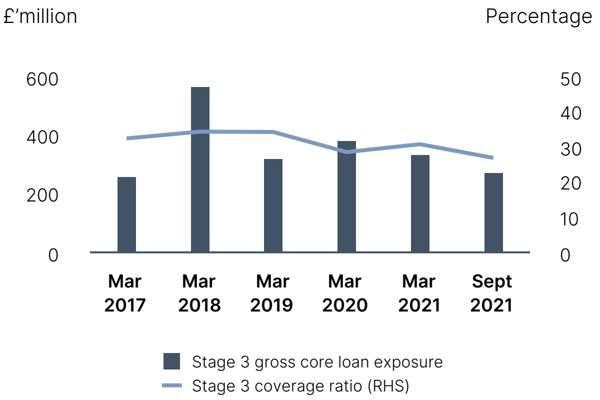
An analysis of core loans by risk category – UK and Other

£'million	Stage 1			Stage 2		
	Gross exposure subject to ECL	ECL	Coverage	Gross exposure subject to ECL	ECL	Coverage
At 30 September 2021						
Commercial real estate	1 217	(4)	0.33%	148	(7)	4.7%
Residential real estate	623	(1)	0.16%	32	—	—%
Total lending collateralised by property	**1 840**	**(5)**	**0.27%**	**180**	**(7)**	**3.9%**
Mortgages	3 620	(1)	0.03%	76	—	—%
High net worth and specialised lending	899	(3)	0.33%	22	(1)	4.5%
Total high net worth and other private client lending	**4 519**	**(4)**	**0.09%**	**98**	**(1)**	**1.0%**
Corporate and acquisition finance	1 331	(8)	0.60%	226	(12)	5.3%
Asset-based lending	315	(1)	0.32%	37	—	—%
Fund finance	1 303	(1)	0.08%	18	—	—%
Other corporate and financial institutions and governments	496	(3)	0.60%	77	(3)	3.9%
Asset finance	1 796	(9)	0.50%	166	(9)	5.4%
Power and infrastructure finance	431	(2)	0.46%	39	(1)	2.6%
Resource finance	—	—	—%	—	—	—%
Total corporate and other lending	**5 672**	**(24)**	**0.42%**	**563**	**(25)**	**4.4%**
Total core loans	**12 031**	**(33)**	**0.27%**	**841**	**(33)**	**3.9%**
At 31 March 2021						
Commercial real estate	1 126	—	—%	134	(4)	3.0%
Residential real estate	614	—	—%	12	—	—%
Total lending collateralised by property	**1 740**	**—**	**—%***	**146**	**(4)**	**2.7%**
Mortgages	3 103	(1)	0.03%	74	—	—%
High net worth and specialised lending	832	(1)	0.12%	31	(1)	3.2%
Total high net worth and other private client lending	**3 935**	**(2)**	**0.05%**	**105**	**(1)**	**1.0%**
Corporate and acquisition finance	1 000	(7)	0.70%	336	(17)	5.1%
Asset-based lending	206	(2)	0.97%	119	(3)	2.5%
Fund finance	1 176	(2)	0.17%	57	—	—%
Other corporate and financial institutions and governments	452	(2)	0.44%	113	(2)	1.8%
Asset finance	1 527	(10)	0.65%	284	(11)	3.9%
Power and infrastructure finance	351	(2)	0.57%	82	(4)	4.9%
Resource finance	28	—	—%	—	—	—%
Total corporate and other lending	**4 740**	**(25)**	**0.53%**	**991**	**(37)**	**3.7%**
Total core loans	**10 415**	**(27)**	**0.26%**	**1 242**	**(42)**	**3.4%**

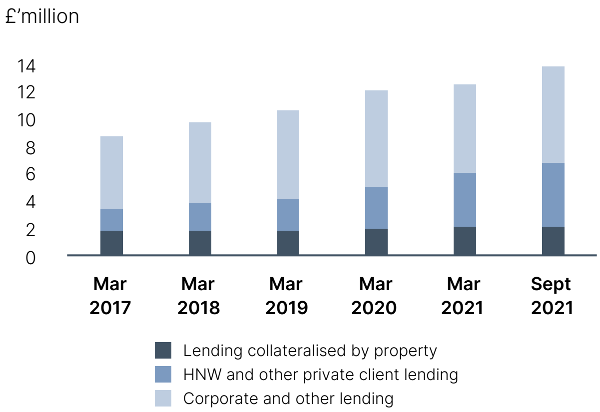
* Coverage ratios in this table are shown on a rounded basis. Unrounded, the lending collateralised by property Stage 1 coverage ratio is 0.04%.

ASSET QUALITY
CONTINUED

UK Stage 3 gross core loan exposure and coverage



UK gross core loans by risk category



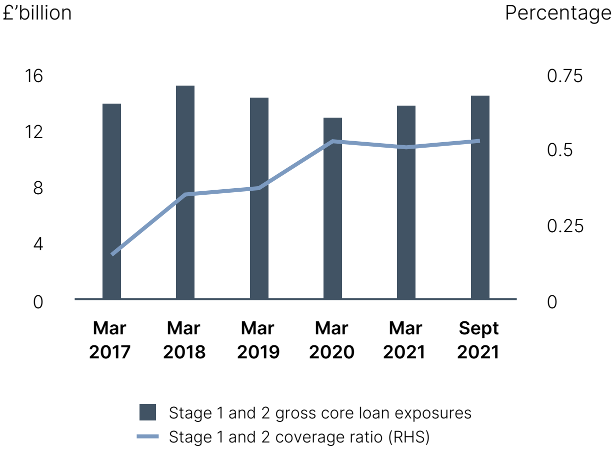
Stage 3			**Total**				
Gross exposure subject to ECL	ECL	Coverage	**Gross exposure subject to ECL**	**ECL**	**Coverage**	**Gross core loans at FVPL (not subject to ECL)**	**Net core loans**
109	(21)	19.3%	1 474	(32)	2.2%	19	1 461
52	(26)	50.0%	707	(27)	3.8%	10	690
161	**(47)**	**29.2%**	**2 181**	**(59)**	**2.7%**	**29**	**2 151**
33	(3)	9.1%	3 729	(4)	0.1%	—	3 725
1	—	—%	922	(4)	0.4%	4	922
34	**(3)**	**8.8%**	**4 651**	**(8)**	**0.2%**	**4**	**4 647**
6	(5)	83.3%	1 563	(25)	1.6%	114	1 652
—	—	—%	352	(1)	0.3%	12	363
—	—	—%	1 321	(1)	0.1%	102	1 422
4	(2)	50.0%	577	(8)	1.4%	130	699
26	(14)	53.8%	1 988	(32)	1.6%	125	2 081
44	(2)	4.5%	514	(5)	1.0%	168	677
—	—	—%	—	—	—%	—	—
80	**(23)**	**28.8%**	**6 315**	**(72)**	**1.1%**	**651**	**6 894**
275	**(73)**	**26.5%**	**13 147**	**(139)**	**1.1%**	**684**	**13 692**
137	(25)	18.2%	1 397	(29)	2.1%	19	1 387
73	(29)	39.7%	699	(29)	4.1%	11	681
210	**(54)**	**25.7%**	**2 096**	**(58)**	**2.8%**	**30**	**2 068**
16	(2)	12.5%	3 193	(3)	0.1%	—	3 190
2	(1)	50.0%	865	(3)	0.3%	7	869
18	**(3)**	**16.7%**	**4 058**	**(6)**	**0.1%**	**7**	**4 059**
12	(4)	33.3%	1 348	(28)	2.1%	87	1 407
—	—	—%	325	(5)	1.5%	14	334
—	—	—%	1 233	(2)	0.2%	48	1 279
9	(3)	33.3%	574	(7)	1.2%	144	711
58	(36)	62.1%	1 869	(57)	3.0%	135	1 947
25	(1)	4.0%	458	(7)	1.5%	47	498
—	—	—%	28	—	—%	—	28
104	**(44)**	**42.3%**	**5 835**	**(106)**	**1.8%**	**475**	**6 204**
332	**(101)**	**30.4%**	**11 989**	**(170)**	**1.4%**	**512**	**12 331**

ASSET QUALITY
CONTINUED

In South Africa, net core loans increased 3.4% in Rands due to increased activity in the high net worth and other private client lending. There was also strong growth in corporate and other lending turnover which was offset by elevated repayment rates as clients used excess liquidity to pay down facilities.

Stage 2 exposures increased to 5.5% of gross core loans subject to ECL at 30 September 2021 (31 March 2021: 5.2%) while Stage 3 has reduced to 2.2% at 30 September 2021 (31 March 2021: 2.6%) mainly due to a large single name exposure migrating from Stage 3 to Stage 2.

SA Stage 1 and 2 gross core loan exposures and coverage



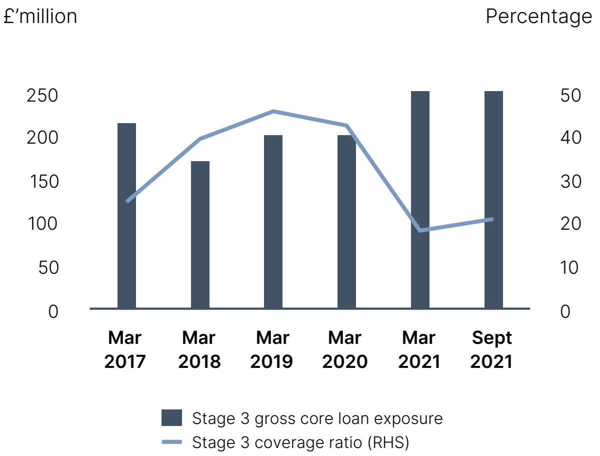
An analysis of core loans by risk category – Southern Africa

	Stage 1			Stage 2		
£'million	Gross exposure subject to ECL	ECL	Coverage	Gross exposure subject to ECL	ECL	Coverage
At 30 September 2021						
Commercial real estate	2 249	(13)	0.58%	233	(3)	1.3%
Residential real estate	348	(2)	0.57%	43	(1)	2.3%
Total lending collateralised by property	**2 597**	**(15)**	**0.58%**	**276**	**(4)**	**1.4%**
Mortgages	3 886	(6)	0.15%	209	(9)	4.3%
High net worth and specialised lending	3 414	(12)	0.35%	39	(1)	2.6%
Total high net worth and other private client lending	**7 300**	**(18)**	**0.25%**	**248**	**(10)**	**4.0%**
Corporate and acquisition finance	2 550	(11)	0.43%	239	(11)	4.6%
Fund finance	394	(1)	0.25%	—	—	—%
Financial institutions and governments	156	(1)	0.64%	7	—	—%
Asset finance	298	(2)	0.67%	23	(1)	4.3%
Power and infrastructure finance	275	(1)	0.36%	22	—	—%
Resource finance	—	—	—%	—	—	—%
Total corporate and other lending	**3 673**	**(16)**	**0.44%**	**291**	**(12)**	**4.1%**
Total core loans	**13 570**	**(49)**	**0.36%**	**815**	**(26)**	**3.2%**
At 31 March 2021						
Commercial real estate	2 277	(11)	0.48%	139	(3)	2.2%
Residential real estate	377	(2)	0.53%	11	—	—%
Total lending collateralised by property	**2 654**	**(13)**	**0.49%**	**150**	**(3)**	**2.0%**
Mortgages	3 762	(6)	0.16%	178	(7)	3.9%
High net worth and specialised lending	3 207	(13)	0.41%	52	(1)	1.9%
Total high net worth and other private client lending	**6 969**	**(19)**	**0.27%**	**230**	**(8)**	**3.5%**
Corporate and acquisition finance	2 280	(11)	0.48%	315	(8)	2.5%
Fund finance	375	(2)	0.53%	—	—	—%
Financial institutions and governments	165	—	—%	8	—	—%
Asset finance	314	(3)	0.96%	11	(1)	9.1%
Power and infrastructure finance	307	(1)	0.33%	21	—	—%
Resource finance	—	—	—%	—	—	—%
Total corporate and other lending	**3 441**	**(17)**	**0.49%**	**355**	**(9)**	**2.5%**
Total core loans	**13 064**	**(49)**	**0.38%**	**735**	**(20)**	**2.7%**

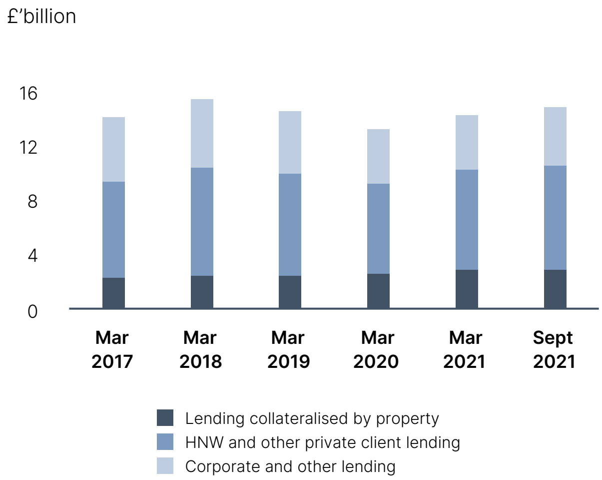
* 58% of HNW and specialised lending (31 March 2021: 58%) relates to lending collateralised by property which is supported by high net worth clients.

ASSET QUALITY
CONTINUED

SA Stage 3 gross core loan exposure and coverage



SA gross core loans by risk category



Stage 3			Total				
Gross exposure subject to ECL	ECL	Coverage	**Gross exposure subject to ECL**	**ECL**	**Coverage**	**Gross core loans at FVPL (not subject to ECL)**	**Net core loans**
69	(15)	21.7%	2 551	(31)	1.2%	—	2 520
5	(1)	20.0%	396	(4)	1.0%	—	392
74	**(16)**	**21.6%**	**2 947**	**(35)**	**1.2%**	**—**	**2 912**
59	(12)	20.3%	4 154	(27)	0.6%	—	4 127
74	(9)	12.2%	3 527	(22)	0.6%	—	3 505*
133	**(21)**	**15.8%**	**7 681**	**(49)**	**0.6%**	**—**	**7 632**
92	(24)	26.1%	2 881	(46)	1.6%	78	2 913
—	—	—%	394	(1)	0.3%	—	393
—	—	—%	163	(1)	0.6%	—	162
23	(5)	21.7%	344	(8)	2.3%	—	336
—	—	—%	297	(1)	0.3%	—	296
—	—	—%	—	—	—%	—	—
115	**(29)**	**25.2%**	**4 079**	**(57)**	**1.4%**	**78**	**4 100**
322	**(66)**	**20.5%**	**14 707**	**(141)**	**1.0%**	**78**	**14 644**
108	(13)	12.0%	2 524	(27)	1.1%	—	2 497
5	(1)	20.0%	393	(3)	0.8%	—	390
113	**(14)**	**12.4%**	**2 917**	**(30)**	**1.0%**	**—**	**2 887**
68	(15)	22.1%	4 008	(28)	0.7%	—	3 980
72	(16)	22.2%	3 331	(30)	0.9%	—	3 301*
140	**(31)**	**22.1%**	**7 339**	**(58)**	**0.8%**	**—**	**7 281**
85	(17)	20.0%	2 680	(36)	1.3%	77	2 721
—	—	—%	375	(2)	0.5%	—	373
—	—	—%	173	—	—%	—	173
27	(3)	11.1%	352	(7)	2.0%	—	345
—	—	—%	328	(1)	0.3%	—	327
—	—	—%	—	—	—%	—	—
112	**(20)**	**17.9%**	**3 908**	**(46)**	**1.2%**	**77**	**3 939**
365	**(65)**	**17.8%**	**14 164**	**(134)**	**0.9%**	**77**	**14 107**

ASSET QUALITY
CONTINUED

An analysis of staging and ECL movements on core loans subject to ECL

The tables below indicates underlying movements in gross core loans subject to ECL from 31 March 2021 to 30 September 2021. The transfers between stages of gross core loans indicate the impact of stage transfers upon the gross exposure and associated opening ECL. The increase in transfers into Stage 1 was almost all driven by the improved economic outlook and corresponding PD improvement in the loan book. In South Africa, the migration of a single name exposure resulted in the decrease in Stage 3 and increase in Stage 2. In the UK there was no uptick in transfers into Stage 3 as a proportion of the opening book reflecting limited new defaults experienced to date, supported in part in the UK by government measures in place.

The net remeasurement of ECL arising from stage transfers represents the (increase)/decrease in ECL due to these transfers. New lending net of repayments comprises new originations, further drawdowns, repayments and sell-downs as well as ECLs in Stage 3 that have been written off, typically when an asset has been sold.

The ECL impact of changes to risk parameters and models during the year largely relate to the improved macro-economic scenarios as a result of the COVID-19 pandemic as well as the reporting of certain overlays in the UK. The foreign exchange and other category largely comprises the impact on the closing balance as a result of movements and translations in foreign exchange rates since 31 March 2021.

UK and Other

	Stage 1		Stage 2		Stage 3		Total	
£'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**
At 31 March 2021	**10 415**	**(27)**	**1 242**	**(42)**	**332**	**(101)**	**11 989**	**(170)**
Transfer from Stage 1	(297)	1	281	(1)	16	—	—	—
Transfer from Stage 2	503	(8)	(564)	9	61	(1)	—	—
Transfer from Stage 3	2	—	1	—	(3)	—	—	—
ECL remeasurement arising from transfer of stage	—	3	—	(2)	—	(2)	—	(1)
New lending net of repayments (includes assets written off)	1 383	1	(121)	3	(131)	31	1 131	35
Changes to risk parameters and models	—	(3)	—	—	—	—	—	(3)
Foreign exchange and other	25	—	2	—	—	—	27	—
At 30 September 2021	**12 031**	**(33)**	**841**	**(33)**	**275**	**(73)**	**13 147**	**(139)**

Southern Africa

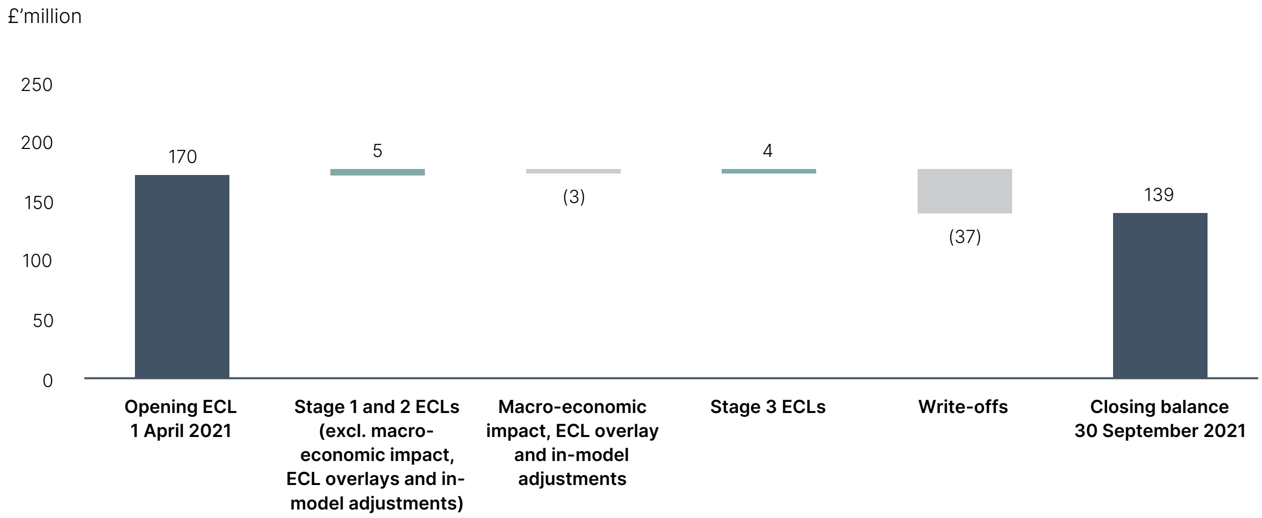
	Stage 1		Stage 2		Stage 3		Total	
£'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**
At 31 March 2021	**13 064**	**(49)**	**735**	**(20)**	**365**	**(65)**	**14 164**	**(134)**
Transfer from Stage 1	(211)	3	201	(3)	10	—	—	—
Transfer from Stage 2	116	(2)	(191)	5	75	(3)	—	—
Transfer from Stage 3	8	(1)	90	(1)	(98)	2	—	—
ECL remeasurement arising from transfer of stage	—	1	—	(6)	—	(10)	—	(15)
New lending net of repayments (includes assets written off)	536	(1)	(23)	1	(32)	11	481	11
Changes to risk parameters and models	—	2	—	(2)	—	—	—	—
Foreign exchange and other	57	(2)	3	—	2	(1)	62	(3)
At 30 September 2021	**13 570**	**(49)**	**815**	**(26)**	**322**	**(66)**	**14 707**	**(141)**

ASSET QUALITY
CONTINUED

ECL movements on core loans and advances subject to ECL

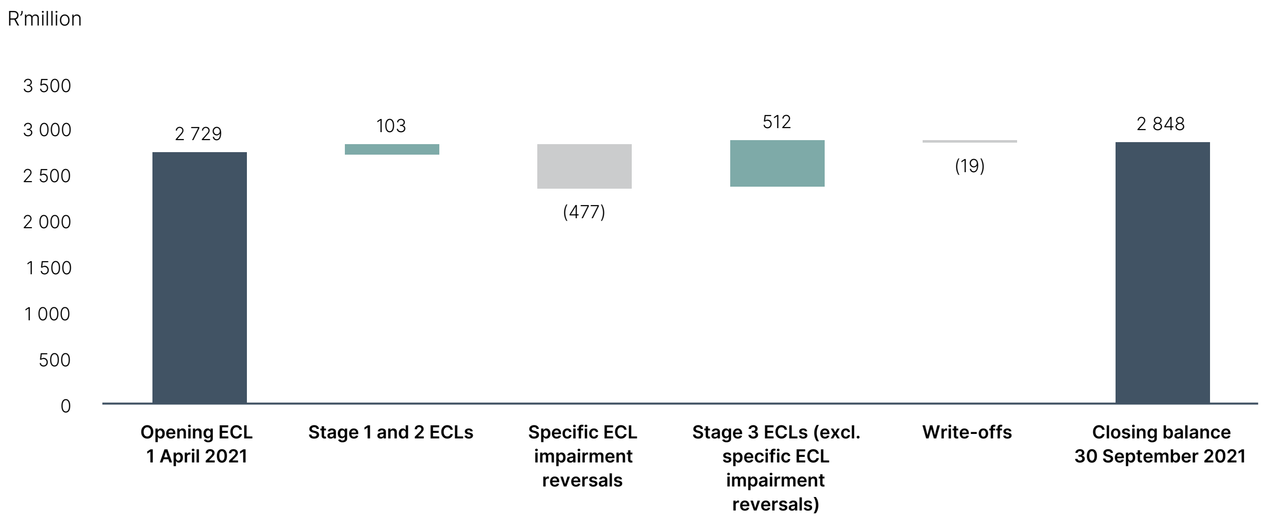
UK and Other

In the UK, since 31 March 2021 total balance sheet ECLs reduced, predominantly driven by the write-off on exit of previously provided for Stage 3 exposures. New provisions across Stage 3 were limited over the period and on the performing book were driven by book growth across various activities. The effect of updated macro-economic scenarios together with the new management overlay and in-model adjustments resulted in a combined ECL release of £3.2 million.



Southern Africa

In South Africa, it was considered appropriate to retain the management ECL overlay of R290 million in the Private Bank portfolio to cater for risks not adequately represented by the historic data used to populate the ECL models. The bank observed a small uptick in ECLs since 31 March 2021. There were also specific ECL impairment reversals for certain Stage 3 exposures previously provided for.



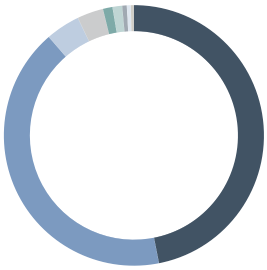
For more information on key judgements refer to page 98

ASSET QUALITY
CONTINUED

An analysis of total gross core loans by country of exposure

30 September 2021

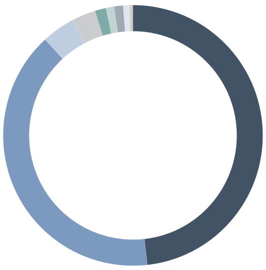
£28 616 million



South Africa	46.8%
United Kingdom	41.7%
Europe (excluding UK)	4.3%
North America	3.3%
Africa (excluding RSA)	1.2%
Asia	1.2%
Australia	0.6%
Europe (Non-EU)	0.5%
Other	0.4%

31 March 2021

£26 742 million



South Africa	48.3%
United Kingdom	39.9%
Europe (excluding UK)	4.1%
North America	3.0%
Africa (excluding RSA)	1.4%
Australia	1.0%
Asia	1.1%
Europe (Non-EU)	0.8%
Other	0.4%

COVID-19 Government schemes

In the UK, we have offered additional support to our clients, including UK SME businesses. We became accredited to lend under the various schemes introduced by the UK Government, including the Coronavirus Business Interruption Loan Scheme (CBILS), the Coronavirus Large Business Interruption Loan Scheme (CLBILS) and the Bounce Back Loan Scheme (BBLS). As at 30 September 2021 we have exposure to loans totalling £185 million under these schemes. The BBLS, CBILS and CLBILS schemes closed for new applications on 31 March 2021 and were replaced by the Recovery Loan Scheme (RLS) which came into use on 6 April 2021 until 31 December 2021. We have exposure to £8 million of loans under the RLS.

In South Africa, on 21 April 2020, a R200 billion COVID-19 government loan guarantee scheme in partnership with the major banks, National Treasury and the South African Prudential Authority (South African PA) was announced. Investec actively participated in the programme and has approved a total amount of R691 million as at 30 September 2021.

COVID-19 relief measures

We have sought to help our clients wherever possible, including small and medium-sized enterprises (SMEs), our banking clients, corporates and others, providing payment holidays and other forms of COVID-19 relief measures including covenant waivers, interest-only and capital deferrals to assist clients in difficulty due to COVID-19 induced lockdowns and the significant slowdown in economic activity. We have structured different types of support to suit diverse client needs. We remain in close contact with each of these clients, and are constantly monitoring the situation.

In the UK, COVID-19 relief measures currently in place have reduced substantially from a peak of 13.7% of gross core loans at end June 2020 to 1.0% at 30 September 2021. In South Africa, as lockdown restrictions continue to ease, we have seen an overall slowdown in new relief requests as well as improved performance reducing the net amount of active relief. COVID-19 relief measures currently in place have reduced from a cumulative relief of 23.0% of gross core loans since the onset of COVID-19 to 0.7% at 30 September 2021. Exposures that have been granted COVID-19 relief measures such as payment holidays are not automatically considered to have been subject to a significant increase in credit risk and therefore do not alone result in a transfer across stages. In South Africa, effective 1 January 2022, D3/2020 will be withdrawn by the South African PA which means that any COVID-19 relief after this date will be treated as a distressed restructure according to the regulations.

ASSET QUALITY
CONTINUED

COVID-19 vulnerable sectors by geography
UK and Other

£'million	30 September 2021					31 March 2021				
	Stage 1	**Stage 2**	**Stage 3**	**FVPL**	**Total gross core loans**	Stage 1	Stage 2	Stage 3	FVPL	**Total gross core loans**
Aviation	85	41	1	242	369	30	95	6	262	393
Transport (excluding aviation)	87	25	8	—	120	29	99	31	—	159
Retail, hotel and leisure properties^	127	14	59	8	208	109	14	66	11	200
Leisure, entertainment and tourism	22	26	—	—	48	22	27	—	—	49
Retailers	77	7	6	—	90	55	7	8	—	70
Vulnerable sectors within small ticket asset finance	307	25	8	—	340	265	50	11	—	326
Total	**705**	**138**	**82**	**250**	**1 175**	**510**	**292**	**122**	**273**	**1 197**
Coverage ratio	**0.71%**	**6.5%**	**25.6%**	**—%**	**3.0%**	**0.59%**	**3.1%**	**33.6%**	**—%**	**4.4%**

^ Retail properties which have no underlying tenants that are either food retailers or other essential goods and services.

Southern Africa

R'million	30 September 2021					31 March 2021				
	Stage 1	**Stage 2**	**Stage 3**	**FVPL**	**Total gross core loans**	Stage 1	Stage 2	Stage 3	FVPL	**Total gross core loans**
Aviation*	2 362	349	491	48	3 250	2 592	487	537	20	3 636
Hotel	2 184	20	107	—	2 311	2 170	97	103	—	2 370
Gaming and leisure	25	2 449	—	—	2 474	25	2 977	—	—	3 002
Total	**4 571**	**2 818**	**598**	**48**	**8 035**	**4 787**	**3 561**	**640**	**20**	**9 008**
Coverage ratio	**0.79%**	**1.9%**	**10.3%**	**—%**	**1.9%**	**0.86%**	**1.0%**	**19.1%**	**—%**	**2.2%**

* Aviation excludes SAA which is government guaranteed.

As at 31 March 2021 Trade finance (R2.9 billion) was reported as a vulnerable sector. Following internal review, at 30 September 2021 the sector is now no longer reported as a vulnerable sector given the underlying performance of the portfolio over the past six months.

CREDIT AND COUNTERPARTY RISK

The tables that follow provide further analysis of the group's gross credit and counterparty exposures.

An analysis of gross credit and counterparty exposures
Gross credit and counterparty exposure totalled £54.2 billion at 30 September 2021. Cash and near cash balances amounted to £13.9 billion and are largely reflected in the following line items in the table below: cash and balances at central banks, loans and advances to banks, non-sovereign and non-bank cash placements and sovereign debt securities. These exposures are all Stage 1. There are immaterial Stage 2 and Stage 3 exposures outside of loans and advances to customers which are small relative to the balance sheet, where loans and advances to customers (including committed facilities) account for greater than 96% of overall ECLs.

A further analysis of gross credit and counterparty exposures
The table below indicates in which class of asset (on the face of the consolidated balance sheet) credit and counterparty exposures are reflected. Not all assets included in the balance sheet bear credit and counterparty risk.

At 30 September 2021 **£'million**	Total gross credit and counterparty exposure	of which FVPL	of which amortised cost and FVOCI	ECL[#]	Assets that we deem to have no legal credit exposure	**Total assets**
Cash and balances at central banks	3 935	—	3 935	—	23	3 958
Loans and advances to banks	2 602	—	2 602	—	—	2 602
Non-sovereign and non-bank cash placements	479	12	467	(3)	—	476
Reverse repurchase agreements and cash collateral on securities borrowed	3 820	829	2 991	—	—	3 820
Sovereign debt securities	3 837	272	3 565	(3)	—	3 834
Bank debt securities	1 442	14	1 428	(1)	—	1 441
Other debt securities	1 249	109	1 140	(3)	—	1 246
Derivative financial instruments	950	950	—	—	256	1 206
Securities arising from trading activities	150	150	—	—	935	1 085
Investment portfolio	—	—	—	—	929*	929
Loans and advances to customers	28 242	1 780	26 462	(279)	—	27 963
Own originated loans and advances to customers securitised	374	—	374	(1)	—	373
Other loans and advances	110	—	110	(1)	—	109
Other securitised assets	7	7	—	—	127^	134
Interest in associated undertakings and joint venture holdings	—	—	—	—	696*	696
Deferred taxation assets	—	—	—	—	216	216
Current taxation assets	—	—	—	—	38	38
Other assets	68	—	68	—	1 665**	1 733
Property and equipment	—	—	—	—	345	345
Investment properties	—	—	—	—	789	789
Goodwill	—	—	—	—	260	260
Software	—	—	—	—	11	11
Other acquired intangible assets	—	—	—	—	52	52
Non-current assets held for sale	—	—	—	—	76	76
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	—	—	—	57	57
Total on-balance sheet exposures	**47 265**	**4 123**	**43 142**	**(291)**	**6 475**	**53 449**
Guarantees	942	—	942	—	56	998
Committed facilities related to loans and advances to customers	5 225	47	5 178	(11)	—	5 214
Contingent liabilities, letters of credit and other	725	174	551	(1)	1 409	2 133
Total off-balance sheet exposures	**6 892**	**221**	**6 671**	**(12)**	**1 465**	**8 345**
Total exposures	**54 157**	**4 344**	**49 813**	**(303)**	**7 940**	**61 794**

Includes £7.2 million of ECL held against financial assets held at FVOCI, which is reported on the balance sheet within the fair value reserves. This will result in minor differences between certain balance sheet lines reported above (largely loans and advances to customers and sovereign debt securities) and the statutory balance sheet.
* Largely relates to exposures that are classified as investment risk in the banking book.
^ While the group manages all risks (including credit risk) from a day-to-day operational perspective, certain assets are within special purpose vehicles that ring-fence the assets to specific credit providers and limit security to the assets in the vehicle. This balance reflects the credit exposure to credit providers external to the group. The net credit exposure that the group has in the vehicles is reflected in the 'total credit and counterparty exposure'.
** Other assets include settlement debtors which we deem to have no credit risk exposure as they are settled on a delivery against payment basis.

CREDIT AND COUNTERPARTY RISK
CONTINUED

A further analysis of gross credit and counterparty exposures (continued)

At 31 March 2021 **£'million**	Total gross credit and counterparty exposure	of which FVPL	of which amortised cost and FVOCI	ECL#	Assets that we deem to have no legal credit exposure	**Total assets**
Cash and balances at central banks	3 499	—	3 499	—	18	3 517
Loans and advances to banks	2 699	—	2 699	—	—	2 699
Non-sovereign and non-bank cash placements	442	1	441	(2)	—	440
Reverse repurchase agreements and cash collateral on securities borrowed	3 576	1 288	2 288	—	—	3 576
Sovereign debt securities	3 712	197	3 515	(3)	—	3 709
Bank debt securities	1 122	14	1 108	—	—	1 122
Other debt securities	1 366	206	1 160	(3)	—	1 363
Derivative financial instruments	1 489	1 489	—	—	226	1 715
Securities arising from trading activities	167	167	—	—	858	1 025
Investment portfolio	—	—	—	—	909*	909
Loans and advances to customers	26 339	1 689	24 650	(303)	—	26 036
Own originated loans and advances to customers securitised	403	—	403	(1)	—	402
Other loans and advances	103	—	103	(1)	—	102
Other securitised assets	6	6	—	—	134^	140
Interest in associated undertakings and joint venture holdings	—	—	—	—	679*	679
Deferred taxation assets	—	—	—	—	247	247
Current taxation assets					60	60
Other assets	451	—	451	—	1 714**	2 165
Property and equipment	—	—	—	—	330	330
Investment properties	—	—	—	—	832	832
Goodwill	—	—	—	—	260	260
Software	—	—	—	—	13	13
Other acquired intangible assets	—	—	—	—	59	59
Non-current assets held for sale	—	—	—	—	52	52
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	—	—	—	52	52
Total on-balance sheet exposures	**45 374**	**5 057**	**40 317**	**(313)**	**6 443**	**51 504**
Guarantees	877	—	877	(1)	50	926
Committed facilities related to loans and advances to customers	4 965	83	4 882	(12)	—	4 953
Contingent liabilities, letters of credit and other	623	173	450	—	1 337	1 960
Total off-balance sheet exposures	**6 465**	**256**	**6 209**	**(13)**	**1 387**	**7 839**
Total exposures	**51 839**	**5 313**	**46 526**	**(326)**	**7 830**	**59 343**

Includes £9.6 million of ECL held against financial assets held at FVOCI, which is reported on the balance sheet within the fair value reserves. This will result in minor differences between certain balance sheet lines reported above (largely loans and advances to customers and sovereign debt securities) and the statutory balance sheet.
* Largely relates to exposures that are classified as investment risk in the banking book.
^ While the group manages all risks (including credit risk) from a day-to-day operational perspective, certain assets are within special purpose vehicles that ring-fence the assets to specific credit providers and limit security to the assets in the vehicle. This balance reflects the credit exposure to credit providers external to the group. The net credit exposure that the group has in the vehicles is reflected in the 'total credit and counterparty exposure'.
** Other assets include settlement debtors which we deem to have no credit risk exposure as they are settled on a delivery against payment basis.

CREDIT AND COUNTERPARTY RISK
CONTINUED

Detailed analysis of gross credit and counterparty exposures by industry

£'million	High net worth and other professional individuals	Lending collateralised by property – largely to private clients	Agriculture	Electricity, gas and water (utility services)	Public and non-business services	Business services	Finance and insurance
At 30 September 2021							
Cash and balances at central banks	—	—	—	—	3 935	—	—
Loans and advances to banks	—	—	—	—	—	—	2 602
Non-sovereign and non-bank cash placements	—	—	36	—	—	24	58
Reverse repurchase agreements and cash collateral on securities borrowed	—	—	—	—	394	3	3 358
Sovereign debt securities	—	—	—	—	3 753	—	84
Bank debt securities	—	—	—	—	—	—	1 442
Other debt securities	—	—	—	98	6	72	643
Derivative financial instruments	1	2	1	136	14	4	600
Securities arising from trading activities	—	—	—	—	20	2	108
Loans and advances to customers	11 962	5 157	125	1 205	356	1 638	2 720
Own originated loans and advances to customers securitised	374	—	—	—	—	—	—
Other loans and advances	—	—	—	—	—	—	91
Other securitised assets	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	59
Total on-balance sheet exposures	**12 337**	**5 159**	**162**	**1 439**	**8 478**	**1 743**	**11 765**
Guarantees	292	76	2	66	—	113	270
Committed facilities related to loans and advances to customers	2 181	649	62	400	40	348	784
Contingent liabilities, letters of credit and other	158	71	1	135	59	44	173
Total off-balance sheet exposures	**2 631**	**796**	**65**	**601**	**99**	**505**	**1 227**
Total gross credit and counterparty exposures	**14 968**	**5 955**	**227**	**2 040**	**8 577**	**2 248**	**12 992**
At 31 March 2021							
Cash and balances at central banks	—	—	—	—	3 499	—	—
Loans and advances to banks	—	—	—	—	—	—	2 699
Non-sovereign and non-bank cash placements	—	—	53	—	—	93	102
Reverse repurchase agreements and cash collateral on securities borrowed	1	—	—	—	634	2	2 874
Sovereign debt securities	—	—	—	—	3 665	—	47
Bank debt securities	—	—	—	—	—	—	1 122
Other debt securities	—	—	—	118	6	46	655
Derivative financial instruments	—	5	4	120	64	46	1 007
Securities arising from trading activities	—	—	—	4	71	2	85
Loans and advances to customers	11 001	5 043	147	985	403	1 549	2 416
Own originated loans and advances to customers securitised	403	—	—	—	—	—	—
Other loans and advances	—	—	—	—	—	—	75
Other securitised assets	—	—	—	—	—	—	—
Other assets	—	—	—	9	—	—	441
Total on-balance sheet exposures	**11 405**	**5 048**	**204**	**1 236**	**8 342**	**1 738**	**11 523**
Guarantees	302	80	1	79	—	7	266
Committed facilities related to loans and advances to customers	2 128	638	54	332	59	356	644
Contingent liabilities, letters of credit and other	122	54	—	146	58	—	128
Total off-balance sheet exposures	**2 552**	**772**	**55**	**557**	**117**	**363**	**1 038**
Total gross credit and counterparty exposures	**13 957**	**5 820**	**259**	**1 793**	**8 459**	**2 101**	**12 561**

CREDIT AND COUNTERPARTY RISK
CONTINUED

Retailers and wholesalers	Manufacturing and commerce	Construction	Corporate commercial real estate	Other residential mortgages	Mining and resources	Leisure, entertainment and tourism	Transport	Motor finance	Com-munication	**Total**
—	—	—	—	—	—	—	—	—	—	3 935
—	—	—	—	—	—	—	—	—	—	2 602
136	138	2	12	—	31	—	2	—	40	479
1	—	—	8	—	13	—	43	—	—	3 820
—	—	—	—	—	—	—	—	—	—	3 837
—	—	—	—	—	—	—	—	—	—	1 442
—	46	—	55	153	16	—	91	—	69	1 249
11	14	1	49	—	66	4	43	—	4	950
5	5	—	—	5	—	—	4	—	1	150
486	1 239	175	456	—	206	222	991	663	641	28 242
—	—	—	—	—	—	—	—	—	—	374
—	—	—	—	19	—	—	—	—	—	110
—	—	—	—	7	—	—	—	—	—	7
2	—	—	—	—	—	—	7	—	—	68
641	**1 442**	**178**	**580**	**184**	**332**	**226**	**1 181**	**663**	**755**	**47 265**
7	50	—	5	—	35	1	6	—	19	942
115	236	19	59	—	143	2	81	—	106	5 225
30	30	2	—	—	20	—	2	—	—	725
152	**316**	**21**	**64**	**—**	**198**	**3**	**89**	**—**	**125**	**6 892**
793	**1 758**	**199**	**644**	**184**	**530**	**229**	**1 270**	**663**	**880**	**54 157**
—	—	—	—	—	—	—	—	—	—	3 499
—	—	—	—	—	—	—	—	—	—	2 699
85	16	1	28	—	8	1	22	—	33	442
1	—	—	13	—	9	—	42	—	—	3 576
—	—	—	—	—	—	—	—	—	—	3 712
—	—	—	—	—	—	—	—	—	—	1 122
—	50	—	54	238	16	—	115	—	68	1 366
39	34	2	69	—	23	6	62	—	8	1 489
—	—	—	—	2	—	—	3	—	—	167
462	1 117	176	359	—	263	272	1 044	555	547	26 339
—	—	—	—	—	—	—	—	—	—	403
—	2	—	—	26	—	—	—	—	—	103
—	—	—	—	6	—	—	—	—	—	6
—	1	—	—	—	—	—	—	—	—	451
587	**1 220**	**179**	**523**	**272**	**319**	**279**	**1 288**	**555**	**656**	**45 374**
7	102	8	9	—	5	1	6	—	4	877
101	155	20	35	—	173	1	78	—	191	4 965
14	1	—	7	—	24	—	1	—	68	623
122	**258**	**28**	**51**	**—**	**202**	**2**	**85**	**—**	**263**	**6 465**
709	**1 478**	**207**	**574**	**272**	**521**	**281**	**1 373**	**555**	**919**	**51 839**

INVESTMENT RISK
CONTINUED

Investment risk in the banking book
Investment risk in the banking book comprises 3.1% of total assets.

Summary of investments held and stress testing analyses
An analysis of income and revaluations of these investments can be found in the investment income note on page 53. The balance sheet value of investments is indicated in the table below.

£'million Country/category	On-balance sheet value of investments 30 Sept 2021	Valuation change stress test 30 Sept 2021**	On-balance sheet value of investments 31 March 2021	Valuation change stress test 31 March 2021**
Unlisted investments	**647**	**97**	**626**	**94**
UK and Other	357	54	346	52
Southern Africa*	290	43	280	42
Listed equities	**30**	**8**	**39**	**10**
UK and Other	7	2	10	3
Southern Africa	23	6	29	7
Investment and trading properties	**355**	**104**	**369**	**45**
UK and Other	20	4	25	5
Southern Africa^	335	100	344	40
Warrants and profit shares	**5**	**2**	**5**	**2**
UK and Other	5	2	5	2
IEP Group^^	**261**	**39**	**251**	**38**
Southern Africa	261	39	251	38
Ninety One#	**369**	**n/a**	**363**	**n/a**
UK and Other	240	n/a	237	n/a
Southern Africa	129	n/a	126	n/a
Total	**1 667**	**250**	**1 653**	**189**

^ For the purposes of the above analysis, the exposures arising from the consolidation of the Investec Property Fund have been reflected at the level of our economic ownership, being 24.3% (31 March 2021: 24.3%).
* Includes the fair value loans investments of £116 million (31 March 2021: £121 million) to reflect our economic ownership as explained above.
^^ The investment in the IEP Group is reflected as an investment in an associate. Investec Limited holds a 47.4% stake alongside third party investors and senior management of the business who hold the remaining 52.6%.
# Investec has a 25.0% shareholding in Ninety One (previously known as Investec Asset Management).
** In order to assess our earnings sensitivity to a movement in the valuation of these investments, the stress testing parameters detailed below are applied:

Stress test values applied	UK and Other	Southern Africa
Unlisted investments and the IEP	15%	15%
Listed equities	25%	25%
Trading properties	20%	30%^
Investment properties	10%	30%^
Warrants and profit shares	35%	35%
Ninety One	n/a	n/a

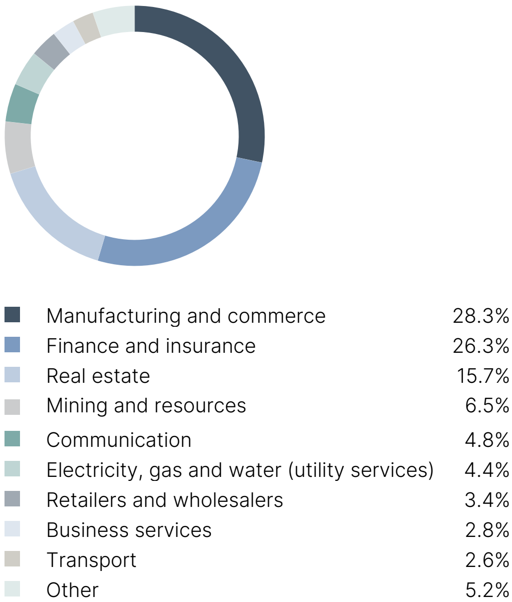
^ The stress test parameters applied to trading and investment properties in Southern Africa at 31 March 2021 were 20% and 10% respectively.

Stress testing summary
Based on the information at 30 September 2021, as reflected above, we could have a £250 million reversal in revenue (which assumes a year in which there is a 'severe stress scenario' simultaneously across all asset classes). This would not necessarily cause the group to report a loss, but could have a significantly negative impact on earnings for that period. The probability of all these asset classes in all geographies in which we operate being negatively impacted at the same time is low, although the probability of listed equities being negatively impacted at the same time is high. Stress testing is not considered to be relevant for the group's holding in Ninety One. This investment is equity accounted and any share price movement is likely to have a limited impact on the group's capital given the regulatory capital treatment.

An analysis of the unlisted investments, listed equities, warrants and profit shares and the IEP Group

30 September 2021

£943 million



MARKET RISK

Market risk in the trading book

Traded market risk

The focus of our trading activities is primarily on supporting our clients. Our strategic intent is that proprietary trading should be limited and that trading should be conducted largely to facilitate client flow. Within our trading activities, we act as principal with clients or the market. Market risk exists where we have taken on principal positions resulting from market making, underwriting and facilitation of client business in the foreign exchange, interest rate, equity, credit and commodity markets.

Globally, the onset of the COVID-19 pandemic triggered extreme market movements, along with the lack of trading liquidity in certain markets. This resulted in a challenging risk management environment across the trading businesses. In the six months to 30 September 2021, trading income benefitted from there being immaterial hedging costs on the UK structured products book (underpinned by risk mitigation strategies implemented on the book and improving markets) compared to costs of £93 million in the year to 31 March 2021 and £29 million in the year to 31 March 2020. A macro hedge remains in place which provides downside protection in the event of another extreme market dislocation. The book is being run down and its size has materially reduced through a combination of active trade unwinds and natural run-off with the recovery in equity markets. We expect these costs to remain immaterial should markets remain stable.

Market risk across the other trading desks remains limited with the primary focus continuing to be on managing and hedging the market risk arising from client related activity.

Value at Risk

VaR numbers using a one-day holding period are monitored daily at the 95% and 99% confidence intervals, with limits set at the 95% confidence interval. Expected shortfalls are also monitored daily at the 95% and 99% levels as is the worst case loss in the VaR distribution.

The table below contains the 95% one-day VaR figures for the trading businesses.

	30 September 2021				31 March 2021			
95% one-day VaR	**Period end**	Average	High	Low	**Year end**	Average	High	Low
UK and Other								
Equities (£'000)	570	469	631	335	435	828	2 021	302
Foreign exchange (£'000)	9	12	53	1	10	11	47	1
Interest rates (£'000)	27	29	53	18	42	52	94	17
Credit (£'000)	1	24	89	1	62	213	455	42
Consolidated (£'000)*	**542**	**465**	**655**	**341**	**456**	**896**	**2 155**	**289**
South Africa								
Commodities (R'million)	0.9	0.8	1.3	0.2	0.4	0.2	0.7	—
Equities (R'million)	5.0	4.3	7.1	3.1	5.1	5.9	10.2	3.4
Foreign exchange (R'million)	0.4	0.8	3.5	0.1	0.3	0.8	8.4	0.1
Interest rates (R'million)	4.4	3.8	6.3	2.0	1.8	3.9	7.7	1.8
Consolidated (R'million)*	**7.2**	**5.2**	**8.1**	**3.3**	**5.5**	**7.6**	**12.8**	**4.9**

* The consolidated VaR for each entity is lower than the sum of the individual VaRs. This arises from the correlation offset between various asset classes (diversification).

BALANCE SHEET RISK

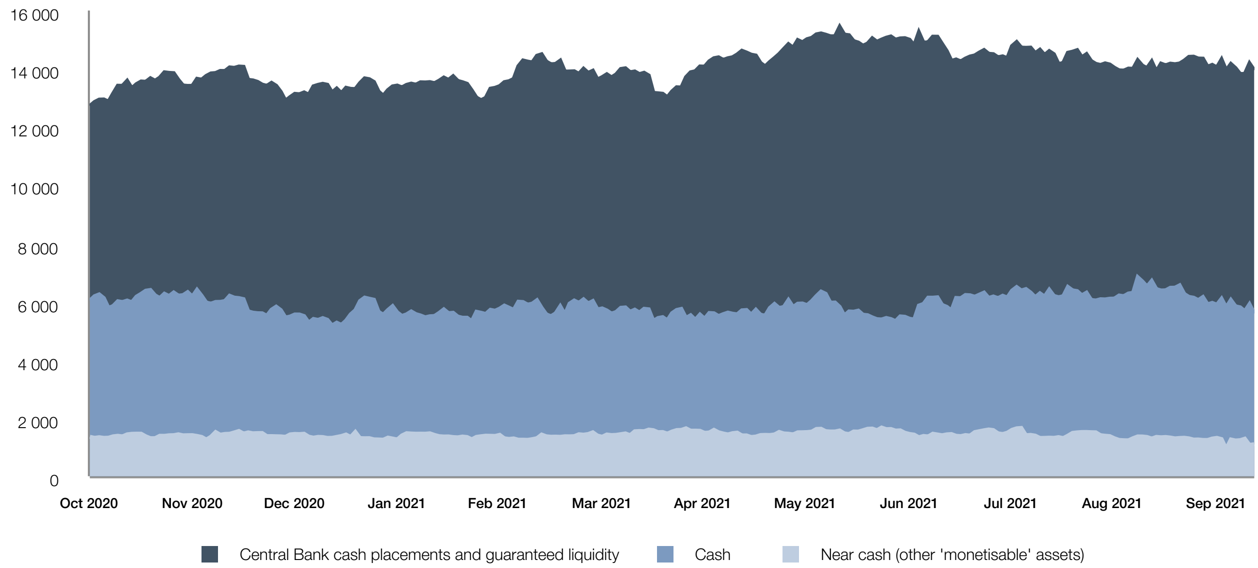
Balance sheet risk management
Balance sheet risk encompasses the financial risks relating to our asset and liability portfolios, comprising liquidity, funding, concentration, encumbrance and non-trading interest rate risk.

Liquidity risk
Liquidity risk refers to the possibility that, despite being solvent, we have insufficient capacity to fund increases in assets, or are unable to meet our payment obligations as they fall due in normal and stressed conditions. This includes repaying depositors or maturing wholesale debt. This risk arises from mismatches in the timing of cash flows, and is inherent in all banking operations and can be impacted by a range of institution-specific and market-wide events.

Liquidity risk is further broken down into:

- **Funding liquidity:** this relates to the risk that the group will be unable to meet current and/or future cash flows or collateral requirements in the normal course of business, without adversely affecting its solvency, financial position or its reputation
- **Market liquidity:** this relates to the risk that the group may be unable to trade in specific markets or that it may only be able to do so with difficulty due to market disruptions or a lack of market liquidity.

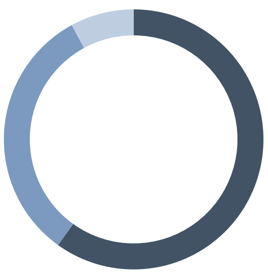
Investec group cash and near cash trend
£'million



An analysis of cash and near cash at 30 September 2021

Total group

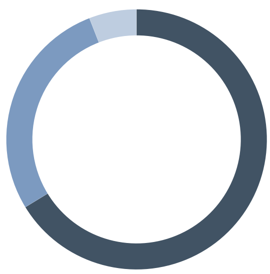
£13 949 million



Central Bank cash placements and guaranteed liquidity	59.9%
Cash	32.2%
Near cash (other 'monetisable' assets)	7.9%

Investec plc

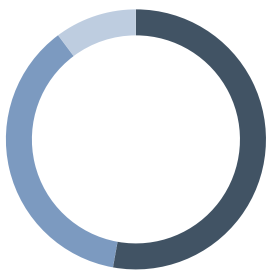
£7 315 million



Central Bank cash placements and guaranteed liquidity	66.3%
Cash	27.8%
Near cash (other 'monetisable' assets)	5.9%

Investec Limited

R134 592 million



Central Bank cash placements and guaranteed liquidity	52.8%
Cash	37.0%
Near cash (other 'monetisable' assets)	10.2%

BALANCE SHEET RISK
CONTINUED

Liquidity mismatch
The tables that follow show the contractual and behavioural liquidity mismatch across our core geographies.

With respect to the contractual liquidity tables that follow, we record all assets and liabilities with the underlying contractual maturity as determined by the cash flow profile for each deal.

In South Africa, the balances will not agree directly to those disclosed in the balance sheet due to the inclusion of loans to group companies in the other asset line.

With respect to the behavioural liquidity gap, we adjust the contractual profile of certain assets and liabilities:

- Liquidity buffer: the actual contractual profile of the assets in the liquidity buffer is of little consequence, as practically the group would meet any unexpected net cash outflows by repo'ing or selling these highly liquid securities. Consequently, for the liquidity buffer:
  - The time horizon to monetise our regulatory liquid assets which are guaranteed by the central bank has been adjusted to 'on demand'; and
  - The time horizon for the cash and near cash portfolio of discretionary treasury assets has been set to one month where there are deep secondary markets for this elective asset class.
- Customer deposits: the contractual repayments of many deposits are on demand, or at notice, but in reality withdrawals vary significantly from this. Historical observations of the products are used to model the behavioural lives, and this analysis has identified significant additional sources of structural liquidity in the form of core deposits that exhibit stable behaviour.

UK and Other
Contractual liquidity at 30 September 2021

£'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	**Total**
Cash and short-term funds – banks	4 694	123	—	—	35	7	—	4 859
Investment/trading assets	624	733	388	248	258	750	2 014	5 015
Securitised assets	—	—	1	1	2	18	80	102
Advances	25	521	629	828	1 580	7 183	3 032	13 798
Other assets	1	728	56	17	97	338	457	1 694
Assets	**5 344**	**2 105**	**1 074**	**1 094**	**1 972**	**8 296**	**5 583**	**25 468**
Deposits – banks	(106)	(1)	(1)	(636)	(78)	(598)	—	(1 420)
Deposits – non-banks	(6 717)	(652)	(2 880)	(3 490)	(1 142)	(1 673)	(148)	(16 702)
Negotiable paper	(1)	(3)	(9)	(8)	(243)	(684)	(625)	(1 573)
Securitised liabilities	—	—	(3)	(2)	(4)	(36)	(59)	(104)
Investment/trading liabilities	(177)	(103)	(79)	(115)	(108)	(370)	—	(952)
Subordinated liabilities	—	—	—	(337)	—	—	(426)	(763)
Other liabilities	(14)	(724)	(43)	(52)	(111)	(316)	(81)	(1 341)
Liabilities	**(7 015)**	**(1 483)**	**(3 015)**	**(4 640)**	**(1 686)**	**(3 677)**	**(1 339)**	**(22 855)**
Total equity	—	—	—	—	—	—	(2 613)	(2 613)
Contractual liquidity gap	**(1 671)**	**622**	**(1 941)**	**(3 546)**	**286**	**4 619**	**1 631**	**—**
Cumulative liquidity gap	(1 671)	(1 049)	(2 990)	(6 536)	(6 250)	(1 631)	—	

Behavioural liquidity at 30 September 2021
As discussed above.

£'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	**Total**
Behavioural liquidity gap	**3 549**	**377**	**(1 662)**	**(2 936)**	**183**	**(1 042)**	**1 531**	**—**
Cumulative	3 549	3 926	2 264	(672)	(489)	(1 531)	—	

BALANCE SHEET RISK
CONTINUED

Southern Africa
Contractual liquidity at 30 September 2021

R'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	Total
Cash and short-term funds – banks	31 097	2 453	755	—	—	—	—	34 305
Cash and short-term funds – non-banks	7 717	141	101	—	—	1 159	538	9 656
Investment/trading assets and statutory liquids	36 093	60 038	8 224	10 756	11 166	48 034	33 701	208 012
Securitised assets	646	81	80	247	470	2 760	3 922	8 206
Advances	4 715	7 034	12 132	10 727	17 931	118 462	119 023	290 024
Other assets	638	5 973	2 000	467	63	5 869	6 614	21 624
Assets	**80 906**	**75 720**	**23 292**	**22 197**	**29 630**	**176 284**	**163 798**	**571 827**
Deposits – banks	(438)	(244)	(1 594)	(538)	(886)	(14 098)	—	(17 798)
Deposits – non-banks	(182 478)	(17 153)	(58 097)	(41 264)	(45 755)	(49 798)	(4 391)	(398 936)
Negotiable paper	—	(2)	(820)	(968)	(1 316)	(4 935)	(41)	(8 082)
Securitised liabilities	—	—	—	—	—	(1 146)	(2 003)	(3 149)
Investment/trading liabilities	(5 091)	(14 735)	(2 571)	(4 372)	(2 649)	(18 310)	(1 911)	(49 639)
Subordinated liabilities	—	(1 867)	(204)	(2 435)	(4 336)	(4 838)	—	(13 680)
Other liabilities	(4 945)	(2 994)	—	(424)	(484)	—	(8 738)	(17 585)
Liabilities	**(192 952)**	**(36 995)**	**(63 286)**	**(50 001)**	**(55 426)**	**(93 125)**	**(17 084)**	**(508 869)**
Total equity	—	—	—	—	—	—	(62 958)	(62 958)
Contractual liquidity gap	**(112 046)**	**38 725**	**(39 994)**	**(27 804)**	**(25 796)**	**83 159**	**83 756**	**—**
Cumulative liquidity gap	(112 046)	(73 321)	(113 315)	(141 119)	(166 915)	(83 756)	—	

Behavioural liquidity at 30 September 2021
As discussed on page 117.

R'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	Total
Behavioural liquidity gap	**36 628**	**17 311**	**2 144**	**(1 488)**	**(3 878)**	**(148 625)**	**97 908**	**—**
Cumulative	36 628	53 939	56 083	54 595	50 717	(97 908)	—	

BALANCE SHEET RISK
CONTINUED

Non-trading interest rate risk description
Non-trading interest rate risk, otherwise known as interest rate risk in the banking book, arises from the impact of adverse movements in interest rates on both net interest earnings and economic value of equity.

Sources of interest rate risk in the banking book include:

- **Repricing risk:** arises from the timing differences in the fixed rate maturity and floating rate repricing of group assets, liabilities and off-balance sheet derivative positions. This affects the interest rate margin realised between lending income and borrowing costs when applied to our rate sensitive portfolios
- **Yield curve risk:** repricing mismatches also expose the group to changes in the slope and shape of the yield curve
- **Basis risk:** arises from imperfect correlation in the adjustments of the rates earned and paid on different instruments with otherwise similar repricing characteristics
- **Embedded option risk:** arises from optional elements embedded in items where the group or its customers can alter the level and timing of their cash flows
- **Endowment risk:** refers to the interest rate risk exposure arising from the net differential between interest rate insensitive assets, interest rate insensitive liabilities and capital.

The above sources of interest rate risk affect the interest rate margin realised between lending income and borrowing costs when applied to our rate sensitive asset and liability portfolios, which has a direct effect on future net interest earnings and the economic value of equity.

The tables that follow show our non-trading interest rate mismatch assuming no management intervention.

UK and Other
Interest rate sensitivity gap at 30 September 2021*

£'million	Not > three months	> Three months but < six months	> Six months but < one year	> One year but < five years	> Five years	Non-rate	**Total non-trading**
Cash and short-term funds – banks	4 818	—	—	—	—	—	4 818
Investment/trading assets	2 897	126	63	100	87	359	3 632
Securitised assets	102	—	—	—	—	—	102
Advances	9 583	666	529	2 782	238	—	13 798
Other assets	—	—	—	—	—	1 437	1 437
Assets	**17 400**	**792**	**592**	**2 882**	**325**	**1 796**	**23 787**
Deposits – banks	(1 416)	—	—	—	—	—	(1 416)
Deposits – non-banks	(14 656)	(704)	(897)	(412)	—	—	(16 669)
Negotiable paper	(568)	—	(200)	(258)	(350)	—	(1 376)
Securitised liabilities	(104)	—	—	—	—	—	(104)
Investment/trading liabilities	(119)	—	—	—	—	—	(119)
Subordinated liabilities	(35)	(308)	—	(420)	—	—	(763)
Other liabilities	—	—	—	—	—	(828)	(828)
Liabilities	**(16 898)**	**(1 012)**	**(1 097)**	**(1 090)**	**(350)**	**(828)**	**(21 275)**
Total equity	—	—	—	—	—	(2 512)	(2 512)
Balance sheet	**502**	**(220)**	**(505)**	**1 792**	**(25)**	**(1 544)**	**—**
Off-balance sheet	1 426	81	(179)	(1 435)	107	—	—
Repricing gap	**1 928**	**(139)**	**(684)**	**357**	**82**	**(1 544)**	**—**
Cumulative repricing gap	1 928	1 789	1 105	1 462	1 544	—	

* On 29 September 2021, a subordinated debt issuance by Investec plc was priced in the market. The issuance, and the consequent downstreaming to Investec Bank plc, only settled on 4 October 2021 and was therefore not reflected on the balance sheet at 30 September 2021. However, an interest rate swap on a notional principal amount of £350 million, receiving a fixed rate of 0.707% paying compounded SONIA and maturing in October 2026 was executed by Investec Bank plc on the day of pricing to hedge the risk. In order to reflect the substance of the risk, the contractual gap table above excludes the interest rate swap.

BALANCE SHEET RISK
CONTINUED

Southern Africa
Interest rate sensitivity gap at 30 September 2021

R'million	Not > three months	> Three months but < six months	> Six months but < one year	> One year but < five years	> Five years	Non-rate	Total non-trading
Cash and short-term funds – banks	19 936	176	—	—	—	11 684	31 796
Cash and short-term funds – non-banks	9 638	—	—	—	—	18	9 656
Investment/trading assets and statutory liquids	70 298	12 813	12 540	30 903	11 133	49 052	186 739
Securitised assets	8 206	—	—	—	—	—	8 206
Advances	263 215	4 509	3 513	16 236	529	2 016	290 018
Other assets	9 174	(3 808)	(2 469)	5 785	132	3 557	12 371
Assets	**380 467**	**13 690**	**13 584**	**52 924**	**11 794**	**66 327**	**538 786**
Deposits – banks	(13 521)	(211)	(694)	(2 633)	—	—	(17 059)
Deposits – non-banks	(329 453)	(21 028)	(19 542)	(9 542)	(1 603)	(17 719)	(398 887)
Negotiable paper	(2 039)	(542)	(850)	(4 538)	—	(113)	(8 082)
Securitised liabilities	(3 149)	—	—	—	—	—	(3 149)
Investment/trading liabilities	(8 958)	—	—	(2 068)	—	(4 869)	(15 895)
Subordinated liabilities	(9 377)	—	(1 668)	(2 607)	—	(28)	(13 680)
Other liabilities	(1 604)	—	—	—	—	(15 134)	(16 738)
Liabilities	**(368 101)**	**(21 781)**	**(22 754)**	**(21 388)**	**(1 603)**	**(37 863)**	**(473 490)**
Total equity	(3 920)	—	—	—	—	(59 038)	(62 958)
Balance sheet	**8 446**	**(8 091)**	**(9 170)**	**31 536**	**10 191**	**(30 574)**	**2 338**
Off-balance sheet	26 226	4 589	5 974	(30 168)	(8 959)	—	(2 338)
Repricing gap	**34 672**	**(3 502)**	**(3 196)**	**1 368**	**1 232**	**(30 574)**	**—**
Cumulative repricing gap	34 672	31 170	27 974	29 342	30 574	—	

Economic value sensitivity at 30 September 2021

As outlined, non-trading interest rate risk is measured and monitored using an economic value sensitivity approach. The tables below reflect our economic value sensitivity to a 2% parallel shift in interest rates assuming no management intervention. This sensitivity effect would only have a negligible direct impact on our equity.

UK and Other*

	Sensitivity to the following interest rates (expressed in original currencies)						
million	GBP	USD	EUR	AUD	ZAR	Other (GBP)	**All (GBP)**
200bps down	1.1	14.8	2.2	1.3	(0.7)	1.9	15.9
200bps up	(0.9)	(12.8)	(1.9)	(1.2)	0.6	(1.7)	(13.7)

* Please see note on previous page.

Southern Africa

	Sensitivity to the following interest rates (expressed in original currencies)						
million	ZAR	GBP	USD	EUR	AUD	Other (ZAR)	**All (ZAR)**
200bps down	(120.5)	0.4	(2.3)	—	—	1.0	(145.0)
200bps up	63.1	(1.1)	7.1	(0.6)	—	(10.5)	128.4

The group previously disclosed its exposures to IBOR benchmarks as at 31 March 2021. In the group's view the change in exposure since this date has not been significant.

CAPITAL MANAGEMENT AND ALLOCATION

Capital management and allocation

A summary of capital adequacy and leverage ratios

	Standardised		Increased AIRB scope°°		Standardised		FIRB		Increased AIRB scope°°	
	Investec plc° * #	IBP° * #	Investec Limited* ^	IBL* ^	Investec plc° *	IBP° *	Investec Limited* ^	IBL* ^	Investec Limited* ^	IBL* ^
	30 September 2021				31 March 2021					
Common Equity Tier 1 ratio**	11.1%	11.9%	13.9%	14.9%	11.2%	12.0%	12.2%	13.3%	12.8%	14.0%
Common Equity Tier 1 ratio (fully loaded)***	10.7%	11.5%	13.9%	14.9%	10.7%	11.5%	12.2%	13.3%	12.8%	14.0%
Tier 1 ratio**	12.7%	13.5%	14.8%	15.6%	12.8%	13.6%	12.8%	13.7%	13.4%	14.4%
Total capital ratio** / Pro-forma#	14.8%/ 16.9%	16.2%/ 18.4%	17.7%/ n/a	19.9%/ n/a	15.1%/ n/a	16.6%/ n/a	16.0%/ n/a	17.8%/ n/a	16.6%/ n/a	18.6%/ n/a
Risk-weighted assets (£'million)**	16 723	16 189	320 582	292 359	16 332	15 789	351 125	329 366	336 629	314 843
Leverage exposure measure (£'million)	27 304	27 028	626 172	587 016	26 675	26 351	593 944	555 992	594 059	556 110
Leverage ratio^^	7.8%	8.1%	7.6%	7.8%	7.9%	8.1%	7.6%	8.1%	7.6%	8.1%
Leverage ratio (fully loaded)***	7.5%	7.8%	7.5%	7.7%	7.5%	7.8%	7.5%	8.1%	7.5%	8.1%
Leverage ratio (UK leverage ratio framework)^^^	8.9%	9.2%	n/a	n/a	9.2%	9.5%	n/a	n/a	n/a	n/a

* Where: IBP is Investec Bank plc consolidated and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

** The CET1, Tier 1, total capital ratios and RWAs are calculated applying the IFRS 9 transitional arrangements.

*** The CET1 ratio (fully loaded) and the leverage ratio (fully loaded) assumes full adoption of IFRS 9 and full adoption of all CRD IV rules or South African Prudential Authority regulations. As a result of the adoption of IFRS 9, Investec plc elected to designate its subordinated fixed rate medium-term notes due in 2022 at fair value. By the time of full adoption of IFRS 9 in 2023, these subordinated liabilities will have reached final maturity and will be redeemed at par value. The remaining interest rate portion of the fair value adjustment at 30 September 2021 of £2.6 million (post-taxation), has therefore been excluded from the fully loaded ratios as it will be released into profit and loss over the remaining life of the instrument.

° The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc and IBP this does not include the deduction of foreseeable charges and dividends when calculating the capital ratios. The impact of this deduction totalling £39 million (31 March 2021: £25 million) for Investec plc and £33 million (31 March 2021: £25 million) for IBP would lower the CET1 ratio by 26bps (31 March 2021: 17bps) and 21bps (31 March 2021: 16bps) respectively.

°° Investec Limited received approval to adopt the Advanced Internal Ratings Based (AIRB) approach for the SME and Corporate models, effective 1 April 2021. We presented numbers on a pro-forma basis for 31 March 2021.

Pro-forma 30 September 2021 total capital ratio includes the proceeds of the Investec plc £350 million 2.625% Callable Fixed Rate Resettable Subordinated Notes due 2023, issued 4 October 2021 and the IBP internal £350 million tier 2 subordinated loan issuance, dated 4 October 2021.

^ Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 93bps (31 March 2021: 39bps) and 0bps (31 March 2021: 48bps) lower.

^^ The leverage ratios are calculated on an end-quarter basis.

^^^ Investec plc is not subject to the UK leverage ratio framework; however, for comparative purposes this ratio has been disclosed. This framework excludes qualifying central bank balances from the calculation of the leverage exposure measure.

CAPITAL MANAGEMENT AND ALLOCATION
CONTINUED

Investec plc

Period under review

During the year under review, Investec plc complied with the capital adequacy requirements imposed on it by the PRA. Investec plc continues to hold capital in excess of all the capital and buffer requirements. At 30 September 2021, the CET1 ratio decreased to 11.1% from 11.2% at 31 March 2021. CET1 capital increased by £34 million to £1.9 billion, mainly as a result of:

- CET1 generation through net profit and loss of £108 million
- An increase in other comprehensive income of £35 million (including the fair value uplift on our investment in Ninety One plc), partially offset by a £24 million increase in the deduction applied to financial sector entities which exceed the 10% threshold.

The increase was partially offset by:

- Dividends paid to ordinary shareholders and Additional Tier 1 security holders of £33 million
- An increase in the deconsolidation of special purpose entities deduction of £22 million, arising from the formation of a joint venture with the State Bank of India, measured at fair value in the financial consolidation but proportionally consolidated for regulatory purposes
- A decrease of £17 million in the IFRS 9 transitional add-back adjustment
- A decrease of £6 million in the losses arising on liabilities recognised at fair value resulting from changes in our credit standing.

Risk-weighted assets (RWAs) increased by 2.4% or £391 million to £16.7 billion over the period, predominantly within credit risk RWAs.

Credit risk RWAs, which include equity risk, increased by £599 million. The increase is driven by growth across the specialist lending sectors as well as increases in HNW lending, offset by a reduction in RWAs due to the sale of the Australian lending book.

Counterparty credit risk decreased by £139 million driven by a reduction in the volume of foreign currency forwards, swaps and interest rate swaps traded relative to the positions at 31 March 2021.

Market risk RWAs decreased by £48 million, mainly due to a reduction in collective investment undertaking risk positions.

Operational risk RWAs remained flat.

The group's leverage ratio remained relatively flat at 7.8%.

Minimum capital requirement

Investec plc's minimum CET1 requirement at 30 September 2021, calculated using the same methodology as at 31 March 2021, is 7.5% comprising a 4.5% Pillar 1 minimum requirement, a 0.46% Pillar 2A requirement, a 2.5% Capital Conservation Buffer (CCB) and a 0.03% Countercyclical Capital Buffer (CCyB).

Regulatory developments

On 29 June 2021, the Financial Policy Committee (FPC) and the PRA consulted on changes to the UK leverage ratio framework. The FPC's consultation considered expanding the scope of application of the UK leverage ratio framework to capture firms with significant non-UK assets.

The PRA's consultation proposed new leverage ratio rules that would replace the existing leverage requirements set out in the Capital Requirements Regulation (CRR). For simplicity the PRA would apply the same leverage ratio exposure measure and capital measure to all UK banks (including the exemption of central bank reserves and will reflect updated international standards) and the PRA propose to implement a Supervisory Expectation for firms outside the scope of the FPC's framework. Firms scoped out of the framework will not be subject to a Leverage Ratio Requirement, but must manage the risk of excessive leverage by ensuring the leverage ratio does not fall below 3.25%.

In October 2021, the final FPC response and PRA policy statement was issued. The majority of the changes will apply from 1 January 2022, the same day HM Treasury is expected to revoke the existing leverage parts of the UK CRR.

On 9 June 2021, the PRA published the near-final policy statement Implementing the Basel standards. This includes the new standardised approach for calculating counterparty credit risk, the revised large exposures framework and changes to the market risk framework. The policy is expected to apply from 1 January 2022. On 22 June 2021, HM Treasury confirmed the Fundamental Review of the Trading Book (FRTB) reporting requirements would be delayed and implemented alongside the FRTB revisions to the Pillar 1 capital requirements which form part of Basel 3.1.

On 1 November 2021, the Financial Services Regulatory Initiatives Forum published the fourth edition of the regulatory initiatives grid. The grid aims to provide firms with a clear idea of upcoming regulatory changes. The grid confirms a delay to the consultation on Basel 3.1. The consultation has been pushed out from Q4 2021 to the second half of 2022, with implementation not expected until after March 2023. In Europe the European Commission has also published legislative proposals which implement the Basel 3.1 proposals, however, the implementation date has been pushed out to 1 January 2025 to allow banks and supervisors additional time to implement the reform in their system and processes appropriately. It is likely the UK's implementation date will align with Europe.

Recovery and Resolution planning

Resolution strategy

The BoE confirmed in March 2021 the preferred resolution strategy for Investec Bank plc remains Modified Insolvency and the Minimum Requirement for own funds and Eligible Liabilities (MREL) requirement is set as equal to IBP's Total Capital Requirement (Pillar 1 plus Pillar 2A).

CAPITAL MANAGEMENT AND ALLOCATION
CONTINUED

Investec Limited

Period under review

At 30 September 2021, the CET1 ratio increased to 13.9% from 12.2% at 31 March 2021. CET1 capital increased by R1.5 billion to R44.4 billion, largely affected by:

- Positive attributable earnings post-taxation and minorities of R2.7 billion

The increases were partially offset by:

- Total ordinary dividends paid to Ltd shareholders of R981 million
- R304 million increase in portion of Ninety One plc investment deducted from CET1 capital (the balance is included in equity risk, risk-weighted at 250%).

RWAs decreased by 8.7% from R351.1 billion (March 2021) to R320.6 billion (September 2021) predominantly within credit risk RWAs.

Credit risk RWAs, which include equity risk, decreased by 9.7% or R31.1 billion. The decrease is largely as a result of the Corporate and SME Corporate portfolios migrating onto the AIRB methodology effective from 1 April 2021 as well as an improvement in the internal credit ratings of the book for the period under review.

Market risk RWAs increased by 5.6% or R255 million. Market risk RWAs are calculated using the Value at Risk (VaR) approach. The increase in RWA is due to increased trading volumes and activity.

Operational risk for Investec Limited increased by 1.3% or R340 million. This calculation is updated bi-annually and is based on a three-year rolling gross income before impairments average balance.

The group's leverage ratio remained flat at 7.6 % from 31 March 2021.

Minimum capital requirement

Investec Limited's minimum CET1 requirement at 30 September 2021 is 7.25% comprising a 4.5% Pillar 1 minimum requirement, a 2.5% CCB, a 0.25% Domestically Significant Important (D-SIB) Buffer and a 0% CCyB, but excludes the Bank-specific ICR add-on (Pillar 2B). South Africa has not announced any CCyB requirements for 2021. As at 30 September 2021, Investec Limited is holding an institution-specific CCyB, held for purposes of the reciprocity requirement, of 0% of risk-weighted exposures. From April 2020, the South African PA announced that with immediate effect the SA Pillar 2A rate be reduced to 0% in response to the economic shock arising from COVID-19. At 30 September 2021 the SA Pillar 2A rate has remained at 0%, however it is to be fully reinstated to 1% by 1 January 2022.

Regulatory developments

In response to pressures on banks' capital supply brought about by the COVID-19 pandemic, the South African PA implemented specific measures during 2020, to provide temporary capital relief to enable banks to counter economic risks to the financial system as a whole. Most notably, the Pillar 2A capital requirement was reduced to 0% and banks were requested to conserve capital by considering the adequacy of their current and projected capital and profitability levels, internal capital targets and risk appetite, as well as current and potential future risks of the global pandemic when making distributions of dividends on ordinary shares and payments of cash bonuses to executive officers and material risk takers in 2021. It is expected that most of these relaxed COVID measures will be fully reinstated by 1 January 2022. Banks Act Directive 5 of 2021, that sets out the capital framework for South African banks based on Basel III, was amended to reinstate the full Pillar 2A requirement, and also requires the D-SIB capital add-on to be fully met with CET1 capital and be disclosed as part of the composition of regulatory capital disclosures.

The Financial Sector Laws Amendment Bill (FSLAB) is expected be enacted into law in South Africa during Q1/2 of 2022 that will impact the way in which Investec will conduct an open-bank resolution approach and measure total loss absorbency requirements.

Based upon, among others, industry comments and requests, quantitative impact studies, progress by member jurisdictions of the Basel Committee to implement the reforms, regulatory responses to the outbreak of COVID-19, and other matters related to implementation complexity, the South African PA proposed in Guidance note 4 of 2021 revised implementation dates of the outstanding regulatory reforms in South Africa. Most notably, the revised large exposures framework, interest rate risk in the banking book, and the revised securitisation framework is proposed for FY2022, with the remainder of the regulatory reforms, such as the standardised approaches reforms and the new capital floor, proposed for 1 January 2023.

Investec Limited continues to assess and monitor the impact of new regulations and regulatory reforms through participation in industry quantitative impact studies submissions to the South African PA, contributing to industry consultations and discussions at the Banking Association of South Africa and quantifying the impact of the reforms and presenting the impact on Investec Limited at Capital Committees and to the Board.

CAPITAL MANAGEMENT AND ALLOCATION
CONTINUED

Capital structure and capital adequacy

	Standardised		Increased AIRB Scope°°	
At 30 September 2021	**Investec plc* ° ^ £'million**	IBP* ° ^ £'million	**Investec Limited* ^^ R'million**	IBL* R'million
Shareholders' equity	**2 308**	**2 167**	**45 803**	**42 500**
Shareholders' equity excluding non-controlling interests	2 363	2 197	48 842	43 981
Perpetual preference share capital and share premium	(25)	—	(3 039)	(1 481)
Deconsolidation of special purpose entities	(30)	(30)	—	—
Non-controlling interests	**—**	**—**	**—**	**—**
Non-controlling interests per balance sheet	—	—	10 125	—
Non-controlling interests excluded for regulatory purposes	—	—	(10 125)	—
Regulatory adjustments to the accounting basis	**76**	**76**	**1 428**	**1 461**
Additional value adjustments	(6)	(6)	(207)	(174)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	6	6	(14)	(14)
Cash flow hedging reserve	—	—	1 649	1 649
Adjustment under IFRS 9 transitional arrangements	76	76	—	—
Deductions	**(526)**	**(313)**	**(2 805)**	**(532)**
Goodwill and intangible assets net of deferred tax	(309)	(297)	(372)	(336)
Investment in financial entity	—	—	(767)	—
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(11)	(11)	—	—
Shortfall of eligible provisions compared to expected loss	—	—	(200)	(196)
Investment in capital of financial entities above 10% threshold	(201)	—	(1 293)	—
Amount of deductions exceeding 15% threshold	—	—	—	—
Other regulatory adjustments	—	—	(173)	—
Securitisation positions which can alternatively be subject to a 1 250% risk weight	(5)	(5)	—	—
Common Equity Tier 1 capital	**1 858**	**1 930**	**44 426**	**43 429**
Additional Tier 1 capital	**274**	**250**	**2 892**	**2 113**
Additional Tier 1 instruments	274	250	7 030	3 441
Phase out of non-qualifying Additional Tier 1 instruments	—	—	(4 048)	(1 328)
Non-qualifying surplus capital attributable to non-controlling interest	—	—	(90)	—
Tier 1 capital	**2 132**	**2 180**	**47 318**	**45 542**
Tier 2 capital	**341**	**442**	**9 325**	**12 555**
Collective impairment allowances	—	—	461	459
Tier 2 instruments	442	442	13 680	12 096
Non-qualifying surplus capital attributable to non-controlling interests	(101)	—	(3 941)	—
Investment in capital of financial entities above 10% threshold	—	—	(875)	—
Total regulatory capital	**2 473**	**2 622**	**56 643**	**58 097**
Risk-weighted assets	**16 723**	**16 189**	**320 582**	**292 359**

* Where: IBP is Investec Bank plc consolidated. IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

° The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc and IBP this does not include the deduction of foreseeable charges and dividends when calculating regulatory capital. The impact of this deduction totalling £39 million for Investec plc and £33 million for IBP would lower the CET1 ratio by 26bps and 21bps respectively.

°° Investec Limited received approval to adopt the Advanced Internal Rating (AIRB) approach for the SME and Corporate models, effective 1 April 2021. We presented numbers on a pro-forma basis for 31 March 2021.

^ CET1, Tier 1, total regulatory capital and RWAs are calculated applying the IFRS 9 transitional arrangements (including the changes introduced in the 'quick fix' regulation adopted in June 2020).

^^ Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET1 ratio would be 93bps lower.

CAPITAL MANAGEMENT AND ALLOCATION
CONTINUED

Capital structure and capital adequacy

	Standardised		FIRB		Increased AIRB Scope°°	
At 31 March 2021	**Investec plc* ° ^ £'million**	IBP* ° ^ £'million	**Investec Limited* ^^ R'million**	IBL* ^^ R'million	**Investec Limited* ^^ R'million**	IBL* ^^ R'million
Shareholders' equity	**2 223**	**2 106**	**44 292**	**43 881**	**44 292**	**43 881**
Shareholders' equity excluding non-controlling interests	2 256	2 114	47 331	45 362	47 331	45 362
Perpetual preference share capital and share premium	(25)	—	(3 039)	(1 481)	(3 039)	(1 481)
Deconsolidation of special purpose entities	(8)	(8)	—	—	—	—
Non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**
Non-controlling interests per balance sheet	—	—	10 083	—	10 083	—
Non-controlling interests excluded for regulatory purposes	—	—	(10 083)	—	(10 083)	—
Regulatory adjustments to the accounting basis	**99**	**99**	**1 308**	**1 337**	**1 308**	**1 337**
Additional value adjustments	(6)	(6)	(219)	(190)	(219)	(190)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	12	12	(12)	(12)	(12)	(12)
Cash flow hedging reserve	—	—	1 539	1 539	1 539	1 539
Adjustment under IFRS 9 transitional arrangements	93	93	—	—	—	—
Deductions	**(498)**	**(312)**	**(2 665)**	**(1 401)**	**(2 539)**	**(1 283)**
Goodwill and intangible assets net of deferred tax	(307)	(298)	(425)	(388)	(425)	(388)
Investment in financial entity	—	—	(749)	(667)	(737)	(656)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(12)	(12)	—	—	—	—
Shortfall of eligible provisions compared to expected loss	—	—	(346)	(346)	(239)	(239)
Investment in capital of financial entities above 10% threshold	(177)	—	(990)	—	(983)	—
Amount of deductions exceeding 15% threshold	—	—	—	—	—	—
Other regulatory adjustments	—	—	(155)	—	(155)	—
Securitisation positions which can alternatively be subject to a 1 250% risk weight	(2)	(2)	—	—	—	—
Common Equity Tier 1 capital	**1 824**	**1 893**	**42 935**	**43 817**	**43 061**	**43 935**
Additional Tier 1 capital	**274**	**250**	**2 142**	**1 336**	**2 131**	**1 336**
Additional Tier 1 instruments	274	250	6 253	2 664	6 253	2 664
Phase out of non-qualifying Additional Tier 1 instruments	—	—	(4 048)	(1 328)	(4 048)	(1 328)
Non-qualifying surplus capital attributable to non-controlling interest	—	—	(63)	—	(74)	—
Tier 1 capital	**2 098**	**2 143**	**45 077**	**45 153**	**45 192**	**45 271**
Tier 2 capital	**366**	**473**	**10 956**	**13 370**	**10 559**	**13 370**
Collective impairment allowances	—	—	435	434	435	434
Tier 2 instruments	473	473	14 445	12 936	14 445	12 936
Non-qualifying surplus capital attributable to non-controlling interests	(107)	—	(3 378)	—	(3 779)	—
Investment in capital of financial entities above 10% threshold	—	—	(546)	—	(542)	—
Total regulatory capital	**2 464**	**2 616**	**56 033**	**58 523**	**55 751**	**58 641**
Risk-weighted assets	**16 332**	**15 789**	**351 125**	**329 366**	**336 629**	**314 843**

* Where: IBP is Investec Bank plc consolidated. IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

°° Investec Limited received approval to adopt the Advanced Internal Rating (AIRB) approach for the SME and Corporate models, effective 1 April 2021. We presented numbers on a pro-forma basis for 31 March 2021.

° The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc and IBP this does not include the deduction of foreseeable charges and dividends when calculating regulatory capital. The impact of this deduction totalling £25 million for Investec plc and £25 million for IBP would lower the CET1 ratio by 17bps and 16bps respectively.

^ CET1, Tier 1, total regulatory capital and RWAs are calculated applying the IFRS 9 transitional arrangements (including the changes introduced in the 'quick fix' regulation adopted in June 2020).

^^ Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 39bps and 48bps lower respectively.

CAPITAL MANAGEMENT AND ALLOCATION
CONTINUED

Risk-weighted assets

	Standardised		Increased AIRB Scope°°		Standardised		FIRB	
	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
	At 30 September 2021				At 31 March 2021			
Risk-weighted assets	**16 723**	**16 189**	**320 582**	**292 359**	**16 332**	**15 789**	**351 125**	**329 366**
Credit risk	13 114	13 046	251 484	242 558	12 497	12 413	278 692	277 679
Equity risk	563	76	25 157	11 061	581	117	25 427	9 959
Counterparty credit risk	552	568	7 832	7 832	691	691	9 756	9 756
Credit valuation adjustment risk	38	38	4 156	4 156	59	59	5 892	5 892
Market risk	730	730	4 781	3 897	778	778	4 526	3 887
Operational risk	1 726	1 731	27 172	22 855	1 726	1 731	26 832	22 193

Capital requirements

	Standardised		Increased AIRB Scope°°		Standardised		FIRB	
	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
	At 30 September 2021				At 31 March 2021			
Capital requirements	**1 338**	**1 295**	**35 264**	**32 159**	**1 307**	**1 263**	**36 868**	**34 583**
Credit risk	1 049	1 044	27 663	26 680	1 000	992	29 263	29 156
Equity risk	45	6	2 767	1 217	46	10	2 670	1 046
Counterparty credit risk	44	45	862	862	55	55	1 024	1 024
Credit valuation adjustment risk	3	3	457	457	5	5	619	619
Market risk	59	59	526	429	63	63	475	408
Operational risk	138	138	2 989	2 514	138	138	2 817	2 330

Leverage ratios

	Investec plc° * £'million	IBP* ° £'million	Investec Limited* ^ R'million	IBL* ^ R'million	Investec plc° * £'million	IBP° * £'million	Investec Limited* ^ R'million	IBL* ^ R'million
	At 30 September 2021				At 31 March 2021			
Total exposure measure	27 304	27 028	626 172	587 016	26 675	26 351	593 944	555 992
Tier 1 capital**	2 132	2 180	47 318	45 542	2 098	2 143	45 077	45 153
Leverage ratio^^	**7.8%**	**8.1%**	**7.6%**	**7.8%**	**7.9%**	**8.1%**	**7.6%**	**8.1%**
Total exposure measure (fully loaded)	27 227	26 952	626 225	587 016	26 582	26 258	593 981	555 992
Tier 1 capital (fully loaded)	2 035	2 107	46 899	45 389	1 984	2 054	44 641	44 999
Leverage ratio (fully loaded)* ^^**	**7.5%**	**7.8%**	**7.5%**	**7.7%**	**7.5%**	**7.8%**	**7.5%**	**8.1%**
Leverage ratio (UK leverage ratio framework)^^ ^^^	8.9%	9.2%	n/a	n/a	9.2%	9.5%	n/a	n/a

* Where: IBP is Investec Bank plc consolidated and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

** The CET1, Tier 1 and total capital adequacy ratios and RWAs are calculated applying the IFRS 9 transitional arrangements.

*** The CET1 ratio (fully loaded) and the leverage ratio (fully loaded) assumes full adoption of IFRS 9 and full adoption of all CRD IV rules of South African Prudential Authority regulations. As a result of the adoption of IFRS 9, Investec plc elected to designate its subordinated fixed rate medium-term notes due in 2022 at fair value. By the time of full adoption of IFRS 9 in 2023, these subordinated liabilities will have reached final maturity and will be redeemed at par value. The remaining interest rate portion of the fair value adjustment at 30 September 2021 of £2.6 million (post-taxation), has therefore been excluded from the fully loaded ratios as it will be released into profit and loss over the remaining life of the instrument.

° The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc and Investec Bank plc this does not include the deduction of foreseeable charges and dividends when calculating the CET1 ratio as required under the Capital Requirements Regulation. The impact of this deduction totalling £39 million (31 March 2021: £25 million) for Investec plc and £33 million (31 March 2021: £25 million) for IBP would lower the CET1 ratio by 26bps (31 March 2021: 17bps) and 21bps (31 March 2021: 16bps) respectively.

°° Investec Limited received approval to adopt the Advanced Internal Rating (AIRB) approach for the SME and Corporate models, effective 1 April 2021.

^ Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 93bps (31 March 2021: 39bps) and 0bps (31 March 2021: 48bps) lower.

^^ The leverage ratios are calculated on an end-quarter basis.

^^^ Investec plc is not subject to the UK leverage ratio framework; however, for comparative purposes this ratio has been disclosed. This framework excludes qualifying central bank balances from the calculation of the leverage exposure measure.

CAPITAL MANAGEMENT AND ALLOCATION
CONTINUED

Total regulatory capital flow statement

At 30 September 2021	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
Opening Common Equity Tier 1 capital	**1 824**	**1 893**	**42 935**	**43 817**
Dividends paid to ordinary shareholders and Additional Tier 1 security holders	(33)	(32)	(1 193)	(4 963)
Profit after taxation	108	105	2 691	2 711
Treasury shares	(2)	—	(489)	—
Share-based payment adjustments	(1)	—	213	—
Net equity movement in interests in associated undertakings	—	—	21	—
Movement in other comprehensive income	35	8	265	888
Investment in financial entity	—	—	(18)	669
Investment in capital of financial entities above 10% threshold	(24)	—	(303)	—
15% limit deduction	—	—	—	—
Shortfall of eligible provisions compared to expected loss	—	—	146	146
Goodwill and intangible assets (deduction net of related taxation liability)	(2)	—	53	53
Deferred tax that relies on future profitability (excluding those arising from temporary differences)	1	1	—	—
Deconsolidation of special purpose entities	(22)	(21)	—	—
Gains or losses on liabilities at fair value resulting from changes in own credit standing	(6)	(6)	(3)	(3)
IFRS 9 transitional arrangements	(17)	(17)	—	—
Other, including regulatory adjustments and other transitional arrangements	(3)	(1)	108	111
Closing Common Equity Tier 1 capital	**1 858**	**1 930**	**44 426**	**43 429**
Opening Additional Tier 1 capital	**274**	**250**	**2 142**	**1 336**
Issued capital	—	—	777	777
Redeemed capital	—	—	—	—
Other, including regulatory adjustments and transitional arrangements	—	—	(27)	—
Investment in capital of financial entities above 10% threshold	—	—	—	—
Movement in minority interest in non-banking entities	—	—	—	—
Closing Additional Tier 1 capital	**274**	**250**	**2 892**	**2 113**
Closing Tier 1 capital	**2 132**	**2 180**	**47 318**	**45 542**
Opening Tier 2 capital	**366**	**473**	**10 956**	**13 370**
Redeemed capital	—	—	(1 161)	(1 161)
Issued capital	—	—	—	—
Collective impairment allowances	—	—	25	25
Investment in capital of financial entities above 10% threshold	—	—	(330)	—
Other, including regulatory adjustments and other transitional arrangements	(25)	(31)	(165)	321
Closing Tier 2 capital	**341**	**442**	**9 325**	**12 555**
Closing total regulatory capital	**2 473**	**2 622**	**56 643**	**58 097**

* Where: IBP is Investec Bank plc consolidated and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

CAPITAL MANAGEMENT AND ALLOCATION
CONTINUED

Total regulatory capital flow statement

At 31 March 2021	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
Opening Common Equity Tier 1 capital	**1 745**	**1 819**	**36 867**	**38 551**
Dividends paid to ordinary shareholders and Additional Tier 1 security holders	(35)	(28)	(1 142)	(645)
Profit after taxation	70	64	3 859	3 997
Treasury shares	(8)	—	(50)	—
Share-based payment adjustments	(1)	—	436	—
Net equity movement in interests in associated undertakings	—	—	(406)	(406)
Movement in other comprehensive income	95	(3)	1 636	1 194
Investment in financial entity	—	—	913	927
Investment in capital of financial entities above 10% threshold	(85)	—	(298)	—
15% limit deduction	—	—	961	—
Shortfall of eligible provisions compared to expected loss	—	—	283	283
Goodwill and intangible assets (deduction net of related taxation liability)	19	17	112	107
Deferred tax that relies on future profitability (excluding those arising from temporary differences)	6	6	—	—
Deconsolidation of special purpose entities	13	9	—	—
Gains or losses on liabilities at fair value resulting from changes in own credit standing	1	—	(14)	(14)
IFRS 9 transitional arrangements	6	6	—	—
Other, including regulatory adjustments and other transitional arrangements	(2)	3	(222)	(177)
Closing Common Equity Tier 1 capital	**1 824**	**1 893**	**42 935**	**43 817**
Opening Additional Tier 1 capital	**274**	**250**	**1 902**	**751**
Issued capital	—	—	723	723
Redeemed capital	—	—	(198)	(54)
Other, including regulatory adjustments and transitional arrangements	—	—	(285)	(100)
Investment in capital of financial entities above 10% threshold	—	—	—	16
Closing Additional Tier 1 capital	**274**	**250**	**2 142**	**1 336**
Closing Tier 1 capital	**2 098**	**2 143**	**45 077**	**45 153**
Opening Tier 2 capital	**414**	**533**	**11 885**	**12 905**
Redeemed capital	—	—	(885)	(260)
Issued capital	—	—	1 636	1 636
Collective impairment allowances	—	—	(461)	(461)
Investment in capital of financial entities above 10% threshold	—	—	101	28
Other, including regulatory adjustments and other transitional arrangements	(48)	(60)	(1 320)	(478)
Closing Tier 2 capital	**366**	**473**	**10 956**	**13 370**
Closing total regulatory capital	**2 464**	**2 616**	**56 033**	**58 523**

* Where: IBP is Investec Bank plc consolidated and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

06

Additional information

ANALYSIS OF ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

At 30 September 2021 **£'000**	Total instruments at fair value	Amortised cost	Non-financial instruments or scoped out of IFRS 9	**Total**
Assets				
Cash and balances at central banks	—	3 957 654	—	3 957 654
Loans and advances to banks	—	2 602 105	—	2 602 105
Non-sovereign and non-bank cash placements	11 747	464 128	—	475 875
Reverse repurchase agreements and cash collateral on securities borrowed	829 570	2 990 806	—	3 820 376
Sovereign debt securities	3 249 220	587 895	—	3 837 115
Bank debt securities	852 836	588 162	—	1 440 998
Other debt securities	654 361	591 870	—	1 246 231
Derivative financial instruments	1 206 299	—	—	1 206 299
Securities arising from trading activities	1 085 375	—	—	1 085 375
Investment portfolio	928 741	—	—	928 741
Loans and advances to customers	2 402 915	25 563 415	—	27 966 330
Own originated loans and advances to customers securitised	—	372 602	—	372 602
Other loans and advances	—	109 006	—	109 006
Other securitised assets	101 851	31 839	—	133 690
Interests in associated undertakings and joint venture holdings	—	—	695 756	695 756
Current taxation assets	—	—	38 141	38 141
Deferred taxation assets	—	—	216 290	216 290
Other assets	272 394	991 181	469 613	1 733 188
Property and equipment	—	—	344 729	344 729
Investment properties	—	—	788 540	788 540
Goodwill	—	—	259 842	259 842
Software	—	—	11 363	11 363
Other acquired intangible assets	—	—	51 700	51 700
Non-current assets classified as held for sale	23 373	—	52 379	75 752
	11 618 682	**38 850 663**	**2 928 353**	**53 397 698**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	56 662	—	—	56 662
	11 675 344	**38 850 663**	**2 928 353**	**53 454 360**
Liabilities				
Deposits by banks	—	2 294 873	—	2 294 873
Derivative financial instruments	1 973 996	—	—	1 973 996
Other trading liabilities	225 498	—	—	225 498
Repurchase agreements and cash collateral on securities lent	50 237	1 129 344	—	1 179 581
Customer accounts (deposits)	1 358 492	34 994 515	—	36 353 007
Debt securities in issue	89 476	1 881 647	—	1 971 123
Liabilities arising on securitisation of own originated loans and advances	—	155 200	—	155 200
Liabilities arising on securitisation of other assets	104 215	—	—	104 215
Current taxation liabilities	—	—	54 104	54 104
Deferred taxation liabilities	—	—	19 448	19 448
Other liabilities	99 214	1 249 058	767 826	2 116 098
	3 901 128	**41 704 637**	**841 378**	**46 447 143**
Liabilities to customers under investment contracts	54 018	—	—	54 018
Insurance liabilities, including unit-linked liabilities	2 644	—	—	2 644
	3 957 790	**41 704 637**	**841 378**	**46 503 805**
Subordinated liabilities	336 750	1 100 013	—	1 436 763
	4 294 540	**42 804 650**	**841 378**	**47 940 568**

FAIR VALUE DISCLOSURE

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation technique used.

The different levels are identified as follows:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		Fair value category		
At 30 September 2021 **£'000**	**Total instruments at fair value**	Level 1	Level 2	Level 3
Assets				
Non-sovereign and non-bank cash placements	11 747	—	11 747	—
Reverse repurchase agreements and cash collateral on securities borrowed	829 570	—	829 570	—
Sovereign debt securities	3 249 220	3 249 220	—	—
Bank debt securities	852 836	338 939	513 897	—
Other debt securities	654 361	76 211	489 081	89 069
Derivative financial instruments	1 206 299	4 897	1 156 603	44 799
Securities arising from trading activities	1 085 375	1 075 735	4 628	5 012
Investment portfolio	928 741	30 692	11 319	886 730
Loans and advances to customers	2 402 915	—	1 058 205	1 344 710
Other securitised assets	101 851	—	—	101 851
Other assets	272 394	272 394	—	—
Non-current assets classified as held for sale	23 373	—	—	23 373
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	56 662	56 662	—	—
	11 675 344	**5 104 750**	**4 075 050**	**2 495 544**
Liabilities				
Derivative financial instruments	1 973 996	34 526	1 892 559	46 911
Other trading liabilities	225 498	92 365	133 133	—
Repurchase agreements and cash collateral on securities lent	50 237	—	50 237	—
Customer accounts (deposits)	1 358 492	—	1 358 492	—
Debt securities in issue	89 476	—	89 476	—
Liabilities arising on securitisation of other assets	104 215	—	—	104 215
Other liabilities	99 214	—	52 876	46 338
Liabilities to customers under investment contracts	54 018	—	54 018	—
Insurance liabilities, including unit-linked liabilities	2 644	—	2 644	—
Subordinated liabilities	336 750	336 750	—	—
	4 294 540	**463 641**	**3 633 435**	**197 464**
Net financial assets at fair value	**7 380 804**	**4 641 109**	**441 615**	**2 298 080**

There were no transfers between level 1 and level 2 in the current period.

FAIR VALUE DISCLOSURE
CONTINUED

Measurement of fair value financial assets and liabilities at level 2
The table below sets out information about the valuation techniques used at the end of the reporting period in measuring financial instruments categorised as level 2 in the fair value hierarchy:

	Valuation basis/techniques	Main inputs
Assets		
Non-sovereign and non-bank cash	Discounted cash flow model	Yield curves
Reverse repurchase agreements and cash collateral on securities borrowed	Discounted cash flow model, Hermite interpolation, Black-Scholes	Yield curves, discount rates, volatilities
Bank debt securities	Discounted cash flow model	Yield curves
Other debt securities	Discounted cash flow model	Yield curves, NCD curves and swap curves, discount rates, external prices, broker
Derivative financial instruments	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Black-Scholes and Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Securities arising from trading activities	Standard industry derivative pricing model, Discounted cash flow model	Interest rate curves, implied bond spreads, equity volatilities, yield curves
Investment portfolio	Discounted cash flow model, relative valuation model, Comparable quoted inputs	Discount rate and fund unit price, net assets
Loans and advances to customers	Discounted cash flow model	Yield curves
Liabilities		
Derivative financial instruments	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Black-Scholes and Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Other trading liabilities	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Repurchase agreements and cash collateral on securities lent	Discounted cash flow model, Hermite interpolation	Yield curves, discount rates
Customer accounts (deposits)	Discounted cash flow model	Yield curves, discount rates
Debt securities in issue	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Other liabilities	Discounted cash flow model	Yield curves
Liabilities to customers under investment contracts	Current price of underlying unitised assets	Listed prices
Insurance liabilities, including unit-linked liabilities	Current price of underlying unitised assets	Listed prices

FAIR VALUE DISCLOSURE
CONTINUED

Level 3 instruments

The following tables show a reconciliation of the opening balances to the closing balances for level 3 financial instruments. All instruments are at fair value through profit or loss.

£'000	Investment portfolio	Loans and advances to customers	Other securitised assets	Other balance sheet assets	Total
Assets					
Balance at 1 April 2021	**862 528**	**1 047 390**	**107 259**	**176 250**	**2 193 427**
Total gains	10 417	29 787	864	20 974	62 042
In the income statement	10 417	28 292	864	20 974	60 547
In the statement of comprehensive income	—	1 495	—	—	1 495
Purchases	54 937	1 102 958	—	18 962	1 176 857
Sales	(30 177)	(566 082)	—	(18 892)	(615 151)
Settlements	(16 688)	(315 936)	(6 272)	(38 868)	(377 764)
Transfers into level 3	—	34 095	—	—	34 095
Foreign exchange adjustments	5 713	12 498	—	3 827	22 038
Balance at 30 September 2021	**886 730**	**1 344 710**	**101 851**	**162 253**	**2 495 544**

For the period ended 30 September 2021, £34.1 million of loans and advances to customers measured at fair value has been transferred from level 2 to level 3, due to inputs related to the measurement of credit risk becoming unobservable in the market.

£'000	Liabilities arising on securitisation of other assets	Other balance sheet liabilities	Total
Liabilities			
Balance as at 1 April 2021	**108 281**	**73 592**	**181 873**
Total losses in the income statement	627	20 664	21 291
Repayment	—	(1 179)	(1 179)
Settlements	(4 693)	(803)	(5 496)
Foreign exchange adjustments	—	975	975
Balance as at 30 September 2021	**104 215**	**93 249**	**197 464**

The group transfers between levels within the fair value hierarchy when the significance of the unobservable inputs change or if the valuation methods change.

The following table quantifies the gains or (losses) included in the income statement recognised on level 3 financial instruments:

For the year to 30 September 2021 £'000	Total	Realised	Unrealised
Total gains or (losses) included in the income statement for the period			
Net interest income	31 876	21 955	9 921
Investment income*	8 534	13 426	(4 892)
Trading income arising from customer flow	(1 154)	—	(1 154)
	39 256	**35 381**	**3 875**
Total gains or (losses) included in other comprehensive income for the period			
Gains on realisation on debt instruments at FVOCI recycled through the income statement	302	302	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	1 495	—	1 495
	1 797	**302**	**1 495**

* Included within the investment income statement balance are unrealised gains of £0.3 million presented within operational items in the income statement.

FAIR VALUE DISCLOSURE
CONTINUED

Sensitivity of fair values to reasonably possible alternative assumptions by level 3 instrument type
The fair value of financial instruments in level 3 are measured using valuation techniques that incorporate assumptions that are not evidenced by prices from observable market data. The below valuations have been considered taking the ongoing global pandemic of COVID-19 into consideration. The following table shows the sensitivity of these fair values to reasonably possible alternative assumptions, determined at a transactional level:

At 30 September 2021	Balance sheet value £'000	Significant unobservable input changed	Range which unobservable input has been changed	Favourable changes £'000	Unfavourable changes £'000
Assets					
Other debt securities	89 069	Potential impact on income		3 390	(6 327)
		Credit spreads	0.7%-1.0%	86	(219)
		Cash flow adjustments	CPR 6.1%	3	(63)
		Other^	^	3 301	(6 045)
Derivative financial instruments	44 799	Potential impact on income		3 839	(4 309)
		Volatilities	5.3% - 12.6%	4	(8)
		Underlying asset value^^	^^	3 363	(3 363)
		Cashflow adjustment	CPR 6.1%	7	(7)
		Other^	^	465	(931)
Securities arising from trading activities	5 012	Potential impact on income statement			
		Cash flow adjustments	CPR 9.8%	647	(879)
Investment portfolio	886 730	Potential impact on income statement		103 097	(135 820)
		Price earnings multiple	5.5x-15.5x	14 125	(26 689)
		Underlying asset value^^	^^	1 681	(3 356)
		EBITDA	**	19 278	(19 188)
		Discount rate	17.5%-18.5%	4 462	(5 379)
		Cash flows	**	1 857	(1 379)
		Underlying asset value^^	**	2 916	(3 442)
		Precious and industrial metal prices	(5%)-5%	1 350	(1 350)
		Property values	#	39 330	(39 330)
		Other^	^	18 098	(35 707)
Loans and advances to customers	1 344 710	Potential impact on income statement		31 560	(50 142)
		Credit spreads	0.2% -34.3%	8 390	(16 486)
		Price earnings multiple	3.5x-4.1x	8 158	(6 011)
		Underlying asset value^^	^^	4 380	(8 457)
		Property values	^	5 159	(8 242)
		Other^	^	5 473	(10 946)
		Potential impact on other comprehensive income			
		Credit spreads	0.3% -3.4%	5 740	(12 345)
Other securitised assets*	101 851	Potential impact on income statement			
		Cash flow adjustments	CPR 6.1%	1 344	(1 247)
Non-current assets classified as held for sale	23 373	Potential impact on income statement			
		Discount rates	13%-15%	657	(780)
Total level 3 assets	**2 495 544**			**150 274**	**(211 849)**

FAIR VALUE DISCLOSURE
CONTINUED

At 30 September 2021	Balance sheet value £'000	Significant unobservable input changed	Range which unobservable input has been changed	Favourable changes £'000	Unfavourable changes £'000
Assets					
Liabilities					
Derivative financial instruments	46 911	Potential impact on income statement		(3 400)	3 436
		Volatilities	5.3% -20.5%	(37)	73
		Underlying asset value^^	^^	(3 363)	3 363
Liabilities arising on securitisation of other assets*	104 215	Potential impact on income statement			
		Cash flow adjustments	CPR 6.1%	(131)	225
Other liabilities	46 338	Potential impact on income statement			
		Property values	#	(5 462)	5 462
Total level 3 liabilities	**197 464**			**(8 993)**	**9 123**
Net level 3 assets	**2 298 080**				

* The sensitivity of the fair value of liabilities arising on securitisation of other assets has been considered together with other securitised assets.

^ Other – The valuation sensitivity has been assessed by adjusting various inputs such as expected cash flows, discount rates, earnings multiples rather than a single input. It is deemed appropriate to reflect the outcome on a portfolio basis for the purposes of this analysis as the sensitivity of the assets cannot be determined through the adjustment of a single input.

^^ Underlying asset values are calculated by reference to a tangible asset, for example property, aircraft or shares.

** The EBITDA, cash flows and property values have been stressed on an investment-by-investment and loan-by-loan basis in order to obtain favourable and unfavourable valuations.

Property values are the underlying input for the valuations where the capitalisation rate when valuing these properties has been stressed by 0.25bps.

FAIR VALUE DISCLOSURE
CONTINUED

In determining the value of level 3 financial instruments, the following are the principal inputs that can require judgement:

Credit spreads
Credit spreads reflect the additional yield that a market participant would demand for taking exposure to the credit risk of an instrument. The credit spread for an instrument forms part of the yield used in a discounted cash flow calculation. In general a significant increase in a credit spread in isolation will result in a movement in fair value that is unfavourable for the holder of a financial instrument.

Discount rates
Discount rates (including WACC) are used to adjust for the time value of money when using a discounted cash flow valuation method. Where relevant, the discount rate also accounts for illiquidity, market conditions and uncertainty of future cash flows.

Volatilities
Volatility is a key input in the valuation of derivative products containing optionality. Volatility is a measure of the variability or uncertainty in returns for a given derivative underlying. It represents an estimate of how much a particular underlying instrument, parameter or index will change in value over time.

Cash flows
Cash flows relate to the future cash flows which can be expected from the instrument and requires judgement.

EBITDA
The company's earnings before interest, taxes, depreciation and amortisation. This is the main input into a price earnings multiple valuation method.

Price earnings multiple
The price earnings ratio is an equity valuation multiple. It is a key driver in the valuation of unlisted investments.

Property values and precious and industrial metals
The property value and precious and industrial metals is a key driver of future cash flows on these investments.

Underlying asset value
In instances where cash flows have links to referenced assets, the underlying asset value is used to determine the fair value. The underlying asset valuation is derived using observable market prices sourced from broker quotes, specialist valuers or other reliable pricing sources.

FAIR VALUE DISCLOSURE
CONTINUED

Fair value of financial instruments at amortised cost

At 30 September 2021 **£'000**	**Carrying amount**	**Fair value approximates carrying amount**	**Balances where fair values do not approximate carrying amounts**	**Fair value of balances that do not approximate carrying amounts**
Assets				
Cash and balances at central banks	3 957 654	3 957 654	—	—
Loans and advances to banks	2 602 105	2 596 469	5 636	5 349
Non-sovereign and non-bank cash placements	464 128	464 128	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	2 990 806	1 155 867	1 834 939	1 836 036
Sovereign debt securities	587 895	4 297	583 598	589 101
Bank debt securities	588 162	54 779	533 383	546 062
Other debt securities	591 870	160 542	431 328	434 595
Loans and advances to customers	25 563 415	12 968 122	12 595 293	12 571 064
Own originated loans and advances to customers securitised	372 602	372 602	—	—
Other loans and advances	109 006	61 954	47 052	46 845
Other securitised assets	31 839	31 839	—	—
Other assets	991 181	991 011	170	165
	38 850 663	**22 819 264**	**16 031 399**	**16 029 217**
Liabilities				
Deposits by banks	2 294 873	283 588	2 011 285	2 042 693
Repurchase agreements and cash collateral on securities lent	1 129 344	384 937	744 407	744 730
Customer accounts (deposits)	34 994 515	16 954 659	18 039 856	18 110 720
Debt securities in issue	1 881 647	291 594	1 590 053	1 617 229
Liabilities arising on securitisation of own originated loans and advances	155 200	155 200	—	—
Other liabilities	1 249 058	1 245 124	3 934	2 999
Subordinated liabilities	1 100 013	78 132	1 021 881	1 145 770
	42 804 650	**19 393 234**	**23 411 416**	**23 664 141**

SHAREHOLDER ANALYSIS

Investec ordinary shares
As at 30 September 2021, Investec plc and Investec Limited had 696.1 million and 318.9 million ordinary shares in issue respectively.

Largest ordinary shareholders as at 30 September 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)	83 535 383	12.0%
2. Prudential Portfolio Mgrs (ZA)	69 646 735	10.0%
3. The Vanguard Group, Inc (US & UK)	31 712 130	4.6%
4. BlackRock Inc (US & UK)	30 652 277	4.4%
5. Allan Gray (ZA)	29 853 736	4.3%
6. Old Mutual Investment Group (ZA)	27 201 386	3.9%
7. BrightSphere Investment Group (US & UK)	23 852 442	3.4%
8. Investec Staff Share Scheme (UK)	21 657 756	3.1%
9. Schroder Investment Mgt (US & UK)	16 412 182	2.4%
10. Man GLG (UK)	14 644 034	2.1%
Cumulative total	**349 168 061**	**50.2%**

The top 10 shareholders account for 50.2% 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. The above analysis excludes shares held by Investec directors.

Investec Limited

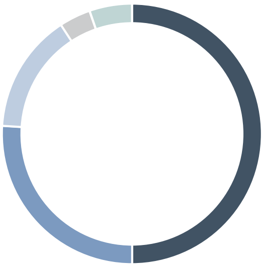
Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	42 490 926	13.3%
2. Allan Gray (ZA)	31 959 354	10.0%
3. Investec Staff Share Scheme (ZA)	26 237 601	8.2%
4. Old Mutual Investment Group (ZA)	19 797 012	6.2%
5. Sanlam Group (ZA)	13 482 854	4.2%
6. BlackRock Inc (US & UK)	11 134 991	3.5%
7. Prudential Portfolio Mgrs (ZA)	11 087 188	3.5%
8. The Vanguard Group, Inc (US)	9 242 501	2.9%
9. Westwood Global Investments (US)	8 131 300	2.5%
10. Swedbank Robur (EU)	7 934 521	2.5%
Cumulative total	**181 498 248**	**56.9%**

The top 10 shareholders account for 56.9% 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. The above analysis excludes shares held by Investec directors.

SHAREHOLDER ANALYSIS
CONTINUED

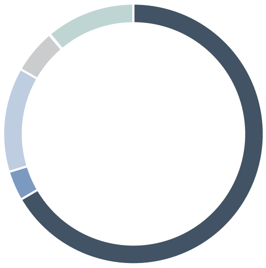
Geographical holding by beneficial ordinary shareholder as at 30 September 2021

Investec plc



South Africa	50.0%
UK	26.0%
USA and Canada	14.8%
Rest of Europe	3.9%
Asia	—%
Other countries and unknown	5.3%

Investec Limited



South Africa	66.6%
UK	3.7%
USA and Canada	13.0%
Rest of Europe	5.5%
Asia	0.1%
Other countries and unknown	11.1%

Share statistics

For the period ended	30 Sept 2021	30 Sept 2020
Price earnings ratio[1]	6.1	6.4
Dividend payout ratio (%)	41.8	49.1
Dividend yield (%)	6.9	7.7
Earnings yield (%)[1]	16.5	15.7

Investec plc

For the period ended	30 Sept 2021	30 Sept 2020
Daily average volumes of shares traded ('000)	1 849	3 376
Closing market price per share (Pound Sterling)	3.19	1.43
Number of ordinary shares in issue (million)	696.1	696.1
Market capitalisation (£'million)[2]	2 081	949

Investec Limited

For the period ended	30 Sept 2021	30 Sept 2020
Daily average volumes of shares traded ('000)	1 414	2 733
Closing market price per share (Rands)	65.45	31.55
Number of ordinary shares in issue (million)	318.9	318.9
Market capitalisation (R'million)[2]	60 005	29 290
Market capitalisation (£'million)[2]	2 925	1 328

1. Calculations are based on the annualised adjusted earnings per share 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.

07

Annexures

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. The external auditors 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 page 35 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 period Refer to page 35 for calculation
Adjusted operating profit	Refer to the calculation in the table below:

£'000	30 Sept 2021	30 Sept 2020	31 March 2021
Operating profit before goodwill, acquired intangibles and strategic actions	342 442	127 231	377 110
Less: (Profit)/loss attributable to other non-controlling interests	(16 712)	15 255	472
Adjusted operating profit	**325 730**	**142 486**	**377 582**

Adjusted operating profit per employee	Adjusted operating profit divided by average permanent employees Refer to page 59 for calculation
Annuity income	Net interest income plus net annuity fees and commissions Refer to pages 49 and 51
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	**30 Sept 2021**	31 March 2021	**30 Sept 2021**	31 March 2021	**30 Sept 2021**	31 March 2021
Loans and advances to customers per the balance sheet	13 695	12 336	14 271	13 705	27 966	26 041
Add: Own originated loans and advances to customers per the balance sheet	—	—	373	402	373	402
Add: ECL held against FVOCI loans reported on the balance sheet within reserves	(3)	(5)	—	—	(3)	(5)
Net core loans	**13 692**	**12 331**	**14 644**	**14 107**	**28 336**	**26 438**
of which subject to ECL*	13 008	11 819	14 566	14 030	27 574	25 849
Net core loans at amortised cost and FVOCI	13 008	11 819	13 553	12 935	26 561	24 754
Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes)^	—	—	1 013	1 095	1 013	1 095
of which FVPL (excluding fixed rate loans above)	684	512	78	77	762	589
Add: ECL	139	170	141	134	280	304
Gross core loans	**13 831**	**12 501**	**14 785**	**14 241**	**28 616**	**26 742**
of which subject to ECL*	13 147	11 989	14 707	14 164	27 854	26 153
of which FVPL (excluding fixed rate loans above)	684	512	78	77	762	589

^ These are fixed rate loans which have passed the solely payments of principal and interest (SPPI) test 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 (£1.0 billion) exposure falls predominantly into Stage 1 (consistent throughout the period) (31 March 2021: £1.1 billion). The ECL on the portfolio is £4.7 million (31 March 2021: £5.2 million).

* Includes portfolios for which ECL is not required for IFRS purposes, but 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	30 Sept 2021	30 Sept 2020	31 March 2021
Operating costs (A)^	598 453	535 755	1 164 513
Total operating income before expected credit losses	951 132	728 960	1 641 061
Less: (Profit)/loss attributable to other non-controlling interests	(16 712)	15 255	472
Total (B)	934 420	744 215	1 641 533
Cost to income ratio (A/B)	**64.0%**	**72.0%**	**70.9%**

Coverage ratio	ECL as a percentage of gross core loans subject to ECL
Credit loss ratio	Annualised 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 61
Net interest margin	Annualised interest income net of interest expense, divided by average interest-earning assets Refer to calculation on page 49
Return on average ordinary shareholders' equity (ROE)	Refer to calculation on pages 62 to 65
Return on average tangible ordinary shareholders' equity (ROTE)	Refer to calculation on pages 62 to 65
Return on risk-weighted assets	Annualised 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) Refer to page 61
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 66 and 67.

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 page 35 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 page 35 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 1/2021 issued by the South African Institute of Chartered Accountants. Headline earnings per share is 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 page 35 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 49 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 49 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.

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.

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 page 35.

GLOSSARY

AFS	Available for sale
AGM	Annual general meeting
AIRB	Advanced Internal Ratings-Based
ALCO	Asset and Liability Committee
AT1	Additional Tier 1
BBLS	Bounce Back Loan Scheme
BCBS	Basel Committee of Banking Supervision
BIS	Bank for International Settlements
BoE	Bank of England
BOM	Bank of Mauritius
BSE	Botswana Stock Exchange
CA	Chartered Accountant
CBILS	Coronavirus Business Interruption Loan Scheme
CCB	Capital Conservation Buffer
CCyB	Countercyclical Capital Buffer
CDO	Collateralised debt obligation
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CLBILS	Coronavirus Large Business Interruption Loan Scheme
CLF	Committed liquidity facility
CLO	Collateralised loan obligation
COO	Chief Operating Officer
CPI	Consumer Price Index
CPR	Conditional prepayment rate
CRR	Capital Requirements Regulation
CRDIV (Basel III)	Capital Requirements Directive IV
CRO	Chief Risk Officer
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
EAD	Exposure at default
EBA	European Banking Authority
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECB	European Central Bank
ECL	Expected credit losses
EPS	Earnings per share
ERV	Expected rental value
ESG	Environmental, social and governance
EU	European Union
FCA	Financial Conduct Authority
FIRB	Foundation Internal Ratings Based
FPC	Financial Policy Committee
FRC	Financial Reporting Council
FRTB	Fundamental Review of the Trading Book
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
GDP	Gross Domestic Product
HNW	High net worth
IAM	Investec Asset Management
IAPF	Investec Australia Property Fund
IASB	International Accounting Standards Board
IASs	International Accounting Standards
IBL	Investec Bank Limited
IBL BRCC	IBL Board Risk and Capital Committee
IBL ERC	IBL Executive Risk Committee
IBP	Investec Bank plc
IBP BRCC	IBP Board Risk and Capital Committee
IBP ERC	IBP Executive Risk Committee
IFRS	International Financial Reporting Standard
IPF	Investec Property Fund
IPO	Initial public offering
ISAs (UK)	International Standards on Auditing (UK)
JSE	Johannesburg Stock Exchange
LCR	Liquidity Coverage Ratio
LGD	Loss given default
LIBOR	London Inter-Bank Offered Rate
LSE	London Stock Exchange
MD	Managing Director
MiFID	Markets in Financial Instruments Directive
MREL	Minimum Requirements for Own Funds and Eligible Liabilities
NCI	Non-controlling interests
NSFR	Net Stable Funding Ratio
NSX	Namibian Stock Exchange
OCI	Other comprehensive income
OTC	Over the counter
PD	Probability of default
PRA	Prudential Regulation Authority
RLS	Recovery Loan Scheme
ROE	Return on equity
ROU	Right of use asset
RPI	Retail Price Index
RWA	Risk-weighted asset
S&P	Standard & Poor's
SARS	South African Revenue Service
SDGs	Sustainable Development Goals
SICR	Significant increase in credit risk
SME	Small and Medium-sized 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
UKLA	United Kingdom Listing Authority
W&I	Wealth & Investment
WACC	Weighted average cost of capital

DIVIDEND ANNOUNCEMENTS

Investec plc
Incorporated in England and Wales
Registration number: 3633621
LSE ordinary share code: INVP
JSE ordinary share code: INP
ISIN: GB00B17BBQ50
LEI: 2138007Z3U5GWDN3MY22

Ordinary share dividend announcement
Shareholders are referred to the company's unaudited combined consolidated financial results for the year ended 31 March 2021 and the accompanying dividend announcements released on SENS on 20 May 2021 and are advised that the dividend number stated in the announcement was incorrectly disclosed as dividend number 38 and should have referred to dividend number 37.

In terms of the DLC structure, Investec plc shareholders registered on the United Kingdom share register may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and/or through dividends declared and paid on the SA DAN share issued by Investec Limited.

Investec plc shareholders registered on the South African branch register may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and/or through dividends declared and paid on the SA DAS share issued by Investec Limited.

Declaration of dividend number 38
Notice is hereby given that a final dividend number 38, being a gross dividend of 11.00000 pence (2020: 5.50000 pence) per ordinary share has been declared by the board from income reserves in respect of the six months ended 30 September 2021 payable to shareholders recorded in the shareholders' register of the company at the close of business on Friday, 10 December 2021.

- For Investec plc shareholders, registered on the United Kingdom share register, through a dividend payment by Investec plc from income reserves of 11.00000 pence per ordinary share
- For Investec plc shareholders, registered on the South African branch register, through a dividend payment by Investec plc of 1.00000 pence per ordinary share and through a dividend paid by Investec Limited, on the SA DAS share, payable from income reserves, equivalent to 10.00000 pence per ordinary share.

The relevant dates relating to the payment of dividend number 38 are as follows:

Last day to trade cum-dividend	
On the Johannesburg Stock Exchange (JSE)	Tuesday, 7 December 2021
On the London Stock Exchange (LSE)	Wednesday, 8 December 2021
Shares commence trading ex-dividend	
On the Johannesburg Stock Exchange	Wednesday, 8 December 2021
On the London Stock Exchange	Thursday, 9 December 2021
Record date (on the JSE and LSE)	Friday, 10 December 2021
Payment date (on the JSE and LSE)	Wednesday, 22 December 2021

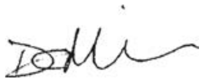
Share certificates on the South African branch register may not be dematerialised or rematerialised between Wednesday, 8 December 2021 and Friday, 10 December 2021, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 8 December 2021 and Friday, 10 December 2021, both dates inclusive.

DIVIDEND ANNOUNCEMENTS
CONTINUED

Additional information for South African resident shareholders of Investec plc

- Shareholders registered on the South African branch register are advised that the distribution of 11.00000 pence, equivalent to a gross dividend of 230.00000 cents per share, has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Wednesday, 17 November 2021
- Investec plc United Kingdom tax reference number: 2683967322360
- The issued ordinary share capital of Investec plc is 696 082 618 ordinary shares
- The dividend paid by Investec plc to South African resident shareholders registered on the South African branch register and the dividend paid by Investec Limited to Investec plc shareholders on the SA DAS share are subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- Shareholders registered on the South African branch register who are exempt from paying the Dividend Tax will receive a net dividend of 230.00000 cents per share on the SA DAS share, comprising 209.09091 cents per share paid by Investec Limited on the SA DAS share and 20.90909 cents per ordinary share paid by Investec plc.
- Shareholders registered on the South African branch register who are not exempt from paying the Dividend Tax will receive a net dividend of 184.00000 cents per share (gross dividend of 230.00000 cents per share less Dividend Tax of 46.00000 cents per share) comprising 167.27273 cents per share paid by Investec Limited on the SA DAS share and 16.72727 cents per ordinary share paid by Investec plc.

By order of the board



David Miller
Company Secretary
17 November 2021

DIVIDEND ANNOUNCEMENTS
CONTINUED

Investec Limited
Incorporated in the Republic of South Africa
Registration number: 1925/002833/06
JSE share code: INL
NSX ordinary share code: IVD
BSE ordinary share code: INVESTEC
ISIN: ZAE000081949
LEI.: 213800CU7SM6O4UWOZ70

Ordinary share dividend announcement

Declaration of dividend number 131

Notice is hereby given that interim dividend number 131, being a gross dividend of 230.00000 cents (2020: 112.00000 cents) per ordinary share has been declared by the board from income reserves in respect of the six months ended 30 September 2021 payable to shareholders recorded in the shareholders' register of the company at the close of business on Friday, 10 December 2021.

The relevant dates relating to the payment of dividend number 131 are as follows:

Last day to trade cum-dividend	Tuesday, 7 December 2021
Shares commence trading ex-dividend	Wednesday, 8 December 2021
Record date	Friday, 10 December 2021
Payment date	Wednesday, 22 December 2021

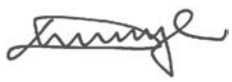
The interim gross dividend of 230.00000 cents per ordinary share has been determined by converting the Investec plc distribution of 11.00000 pence per ordinary share into Rands using the Rand/Pound Sterling average buy/sell forward rate at 11h00 (SA time) on Wednesday, 17 November 2021.

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 December 2021 and Friday, 10 December 2021, both dates inclusive.

Additional information to take note of

- Investec Limited South African tax reference number: 9800/181/71/2
- The issued ordinary share capital of Investec Limited is 318 904 709 ordinary shares
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- Shareholders who are exempt from paying the Dividend Tax will receive a net dividend of 230.00000 cents per ordinary share
- Shareholders who are not exempt from paying the Dividend Tax will receive a net dividend of 184.00000 cents per ordinary share (gross dividend of 230.00000 cents per ordinary share less Dividend Tax of 46.00000 cents per ordinary share).

By order of the board



Niki van Wyk
Company Secretary
17 November 2021

DIVIDEND ANNOUNCEMENTS
CONTINUED

Investec plc
Incorporated in England and Wales
Registration number: 3633621
Share code: INPP
ISIN: GB00B19RX541
LEI: 2138007Z3U5GWDN3MY22

Preference share dividend announcement
Non-redeemable non-cumulative non-participating preference shares ('preference shares')

Declaration of dividend number 31

Notice is hereby given that preference dividend number 31 has been declared by the board from income reserves for the period 1 April 2021 to 30 September 2021 amounting to a gross preference dividend of 5.51508 pence per preference share payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 03 December 2021.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 5.51508 pence per preference share is equivalent to a gross dividend of 115.02306 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA time) on Wednesday, 17 November 2021.

The relevant dates relating to the payment of dividend number 31 are as follows:

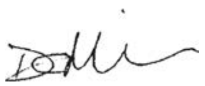
Last day to trade cum-dividend	
On the Johannesburg Stock Exchange (JSE)	Tuesday, 30 November 2021
On the International Stock Exchange (TISE)	Wednesday, 1 December 2021
Shares commence trading ex-dividend	
On the Johannesburg Stock Exchange (JSE)	Wednesday, 1 December 2021
On the International Stock Exchange (TISE)	Thursday, 2 December 2021
Record date (on the JSE and TISE)	Friday, 3 December 2021
Payment date (on the JSE and TISE)	Monday, 13 December 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 1 December 2021 and Friday, 3 December 2021, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 1 December 2021 and Friday, 3 December 2021 both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Investec plc United Kingdom tax reference number: 2683967322360
- The issued preference share capital of Investec plc is 2 754 587 preference shares
- The dividend paid by Investec plc to shareholders recorded on the South African branch register is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 92.01845 cents per preference share for preference shareholders liable to pay the Dividend Tax and 115.02306 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board



David Miller
Company Secretary
17 November 2021

DIVIDEND ANNOUNCEMENTS
CONTINUED

Investec plc
Incorporated in England and Wales
Registration number: 3633621
JSE share code: INPPR
ISIN: GB00B4B0Q974
LEI: 2138007Z3U5GWDN3MY22

Rand-denominated preference share dividend announcement
Rand-denominated non-redeemable non-cumulative non-participating perpetual preference shares ('preference shares')
Declaration of dividend number 21
Notice is hereby given that preference dividend number 21 has been declared by the board from income reserves for the period 1 April 2021 to 30 September 2021 amounting to a gross preference dividend of 333.41097 cents per preference share payable to holders of the Rand-denominated non-redeemable non-cumulative non-participating perpetual preference shares as recorded in the books of the company at the close of business on Friday, 10 December 2021.

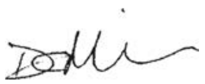
The relevant dates relating to the payment of dividend number 21 are as follows:

Last day to trade cum-dividend	Tuesday, 7 December 2021
Shares commence trading ex-dividend	Wednesday, 8 December 2021
Record date	Friday, 10 December 2021
Payment date	Monday, 13 December 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 December 2021 and Friday, 10 December 2021, both dates inclusive.

Additional information for South African resident shareholders of Investec plc
- Investec plc United Kingdom tax reference number: 2683967322360
- The issued Rand-denominated preference share capital of Investec plc is 131 447 preference shares
- The dividend paid by Investec plc to shareholders recorded on the South African branch register is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 266.72878 cents per preference share for preference shareholders liable to pay the Dividend Tax and 333.41097 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board



David Miller
Company Secretary
17 November 2021

DIVIDEND ANNOUNCEMENTS
CONTINUED

Investec Limited
Incorporated in the Republic of South Africa
Registration number: 1925/002833/06
JSE share code: INPR
NSX ordinary share code: IVD
BSE ordinary share code: INVESTEC
ISIN: ZAE000063814
LEI: 213800CU7SM6O4UWOZ70

Preference share dividend announcement
Non-redeemable non-cumulative non-participating preference shares ('preference shares')
Declaration of dividend number 34
Notice is hereby given that preference dividend number 34 has been declared by the board from income reserves for the period 1 April 2021 to 30 September 2021 amounting to a gross preference dividend of 272.94074 cents per preference share payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 10 December 2021.

The relevant dates for the payment of dividend number 34 are as follows:

Last day to trade cum-dividend	Tuesday, 7 December 2021
Shares commence trading ex-dividend	Wednesday, 8 December 2021
Record date	Friday, 10 December 2021
Payment date	Monday, 13 December 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 December 2021 and Friday, 10 December 2021, both dates inclusive.

Additional information to take note of
- Investec Limited South African tax reference number: 9800/181/71/2
- The issued preference share capital of Investec Limited is 30 756 461 preference shares
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 218.35259 cents per preference share for shareholders liable to pay the Dividend Tax and 272.94074 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

Niki van Wyk
Company Secretary
17 November 2021

DIVIDEND ANNOUNCEMENTS
CONTINUED

Investec Bank Limited
Incorporated in the Republic of South Africa
Registration number: 1969/004763/06
Share code: INLP
ISIN: ZAE000048393
LEI: 549300RH5FFHO48FXT69

Preference share dividend announcement
Non-redeemable non-cumulative non-participating preference shares ('preference shares')
Declaration of dividend number 37
Notice is hereby given that preference dividend number 37 has been declared by the board from income reserves for the period 1 April 2021 to 30 September 2021 amounting to a gross preference dividend of 292.45405 cents per preference share payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 10 December 2021.

The relevant dates for the payment of dividend number 37 are as follows:

Last day to trade cum-dividend	Tuesday, 7 December 2021
Shares commence trading ex-dividend	Wednesday, 8 December 2021
Record date	Friday, 10 December 2021
Payment date	Monday, 13 December 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 December 2021 and Friday, 10 December 2021, both dates inclusive.

Additional information for South African resident shareholders of Investec plc
- Investec Bank Limited tax reference number: 9675/053/71/5
- The issued share preference share capital of Investec Bank Limited is 14 917 559 preference shares
- The dividend paid by Investec Bank Limited is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 233.96324 cents per preference share for shareholders liable to pay the Dividend Tax and 292.45405 cents per preference shareholders exempt from paying the Dividend Tax.

By order of the board

Niki van Wyk
Company Secretary
17 November 2021

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Registration number
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Registration number 3633621

Investec Limited
Registration number 1925/002833/06

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KMPG Inc.

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Nishlan Samujh (Finance Director)
Richard Wainwright
Ciaran Whelan

Non-executive directors
Philip Hourquebie (Chair)
Zarina Bassa (Senior Independent Director)
Henrietta Baldock
David Friedland
Stephen Koseff
Nicky Newton-King
Jasandra Nyker
Khumo Shuenyane
Philisiwe Sibiya
Brian Stevenson

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