OUT OF THE ORDINARY

Investec

Distinct
Agile
Resilient

Investec year-end 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

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

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

WHO WE ARE
CONTINUED

WHO WE ARE
CONTINUED

WHO WE ARE
CONTINUED

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

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

Investec. Out of the Ordinary.

OUR BUSINESS AT A GLANCE

One Investec

Our purpose

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

Our mission

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

Our distinction

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

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

Our strategic direction

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

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

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

Our values

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

1

Cast-iron integrity

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

2

Distinctive performance

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

3

Client focus

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

4

Entrepreneurial spirit

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

5

Dedicated partnership

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

OUR BUSINESS AT A GLANCE
CONTINUED

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

Our journey so far

1974
Founded as a leasing company in Johannesburg

1980
We acquired a banking licence

1986
We were listed on the JSE Limited South Africa

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

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

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

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

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

Investment proposition

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

OUR BUSINESS AT A GLANCE
CONTINUED

Our operational structure

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

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

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

Our DLC structure and main operating subsidiaries

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

Salient features of the DLC structure

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

OUR BUSINESS AT A GLANCE
CONTINUED

40 years of heritage.

Two core geographies.

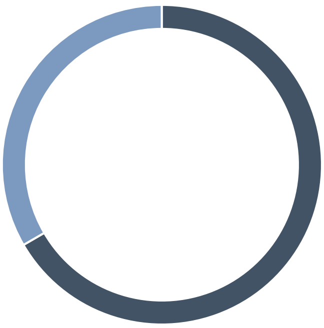
One Investec.

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

Our group

Adjusted operating profit

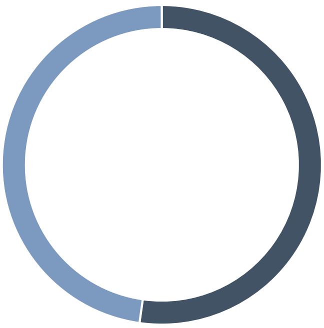
£377.6mn



Southern Africa	£251.6mn
UK and Other	£126.0mn

Total assets

£51.5bn



Southern Africa	£26.9bn
UK and Other	£24.6bn

1 Southern Africa

Net core loans

£14.1bn

Customer deposits

£18.4bn

Funds under management

£16.7bn

Permanent employees

4 400+

ROE

9.3%

Cost to income ratio

58.7%

2 UK and Other

Net core loans

£12.3bn

Customer deposits

£16.1bn

Funds under management

£41.7bn

Permanent employees

3 400+

ROE

4.0%

Cost to income ratio

79.5%

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

64%

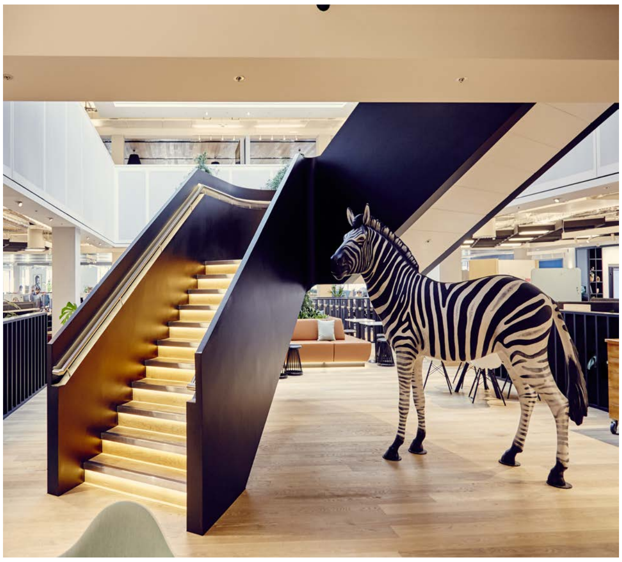
of SA Wealth & Investment's top clients are clients of the SA Private Bank

c.10%

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

OUR STRATEGIC OBJECTIVES

Driving sustainable long-term growth



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

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

Our long-term strategic focus:

- **We are committed to delivering exceptional service to our clients, creating long-term value for our shareholders and contributing meaningfully to our people, communities and the planet**
- **All relevant Investec resources and services are on offer in every single client transaction**
- **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.**

Five key strategic objectives

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

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

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

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

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

Read more in our Divisional Review section on pages 71 to 97

OUR BUSINESS MODEL

Creating sustainable, long-term value

Key highlights

Principal geographies	Core areas of activity	Permanent employees	Core loans	Customer deposits	Funds under management
2	2	7 800+	£26.4bn	£34.4bn	£58.4bn

Our clients and offering

Corporate / Institutional / Government / Intermediary

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

Specialist Banking

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

Wealth & Investment

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

Our approach

We have market-leading, distinctive client franchises

We provide a high-level of client service enabled by advanced 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 20 May 2021 were as follows:

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

Further information on Investec's credit ratings may be found on our website.

01

Overview of results

2021 FINANCIAL YEAR END RESULTS COMMENTARY

Basis of presentation
This announcement covers the results of Investec plc and Investec Limited (together "the Investec group" or "Investec" or "the group") for the year ended 31 March 2021 (FY2021). Commentary on the group's financial performance represents the continuing operations (excluding the consolidated results for Ninety One, formerly Investec Asset Management, for the period 1 April 2019 to 13 March 2020; including the equity accounted earnings from 13 March 2020 (date of demerger)). Unless stated otherwise, comparatives relate to the group's continuing operations for the year ended 31 March 2020 (FY2020).

The average Rand/Pound Sterling exchange rate depreciated by 13.6% in FY2021.

Fani Titi, Group Chief Executive commented:
"The 2021 financial year was a tale of two halves. First half performance was characterised by difficult and volatile market and economic conditions attributable primarily to COVID-19. The second half showed strong earnings recovery, supported by our resilient client base, a rebound in economic activity and a greater sense of optimism spurred on by global vaccination campaigns. We carry this momentum into the 2022 financial year, focused on actively servicing our clients and delivering long-term value.

Adjusted earnings per share from continuing operations for FY2021 of 28.9p was 14.7% behind the prior year, with second half earnings 58.1% ahead of the first half. Tangible net asset value per share increased by 12.7% to 425.7p. A final dividend of 7.5p has been proposed bringing the full year dividend to 13.0p.

We are delighted to report record funds under management and operating profit in our Wealth businesses. The South African Specialist Bank produced an excellent performance in a difficult environment reporting flat profits in Rands. This performance highlights the quality of our client franchises and our commitment to outstanding client service. The UK Specialist Bank client franchises performed strongly showing continued traction in our client acquisition strategy across the business, reporting loan book growth of 8.7%. The investment in our UK Private Banking business is bearing fruit and performing ahead of expectations.

Implementation of the Board's strategy to improve capital allocation and reduce complexity of the business is largely complete, and the associated costs have been absorbed in these results. As a result of the actions we have taken over the last two years, Investec is well positioned to deliver an improved performance.

While the improving economic outlook is reassuring, the short-term trajectory and the long-term effects of the pandemic are uncertain. The group is well capitalised and lowly leveraged, adequately provisioned and has strong liquidity – enabling us to benefit from continued economic recovery.

I wish to thank my colleagues for their dedication to our clients throughout the COVID-19 crisis and for the support they have shown each other during a tough year. I applaud the work done to support local communities since the start of the pandemic and am proud that we have held true to our values, living in society, not off it."

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

- The Wealth & Investment business reported growth in funds under management (FUM) of 30.4% to £58 billion (FY2020: £45 billion) reflecting market recovery, good investment performance and continued net inflows of £1.1 billion.
- Lending franchises reported positive book growth in the second half, ending the year with a 6.1% increase in core loans to £26.4 billion (FY2020: £24.9 billion). The Private Banking franchise reported higher core loans year on year supported by strong lending book growth in 2H2021. Though the corporate lending book saw improvement in the second half, overall, the book ended lower than the prior year. Good client acquisition in SA and UK supported a 6.9% increase in deposits.
- Client activity within the Specialist Banking business increased since December 2020 with strong equity capital markets performance in the UK Corporate and Investment Bank.

Performance highlights

- **Total operating income (before impairments)** declined by 9.2% as the positive impact of higher average interest earning assets, growth in FUM and the first-time inclusion of the equity accounted earnings of the group's share of Ninety One was negatively impacted by lower interest rates, reduced client activity and elevated risk management and risk reduction costs related to our UK structured products book.
- **Costs:** Total operating costs reduced by 1.8% year on year with fixed costs decreasing by 6.6% driven by headcount reduction and lower discretionary spending. These savings were partially offset by an increase in variable remuneration reflecting improved business momentum and continued investment in technology. The group incurred approximately £26 million of one-off restructuring costs in the period.
- **Asset quality:** Net lower expected credit loss (ECL) impairment charges of £99.4 million (FY2020: £133.3 million) resulted in a credit loss ratio (CLR) of 35bps (H1 2021: 47bps, FY2020: 52bps) reflecting sound credit quality and higher recoveries.
- **Return on Equity (ROE):** The group generated an ROE of 6.6% (FY2020: 8.3%) and a return on tangible equity (ROTE) of 7.2% (FY2020: 9.2%).
- **Capital and liquidity:** Capital, leverage and liquidity ratios remain sound and ahead of internal board-approved minimum targets and regulatory requirements. The common equity tier (CET) 1 and leverage ratio was 12.2% and 7.6% for Investec

2021 FINANCIAL YEAR END RESULTS COMMENTARY
CONTINUED

Limited (FIRB approach) and 11.2% and 7.9% for Investec plc (standardised approach). Cash and near cash was £13.2 billion at 31 March 2021, representing 38.4% of customer deposits.

- **Net asset value (NAV):** NAV per share increased by 11.1% to 460.2p (31 March 2020: 414.3p) and tangible NAV (TNAV) per share increased by 12.7% to 425.7p (31 March 2020: 377.6p).

Strategic execution: tail-end of simplification

We took significant steps in the current year to deliver on our strategy to simplify and reduce complexity of the business. Costs associated with the implementation of these initiatives have been absorbed in these results.

- We announced the wind down of our Australian operations in December 2020 and sold most of the book in March 2021
- Reduced the group investment portfolio and are encouraged by the improving environment for asset realisations
- The UK bank was reorganised with support functions centralised to improve operational efficiency. Regrettably, the measures taken included headcount reductions in the London office
- Relocated certain functions to lower cost geographies to improve operational leverage within the business
- The losses incurred in the UK structured products book and the heightened level of risk necessitated a shift in strategy and the discontinuation of this funding channel
- Approval was received from the Prudential Authority to adopt the Advanced Internal Ratings Based (AIRB) approach for the SME and Corporate models effective 1 April 2021. As a result, the pro-forma AIRB CET1 ratio was 12.8% at 31 March 2021, an approximate 60bps uplift on FIRB. We are working towards further adoption of AIRB on certain remaining portfolios and expect a further 100bps to 150bps uplift to the CET1 ratio.

Dividend

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

Outlook

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

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

The group remains committed to achieving a 12% to 16% ROE (Investec limited: 15% to 18% and Investec plc: 11% to 15%) in the medium-term. Achievement of these targets will be underpinned by a sharpened focus on growth in select initiatives through connected client ecosystems enabled by shared digital and operational platforms. Capital allocation efforts are expected to result in excess capital as we optimise the investment portfolio and complete our migration to AIRB in the South African business.

We are well positioned to pursue our identified growth objectives and take advantage of opportunities that the new environment presents.

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

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

2021 FINANCIAL YEAR END RESULTS COMMENTARY
CONTINUED

	FY2021	FY2020	Variance	% change	Neutral currency % change
Funds under management (£'bn)	58.4	45.0	13.4	29.8%	26.9%
Customer accounts (deposits) (£'bn)	34.4	32.2	2.2	6.9%	2.2%
Core loans (£'bn)	26.4	24.9	1.5	6.1%	1.6%
Cash and near cash (£'bn)	13.2	12.7	0.5	4.3%	0.3%
CET1 ratio – Investec Limited	12.2%	10.9%			
Leverage ratio[2] – Investec Limited	7.6%	6.4%			
CET1 ratio – Investec plc	11.2%	10.7%			
Leverage ratio[2] – Investec plc	7.9%	7.8%			
NAV per share (pence)	460.2	414.3	45.9	11.1%	9.8%
TNAV per share (pence)	425.7	377.6	48.1	12.7%	11.4%

2. Current Leverage ratios calculated on an end quarter basis.

Business overview
The commentary and trends that follow relate to Investec's operations for the year ended 31 March 2021 (FY2021). Unless stated otherwise, comparatives relate to the group's continuing operations for the year ended 31 March 2020 (FY2020).

Performance by geography

	FY2021	FY2020	% change	Neutral currency % change
Investec Limited (Southern Africa)				
Adjusted operating profit (£'m)	251.6	285.7	(11.9%)	(0.8%)
Cost to income ratio	58.7%	56.4%		
ROE	9.3%	10.7%		
ROTE	9.4%	10.8%		
Investec plc (UK & Other)				
Adjusted operating profit (£'m)	126.0	133.5	(5.6%)	n/a
Cost to income ratio	79.5%	78.0%		
ROE	4.0%	6.0%		
ROTE	4.8%	7.4%		

Segmental performance
The key operating decision makers have revised the manner in which the results of the Specialist Banking segment are presented. Accordingly, the results of Investec Private Banking and Investec Corporate, Investment Banking and Other, have been disaggregated and disclosed as separate segments for the first time in the 31 March 2021 results. The following analysis of segmental performance was prepared at a Specialist Bank level and the detail of the new segmental disclosures can be found in this year-end results booklet.

Wealth & Investment
Adjusted operating profit from the Wealth & Investment business increased by 11.8% to £100.5 million (FY2020: £89.9 million).

Wealth & Investment	Southern Africa					UK & Other			
	FY2021	FY2020	Variance			**FY2021**	FY2020	Variance	
	£'m	£'m	£'m	%	% in Rands	**£'m**	£'m	£'m	%
Operating income	83.6	87.8	(4.1)	(4.7%)	7.8%	319.5	317.7	1.8	0.6%
Operating costs	(57.5)	(60.9)	3.4	(5.5%)	6.6%	(245.2)	(254.7)	9.5	(3.7%)
Adjusted operating profit	**26.1**	**26.8**	**(0.7)**	**(2.7%)**	**10.6%**	**74.3**	**63.0**	**11.3**	**18.0%**

Totals and variance determined in £'000.

Southern Africa Wealth & Investment (in Rands)
Adjusted operating profit increased by 10.6%.

FUM increased by 32.0% to R333.0 billion (FY2020: of R252.4 billion), with good net discretionary inflows of R7.6 billion (non-discretionary outflows of R8.5 billion). Revenue grew by 7.8%, supported by increased levels of trading activity (given market volatility), higher average discretionary and annuity FUM and market performance.

Operating costs increased by 6.6% driven by inflationary increases and higher information technology spend. The business achieved an operating margin of 31.2% (2020: 30.4%).

2021 FINANCIAL YEAR END RESULTS COMMENTARY
CONTINUED

UK & Other Wealth & Investment

Adjusted operating profit increased by 18.0% to £74.3 million (FY2020: £63.0 million).

The UK Wealth & Investment business reported positive net organic growth in FUM of 3.3% since 31 March 2020. Net inflows of £1.1 billion, favourable market movements and good investment performance, contributed to a record increase in FUM to £41.7 billion (FY2020: £33.1 billion). Revenue was broadly flat compared to the prior year, positively impacted by organic growth in FUM in the current and prior year, increased transaction volumes and the associated repositioning of client portfolios, and negatively impacted by lower interest rates.

Operating costs reduced by 3.7% to £245.2 million, including one-off headcount reduction related costs of £4.0 million and a £2.0 million increase in the Financial Services Compensation Scheme (FSCS) levy (FY2020: £4.1 million).

The UK domestic business (which accounts for 97.1% of FUM) reported an operating margin of 25.2% (FY2020: 22.4%), while a combined operating margin for UK & Other of 23.3% (FY2020: 19.8%) was achieved.

Specialist Banking

Adjusted operating profit from the Specialist Banking business decreased by 24.6% to £276.3 million (FY2020: £366.4 million).

Specialist Banking	Southern Africa					UK & Other			
	FY2021	FY2020	Variance			**FY2021**	FY2020	Variance	
	£'m	£'m	£'m	%	% in Rands	**£'m**	£'m	£'m	%
Operating income	580.3	676.1	(95.8)	(14.2%)	(3.0%)	618.0	630.5	(12.5)	(2.0%)
ECL impairment charges	(25.9)	(49.3)	23.5	(47.6%)	(39.9%)	(71.2)	(75.8)	4.6	(6.1%)
Operating costs	(323.3)	(363.0)	39.7	(10.9%)	1.0%	(502.9)	(451.2)	(51.7)	11.5%
(Profit)/loss attributable to NCI	0.3	—	0.3	>100.0%	—	0.9	(0.9)	1.7	>100.0%
Adjusted operating profit	**231.5**	**263.7**	**(32.2)**	**(12.2%)**	**(1.2%)**	**44.8**	**102.6**	**(57.9)**	**(56.4%)**

Totals and variance determined in £'000.

Southern Africa Specialist Banking (in Rands)

Adjusted operating profit for the Southern African business decreased by 1.2%.

We have seen good momentum since December 2020 with stronger activity levels, growth in lending books, good client acquisition and improved point-of-sale activity from private clients as well as increased corporate trading activity. The positive impact from higher trading income, lower year on year fair value markdowns on investments and a lower ECL charge was offset by the endowment effect from interest rate cuts and lower overall fee income due to reduced client activity in the first half.

Net interest income decreased by 4.2%, driven primarily by the 300bps rate cuts since January 2020. The increase in trading income was negatively impacted by lower overall lending and transactional activity compared to the prior year and reduced investment income due to negative fair value adjustments, lower realisations and dividend income given the prevailing economic backdrop.

ECL impairment charges were 39.9% lower, resulting in a CLR of 18bps (FY 2020: 38bps). Notwithstanding the additional overlays raised in the current year and higher specific impairments, our 18bps credit loss ratio is driven by muted growth in Stage 1 and Stage 2 impairment requirements and higher recoveries.

Operating costs increased by 1.0%, due primarily to costs associated with the employee share scheme linked to the Ninety One demerger, normalised staff costs and the first-time consolidation of a European logistics property asset management company acquired in the prior year. The cost to income ratio was 55.7% (FY2020: 53.7%).

Overall, net core loans were marginally down at R287.3 billion (31 March 2020: R288.9 billion). The private clients loan book grew by 2.2%, while the corporate lending book declined year on year due to higher repayments and lower net new originations.

2021 FINANCIAL YEAR END RESULTS COMMENTARY
CONTINUED

UK & Other Specialist Banking

Adjusted operating profit for the UK & Other Specialist Bank declined by 56.4% to £44.8 million (FY2020: £102.6 million). The £57.9 million reduction in profits was driven by risk management and risk reduction costs of £93 million related to the structured products book.

We saw strong equity capital markets activity and good levels of lending turnover across private client and certain corporate client lending areas. Private client activities saw good origination and client acquisition, particularly in 2H2021 where net lending growth was c.58% above 1H2021. Increased loan growth momentum in 2H2021 stemming from fund finance, asset finance and power & infrastructure finance was negatively impacted by the sale of the lending book in Australia and increased redemptions seen across the book. As a result, the corporate loan book was broadly flat year on year.

Notwithstanding lower interest rates, net interest income increased by 3.3% supported by growth in average private client core loans. Strong fees from equity capital market activities and an improvement in investment income were negatively impacted by lower lending fees and structured products risk management and risk reduction costs. These costs were £40 million in the second half, below the £53 million reported in the first half. For the 2022 financial year we expect these costs to be approximately £30 million. This guidance is subject to various assumptions, which if altered, may result in a different outcome to management expectations.

ECL impairment charges decreased by 6.1%, resulting in a CLR of 56bps (FY2020: 69bps). This was mainly driven by a lower Stage 3 ECL impairment charge in the current year.

Operating costs: Fixed operating costs reduced by 5.6%, while the increase in variable remuneration resulted in an overall 11.5% increase in operating costs. These costs include one-off costs of approximately £22 million associated with the implementation of restructures as part of the group's strategy to simplify and focus the business, the reorganisation of the UK bank including related redundancies and closure of operations in Australia.

Net core loans grew by 3.9% to £12.3 billion (31 March 2020: £11.9 billion) driven by organic growth in the private clients book (37.2% growth). The sale and wind down of the Australian business and redemptions across the corporate book negatively impacted book growth. Excluding Australia, net core loans for the UK bank grew by approximately 8.7%.

Group Investments

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

The assets include 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 historical unlisted equity investments.

Adjusted operating profit from Group Investments was £34.4 million (FY2020: £16.7 million).

Group Investments	Southern Africa					UK & Other			
	FY2021	FY2020	Variance			**FY2021**	FY2020	Variance	
	£'m	£'m	£'m	%	% in Rands	**£'m**	£'m	£'m	%
Operating income (net of ECL charges)	12.0	82.5	(70.5)	(>100.0%)	(>100.0%)	25.1	4.1	21.1	>100%
Operating costs	(2.1)	(2.8)	0.7	(25.5%)	72.0%	—	—	—	—
(Profit) attributable to NCI	(0.7)	(67.1)	66.4	(99.0%)	(99.7%)	—	—	—	—
Adjusted operating profit	**9.2**	**12.6**	**(3.4)**	**(26.8%)**	**(20.1%)**	**25.1**	**4.1**	**21.1**	**>100%**

Totals and variance determined in £'000.

The positive impact from the inclusion of the equity accounted earnings from the group's 25% stake in Ninety One and profit on disposal of certain investments was partly offset by the impact of COVID-19 related lockdowns on the profitability of IPF and IEP, and the impact of negative FX revaluations on Euro-denominated investments in IPF.

Group Costs

Group Costs decreased by 37.7% to £33.5 million (FY2020: £53.8 million) positively impacted by the non-repeat of expenses associated with the exit of a marketing contract in the UK in the prior year.

2021 FINANCIAL YEAR END RESULTS COMMENTARY
CONTINUED

Overview of financial performance

Total operating income before expected credit loss impairment charges

Total operating income before expected credit losses decreased by 9.2% to £1 641 million (FY2020: £1 807 million).

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

Expected credit loss (ECL) impairment charges

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

In South Africa, the Stage 1 coverage ratio remained at 0.4% (31 March 2020: 0.4%). The Stage 2 coverage ratio declined to 2.6% (31 March 2020: 2.8%) driven by the positive impact of the updated macro-economic assumptions applied in our models. Despite an increase in Stage 3 specific impairments, the coverage ratio declined to 17.5% (31 March 2020: 42.2%) due to some highly collateralised deals migrating from Stage 2 and specific exposures with higher provision coverage written off in the current year.

In the UK, the Stage 1 coverage ratio reduced to 0.3% (31 March 2020: 0.4%). The Stage 2 coverage ratio decreased from 5.4% at FY2020 to 3.4% as a significant proportion of the exposures that migrated into Stage 2 were from lower risk exposures, transferred into Stage 2 based on the deteriorating forward-looking view on their credit performance under current macro-economic expectations rather than specific credit concerns. The Stage 3 coverage ratio increased to 30.4% (31 March 2020: 28.2%) notwithstanding a decrease in overall Stage 3 exposure.

Operating costs

Operating costs decreased by 1.8% to £1 165 million (FY2020: £1 186 million) driven by a reduction in headcount and discretionary expenditure, partially offset by higher variable remuneration due to positive business momentum, employee benefit costs related to Ninety One shares held in the group's staff share scheme and the first-time consolidation of a European logistics property asset management company acquired in the last quarter of FY2020. Fixed costs reduced by 6.6%, while variable costs increased by 25.5% reflecting a level of normalisation in line with improving revenue trends. Lower revenue resulted in a cost to income ratio of 70.9% (FY2020: 68.2%).

Taxation

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

2021 FINANCIAL YEAR END RESULTS COMMENTARY
CONTINUED

Profit or loss attributable to other non-controlling interests and non-controlling interests share of associate impairment

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

Discontinued operations

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

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

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

2021 FINANCIAL YEAR END RESULTS COMMENTARY
CONTINUED

Balance sheet analysis

Since 31 March 2020:
- Ordinary shareholders' equity increased by 10.2% to £4.3 billion driven by an increase in net retained earnings.
- NAV per share increased by 11.1% to 460.2p and TNAV per share (which excludes goodwill, software, and other intangible assets) increased by 12.7% to 425.7p.
- The group generated an ROE and ROTE of 6.6% (FY2020: 8.3%) and 7.2% (FY2020: 9.2%).
- Net core loans increased by 6.1% to £26.4 billion year on year. The South African book was marginally down in Rands at R287.3 billion, while in the UK, net core loans grew by 3.9% to £12.3 billion (or 8.7% excluding Australia).

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

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

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

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

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

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

Refer to page 111 for further capital adequacy disclosures.

On behalf of the boards of Investec plc and Investec Limited

Perry Crosthwaite
Chair
20 May 2021

Fani Titi
Chief Executive

2021 FINANCIAL YEAR END RESULTS COMMENTARY
CONTINUED

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

- Adjusted EPS is expected to be between 36p and 41p in FY2022

The basis of preparation of this statement and the assumptions upon which it was based are set out below. This statement is subject to various risks and uncertainties and other factors – these factors may cause the group’s actual future results, performance or achievements in the markets in which it operates to differ from those expressed in this Profit Forecast.

Any forward looking statements made are based on the knowledge of the group at 20 May 2021.

This forward looking statement represents a profit forecast under the Listing Rules. The Profit Forecast relates to the year ending 31 March 2022.

The financial information on which the Profit Forecast was based is the responsibility of the Directors of the group and has not been reviewed and reported on by the group’s auditors.

Basis of preparation
- The Profit Forecast has been properly compiled using the assumptions stated below, and on a basis consistent with the accounting policies adopted in the group's 31 March 2021 unaudited preliminary 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.

Accounting policies, significant judgements and disclosures
These unaudited condensed combined consolidated financial results have been prepared in terms of the recognition and measurement criteria of International Financial Reporting Standards, and the presentation and disclosure requirements of IAS 34, “Interim Financial Reporting”.

The accounting policies applied in the preparation of the results for the year to 31 March 2021 are consistent with those adopted in the financial statements for year ended 31 March 2020 other than the amendments to various standards in respect of IBOR reform phase two, which were early adopted this year. The adoption of these amendments has had no impact in the current year.

The effective date of the demerger of the asset management business was 13 March 2020 and admission of the Ninety One Limited shares and the Ninety One plc shares to the Johannesburg Stock Exchange and London Stock Exchange was effected on 16 March 2020. The global asset management business has been disclosed as a discontinued operation and the income statement for the prior period has been appropriately re-presented. Refer to the discontinued operations note for further detail.

2021 FINANCIAL YEAR END RESULTS COMMENTARY
CONTINUED

The financial results have been prepared under the supervision of Nishlan Samujh, the Group Finance Director. The preliminary financial statements for the year to 31 March 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 20 May 2021.
- The information in the group's announcement for the year ended 31 March 2021, which was approved by the board of directors on 20 May 2021, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006. The 31 March 2020 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 3, which was approved at the annual general meeting held on 6 August 2020, 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 2020 to 31 March 2021 to various group subsidiaries.

PRESENTATION OF FINANCIAL INFORMATION

Basis of presentation

In light of the group's DLC structure as outlined on page 8, the directors of Investec Limited and Investec plc consider that for financial reporting purposes, the fairest presentation is achieved by combining the results and financial position of both Investec Limited and Investec plc. Accordingly, these year-end results reflect the results and financial position of the combined DLC group under International Financial Reporting Standards (IFRS), denominated in Pounds Sterling.

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

Exchange rates

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

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

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

Exchange rates between local currencies and 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 depreciated by 13.6% against the comparative 12 month period ended 31 March 2020, and the closing rate has appreciated by 8.1% since 31 March 2020.

SALIENT FEATURES

All income statement related items shown below have been reflected on a continuing operations basis.

	31 March 2021	31 March 2020	% change
Income statement and selected returns			
Adjusted earnings attributable to ordinary shareholders (£'000)	268 269	320 650	(16.3%)
Headline earnings (£'000)	247 558	203 490	21.7%
Adjusted operating profit (£'000)	377 582	419 159	(9.9%)
Cost to income ratio	70.9%	68.2%	
Staff compensation to operating income ratio	56.2%	45.5%	
Return on average shareholders' equity (post-tax)	6.6%	8.3%	
Return on average tangible shareholders' equity (post-tax)	7.2%	9.2%	
Return on average risk-weighted assets	0.82%	1.01%	
Net interest income as a % of operating income	47.4%	46.4%	
Non-interest income as a % of operating income	52.6%	53.6%	
Annuity income as a % of total operating income	77.6%	76.4%	
Effective operational tax rate	22.3%	11.9%	
Share statistics			
Adjusted earnings per share (pence)	28.9	33.9	(14.7%)
Headline earnings per share (pence)	26.6	21.5	23.7%
Basic earnings per share (pence)	25.2	17.5	44.0%
Diluted earnings per share (pence)	24.9	17.3	43.9%
Dividend per share (pence)	13.0	11.0*	18.2%
Dividend payout ratio	45%	38%*	

	31 March 2021	31 March 2020	% change
Balance sheet			
Total assets^^ (£'million)	51 532	50 558	1.9%
Net core loans (£'million)	26 438	24 911	6.1%
Cash and near cash balances (£'million)	13 229	12 683	4.3%
Customer accounts (deposits) (£'million)	34 449	32 221	6.9%
Funds under management (£'million)	58 436	45 018	29.8%
Gearing ratio (assets excluding assurance assets to total equity)	9.7x	10.3x	
Core loans to equity ratio	5x	5.1x	
Loans and advances to customers as a % of customer deposits	75.6%	76.3%	
Credit loss ratio	0.35%	0.52%	
Stage 3 net of ECL as a % of net core loans subject to ECL	2.1%	1.6%	
Share statistics continued			
Net asset value per share (pence)	460.2	414.3	11.1%
Net tangible asset value per share (pence)	425.7	377.6	12.7%
Weighted number of ordinary shares in issue (million)	929.1	945.8	(1.8%)
Total number of shares in issue (million)	1 015.0	1 015.0	—
Capital ratios^			
Investec plc			
Total capital ratio	15.1%	14.9%	
Common equity tier 1 ratio	11.2%	10.7%	
Leverage ratio	7.9%	7.8%	
Investec Limited			
Total capital adequacy ratio	16.0%	15.0%	
Common equity tier 1 ratio	12.2%	10.9%	
Leverage ratio	7.6%	6.4%	

Refer to alternative performance measures and definitions sections found on pages 131 to 133.

* In light of regulatory guidance provided to banks in both South Africa and the UK, the board decided not to declare a final ordinary dividend for the 2020 financial year. The 11.0 pence in FY2020 reflects the interim dividend per share which was prior to the demerger of the asset management business (Ninety One). The dividend payout ratio is therefore calculated with reference to the corresponding adjusted earnings for the six months ended 30 September 2019.

^ The group's expected Basel III 'fully loaded' numbers are provided on page 111.

^^ Restated as detailed on pages 69 and 70.

EXCHANGE RATE IMPACT ON RESULTS

As noted on page 24, 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 depreciated by 13.6% against the comparative 12 month period ended 31 March 2020, and the closing rate has appreciated by 8.1% since 31 March 2020. The following tables provide an analysis of the impact of the Rand on our reported numbers.

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

	Results in Pounds Sterling					Results in Rands		
Total group including discontinued operations	**Year to 31 March 2021**	Year to 31 March 2020	% change	**Neutral currency^ Year to 31 March 2021**	Neutral currency % change	**Year to 31 March 2021**	Year to 31 March 2020	% change
Adjusted operating profit before taxation (million)	£378	£609	(38.0%)	£409	(32.8%)	R8 202	R11 307	(27.5%)
Earnings attributable to shareholders (million)	£268	R1 135	(76.4%)	£294	(74.1%)	R5 715	R21 938	(73.9%)
Adjusted earnings attributable to shareholders (million)	£268	£440	(39.1%)	£293	(33.4%)	R5 710	R8 198	(30.3%)
Adjusted earnings per share	28.9p	46.5p	(37.8%)	31.5p	(32.3%)	614c	867c	(29.2%)
Basic earnings per share	25.2p	115.3p	(78.1%)	27.8p	(75.9%)	538c	2232c	(75.9%)
Headline earnings per share	26.6p	29.2p	(8.9%)	29.5p	1.0%	568c	536c	6.0%
Dividend per share**	13.0p	11.0p	18.2%	n/a	n/a	262c	211c	24.2 %

	Results in Pounds Sterling					Results in Rands		
	At 31 March 2021	At 31 March 2020	% change	**Neutral currency^^ At 31 March 2021**	Neutral currency % change	**At 31 March 2021**	At 31 March 2020	% change
Net asset value per share	460.2p	414.3p	11.1%	455p	9.8%	9 370c	9 178c	2.1%
Net tangible asset value per share	425.7p	377.6p	12.7%	420.7p	11.4%	8 668c	8 365c	3.6%
Total equity (million)	£5 333	£4 898	8.9%	£5 257	7.3%	R108 580	R108 495	0.1%
Total assets (million)	£51 532	£50 558	1.9%	£50 833	0.5%	R1 049 284	R1 122 162	(6.5%)
Core loans (million)	£26 438	£24 911	6.1%	£25 300	1.6%	R538 320	R551 878	(2.5%)
Cash and near cash balances (million)	£13 229	£12 683	4.3%	£12 715	0.3%	R269 364	R280 960	(4.1%)
Customer deposits (million)	£34 449	£32 221	6.9%	£32 945	2.2%	R701 446	R713 774	(1.7%)
Funds under management (million)	£58 436	£45 018	29.8%	£57 107	26.9%	R1 189 872	R997 149	19.3%

^ For income statement items we have used the average Rand: Pound Sterling exchange rate that was applied in the prior period, i.e. 18.78.
^^ For balance sheet items we have assumed that the Rand: Pound Sterling closing exchange rate has remained neutral since 31 March 2020.
** In light of regulatory guidance provided to banks in both South Africa and the UK, the board decided not to declare a final ordinary dividend for the 2020 financial year, resulting in a full year dividend of 11.0 pence per ordinary share.

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*	Year to 31 March 2021	Year to 31 March 2020^
Interest income	2	1 922 299	2 683 985
Interest expense	2	(1 144 193)	(1 845 416)
Net interest income	2	**778 106**	**838 569**
Fee and commission income	3	791 153	852 025
Fee and commission expense	3	(42 275)	(47 118)
Investment income	4	32 002	39 268
Share of post taxation profit of associates and joint venture holdings	5	42 459	27 244
Trading income/(loss) arising from			
– customer flow	6	35 566	63 254
– balance sheet management and other trading activities	6	(18 903)	26 720
Other operating income	7	22 953	6 877
Total operating income before expected credit loss impairment charges	1	**1 641 061**	**1 806 839**
Expected credit loss impairment charges	8	(99 438)	(133 301)
Operating income		**1 541 623**	**1 673 538**
Operating costs	9	(1 164 513)	(1 186 427)
Operating profit before goodwill, acquired intangibles and strategic actions		**377 110**	**487 111**
Impairment of goodwill	10	(11 599)	(145)
Impairment of associates and joint venture holdings	5	(16 773)	(45 400)
Amortisation of acquired intangibles	10	(15 287)	(15 656)
Amortisation of acquired intangibles of associates	10	(9 268)	(448)
Closure and rundown of the Hong Kong direct investments business	12	7 386	(89 257)
Operating profit		**331 569**	**336 205**
Financial impact of group restructures	12	—	(25 725)
Profit before taxation from continuing operations		**331 569**	**310 480**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	11	(74 539)	(54 690)
Taxation on acquired intangibles and strategic actions		1 712	21 693
Profit after taxation from continuing operations		**258 742**	**277 483**
Profit after taxation from discontinued operations	13	—	954 979
Profit after taxation		**258 742**	**1 232 462**
Loss/(profit) attributable to other non-controlling interests		472	(67 952)
Loss attributable to other non-controlling interests relating to impairments of associates		9 126	—
Profit attributable to non-controlling interests of discontinued operations	13	—	(29 347)
Earnings attributable to shareholders		**268 340**	**1 135 163**

* Refer to Financial review section for notes.
^ Restated as detailed on pages 69 and 70.

COMBINED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

£'000	Year to 31 March 2021	Year to 31 March 2020
Profit after taxation from continuing operations	258 742	277 483
Other comprehensive income/(loss) from continuing operations:		
Items that may be reclassified to the income statement		
Fair value movements on cash flow hedges taken directly to other comprehensive income^	242	(40 304)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income^	152 355	(139 977)
Gain on realisation of debt instruments at FVOCI recycled through the income statement^	(717)	(5 503)
Foreign currency adjustments on translating foreign operations	112 168	(314 078)
Items that will never be reclassified to the income statement		
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	380	(1 761)
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	1 778	(3 931)
Remeasurement of net defined benefit pension liability	(39)	(1 217)
Movement in post retirement benefit liabilities	—	51
Net (loss)/gain attributable to own credit risk	(850)	9 515
Total comprehensive income/(loss) from continuing operations	**524 059**	**(219 722)**
Total comprehensive income/(loss) attributable to ordinary shareholders from continuing operations	449 026	(235 960)
Total comprehensive income/(loss) attributable to non-controlling interests from continuing operations	37 846	(28 022)
Total comprehensive income attributable to perpetual preferred securities from continuing operations	37 187	44 260
Total comprehensive income/(loss) from continuing operations	**524 059**	**(219 722)**
Profit after taxation from discontinued operations	—	954 979
Other comprehensive loss from discontinued operations:		
Items that will never be reclassified to the income statement		
Foreign currency adjustments on translating foreign operations	—	(13 980)
Total comprehensive income from discontinued operations	**—**	**940 999**
Total comprehensive income attributable to ordinary shareholders from discontinued operations	—	914 448
Total comprehensive income attributable to non-controlling interests from discontinued operations	—	26 551
Total comprehensive income from discontinued operations	**—**	**940 999**
Profit after taxation from the total group	258 742	1 232 462
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^	242	(40 304)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income^	152 355	(139 977)
Gain on realisation of debt instruments at FVOCI recycled through the income statement^	(717)	(5 503)
Foreign currency adjustments on translating foreign operations	112 168	(328 058)
Items that will never be reclassified to the income statement		
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	380	(1 761)
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	1 778	(3 931)
Remeasurement of net defined benefit pension asset	(39)	(1 217)
Movement in post retirement benefit liabilities	—	51
Net (loss)/gain attributable to own credit risk	(850)	9 515
Total comprehensive income from the total group	**524 059**	**721 277**
Total comprehensive income attributable to ordinary shareholders	449 026	678 488
Total comprehensive income/(loss) attributable to non-controlling interests	37 846	(1 471)
Total comprehensive income attributable to perpetual preferred securities	37 187	44 260
Total comprehensive income from the total group	**524 059**	**721 277**

^ These amounts are net of taxation expense/(credit) of £38.5 million (31 March 2020: (£55.8 million)).

CONDENSED COMBINED CONSOLIDATED BALANCE SHEET

£'000	31 March 2021	31 March 2020^
Assets		
Cash and balances at central banks	3 517 100	3 932 048
Loans and advances to banks	2 699 317	2 666 851
Non-sovereign and non-bank cash placements	439 841	632 610
Reverse repurchase agreements and cash collateral on securities borrowed	3 575 713	3 796 179
Sovereign debt securities	3 711 623	3 990 181
Bank debt securities	1 121 730	604 921
Other debt securities	1 364 235	1 430 419
Derivative financial instruments	1 714 743	2 033 999
Securities arising from trading activities	1 024 671	718 397
Investment portfolio	909 050	998 935
Loans and advances to customers	26 041 087	24 588 074
Own originated loans and advances to customers securitised	401 912	324 638
Other loans and advances	102 135	132 486
Other securitised assets	140 087	134 865
Interests in associated undertakings and joint venture holdings	699 244	701 311
Deferred taxation assets	246 622	265 896
Other assets	2 225 763	1 934 428
Property and equipment	329 972	356 573
Investment properties	832 061	863 864
Goodwill	259 805	270 625
Software	12 574	14 643
Other acquired intangible assets	58 968	71 657
Non-current assets classified as held for sale	51 783	58 905
	51 480 036	**50 522 505**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	52 405	35 227
	51 532 441	**50 557 732**
Liabilities		
Deposits by banks	2 403 712	3 498 254
Derivative financial instruments	2 190 487	2 150 265
Other trading liabilities	326 189	509 522
Repurchase agreements and cash collateral on securities lent	1 003 312	1 577 346
Customer accounts (deposits)	34 449 430	32 220 976
Debt securities in issue	1 892 319	1 737 191
Liabilities arising on securitisation of own originated loans and advances	160 646	76 696
Liabilities arising on securitisation of other assets	108 281	110 679
Current taxation liabilities	78 790	51 308
Deferred taxation liabilities	40 333	44 788
Other liabilities	2 013 003	2 211 487
	44 666 502	**44 188 512**
Liabilities to customers under investment contracts	49 798	32 845
Insurance liabilities, including unit-linked liabilities	2 607	2 382
	44 718 907	**44 223 739**
Subordinated liabilities	1 480 951	1 436 361
	46 199 858	**45 660 100**
Equity		
Ordinary share capital	247	247
Ordinary share premium	1 517 852	1 517 852
Treasury shares	(267 508)	(272 881)
Other reserves	(787 833)	(976 297)
Retained income	3 792 326	3 593 384
Ordinary shareholders' equity	**4 255 084**	**3 862 305**
Perpetual preference share capital	174 053	168 518
Shareholders' equity excluding non-controlling interests	**4 429 137**	**4 030 823**
Other Additional Tier 1 securities in issue	335 111	295 593
Non-controlling interests	568 335	571 216
– Perpetual preferred securities issued by subsidiaries	72 750	69 259
– Non-controlling interests in partially held subsidiaries	495 585	501 957
Total equity	**5 332 583**	**4 897 632**
Total liabilities and equity	**51 532 441**	**50 557 732**

^ Restated as detailed on pages 69 and 70.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary share capital	Ordinary share premium	Treasury shares
At 1 April 2019	**245**	**2 277 381**	**(189 134)**
Movement in reserves 1 April 2019 – 31 March 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 gain attributable to own credit risk	—	—	—
Remeasurement of net defined benefit pension liability	—	—	—
Movement in post retirement benefit liabilities	—	—	—
Total comprehensive income for the year	**—**	**—**	**—**
Issue of ordinary shares	2	64 645	—
Net equity movements in interests in associated undertakings	—	—	—
Movement of treasury shares	—	—	(102 446)
Share-based payments adjustments	—	—	—
Transfer from share-based payments reserve to treasury shares	—	—	—
Transfer from regulatory general risk reserves	—	—	18 699
Capital reduction	—	(615 797)	—
Non-controlling interest relating to disposal of subsidiaries	—	—	—
Movement in non-controlling interests due to share issues in subsidiary	—	—	—
Employee benefit liability recognised	—	—	—
Dividends declared to other equity holders including other Additional Tier 1 securities	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 securities	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
Distribution to shareholders	—	(208 377)	—
At 31 March 2020	**247**	**1 517 852**	**(272 881)**

^ Restated as detailed on pages 69 and 70.

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^	**Shareholders' equity excluding non-controlling interests**	Other Additional Tier 1 securities in issue	Non-controlling interests	**Total equity**
10 447	**(1 957)**	**45 432**	**(58 840)**	**(552 710)**	**(19 863)**	**2 611 256**	**4 122 257**	**194 156**	**4 316 413**	**303 728**	**630 873**	**5 251 014**
—	—	—	—	—	—	1 135 163	1 135 163	—	1 135 163	—	97 299	1 232 462
—	(1 514)	—	—	—	(247)	—	(1 761)	—	(1 761)	—	—	(1 761)
—	—	—	(40 304)	—	—	—	(40 304)	—	(40 304)	—	—	(40 304)
—	(139 977)	—	—	—	—	—	(139 977)	—	(139 977)	—	—	(139 977)
—	(5 503)	—	—	—	—	—	(5 503)	—	(5 503)	—	—	(5 503)
—	(3 931)	—	—	—	—	—	(3 931)	—	(3 931)	—	—	(3 931)
—	—	—	—	(195 515)	—	—	(195 515)	(25 638)	(221 153)	(8 135)	(98 770)	(328 058)
—	—	—	—	—	9 515	—	9 515	—	9 515	—	—	9 515
—	—	—	—	—	—	(1 217)	(1 217)	—	(1 217)	—	—	(1 217)
—	—	—	—	—	—	51	51		51	—	—	51
—	**(150 925)**	**—**	**(40 304)**	**(195 515)**	**9 268**	**1 133 997**	**756 521**	**(25 638)**	**730 883**	**(8 135)**	**(1 471)**	**721 277**
—	—	—	—	—	—	—	64 647	—	64 647	—	—	64 647
—	—	—	—	—	—	(2 387)	(2 387)	—	(2 387)	—	—	(2 387)
(18 852)	—	—	—	—	—	—	(121 298)	—	(121 298)	—	—	(121 298)
—	—	—	—	—	—	46 599	46 599	—	46 599	—	—	46 599
—	—	(4 086)	—	—	—	4 086	—	—	—	—	—	—
—	—	—	—	—	—	(18 699)	—	—	—	—	—	—
—	—	—	—	—	—	615 797	—	—	—	—	—	—
1 608	—	—	—	—	—	—	1 608	—	1 608	—	(28 708)	(27 100)
—	—	—	—	—	—	(4 372)	(4 372)	—	(4 372)	—	49 628	45 256
—	—	—	—	—	—	(14 833)	(14 833)	—	(14 833)	—	—	(14 833)
—	—	—	—	—	—	(44 260)	(44 260)	14 857	(29 403)	22 394	7 009	—
—	—	—	—	—	—	—	—	(14 857)	(14 857)	(22 394)	(7 009)	(44 260)
—	—	—	—	—	—	(244 323)	(244 323)	—	(244 323)	—	—	(244 323)
—	—	—	—	—	—	—	—	—	—	—	(79 106)	(79 106)
—	—	—	—	—	—	(489 477)	(697 854)	—	(697 854)	—	—	(697 854)
(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**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

£'000	Ordinary share capital	Ordinary share premium	Treasury shares
31 March 2020	**247**	**1 517 852**	**(272 881)**
Movement in reserves 1 April 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 loss attributable to own credit risk	—	—	—
Remeasurement of net defined benefit pension liability	—	—	—
Total comprehensive income for the year	**—**	**—**	**—**
Issue of Other Additional Tier 1 Security instruments	—	—	—
Redemption of Perpetual preference share capital	—	—	—
Net equity movements in interests in associated undertakings	—	—	—
Movement of treasury shares	—	—	4 323
Share-based payments adjustments	—	—	—
Transfer from share-based payments reserve to treasury shares	—	—	1 050
Transfer to regulatory general risk reserves	—	—	—
Transfer to foreign currency reserve	—	—	—
Transfer from capital reserve	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
Dividends declared to other equity holders including other Additional Tier 1 securities	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 securities	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
At 31 March 2021	**247**	**1 517 852**	**(267 508)**

^ Restated as detailed on pages 69 and 70.

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^	**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**
—	—	—	—	—	—	268 340	268 340	—	268 340	—	(9 598)	258 742
—	(19)	—	—	—	399	—	380	—	380	—	—	380
—	—	—	242	—	—	—	242	—	242	—	—	242
—	152 355	—	—	—	—	—	152 355	—	152 355	—	—	152 355
—	(717)	—	—	—	—	—	(717)	—	(717)	—	—	(717)
—	1 778	—	—	—	—	—	1 778	—	1 778	—	—	1 778
—	—	—	—	48 076	—	—	48 076	12 638	60 714	4 010	47 444	112 168
—	—	—	—	—	(850)	—	(850)	—	(850)	—	—	(850)
—	—	—	—	—	—	(39)	(39)	—	(39)	—	—	(39)
—	**153 397**	**—**	**242**	**48 076**	**(451)**	**268 301**	**469 565**	**12 638**	**482 203**	**4 010**	**37 846**	**524 059**
—	—	—	—	—	—	—	—	—	—	35 508	—	35 508
—	—	—	—	—	—	3 311	3 311	(7 103)	(3 792)	—	(2 482)	(6 274)
—	—	—	—	—	—	1 744	1 744	—	1 744	—	—	1 744
(14 484)	—	—	—	—	—	—	(10 161)	—	(10 161)	—	—	(10 161)
—	—	—	—	—	—	19 121	19 121	—	19 121	—	—	19 121
—	—	—	—	—	—	(1 050)	—	—	—	—	—	—
—	—	786	—	—	—	(786)	—	—	—	—	—	—
—	—	—	—	980	—	(980)	—	—	—	—	—	—
(82)	—	—	—	—	—	82	—	—	—	—	—	—
—	—	—	—	—	—	(268)	(268)	—	(268)	—	(5 860)	(6 128)
—	—	—	—	—	—	(37 187)	(37 187)	10 603	(26 584)	21 299	5 285	—
—	—	—	—	—	—	—	—	(10 603)	(10 603)	(21 299)	(5 285)	(37 187)
—	—	—	—	—	—	(53 346)	(53 346)	—	(53 346)	—	—	(53 346)
—	—	—	—	—	—	—	—	—	—	—	(32 385)	(32 385)
(21 363)	**515**	**42 132**	**(98 902)**	**(699 169)**	**(11 046)**	**3 792 326**	**4 255 084**	**174 053**	**4 429 137**	**335 111**	**568 335**	**5 332 583**

CONDENSED COMBINED CONSOLIDATED CASH FLOW STATEMENT

£'000	Year to 31 March 2021	Year to 31 March 2020^
Net cash (outflow)/inflow from operating activities	(691 945)	706 937
Net cash inflow/(outflow) from investing activities	1 414	(350 855)
Net cash outflow from financing activities	(123 628)	(603 247)
Effects of exchange rates on cash and cash equivalents	146 028	(462 717)
Net decrease in cash and cash equivalents	**(668 131)**	**(709 882)**
Cash and cash equivalents at the beginning of the year	7 219 642	7 929 524
Cash and cash equivalents at the end of the year	**6 551 511**	**7 219 642**

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).

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^ Restated as detailed on pages 69 and 70.

EARNINGS PER SHARE – CONTINUING OPERATIONS

For the year to 31 March	2021	2020
Continuing operations		
Earnings from continuing operations	**£'000**	£'000
Earnings attributable to shareholders from continuing operations	268 340	209 531
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(37 187)	(44 260)
Gain on redemption of perpetual preference shares	3 311	—
Earnings and diluted earnings attributable to ordinary shareholders from continuing operations	**234 464**	**165 271**
Adjusted earnings from continuing operations		
Earnings attributable to shareholders from continuing operations	268 340	209 531
Impairment of goodwill	11 599	145
Impairment of associates and joint venture holdings	16 773	45 400
Loss attributable to other non-controlling interests relating to impairments of associates	(9 126)	—
Amortisation of acquired intangibles	15 287	15 656
Amortisation of acquired intangibles of associates	9 268	448
Closure and rundown of the Hong Kong direct investments business	(7 386)	89 257
Financial impact of group restructures	—	25 725
Taxation on acquired intangibles and strategic actions	(1 712)	(21 693)
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(37 187)	(44 260)
Accrual adjustment on earnings attributable to other equity holders*	2 413	441
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items from continuing operations	**268 269**	**320 650**
Headline earnings from continuing operations		
Earnings attributable to shareholders from continuing operations	268 340	209 531
Impairment of goodwill	11 599	145
Impairment of associates and joint venture holdings	16 773	45 400
Loss attributable to other non-controlling interests relating to impairments of associates	(9 126)	—
Gain on disposal of group operations	(20 388)	(19 825)
Re-measurement of group investment	(10 770)	—
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(37 187)	(44 260)
Headline earnings of associates	7 782	—
Property revaluation, net of taxation and non-controlling interests**	16 047	12 499
Other headline adjustments^	1 177	—
Gain on redemption of perpetual preference shares	3 311	—
Headline earnings attributable to ordinary shareholders from continuing operations* **	**247 558**	**203 490**
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	1 014 987 327	1 012 202 675
Weighted average number of treasury shares	(85 892 556)	(66 382 078)
Weighted average number of shares in issue during the year	**929 094 771**	**945 820 597**
Weighted average number of shares resulting from future dilutive potential shares	10 889 323	7 598 533
Adjusted weighted number of shares potentially in issue	**939 984 094**	**953 419 130**
Earnings per share from continuing operations – pence	**25.2**	**17.5**
Diluted earnings per share from continuing operations – pence	24.9	17.3
Adjusted earnings per share from continuing operations – pence	**28.9**	**33.9**
Diluted adjusted earnings per share from continuing operations – pence	28.5	33.6
Headline earnings per share from continuing operations – pence* **	**26.6**	**21.5**
Diluted headline earnings per share from continuing operations – pence***	26.3	21.3

* 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 £4.4 million (2020: £2.8 million) with an impact of £32.1 million (2020: £16.3 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.

^ Predominantly relates to disposal of associate.

EARNINGS PER SHARE – DISCONTINUED OPERATIONS

For the year to 31 March	2021	2020
Discontinued operations		
Earnings from discontinued operations	**£'000**	£'000
Earnings and diluted earnings attributable to ordinary shareholders from discontinued operations	**—**	**925 632**
Adjusted earnings from discontinued operations		
Earnings attributable to shareholders from discontinued operations	—	925 632
Financial impact of group restructure – discontinued operations	—	(820 233)
Taxation on acquired intangibles and strategic actions – discontinued operations	—	13 813
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items from discontinued operations	**—**	**119 212**
Headline earnings from discontinued operations		
Earnings attributable to shareholders from discontinued operations	—	925 632
Gain on distribution – discontinued operations	—	(867 409)
Taxation on acquired intangibles and strategic actions – discontinued operations	—	14 405
Headline earnings attributable to ordinary shareholders from discontinued operations	**—**	**72 628**
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	1 014 987 327	1 012 202 675
Weighted average number of treasury shares	(85 892 556)	(66 382 078)
Weighted average number of shares in issue during the year	**929 094 771**	**945 820 597**
Weighted average number of shares resulting from future dilutive potential shares	10 889 323	7 598 533
Adjusted weighted number of shares potentially in issue	**939 984 094**	**953 419 130**
Earnings per share from discontinued operations – pence	**n/a**	**97.9**
Diluted earnings per share from discontinued operations – pence	n/a	97.1
Adjusted earnings per share from discontinued operations – pence	**n/a**	**12.6**
Diluted adjusted earnings per share from discontinued operations – pence	n/a	12.5
Headline earnings per share from discontinued operations – pence* **	**n/a**	**7.7**
Diluted headline earnings per share from discontinued operations – pence***	n/a	7.6

EARNINGS PER SHARE – TOTAL GROUP

For the year to 31 March	2021	2020
Total group		
Earnings	**£'000**	£'000
Earnings attributable to shareholders	268 340	1 135 163
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(37 187)	(44 260)
Gain on redemption of perpetual preference shares	3 311	—
Earnings and diluted earnings attributable to ordinary shareholders	**234 464**	**1 090 903**
Adjusted earnings		
Earnings attributable to shareholders	268 340	1 135 163
Impairment of goodwill	11 599	145
Impairment of associates and joint venture holdings	16 773	45 400
Loss attributable to other non-controlling interests relating to impairments of associates	(9 126)	—
Amortisation of acquired intangibles	15 287	15 656
Amortisation of acquired intangibles of associates	9 268	448
Closure and rundown of the Hong Kong direct investments business	(7 386)	89 257
Financial impact of group restructures	—	25 725
Gain on distribution net of implementation costs – discontinued operations	—	(820 233)
Taxation on acquired intangibles and strategic actions	(1 712)	(21 693)
Taxation on gain on distribution net of taxation	—	13 813
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(37 187)	(44 260)
Accrual adjustment on earnings attributable to other equity holders*	2 413	441
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items	**268 269**	**439 862**
Headline earnings		
Earnings attributable to shareholders	268 340	1 135 163
Impairment of goodwill	11 599	145
Impairment of associates and joint venture holdings	16 773	45 400
Loss attributable to other non-controlling interests relating to impairments of associates	(9 126)	—
Gain on distribution	—	(867 409)
Taxation on gain on distribution	—	14 405
Gain on disposal of group operations	(20 388)	(19 825)
Re-measurement of group investment	(10 770)	—
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(37 187)	(44 260)
Headline adjustments of associates	7 782	—
Property revaluation, net of taxation and non-controlling interests**	16 047	12 499
Other headline adjustments^	1 177	—
Gain on redemption of perpetual preference shares	3 311	—
Headline earnings attributable to ordinary shareholders* **	**247 558**	**276 118**
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	1 014 987 327	1 012 202 675
Weighted average number of treasury shares	(85 892 556)	(66 382 078)
Weighted average number of shares in issue during the year	**929 094 771**	**945 820 597**
Weighted average number of shares resulting from future dilutive potential shares	10 889 323	7 598 533
Adjusted weighted number of shares potentially in issue	**939 984 094**	**953 419 130**
Earnings per share – pence	**25.2**	**115.3**
Diluted earnings per share – pence	24.9	114.4
Adjusted earnings per share – pence	**28.9**	**46.5**
Diluted adjusted earnings per share – pence	28.5	46.1
Headline earnings per share – pence* **	**26.6**	**29.2**
Diluted headline earnings per share – pence***	26.3	29.0

* 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 £4.4 million (2020: £2.8 million) with an impact of £30.1 million (2020: £16.3 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.

^ Predominantly relates to disposal of associate

SEGMENTAL INCOME STATEMENTS AND BALANCE SHEETS

For the year to 31 March 2021 **£’000**	UK and Other	Southern Africa	**Total**
Continuing operations			
Net interest income	399 714	378 392	778 106
Net fee and commission income	488 523	260 355	748 878
Investment income	22 414	9 588	32 002
Share of post taxation profit of associates and joint venture holdings	35 972	6 487	42 459
Trading income/(loss) arising from			
– customer flow	(11 025)	46 591	35 566
– balance sheet management and other trading activities	11 262	(30 165)	(18 903)
Other operating income	15 831	7 122	22 953
Total operating income before expected credit loss impairment charges	**962 691**	**678 370**	**1 641 061**
Expected credit loss impairment charges	(71 202)	(28 236)	(99 438)
Operating income	**891 489**	**650 134**	**1 541 623**
Operating costs	(766 367)	(398 146)	(1 164 513)
Operating profit before goodwill, acquired intangibles and strategic actions	**125 122**	**251 988**	**377 110**
Loss/(profit) attributable to other non-controlling interests	861	(389)	472
Adjusted operating profit	**125 983**	**251 599**	**377 582**
Impairment of goodwill	(11 248)	(351)	(11 599)
Impairment of associates and joint venture holdings	—	(16 773)	(16 773)
Loss attributable to other non-controlling interests relating to impairments of associates	—	9 126	9 126
Amortisation of acquired intangibles	(12 851)	(2 436)	(15 287)
Amortisation of acquired intangibles of associates	(6 017)	(3 251)	(9 268)
Closure and rundown of the Hong Kong direct investments business	7 386	—	7 386
Earnings attributable to shareholders before taxation	**103 253**	**237 914**	**341 167**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(24 243)	(50 296)	(74 539)
Taxation on acquired intangibles and strategic actions	1 029	683	1 712
Earnings attributable to shareholders	**80 039**	**188 301**	**268 340**
Selected returns and key statistics from continuing operations			
ROE (post-tax)	4.0%	9.3%	6.6%
Return on tangible equity (post-tax)	4.8%	9.4%	7.2%
Cost to income ratio	79.5%	58.7%	70.9%
Staff compensation to operating income	63.7%	46.0%	56.2%
Adjusted operating profit per employee (£’000)	33.8	52.7	44.5
Effective operational tax rate	27.2%	20.5%	22.3%
Total assets (£’million)	24 604	26 928	51 532

SEGMENTAL INCOME STATEMENT – GEOGRAPHIC ANALYSIS

For the year to 31 March 2020^ **£'000**	UK and Other	Southern Africa	**Total**
Continuing operations			
Net interest income	397 385	441 184	838 569
Net fee and commission income	482 200	322 707	804 907
Investment income	6 375	32 893	39 268
Share of post taxation profit of associates and joint venture holdings	9 474	17 770	27 244
Trading income/(loss) arising from			
– customer flow	50 980	12 274	63 254
– balance sheet management and other trading activities	(537)	27 257	26 720
Other operating income	6 464	413	6 877
Total operating income before expected credit loss impairment charges	**952 341**	**854 498**	**1 806 839**
Expected credit loss impairment charges	(75 813)	(57 488)	(133 301)
Operating income	**876 528**	**797 010**	**1 673 538**
Operating costs	(742 199)	(444 228)	(1 186 427)
Operating profit before goodwill, acquired intangibles and strategic actions	**134 329**	**352 782**	**487 111**
Profit attributable to other non-controlling interests	(864)	(67 088)	(67 952)
Adjusted operating profit	**133 465**	**285 694**	**419 159**
Amortisation of goodwill	—	(145)	(145)
Impairment of associates and joint venture holdings	—	(45 400)	(45 400)
Amortisation of acquired intangibles	(12 915)	(2 741)	(15 656)
Amortisation of acquired intangibles of associates	(291)	(157)	(448)
Closure and rundown of the Hong Kong direct investments business	(89 257)	—	(89 257)
Financial impact of group restructures	(25 725)	—	(25 725)
Earnings attributable to shareholders before taxation	**5 277**	**237 251**	**242 528**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	706	(55 396)	(54 690)
Taxation on acquired intangibles and strategic actions	20 926	767	21 693
Earnings attributable to shareholders from continuing operations	**26 909**	**182 622**	**209 531**
Discontinued operations			
Profit after taxation from discontinued operations	640 507	314 472	954 979
Profit attributable to non-controlling interests of discontinued operations	(18 106)	(11 241)	(29 347)
Earnings attributable to shareholders	**649 310**	**485 853**	**1 135 163**
Selected returns and key statistics from continuing operations			
ROE (post-tax)	6.0%	10.7%	8.3%
Return on tangible equity (post-tax)	7.4%	10.8%	9.2%
Cost to income ratio	78.0%	56.4%	68.2%
Staff compensation to operating income	54.2%	35.9%	45.5%
Adjusted operating profit per employee (£'000)	33.2	59.2	47.4
Effective operational tax rate	(0.6%)	16.5%	11.9%
Total assets (£'million)	24 647	25 911	50 558

^ Restated as detailed on pages 69 and 70.

SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS

	Private Client						Specialist Banking		
	Wealth & Investment			**Private Banking^**			**Corporate, Investment Banking and Other^**		
For the year to 31 March 2021 **£'000**	UK and Other	Southern Africa	**Total**	UK and Other	Southern Africa	**Total**	UK and Other	Southern Africa	**Total**
Net interest income/(expense)	2 296	3 552	5 848	34 664	218 806	253 470	362 754	199 329	562 083
Net fee and commission income	316 040	78 589	394 629	644	45 377	46 021	171 839	91 049	262 888
Investment income/(loss)	272	1 461	1 733	19	933	952	22 123	(9 761)	12 362
Share of post taxation profit/(loss) of associates and joint venture holdings	—	—	—	—	(372)	(372)	10 830	(1 097)	9 733
Trading income/(loss) arising from									
– customer flow	920	7	927	1 196	(43)	1 153	(13 141)	36 659	23 518
– balance sheet management and other trading activities	(9)	39	30	13	32	45	11 258	(7 728)	3 530
Other operating income	—	1	1	—	7	7	15 831	7 114	22 945
Total operating income before expected credit loss impairment charges	**319 519**	**83 649**	**403 168**	**36 536**	**264 740**	**301 276**	**581 494**	**315 565**	**897 059**
Expected credit loss impairment charges	(4)	—	(4)	(1 515)	(915)	(2 430)	(69 683)	(24 942)	(94 625)
Operating income	**319 515**	**83 649**	**403 164**	**35 021**	**263 825**	**298 846**	**511 811**	**290 623**	**802 434**
Operating costs	(245 175)	(57 530)	(302 705)	(38 033)	(140 391)	(178 424)	(464 873)	(182 883)	(647 756)
Operating profit/(loss) before goodwill, acquired intangibles and strategic actions from continuing operations	**74 340**	**26 119**	**100 459**	**(3 012)**	**123 434**	**120 422**	**46 938**	**107 740**	**154 678**
Loss/(profit) attributable to other non-controlling interests	—	—	—	—	—	—	861	309	1 170
Operating profit before goodwill, acquired intangibles and after non-controlling interests	**74 340**	**26 119**	**100 459**	**(3 012)**	**123 434**	**120 422**	**47 799**	**108 049**	**155 848**
Selected returns and key statistics from continuing operations									
ROE (post-tax)	23.8%	64.1%	28.5%	(0.7%)	12.9%	8.1%	1.9%	8.0%	4.6%
Return on tangible equity (post-tax)	56.6%	67.9%	59.2%	(0.7%)	12.9%	8.1%	1.9%	8.1%	4.6%
Cost to income ratio	76.7%	68.8%	75.1%	104.1%	53.0%	59.2%	79.8%	57.9%	72.1%
Total assets (£'million)	959	312	1 271	3 338	10 335	13 673	20 070	14 637	34 707

^ In terms of IFRS 8 Operating segments, the below operating segments were changed after management concluded that key operating decision makers of the Investec group review the operating results as follows:
- Investec Private Banking
- Investec Corporate, Investment Banking and Other
- Investec Wealth & Investment
- Group Investments
- Group costs

Accordingly, the results of Investec Private Banking and Investec Corporate, Investment Banking and Other have been disclosed as a 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

Group Investments^			Group costs			Total		
UK and Other	Southern Africa	**Total**	UK and Other	Southern Africa	**Total**	UK and Other	Southern Africa	**Total**
—	(43 295)	(43 295)	—	—	—	399 714	378 392	778 106
—	45 340	45 340	—	—	—	488 523	260 355	748 878
—	16 955	16 955	—	—	—	22 414	9 588	32 002
25 142	7 956	33 098	—	—	—	35 972	6 487	42 459
—	9 968	9 968	—	—	—	(11 025)	46 591	35 566
—	(22 508)	(22 508)	—	—	—	11 262	(30 165)	(18 903)
—	—	—	—	—	—	15 831	7 122	22 953
25 142	**14 416**	**39 558**	**—**	**—**	**—**	**962 691**	**678 370**	**1 641 061**
—	(2 379)	(2 379)	—	—	—	(71 202)	(28 236)	(99 438)
25 142	**12 037**	**37 179**	**—**	**—**	**—**	**891 489**	**650 134**	**1 541 623**
—	(2 096)	(2 096)	(18 286)	(15 246)	(33 532)	(766 367)	(398 146)	(1 164 513)
25 142	**9 941**	**35 083**	**(18 286)**	**(15 246)**	**(33 532)**	**125 122**	**251 988**	**377 110**
—	(698)	(698)	—	—	—	861	(389)	472
25 142	**9 243**	**34 385**	**(18 286)**	**(15 246)**	**(33 532)**	**125 983**	**251 599**	**377 582**
15.5%	2.8%	7.3%	n/a	n/a	n/a	4.0%	9.3%	6.6%
15.5%	2.8%	7.3%	n/a	n/a	n/a	4.8%	9.4%	7.2%
n/a	n/a	3.6%	n/a	n/a	n/a	79.5%	58.7%	70.9%
237	1 644	1 881	n/a	n/a	n/a	24 604	26 928	51 532

SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS
CONTINUED

	Private Client								
				Specialist Banking					
	Wealth & Investment			Private Banking			Corporate, Investment Banking and Other		
For the year to 31 March 2020^ **£'000**	UK and Other	Southern Africa	**Total**	UK and Other	Southern Africa	**Total**	UK and Other	Southern Africa	**Total**
Net interest income	12 604	3 940	16 544	23 441	259 979	283 420	361 340	231 553	592 893
Net fee and commission income	304 412	84 173	388 585	333	55 433	55 766	177 455	110 435	287 890
Investment income	(436)	(148)	(584)	—	13 564	13 564	6 811	(19 717)	(12 906)
Share of post taxation profit of associates and joint venture holdings	—	—	—	—	(1 230)	(1 230)	5 383	15	5 398
Trading income/(loss) arising from				—	—				
– customer flow	862	(186)	676	1 433	75	1 508	48 685	28 199	76 884
– balance sheet management and other trading activities	108	(29)	79	1	374	375	(646)	(3 033)	(3 679)
Other operating income	181	—	181	—	16	16	6 283	393	6 676
Total operating income before expected credit loss impairment charges	**317 731**	**87 750**	**405 481**	**25 208**	**328 211**	**353 419**	**605 311**	**347 845**	**953 156**
Expected credit loss impairment charges	1	—	1	(643)	(19 388)	(20 031)	(75 171)	(29 946)	(105 117)
Operating income	**317 732**	**87 750**	**405 482**	**24 565**	**308 823**	**333 388**	**530 140**	**317 899**	**848 039**
Operating costs	(254 714)	(60 902)	(315 616)	(43 221)	(172 077)	(215 298)	(407 976)	(190 918)	(598 894)
Operating profit/(loss) before goodwill, acquired intangibles and strategic actions	**63 018**	**26 848**	**89 866**	**(18 656)**	**136 746**	**118 090**	**122 164**	**126 981**	**249 145**
Profit attributable to other non-controlling interests	—	—	—	—	—	—	(864)	2	(862)
Adjusted operating profit/(loss) from continuing operations	**63 018**	**26 848**	**89 866**	**(18 656)**	**136 746**	**118 090**	**121 300**	**126 983**	**248 283**
Operating profit before strategic actions from discontinued operations	—	—	—	—	—	—	—	—	—
Profit attributable to non-controlling interests of discontinuing operations	—	—	—	—	—	—	—	—	—
Operating profit/(loss) before goodwill, acquired intangibles and after non-controlling interests	**63 018**	**26 848**	**89 866**	**(18 656)**	**136 746**	**118 090**	**121 300**	**126 983**	**248 283**
Selected returns and key statistics from continuing operations									
ROE (post-tax)	20.4%	91.1%	26.7%	(4.2%)	15.7%	8.9%	9.6%	9.0%	9.3%
Return on tangible equity (post-tax)	60.1%	98.9%	68.2%	(4.2%)	15.7%	8.9%	10.1%	9.1%	9.7%
Cost to income ratio	80.2%	69.4%	77.8%	171.5%	52.4%	60.9%	67.5%	54.9%	62.9%
Total assets (£'million)	986	332	1 318	2 432	9 292	11 724	21 004	14 488	35 492

^ Restated as detailed on pages 69 and 70.

SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS
CONTINUED

Group Investments			**Group costs**			**Total**		
UK and Other	Southern Africa	**Total**	UK and Other	Southern Africa	**Total**	UK and Other	Southern Africa	**Total**
—	(54 288)	(54 288)	—	—	—	397 385	441 184	838 569
—	72 666	72 666	—	—	—	482 200	322 707	804 907
—	39 194	39 194	—	—	—	6 375	32 893	39 268
4 091	18 985	23 076	—	—	—	9 474	17 770	27 244
—	(15 814)	(15 814)	—	—	—	50 980	12 274	63 254
—	29 945	29 945	—	—	—	(537)	27 257	26 720
—	4	4	—	—	—	6 464	413	6 877
4 091	**90 692**	**94 783**	**—**	**—**	**—**	**952 341**	**854 498**	**1 806 839**
—	(8 154)	(8 154)	—	—	—	(75 813)	(57 488)	(133 301)
4 091	**82 538**	**86 629**	**—**	**—**	**—**	**876 528**	**797 010**	**1 673 538**
—	(2 815)	(2 815)	(36 288)	(17 516)	(53 804)	(742 199)	(444 228)	(1 186 427)
4 091	**79 723**	**83 814**	**(36 288)**	**(17 516)**	**(53 804)**	**134 329**	**352 782**	**487 111**
—	(67 090)	(67 090)	—	—	—	(864)	(67 088)	(67 952)
4 091	**12 633**	**16 724**	**(36 288)**	**(17 516)**	**(53 804)**	**133 465**	**285 694**	**419 159**
—	—	—	—	—	—	109 103	80 656	189 759
—	—	—	—	—	—	(18 106)	(11 241)	(29 347)
4 091	**12 633**	**16 724**	**(36 288)**	**(17 516)**	**(53 804)**	**224 462**	**355 109**	**579 571**
8.4%	2.9%	3.6%	n/a	n/a	n/a	6.0%	10.7%	8.3%
8.4%	2.9%	3.6%	n/a	n/a	n/a	7.4%	10.8%	9.2%
n/a	n/a	n/a	n/a	n/a	n/a	78.0%	56.4%	68.2%
225	1 799	2 024	n/a	n/a	n/a	24 647	25 911	50 558

SEGMENTAL BALANCE SHEET – GEOGRAPHIC ANALYSIS

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	403 931	699 244
Deferred taxation assets	110 750	135 872	246 622
Other assets	1 446 605	779 158	2 225 763
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	**26 875 543**	**51 480 036**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	52 405	52 405
	24 604 493	**26 927 948**	**51 532 441**
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 31 March 2020^ **£'000**	UK and Other	Southern Africa	**Total**
Assets			
Cash and balances at central banks	2 277 318	1 654 730	3 932 048
Loans and advances to banks	1 784 971	881 880	2 666 851
Non-sovereign and non-bank cash placements	—	632 610	632 610
Reverse repurchase agreements and cash collateral on securities borrowed	2 458 822	1 337 357	3 796 179
Sovereign debt securities	1 084 958	2 905 223	3 990 181
Bank debt securities	51 238	553 683	604 921
Other debt securities	647 778	782 641	1 430 419
Derivative financial instruments	1 247 118	786 881	2 033 999
Securities arising from trading activities	250 445	467 952	718 397
Investment portfolio	376 239	622 696	998 935
Loans and advances to customers	11 871 849	12 716 225	24 588 074
Own originated loans and advances to customers securitised	—	324 638	324 638
Other loans and advances	121 559	10 927	132 486
Other securitised assets	112 440	22 425	134 865
Interests in associated undertakings and joint venture holdings	279 736	421 575	701 311
Deferred taxation assets	130 656	135 240	265 896
Other assets	1 401 461	532 967	1 934 428
Property and equipment	216 955	139 618	356 573
Investment properties	—	863 864	863 864
Goodwill	261 183	9 442	270 625
Software	7 843	6 800	14 643
Other acquired intangible assets	64 111	7 546	71 657
Non-current assets classified as held for sale	—	58 905	58 905
	24 646 680	**25 875 825**	**50 522 505**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	35 227	35 227
	24 646 680	**25 911 052**	**50 557 732**
Liabilities			
Deposits by banks	1 384 151	2 114 103	3 498 254
Derivative financial instruments	1 135 961	1 014 304	2 150 265
Other trading liabilities	118 572	390 950	509 522
Repurchase agreements and cash collateral on securities lent	375 387	1 201 959	1 577 346
Customer accounts (deposits)	15 272 245	16 948 731	32 220 976
Debt securities in issue	1 392 598	344 593	1 737 191
Liabilities arising on securitisation of own originated loans and advances	—	76 696	76 696
Liabilities arising on securitisation of other assets	110 679	—	110 679
Current taxation liabilities	26 904	24 404	51 308
Deferred taxation liabilities	21 438	23 350	44 788
Other liabilities	1 619 419	592 068	2 211 487
	21 457 354	**22 731 158**	**44 188 512**
Liabilities to customers under investment contracts	—	32 845	32 845
Insurance liabilities, including unit-linked liabilities	—	2 382	2 382
	21 457 354	**22 766 385**	**44 223 739**
Subordinated liabilities	787 030	649 331	1 436 361
	22 244 384	**23 415 716**	**45 660 100**

^ Restated as detailed on pages 69 and 70.

02

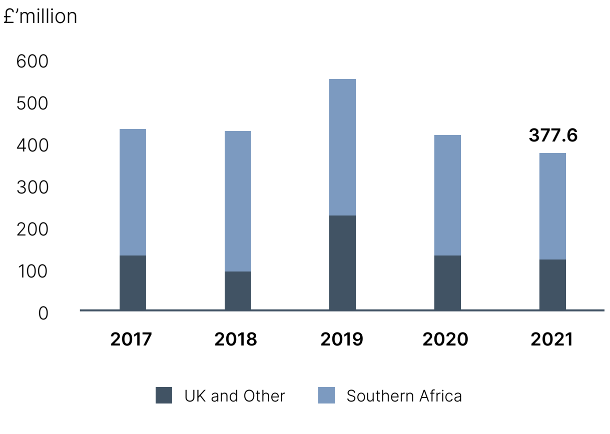
Financial review

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS

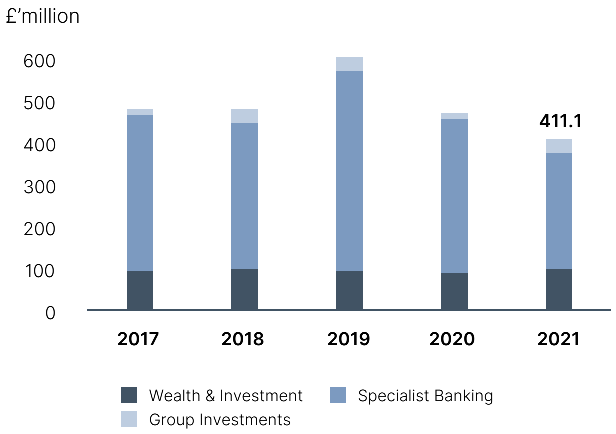
We have a diversified business model

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

Adjusted operating profit (including group costs)

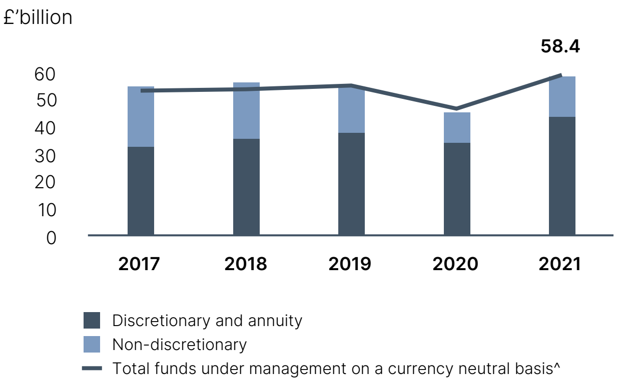


Adjusted operating profit (excluding group costs)

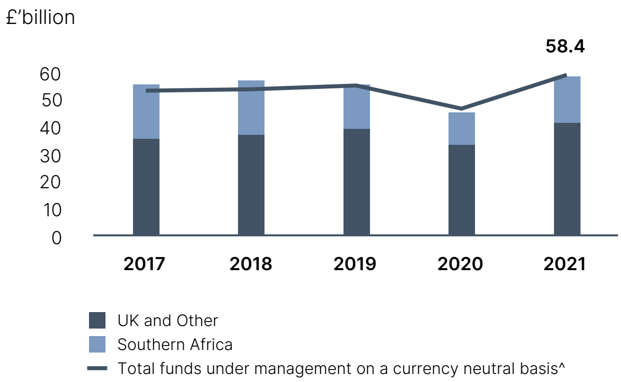


We continue to grow our key earnings drivers, underpinned by our resilient client franchises

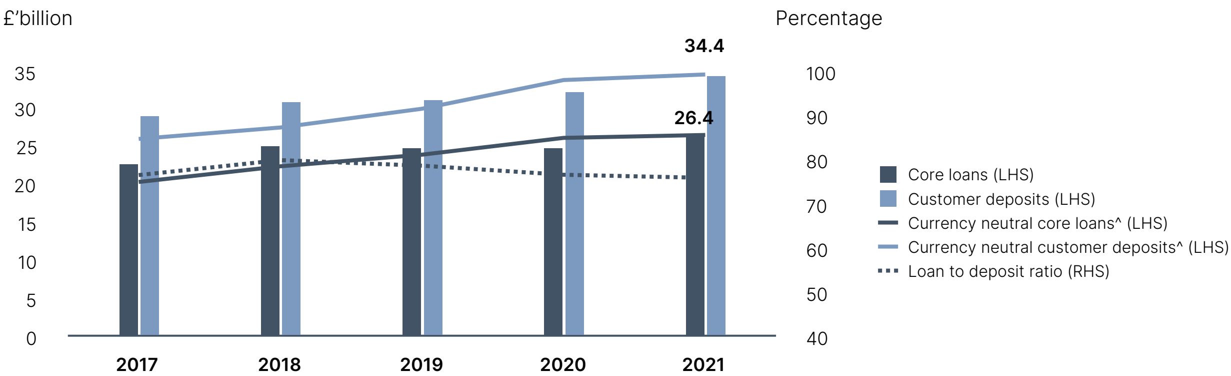
Funds under management



Funds under management by geography



Core loans and customer deposits

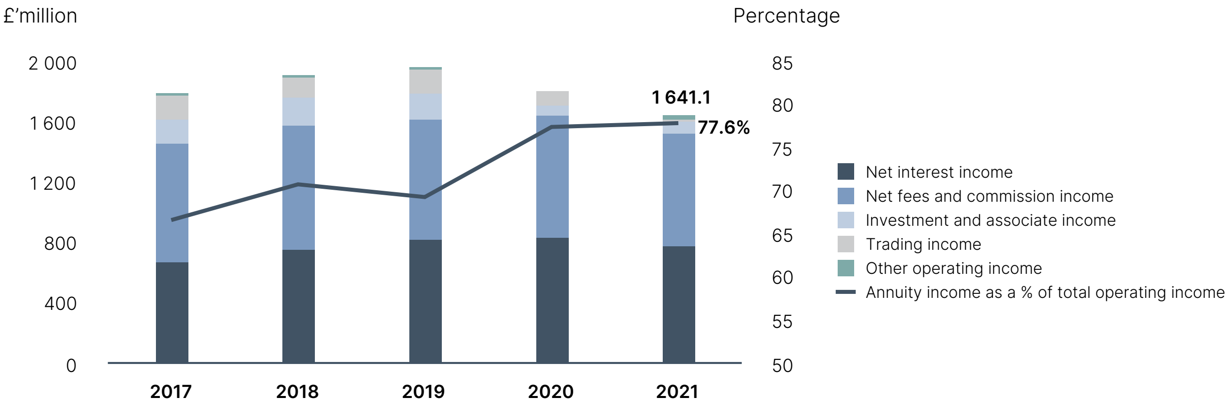


^ This trend line is shown on a currency neutral basis using the closing Rand: Pound Sterling exchange rate applicable at 31 March 2021.

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

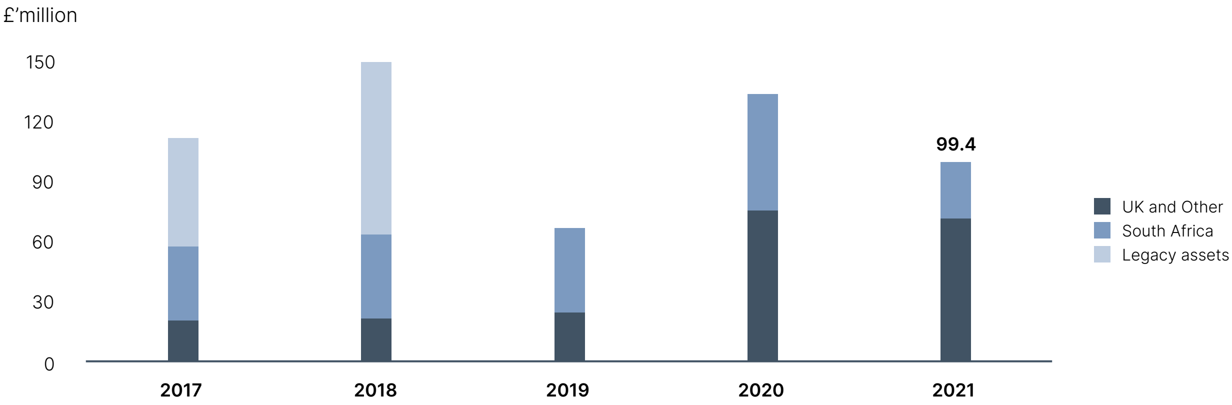
Strong annuity base albeit impacted by low interest rates and subdued activity due to COVID-19 environment

Total operating income



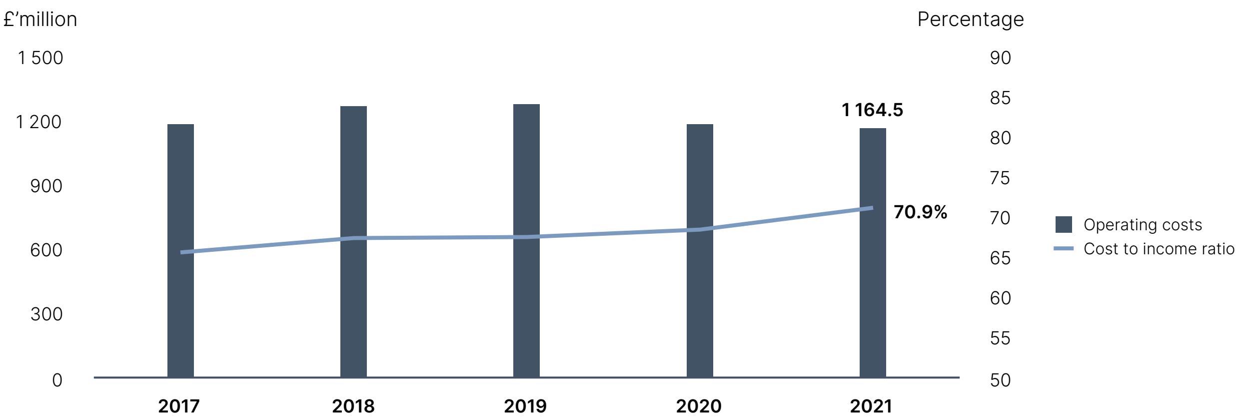
Lower credit losses reflect robust credit quality and higher recoveries in the current period

Expected credit loss impairment charges



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

Operating costs and cost to income ratio



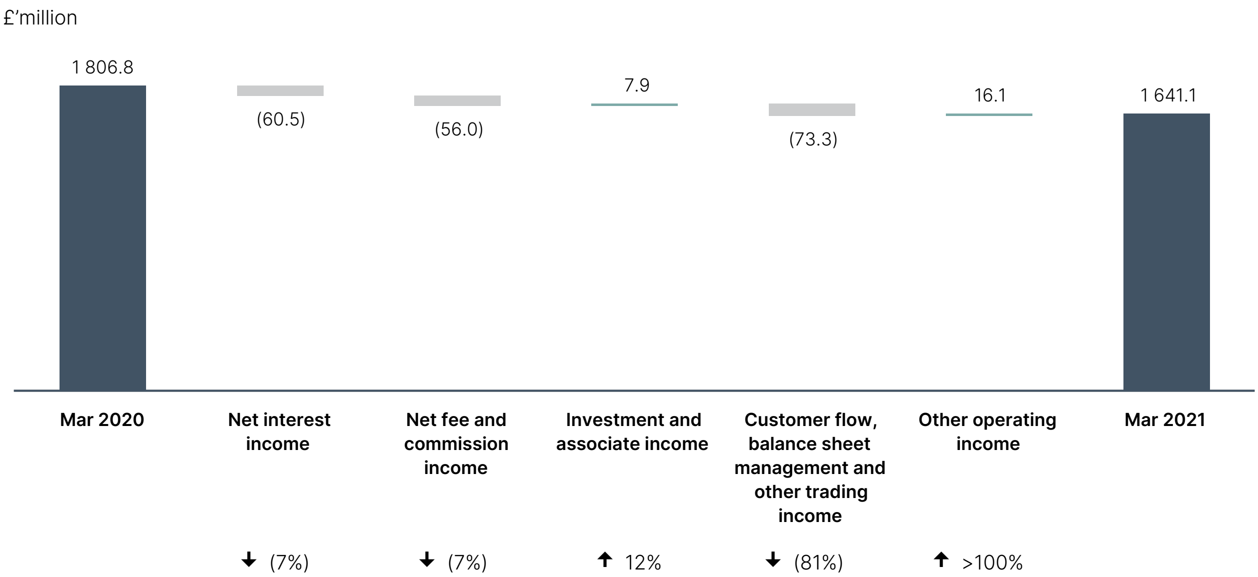
PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

Income statement analysis – continuing operations
The overview that follows will highlight the main reasons for the variance in the major category line items on the face of the income statement during the year 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 71 to 97.

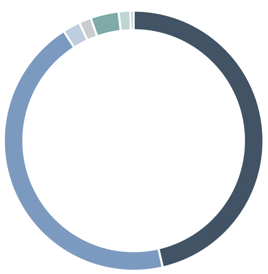
1. Total operating income before expected credit loss impairment charges
Total operating income before expected credit loss impairment charges decreased 9.2% to £1 641.1 million (2020: £1 806.8 million).

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 38 to 45.



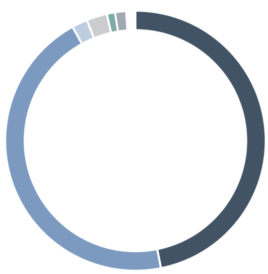
Percentage of total operating income before expected credit losses

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



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

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



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

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

2. Net interest income
Net interest income decreased by 7.2% to £778.1 million (2020^: £838.6 million).

Factors driving the variance over the period:

Favourable:

- Higher average interest earning assets, including average loan book growth in neutral currency

Unfavourable:

- Endowment effect from lower interest rates
- Assets repricing ahead of liabilities post rate cuts
- Higher derivative margin funding requirements

		UK and Other			Southern Africa			Total	
For the year to 31 March 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	7 699 932	27 785	0.36%	7 796 968	252 532	3.28%	15 496 900	280 317
Core loans	2	12 170 562	579 809	4.76%	13 405 872	916 459	6.93%	25 576 434	1 496 268
Private Client		2 873 101	84 191	2.93%	9 683 900	628 595	6.58%	12 557 001	712 786
Corporate, Investment Banking and Other		9 297 461	495 618	5.33%	3 721 972	287 864	7.84%	13 019 433	783 482
Other debt securities and other loans and advances		851 397	34 207	4.02%	759 892	41 571	5.55%	1 611 289	75 778
Other	3	287 831	59 419	n/a	14 476	10 517	n/a	302 307	69 936
Total interest-earning assets		**21 009 722**	**701 220**		**21 977 208**	**1 221 079**		**42 986 930**	**1 922 299**

		UK and Other			Southern Africa			Total	
For the year to 31 March 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	(3 098 976)	(44 378)	(1.43%)	(3 324 792)	(94 908)	(2.92%)	(6 423 768)	(139 286)
Customer accounts (deposits)		(16 020 789)	(131 233)	(0.82%)	(16 577 774)	(686 686)	(4.06%)	(32 598 563)	(817 919)
Subordinated liabilities		(789 555)	(48 145)	(6.10%)	(655 582)	(43 746)	(6.81%)	(1 445 137)	(91 891)
Other	5	(436 350)	(77 750)	n/a	(128 539)	(17 347)	n/a	(564 889)	(95 097)
Total interest-bearing liabilities		**(20 345 670)**	**(301 506)**		**(20 686 687)**	**(842 687)**		**(41 032 357)**	**(1 144 193)**
Net interest income			**399 714**			**378 392**			**778 106**
Net interest margin			**1.90%**			**1.71 %**			

We have changed our methodology for calculating net interest margin whereby this is now calculated using a straight-line 13 point (full year) average rather than a straight-line two point average previously. Under the previous methodology the net interest margin for the year to 31 March 2021 would have been: 1.93% for the UK and Other and 1.72% for Southern Africa (March 2020: 2.02% for the UK and Other and 1.82% for Southern Africa). 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 R21.33 (March 2020: R18.78).

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% (2020: 24.31%) interest. Excluding this debt funding cost, the net interest margin amounted to 1.84% (March 2020: 2.06%).

^ Restated as detailed on pages 69 and 70.

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

For the year to 31 March 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	7 215 307	73 916	1.02%	7 386 368	423 688	5.74%	14 601 675	497 604
Core loans	2	10 988 525	591 615	5.38%	14 649 776	1 404 251	9.59%	25 638 301	1 995 866
Private client		2 088 825	67 439	3.23%	10 458 802	987 203	9.44%	12 547 627	1 054 642
Corporate, Investment Banking and Other		8 899 700	524 176	5.89%	4 190 974	417 048	9.96%	13 090 674	941 224
Other debt securities and other loans and advances		711 589	31 025	4.36%	800 547	43 239	5.40%	1 512 136	74 264
Other	3	323 948	87 840	n/a	17 812	28 411	n/a	341 760	116 251
Total interest-earning assets		**19 239 369**	**784 396**		**22 854 503**	**1 899 589**		**42 093 872**	**2 683 985**

For the year to 31 March 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	(3 759 265)	(60 051)	(1.60%)	(3 152 869)	(133 749)	(4.24%)	(6 912 134)	(193 800)
Customer accounts (deposits)		(13 568 473)	(184 747)	(1.36%)	(18 524 163)	(1 242 248)	(6.71%)	(32 092 636)	(1 426 995)
Subordinated liabilities		(807 843)	(48 319)	(5.98%)	(803 062)	(62 343)	(7.76%)	(1 610 905)	(110 662)
Other	5	(481 381)	(93 894)	n/a	(105 062)	(20 065)	n/a	(586 443)	(113 959)
Total interest-bearing liabilities		**(18 616 962)**	**(387 011)**		**(22 585 156)**	**(1 458 405)**		**(41 202 118)**	**(1 845 416)**
Net interest income			**397 385**			**441 184**			**838 569**
Net interest margin			**2.02%**			**1.93%**			

We have changed our methodology for calculating net interest margin whereby this is now calculated using a straight-line 13 point (full year) average rather than a straight-line two point average previously. Under the previous methodology the net interest margin for the year to 31 March 2021 would have been: 1.93% for the UK and Other and 1.72% for Southern Africa (March 2020: 2.02% for the UK and Other and 1.82% for Southern Africa). 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 R21.33 (March 2020: R18.78).

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% (2020: 24.31%) interest. Excluding this debt funding cost, the net interest margin amounted to 1.84% (March 2020: 2.06%).

^ Restated as detailed on pages 69 and 70.

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

3. Net fee and commission income
Net fee and commission income decreased 7.0% to £748.9 million (2020^: £804.9 million).
Factors driving the variance over the period:

Favourable:
- Higher client transaction volumes for Wealth & Investment supported strong growth in brokerage fees
- Higher average discretionary and annuity FUM in South Africa
- Organic growth in FUM in current and prior year and investment outperformance in the UK
- Increased equity capital markets activity in the UK

Unfavourable:
- Private client transactional fees and corporate advisory activity in South Africa impacted by COVID-19 lockdowns
- Lower lending fees mainly due to lower corporate activity and significant non-repeat fees in the UK in the prior year
- Lower rental income from Investec Property Fund (IPF), largely offset in non-controlling interests
- Sale of Irish Wealth & Investment business in October 2019

For the year to 31 March 2021 £'000	UK and Other	Southern Africa	Total
Wealth & Investment net fee and commission income	**316 040**	**78 589**	**394 629**
Fund management fees/fees for funds under management	267 381	43 854	311 235
Private client transactional fees	49 432	36 535	85 967
Fee and commission expense	(773)	(1 800)	(2 573)
Specialist Banking net fee and commission income	**172 483**	**136 426**	**308 909**
Specialist Banking fee and commission income	184 981	159 686	344 667
Specialist Banking fee and commission expense	(12 498)	(23 260)	(35 758)
Group Investments net fee and commission income	**—**	**45 340**	**45 340**
Net fee and commission income	**488 523**	**260 355**	**748 878**
Annuity fees (net of fees payable)	284 745	211 316	496 061
Deal fees	203 778	49 039	252 817

For the year to 31 March 2020^ £'000	UK and Other	Southern Africa	Total
Wealth & Investment net fee and commission income	**304 412**	**84 173**	**388 585**
Fund management fees/fees for funds under management	261 093	45 188	306 281
Private client transactional fees	43 997	40 884	84 881
Fee and commission expense	(678)	(1 899)	(2 577)
Specialist Banking net fee and commission income	**177 788**	**165 868**	**343 656**
Specialist Banking fee and commission income	190 946	197 251	388 197
Specialist Banking fee and commission expense	(13 158)	(31 383)	(44 541)
Group Investments net fee and commission income	**—**	**72 666**	**72 666**
Net fee and commission income	**482 200**	**322 707**	**804 907**
Annuity fees (net of fees payable)	280 214	261 793	542 007
Deal fees	201 986	60 914	262 900

^ Restated as detailed on pages 69 and 70.
Included in Specialist Banking corporate and institutional and advisory services is fee income of £63.7 million (2020: £91.8 million) for operating lease income which is out of the scope of IFRS 15 – Revenue from contracts with customers.

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

Total funds under management

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

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

4. Investment income
Investment income decreased 18.5% to £32.0 million (2020: £39.3 million).

Factors driving the variance over the period:

Favourable:
- Mark-to-market gains on listed equities
- Realised profit on sale of IAPF management company
- Fair value adjustments on certain unlisted UK assets
- Realised gains on certain listed equity investments

Unfavourable:
- Non-repeat of large realisations in prior year and lower dividend income
- Lower profit shares recognised in the period
- Write downs on loans held at fair value
- COVID-19 negative impact on investment property valuations in IPF

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

For the year to 31 March 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	9 367	971	—	13	10 351	6 121	(1 755)	23 165	37 882
Unrealised^	6 449	7 485	—	(35)	13 899	(2 967)	(3 141)	(29 489)	(21 698)
Dividend income	21	3 906	—	—	3 927	—	—	—	3 927
Funding and other net related costs	—	—	—	—	—	—	2 303	—	2 303
	15 837	**12 362**	**—**	**(22)**	**28 177**	**3 154**	**(2 593)**	**(6 324)**	**22 414**
Southern Africa									
Realised	14 380	(2 191)	—	2 451	14 640	2 985	1 287	16 018	34 930
Unrealised^	4 583	(6 374)	18 386	2	16 597	(907)	(46 736)	(8 347)	(39 393)
Dividend income	5 722	4 688	—	—	10 410	—	—	50	10 460
Funding and other net related costs	—	(1 145)	—	—	(1 145)	—	4 736	—	3 591
	24 685	**(5 022)**	**18 386**	**2 453**	**40 502**	**2 078**	**(40 713)**	**7 721**	**9 588**
Investment income	**40 522**	**7 340**	**18 386**	**2 431**	**68 679**	**5 232**	**(43 306)**	**1 397**	**32 002**

For the year to 31 March 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	(765)	51 161	—	15 558	65 954	4 274	(3 616)	(257)	66 355
Unrealised^	(8 446)	(39 918)	—	(7 329)	(55 693)	(3 743)	1 814	(8 011)	(65 633)
Dividend income	7	2 892	—	—	2 899	—	—	—	2 899
Funding and other net related costs	—	—	—	—	—	—	2 754	—	2 754
	(9 204)	**14 135**	**—**	**8 229**	**13 160**	**531**	**952**	**(8 268)**	**6 375**
Southern Africa									
Realised	1 505	6 238	—	8 385	16 128	5 738	(313)	(53)	21 500
Unrealised^	(5 019)	(10 523)	59 967	(32)	44 393	5 899	(43 750)	(12 169)	(5 627)
Dividend income	9 957	12 015	—	—	21 972	—	—	50	22 022
Funding and other net related costs	—	(1 935)	—	—	(1 935)	—	(3 067)	—	(5 002)
	6 443	**5 795**	**59 967**	**8 353**	**80 558**	**11 637**	**(47 130)**	**(12 172)**	**32 893**
Investment income	**(2 761)**	**19 930**	**59 967**	**16 582**	**93 718**	**12 168**	**(46 178)**	**(20 440)**	**39 268**

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

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

5. Interests in associated undertakings and joint venture holdings
Share of post taxation profit of associates and joint venture holdings of £42.5 million (2020: £17.8 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:

- Inclusion of earnings from the group's 25% holding in Ninety One

Unfavourable:

- Lower earnings from the IEP Group due to the impact of COVID-19 related lockdowns and the non-repeat of a realisation in the prior year

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

6. Trading income
Trading income arising from customer flow declined by 43.8% to £35.6 million (2020: £62.8 million).

Factors driving the variance over the period:

Favourable:

- Positive fair value adjustments in certain portfolios as markets rebounded from COVID-19 related dislocation
- Non-repeat of fair value losses in certain portfolios in the prior year

Unfavourable:

- UK structured products book hedging costs of £93 million (2020: £29 million) following market dislocation and dividend cancellation

Trading income from balance sheet management and other trading activities netted a loss of £18.9 million (2020: profit of £26.7 million).

Factors driving the variance over the period:

Favourable:

- Improved asset values following extreme COVID-19 related volatility in March 2020
- Fair value gains on derivative instruments in IPF, which include cross currency swaps and foreign exchange contracts

Unfavourable:

- Negative movement on interest rate swaps hedging fixed deposits and foreign exchange swaps
- Negative FX revaluations on Euro-denominated investments and losses on interest rate swaps in IPF

7. Other operating income
Other operating income of £23.0 million (2020: £6.9 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 – CONTINUING OPERATIONS
CONTINUED

8. Expected credit loss (ECL) impairment charges

Total ECL impairment charges declined by 25.4% to £99.4 million (2020: £133.3 million) and the group's credit loss ratio reduced to 0.35% (2020: 0.52%). The reduction was primarily driven by the impact of muted book growth on Stage 1 and 2 ECLs and higher recoveries in South Africa.

Refer to pages 99 to 100 for further information on the macro-economic scenarios underpinning the group's ECL impairment charges and page 101 for information on the group's asset quality.

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

£'000	31 March 2021	31 March 2020
ECL impairment charges are recognised on the following assets:		
Loans and advances to customers	(88 470)	(126 301)
Own originated loans and advances to customers securitised	(407)	(317)
Core loans	**(88 877)**	**(126 618)**
Other loans and advances	71	33
Other balance sheet assets	(4 781)	(3 696)
Off-balance sheet commitments and guarantees	(5 851)	(3 020)
ECL impairment charges	**(99 438)**	**(133 301)**

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

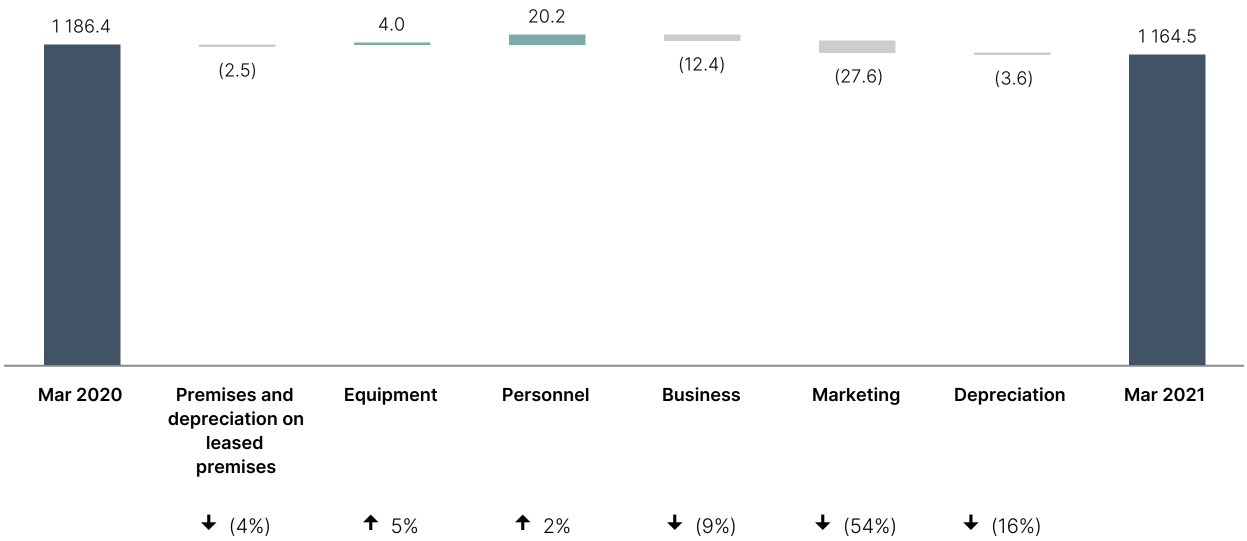
9. Operating costs

Operating costs decreased by 1.8% to £1 164.5 million (2020: £1 186.4 million), driven by a reduction in headcount and discretionary expenditure. This was partially offset by higher variable remuneration reflecting positive business momentum, employee benefit costs related to Ninety One shares held in the group's staff share scheme, and first-time consolidation of a property management company acquired in the last quarter of the prior year.

Fixed costs decreased by 6.6%, while variable costs increased by 25.5%, reflecting a level of normalisation in line with improving revenue trends. The group incurred approximately £26 million of one-off restructuring costs in the period.

Despite the decrease in operating costs, the cost to income ratio is above the prior period at 70.9% (2020: 68.2%) as a result of the aforementioned pressures on revenue.

Operating costs
£'million



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

£'000	31 March 2021	31 March 2020	Variance	% change
Wealth & Investment	(302 705)	(315 616)	12 911	(4.1%)
Private Banking	(178 424)	(215 298)	36 874	(17.1%)
Corporate, Investment Banking and Other	(647 756)	(598 894)	(48 862)	8.2%
Group Investments	(2 096)	(2 815)	719	(25.5%)
Group costs	(33 532)	(53 804)	20 272	(37.7%)
Total operating costs	**(1 164 513)**	**(1 186 427)**	**21 914**	**(1.8%)**

£'000	31 March 2021	31 March 2020	Variance	% change
UK and Other	(766 367)	(742 199)	(24 168)	3.3%
Southern Africa	(398 146)	(444 228)	46 082	(10.4%)
Total operating costs	**(1 164 513)**	**(1 186 427)**	**21 914**	**(1.8%)**

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

£'000	31 March 2021	% of total operating costs	31 March 2020^	% of total operating costs	% change
Staff costs	(866 558)	74.5%	(846 397)	71.3%	2.4%
Salaries and wages	(496 815)	42.7%	(491 983)	41.4%	1.0%
Variable remuneration	(220 696)	19.0%	(175 866)	14.8%	25.5%
Share-based payments expense	(45 491)	3.9%	(60 087)	5.1%	(24.3%)
Other	(103 556)	8.9%	(118 461)	10.0%	(12.6%)
Business expenses	(125 184)	10.7%	(137 535)	11.6%	(9.0%)
Equipment expenses (excluding depreciation)	(76 830)	6.6%	(72 833)	6.1%	5.5%
Premises expenses^	(53 505)	4.6%	(55 985)	4.8%	(4.4%)
Premises expenses (excluding depreciation)^	(24 301)	2.1%	(25 556)	2.2%	(4.9%)
Premises depreciation	(29 204)	2.5%	(30 429)	2.6%	(4.0%)
Marketing expenses	(23 681)	2.0%	(51 285)	4.3%	(53.8%)
Depreciation, amortisation and impairment on property, equipment and intangibles	(18 755)	1.6%	(22 392)	1.9%	(16.2%)
Total operating costs	**(1 164 513)**	**100.0%**	**(1 186 427)**	**100.0%**	**(1.8%)**

^ Restated as detailed on pages 69 and 70.

Of which IT costs and headcount:

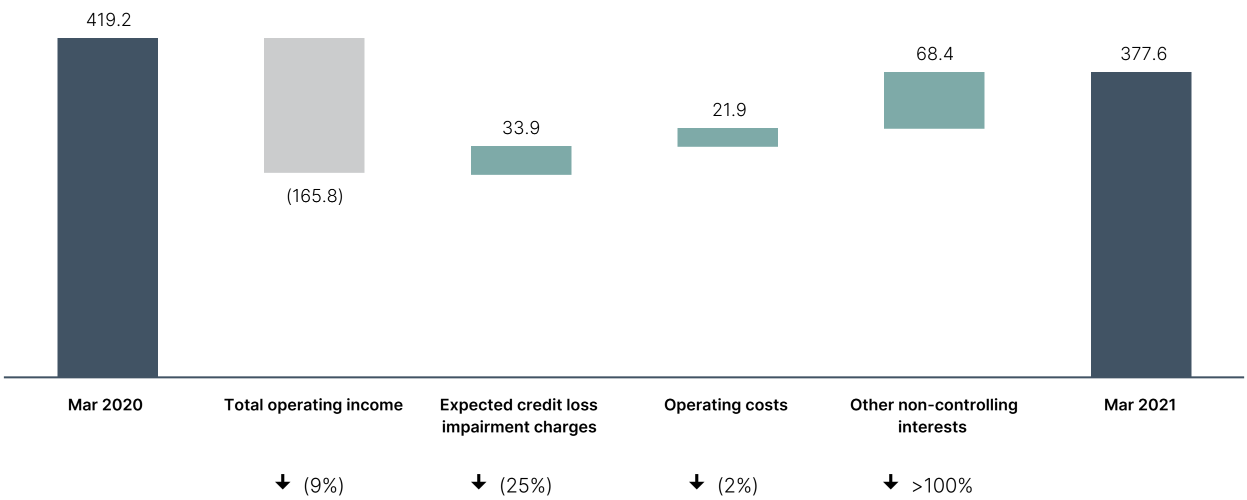
£'000	31 March 2021	31 March 2020	Variance	% change
Staff costs	(111 601)	(125 326)	13 725	(11.0%)
Equipment expenses (excluding depreciation)	(75 080)	(74 424)	(656)	0.9%
Depreciation on equipment	(16 860)	(19 298)	2 438	(12.6%)
Other	(2 370)	(10 010)	7 640	(76.3%)
Total IT costs	**(205 911)**	**(229 058)**	**23 147**	**(10.1%)**
Headcount	**1 563**	**1 597**	**(34)**	**(2.1%)**

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

Adjusted operating profit

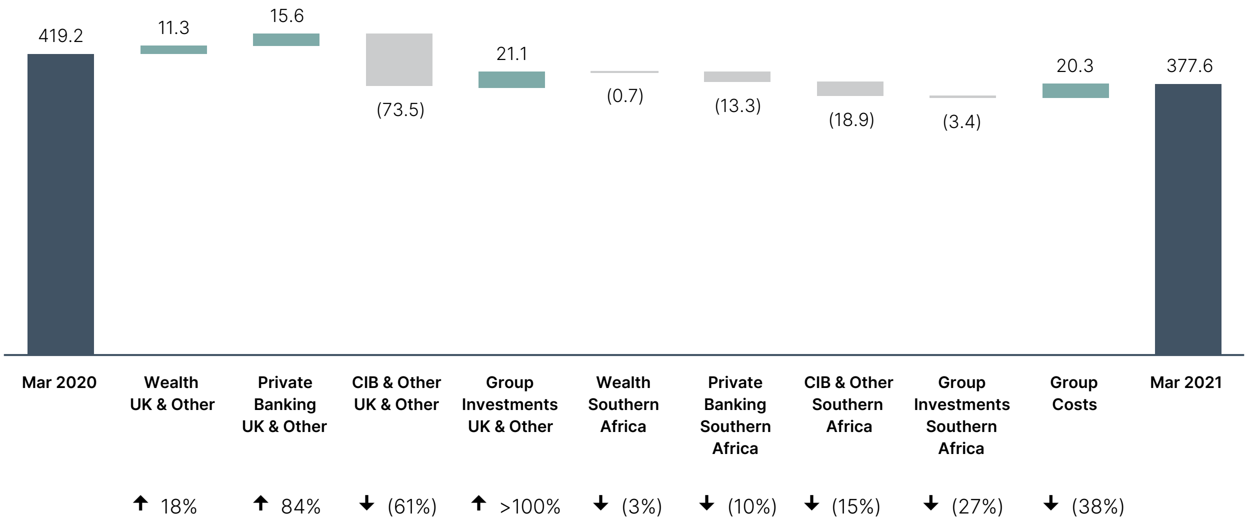
As a result of the foregoing factors, adjusted operating profit from continuing operations decreased by 9.9% from £419.2 million to £377.6 million.

£'million



Adjusted operating profit by business and geography

£'million



PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
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 year to 31 March 2021	Private Client		Specialist Banking					
£'000	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	Group Investments	Group Costs	Total group	% change	% of total
UK and Other	74 340	(3 012)	47 799	25 142	(18 286)	125 983	(5.6%)	33.4%
Southern Africa	26 119	123 434	108 049	9 243	(15 246)	251 599	(11.9%)	66.6%
Continuing operations adjusted operating profit	**100 459**	**120 422**	**155 848**	**34 385**	**(33 532)**	**377 582**	**(9.9%)**	**100.0%**
Other non-controlling interest*						(472)		
Adjusted operating profit before non-controlling interests						**377 110**		
% change	**11.8%**	**2.0%**	**(37.2%)**	**105.6%**	**(37.7%)**	**(9.9%)**		
% of total	**26.6%**	**31.9%**	**41.3%**	**9.1%**	**(8.9%)**	**100.0%**		

For the year to 31 March 2020	Private Client		Specialist Banking				
£'000	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	Group Investments	Group Costs	Total group	% of total
UK and Other	63 018	(18 656)	121 300	4 091	(36 288)	133 465	31.8%
Southern Africa	26 848	136 746	126 983	12 633	(17 516)	285 694	68.2%
Continuing operations adjusted operating profit	**89 866**	**118 090**	**248 283**	**16 724**	**(53 804)**	**419 159**	**100.0%**
Other non-controlling interest*						67 952	
						487 111	
% of total	**21.4%**	**28.2%**	**59.2%**	**4.0%**	**(12.8%)**	**100.0%**	

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

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

Number of employees

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

Adjusted operating profit per employee

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

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

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

^ Based on average number of employees over the year.

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

10. Goodwill and intangible assets

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

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

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

Goodwill and intangible assets analysis by geography and line of business

£'000	31 March 2021	31 March 2020
UK and Other	**249 837**	**261 182**
Wealth & Investment	236 318	236 318
Specialist Banking	13 519	24 864
South Africa	**9 968**	**9 443**
Wealth & Investment	1 774	1 631
Specialist Banking	8 194	7 812
Other intangible assets	**58 968**	**71 657**
Wealth & Investment	56 619	67 498
Specialist Banking	2 349	4 159
Total group	**318 773**	**342 282**

11. Taxation

The tax charge on adjusted operating profit from continuing operations was £74.5 million (2020: £54.7 million), resulting in an effective tax rate of 22.3% (2020: 11.9%). The increase was due to normalisation of the effective tax rate in South Africa and the release of provisions associated with the settlement of a tax case in the UK in the prior year.

	Effective tax rates				
	31 March 2021	31 March 2020	31 March 2021 £'000	31 March 2020 £'000	% change
UK and Other	27.2%	(0.6%)	(24 243)	706	(>100.0%)
Southern Africa	20.5%	16.5%	(50 296)	(55 396)	9.2%
Tax	**22.3%**	**11.9%**	**(74 539)**	**(54 690)**	**(36.3%)**

12. Financial impact of strategic actions

£'000	Year to 31 March 2021	Year to 31 March 2020
Closure and rundown of the Hong Kong direct investments business*	7 386	(89 257)
Financial impact of group restructures	—	(25 725)
Closure of Click & Invest	—	(4 309)
Sale of the Irish Wealth & Investment business	—	19 741
Restructure of the Irish branch	—	(41 110)
Other	—	(47)
Financial impact of strategic actions – continuing operations	**7 386**	**(114 982)**
Taxation on financial impact of strategic actions from continuing operations	(1 390)	19 856
Net financial impact of strategic actions – continuing operations	**5 996**	**(95 126)**
Gain on distribution of Ninety One shares net of taxation and implementation costs	—	806 420
Net financial impact of strategic actions – total group	**5 996**	**711 294**

* Included within the balance are fair value gains of £10.3 million (March 2020: fair value loses of £83.2 million).

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

Net asset value per share

NAV per share increased 11.1% to 460.2 pence and TNAV per share (which excludes goodwill and other acquired intangible assets) increased 12.7% to 425.7 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	31 March 2021	31 March 2020
Ordinary shareholders' equity/net asset value	**4 255 084**	**3 862 305**
Less: goodwill and intangible assets (excluding software)	(318 773)	(342 282)
Tangible ordinary shareholders' equity/net tangible asset value	**3 936 311**	**3 520 023**
Number of shares in issue (million)	1 015.0	1 015.0
Treasury shares (million)	(90.4)	(82.8)
Number of shares in issue in this calculation (million)	**924.6**	**932.2**
Net asset value per share (pence)	**460.2**	**414.3**
Tangible net asset value per share (pence)	**425.7**	**377.6**

Return on risk-weighted assets – continuing operations

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

	31 March 2021	31 March 2020	Average risk-weighted assets	31 March 2019	Average risk-weighted assets
Adjusted earnings attributable to ordinary shareholders (£'000)	**268 269**	**320 650**		**458 844**	
Investec plc risk-weighted assets* (£'million)	16 332	16 285	16 308	14 679	15 482
Investec Limited risk-weighted assets* (£'million)	17 254	15 247	16 251	16 606	15 926
Total risk-weighted assets* (£'million)	**33 586**	**31 532**	**32 559**	**31 285**	**31 408**
Return on risk-weighted assets	**0.82%**	**1.01%**		**1.41%**	
Investec Limited risk-weighted assets* (R'million)	351 329	337 755	344 542	312 170	324 963

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

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

Return on equity

Continuing operations **£'000**	**31 March 2021**	31 March 2020	Average	31 March 2019	Average
Ordinary shareholders' equity	**4 255 084**	**3 862 305**	**4 058 695**	**3 917 960**	**3 871 201**
Goodwill and intangible assets (excluding software)	(318 773)	(342 282)	(330 528)	(368 352)	(392 949)
Tangible ordinary shareholders' equity	**3 936 311**	**3 520 023**	**3 728 167**	**3 549 608**	**3 478 252**

Continuing operations **£'000**	**31 March 2021**	31 March 2020
Operating profit before goodwill, acquired intangibles and strategic actions	377 110	487 111
Non-controlling interests	472	(67 952)
Earnings attributable to perpetual preference and Other Additional Tier 1 security holders (other equity holders)	(34 774)	(43 819)
Adjusted earnings (pre-tax)	**342 808**	**375 340**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(74 539)	(54 690)
Adjusted earnings attributable to ordinary shareholders	**268 269**	**320 650**
Pre-tax return on average shareholders' equity (pre-tax ROE)	8.4%	9.7%
Post-tax return on average shareholders' equity (post-tax ROE)	**6.6%**	**8.3%**
Pre-tax return on average tangible shareholders' equity (pre-tax ROTE)	9.2%	10.8%
Post-tax return on average tangible shareholders' equity (post-tax ROTE)	**7.2%**	**9.2%**

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

Return on equity by geography

£'000	UK and Other	Southern Africa	Total
Operating profit before goodwill, acquired intangibles and strategic actions	125 122	251 988	377 110
Non-controlling interests	861	(389)	472
Earnings attributable to other equity holders	(17 226)	(17 548)	(34 774)
Adjusted earnings (pre-tax)	**108 757**	**234 051**	**342 808**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(24 243)	(50 296)	(74 539)
Adjusted earnings attributable to ordinary shareholders – 31 March 2021	**84 514**	**183 755**	**268 269**
Adjusted earnings attributable to ordinary shareholders – 31 March 2020	116 752	203 898	320 650
Ordinary shareholders' equity – 31 March 2021	**2 109 588**	**2 145 496**	**4 255 084**
Goodwill and intangible assets (excluding software)	(303 117)	(15 656)	(318 773)
Tangible ordinary shareholders' equity – 31 March 2021	**1 806 471**	**2 129 840**	**3 936 311**
Ordinary shareholders' equity – 31 March 2020	**2 076 961**	**1 785 344**	**3 862 305**
Goodwill and intangible assets (excluding software)	(325 294)	(16 988)	(342 282)
Tangible ordinary shareholders' equity – 31 March 2020	**1 751 667**	**1 768 356**	**3 520 023**
Average ordinary shareholders' equity – 31 March 2021	**2 093 275**	**1 965 420**	**4 058 695**
Average ordinary shareholders' equity – 31 March 2020	1 960 029	1 911 171	3 871 200
Average tangible ordinary shareholders' equity – 31 March 2021	**1 779 068**	**1 949 099**	**3 728 167**
Average tangible ordinary shareholders' equity – 31 March 2020	1 586 799	1 891 453	3 478 252
Post-tax ROE – 31 March 2021	**4.0%**	**9.3%**	**6.6%**
Post-tax ROE – 31 March 2020	6.0%	10.7%	8.3%
Post-tax ROTE – 31 March 2021	**4.8%**	**9.4%**	**7.2%**
Post-tax ROTE – 31 March 2020	7.4%	10.8%	9.2%
Pre-tax ROTE – 31 March 2021	**5.2%**	**11.9%**	**8.4%**
Pre-tax ROTE – 31 March 2020	5.9%	13.6%	9.7%
Pre-tax ROTE – 31 March 2021	**6.1%**	**12.0%**	**9.2%**
Pre-tax ROTE – 31 March 2020	7.3%	13.7%	10.8 %

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
CONTINUED

Return on equity by business and geography

£'000	Specialist Bank UK and Other			Specialist Bank Southern Africa			Group Investments		
	Private Banking	Corporate, Investment Banking & Other	Total	Private Banking	Corporate, Investment Banking & Other	Total	UK and Other	Southern Africa	Total
Adjusted operating profit	**(3 012)**	**47 799**	**44 787**	**123 434**	**108 049**	**231 483**	**25 142**	**9 243**	**34 385**
Notional return on regulatory capital	8 015	(14 986)	(6 971)	14 986	(16 310)	(1 324)	—	—	—
Notional cost of statutory capital	—	8 623	8 623	(2 747)	2 747	—	—	—	—
Cost of subordinated debt	(5 133)	5 900	767	(7 696)	8 175	479	—	—	—
Earnings attributable to other equity	(3 325)	(13 404)	(16 729)	(4 985)	(12 358)	(17 343)	—	—	—
Adjusted earnings (pre-tax) – 2021	**(3 455)**	**33 932**	**30 477**	**122 992**	**90 303**	**213 295**	**25 142**	**9 243**	**34 385**
Tax on operating profit before goodwill, acquired intangibles and strategic actions	656	(12 947)	(12 291)	(24 598)	(20 846)	(45 444)	—	(676)	(676)
Adjusted earnings attributable to ordinary shareholders – 2021	**(2 799)**	**20 985**	**18 186**	**98 394**	**69 457**	**167 851**	**25 142**	**8 567**	**33 709**
Adjusted earnings (pre-tax) – 2020	**(19 099)**	**106 295**	**87 196**	**136 304**	**100 022**	**236 326**	**4 091**	**12 633**	**16 724**
Adjusted earnings attributable to ordinary shareholders – 2020	**(15 470)**	**110 442**	**94 972**	**110 406**	**78 034**	**188 440**	**4 091**	**9 208**	**13 299**
Ordinary shareholders' equity – 31 March 2021	**445 261**	**1 049 852**	**1 495 113**	**801 171**	**997 112**	**1 798 283**	**227 194**	**310 860**	**538 054**
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**	**310 860**	**538 054**
Ordinary shareholders' equity – 31 March 2020	391 830	1 186 874	1 578 704	729 066	740 624	1 469 690	97 640	291 085	388 725
Goodwill and intangible assets (excluding software)	—	(24 866)	(24 866)	—	(15 357)	(15 357)	—	—	—
Tangible ordinary shareholders' equity – 31 March 2020	391 830	1 162 008	1 553 838	729 066	725 267	1 454 333	97 640	291 085	388 725
Average ordinary shareholders' equity – 2021	**418 546**	**1 118 363**	**1 536 909**	**765 118**	**868 868**	**1 633 986**	**162 417**	**300 973**	**463 390**
Average ordinary shareholders' equity – 2020	370 279	1 150 597	1 520 876	700 997	871 801	1 572 798	48 820	315 758	364 578
Average tangible ordinary shareholders' equity – 2021	**418 544**	**1 099 171**	**1 517 715**	**765 118**	**854 249**	**1 619 367**	**162 417**	**300 973**	**463 390**
Average tangible ordinary shareholders' equity – 2020	370 279	1 089 311	1 459 590	700 997	853 858	1 554 855	48 820	315 758	364 578
Pre-tax ROE – 31 March 2021	**(0.8%)**	**3.0%**	**2.0%**	**16.1%**	**10.4%**	**13.1%**	**15.5%**	**3.1%**	**7.4%**
Pre-tax ROE – 31 March 2020	(5.2%)	9.2%	5.7%	19.4%	11.5%	15.0%	8.4 %	4.0%	4.6%
Post-tax ROE – 31 March 2021	**(0.7%)**	**1.9%**	**1.2%**	**12.9%**	**8.0%**	**10.3%**	**15.5%**	**2.8%**	**7.3%**
Post-tax ROE – 31 March 2020	(4.2%)	9.6%	6.2%	15.7%	9.0%	12.0%	8.4 %	2.9%	3.6%
Pre-tax ROTE – 31 March 2021	**(0.8%)**	**3.1%**	**2.0%**	**16.1%**	**10.6%**	**13.2%**	**15.5%**	**3.1%**	**7.4%**
Pre-tax ROTE – 31 March 2020	(5.2%)	9.8%	6.0%	19.4%	11.7%	15.2%	8.4 %	4.0%	4.6%
Post-tax ROTE – 31 March 2021	**(0.7%)**	**1.9%**	**1.2%**	**12.9%**	**8.1%**	**10.4%**	**15.5%**	**2.8%**	**7.3%**
Post-tax ROTE – 31 March 2020	(4.2%)	10.1%	6.5%	15.7%	9.1%	12.1%	8.4%	2.9%	3.6%

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

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

PERFORMANCE IN REVIEW – CONTINUING OPERATIONS
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
74 340	**26 119**	**100 459**	**(18 286)**	**(15 246)**	**(33 532)**	**—**	**—**	**—**	**125 983**	**251 599**	**377 582**
6 971	1 324	8 295	—	—	—	—	—	—	—	—	—
(8 623)	—	(8 623)	—	—	—	—	—	—	—	—	—
(767)	(479)	(1 246)	—	—	—	—	—	—	—	—	—
(497)	(205)	(702)	—	—	—	—	—	—	(17 226)	(17 548)	(34 774)
71 424	**26 759**	**98 183**	**(18 286)**	**(15 246)**	**(33 532)**	**—**	**—**	**—**	**108 757**	**234 051**	**342 808**
(15 426)	(7 225)	(22 651)	3 474	3 049	6 523	—	—	—	(24 243)	(50 296)	(74 539)
55 998	**19 534**	**75 532**	**(14 812)**	**(12 197)**	**(27 009)**	**—**	**—**	**—**	**84 514**	**183 755**	**268 269**
61 047	**27 851**	**88 898**	**(36 288)**	**(17 516)**	**(53 804)**	**—**	**—**	**—**	**116 046**	**259 294**	**375 340**
47 082	**20 613**	**67 695**	**(29 393)**	**(14 363)**	**(43 756)**	**—**	**—**	**—**	**116 752**	**203 898**	**320 650**
228 231	**36 353**	**264 584**	**—**	**—**	**—**	**159 050**	**—**	**159 050**	**2 109 588**	**2 145 496**	**4 255 084**
(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	2 129 840	3 936 311
241 567	24 569	266 136	—	—	—	159 050	—	159 050	2 076 961	1 785 344	3 862 305
(141 378)	(1 631)	(143 009)	—	—	—	(159 050)	—	(159 050)	(325 294)	(16 988)	(342 282)
100 189	22 938	123 127	—	—	—	—	—	—	1 751 667	1 768 356	3 520 023
234 899	**30 461**	**265 360**	**—**	**—**	**—**	**159 050**	**—**	**159 050**	**2 093 275**	**1 965 420**	**4 058 695**
231 283	22 615	253 898	—	—	—	159 050	—	159 050	1 960 029	1 911 171	3 871 200
98 936	**28 759**	**127 695**	**—**	**—**	**—**	**—**	**—**	**—**	**1 779 068**	**1 949 099**	**3 728 167**
78 389	**20 840**	**99 228**	—	—	—	—	—	—	1 586 799	1 891 453	3 478 252
30.4%	**87.8%**	**37.0%**	**—**	**—**	**—**	**—**	**—**	**—**	**5.2%**	**11.9%**	**8.4%**
26.4%	123.2%	35.0%	—	—	—	—	—	—	5.9%	13.6%	9.7%
23.8%	**64.1%**	**28.5%**	**—**	**—**	**—**	**—**	**—**	**—**	**4.0%**	**9.3%**	**6.6%**
20.4%	91.1%	26.7%	—	—	—	—	—	—	6.0%	10.7%	8.3%
72.2%	**93.0%**	**76.9%**	**—**	**—**	**—**	**—**	**—**	**—**	**6.1%**	**12.0%**	**9.2%**
77.9%	133.6%	89.6%	—	—	—	—	—	—	7.3%	13.7%	10.8%
56.6%	**67.9%**	**59.2%**	**—**	**—**	**—**	**—**	**—**	**—**	**4.8%**	**9.4%**	**7.2%**
60.1%	98.9%	68.2%	—	—	—	—	—	—	7.4%	10.8%	9.2%

DISCONTINUED OPERATIONS

Asset Management business
During the prior financial year on 13 March 2020, the group successfully completed the demerger of Ninety One (formerly known as Investec Asset Management), which became separately listed on 16 March 2020. The loss of control of Investec Asset Management was effected through the distribution of Ninety One shares to shareholders.

The table below presents the income statement from discontinued operations included in the total group income statement for the year to 31 March 2020.

13. Combined consolidated income statement of discontinued operations

£'000	Year to 31 March 2020 UK and Other	Southern Africa	Total
Net interest income	(2 235)	3 962	1 727
Net fee and commission income	392 591	191 388	583 979
Investment income	(2 042)	35	(2 007)
Trading income/(loss) arising from			
– balance sheet management and other trading activities	1 634	(76)	1 558
Other operating income	4 697	745	5 442
Total operating income before expected credit loss impairment charges	**394 645**	**196 054**	**590 699**
Expected credit loss impairment charges	—	—	—
Operating income	**394 645**	**196 054**	**590 699**
Operating costs	(285 542)	(115 398)	(400 940)
Operating profit before strategic actions and non-controlling interests	**109 103**	**80 656**	**189 759**
Profit attributable to non-controlling interests from discontinued operations	(18 106)	(11 241)	(29 347)
Operating profit	**90 997**	**69 415**	**160 412**
Gain on distribution net of implementation costs	549 263	270 970	820 233
Profit before taxation	**640 260**	**340 385**	**980 645**
Taxation on operating profit before strategic actions	(19 112)	(22 088)	(41 200)
Taxation on strategic actions	1 253	(15 066)	(13 813)
Earnings attributable to shareholders from discontinued operations	**622 401**	**303 231**	**925 632**

RESTATEMENTS

Income statement restatements

Interest income and fee and commission income restatement

During the year to 31 March 2021, 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 year have been restated. The restatement has no impact on total operating income in the income statement, earnings per share (basic and diluted), headline earnings, the statement of cash flows and the balance sheet.

The impact of the restatement on the 31 March 2020 income statement is:

£'000	Year to 31 March 2020 as previously reported	Reclassification	Year to 31 March 2020 restated
Interest income	2 698 420	(14 435)	2 683 985
Fee and commission income	837 590	14 435	852 025

Depreciation on operating leased assets

Depreciation on operating leased assets of £0.6 million (31 March 2020: £1.4 million), which was previously reported as a separate line item on the income statement, has been included in operating costs.The prior year has been restated to reflect the same basis.

Amortisation of acquired intangibles of associates

Amortisation of acquired intangibles of associates of £9.3million (31 March 2020: £0.5 million) was previously reported in the line item amortisation of acquired intangibles on the income statement . In the current year it has been reported on a separate line item on the income statement being amortisation of acquired intangibles of associates. The prior year has been restated to reflect the same basis.

Balance sheet restatements

Software and Other acquired intangible assets

Software of £12.6 million (31 March 2020: £14.6 million), which was previously reported within intangible assets, is now reported as a separate line item. The prior year has been re-presented to reflect the same basis.

Perpetual preference share capital and premium

Perpetual preference share premium of £174.1 million (31 March 2020: £168.5 million), which was previously reported within share premium, is now reported within Perpetual preference share capital and premium. The prior year has been re-presented to reflect the same basis.

The re-presentation of software and the perpetual preference share premium was done to provide users enhanced clarity on the values used to calculate net asset values and the various ROE ratios.

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 activities have been 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 similar to secured lending. The prior year balance sheet has been restated to give a consistent presentation. This change has no impact on the Income Statement.

The impact of this change on the 31 March 2020 and 31 March 2019 balance sheet is:

£'000	At 31 March 2020 as previously reported	Reclassification	At 31 March 2020 restated
Assets			
Reverse repurchase agreements and cash collateral on securities borrowed	2 964 603	831 576	3 796 179
Sovereign debt securities	4 593 893	(603 712)	3 990 181
Derivative financial instruments	2 034 399	(400)	2 033 999
Securities arising from trading activities	1 044 445	(326 048)	718 397
Total assets	**50 656 316**	**(98 584)**	**50 557 732**
Liabilities			
Derivative financial instruments	2 248 849	(98 584)	2 150 265
Total liabilities	**45 758 684**	**(98 584)**	**45 660 100**

RESTATEMENTS
CONTINUED

£'000	At 31 March 2019 as previously reported	Reclassification	At 31 March 2019 restated
Assets			
Reverse repurchase agreements and cash collateral on securities borrowed	1 768 748	660 017	2 428 765
Sovereign debt securities	4 538 223	(318 798)	4 219 425
Derivative financial instruments	1 034 166	(326)	1 033 840
Securities arising from trading activities	1 859 254	(369 104)	1 490 150
Total assets	**57 724 212**	**(28 211)**	**57 696 001**
Liabilities			
Derivative financial instruments	1 277 233	(28 211)	1 249 022
Total liabilities	**707 692**	**(28 211)**	**679 481**

Cash flow statement restatements
As at 31 March 2021, amounts previously reported within loans and advances to banks have been 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 year has been restated as follows:

£'000	Year to 31 March 2020 as previously reported	Restatement	Year to 31 March 2020 restated
Net cash inflow from operating activities	467 853	239 084	706 937
Net cash outflow from investing activities	(350 855)	—	(350 855)
Net cash outflow from financing activities	(603 247)	—	(603 247)
Effects of exchange rate changes on cash and cash equivalents	(435 149)	(27 568)	(462 717)
Net (decrease)/increase in cash and cash equivalents	**(921 398)**	**211 516**	**(709 882)**
Cash and cash equivalents at the beginning of the year	7 115 106	814 418	7 929 524
Cash and cash equivalents at the end of the year	**6 193 708**	**1 025 934**	**7 219 642**

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. A fuller analysis will be included in the annual financial statements.

03

Divisional review

DIVISIONAL KEY INCOME DRIVERS

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

There are therefore a number of key income drivers for our business which are discussed below and alongside.

Wealth & Investment

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

Group Investments

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

DIVISIONAL KEY INCOME DRIVERS
CONTINUED

Specialist Banking

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

UK AND OTHER

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

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

Highlights

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

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

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

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

ROE post tax
4.0%
(2020: 6.0%)

Cost to income
79.5%
(2020: 78.0%)

What we do

Private client offering

Wealth & Investment

Investment and savings

Pensions and retirement

Financial planning

Private Banking

Lending

Private Capital

Transactional banking

Savings

Foreign exchange

Corporate client offering

Corporate and Investment Banking

Lending

Advice

Hedging

Cash – deposits and savings

Equity placement

Target market

Private client offering

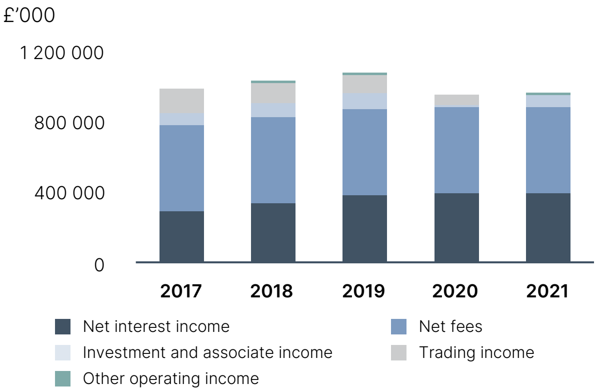
- Individuals with > £250k minimum investable amount
- Charities
- Trusts
- High net worth active wealth creators (with > £300k annual income and > £3mn NAV)

Corporate client offering

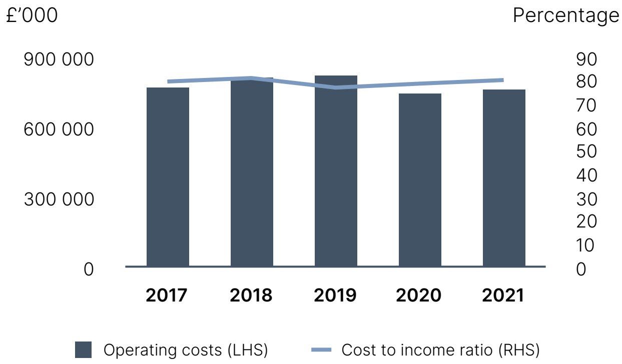
- Corporates
- Private equity
- Institutions
- Intermediaries
- Government

UK AND OTHER
CONTINUED

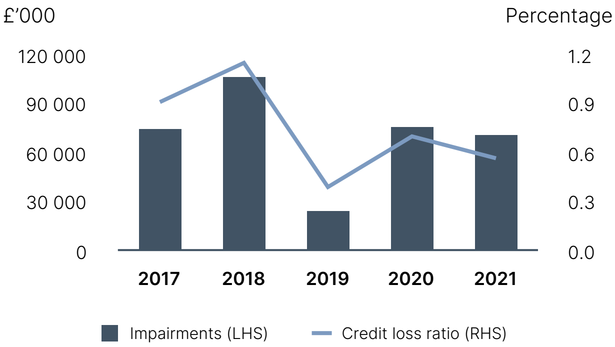
Operating income



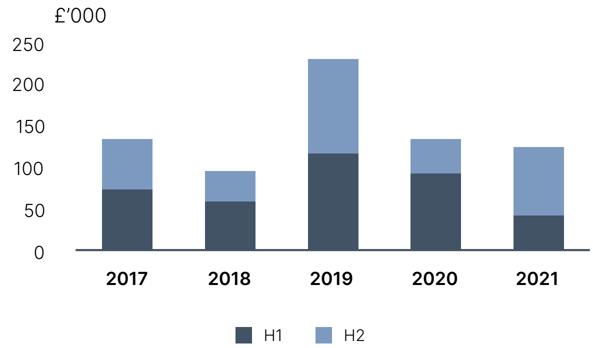
Operating costs



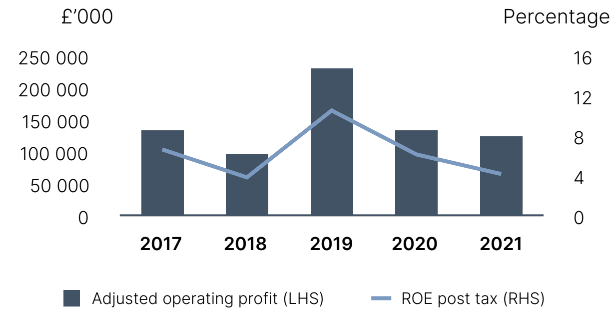
Expected credit losses/impairment losses^



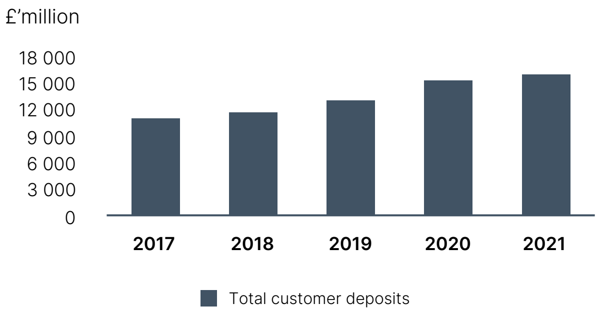
Adjusted operating profit



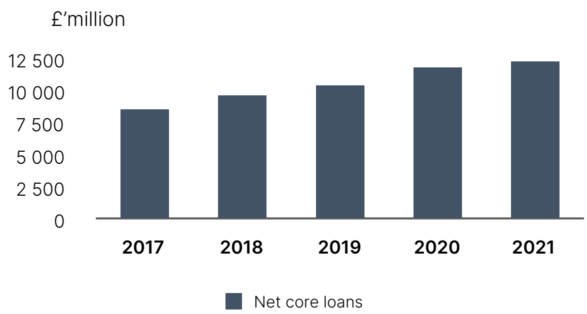
Adjusted operating profit and ROE



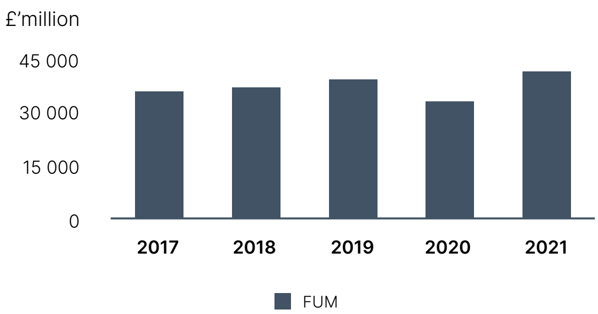
Total customer deposits



Net core loans



Funds under management



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

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

WEALTH & INVESTMENT

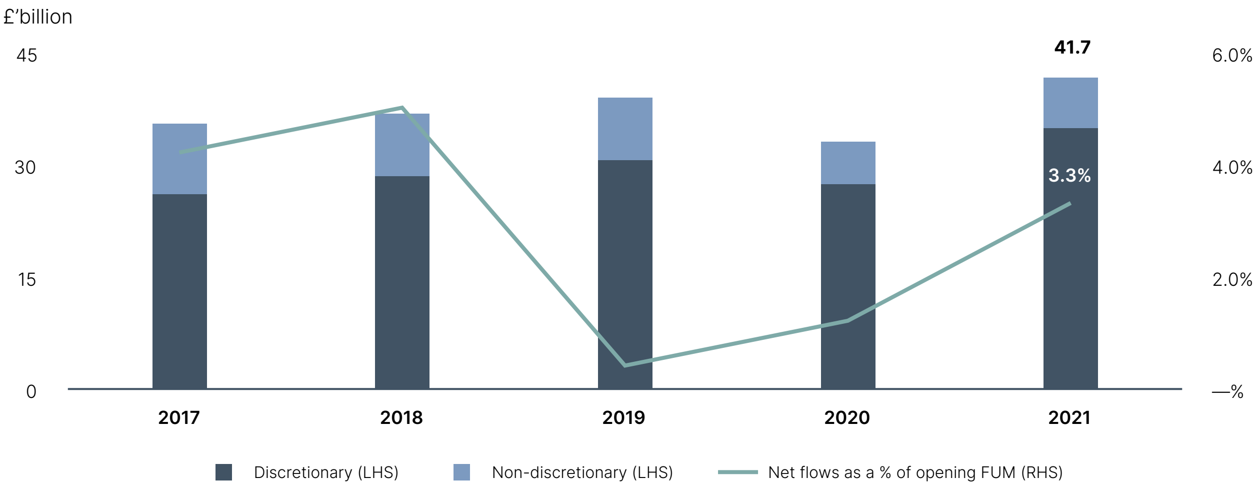
Business head
Ciaran Whelan

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

Performance highlights

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

Funds under management and net flows



Reasons for the variance in FUM since 31 March 2020:

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

Funds under management

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

* Non-discretionary includes advisory-managed FUM of £1 829 mn (2020: £1 766 mn). Managed funds therefore represent 91% of the UK domestic total FUM at 31 March 2021 (2020: 91%).
^ An explanation for separating the Switzerland business from the UK domestic business is provided on the next page.

Net inflows at cost over the year

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

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

WEALTH & INVESTMENT
CONTINUED

Income statement analysis and key income drivers

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

* The results of the Switzerland business have been reported separately for the first time to demonstrate the value of the UK domestic business. Following a strategic review, our Swiss operations will be restructured in 2021 to play a key role in the group's strategic expansion of its international banking and wealth services.

** Where 'Other' comprises the Wealth & Investment operations in Ireland (up until its sale in October 2019) and Hong Kong (up until closure in July 2019).

^ The average income yield on funds under management represents the total operating income for the period as a percentage of the average of opening and closing funds under management. This calculation does not adjust for the impact of market movements and investment performance throughout the period on funds under management or the timing of acquisitions and disposals (where applicable) during the respective periods.

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

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

Strategy execution:

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

WEALTH & INVESTMENT
CONTINUED

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

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

Growth opportunities and outlook:

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

SPECIALIST BANKING OVERVIEW

Following a review of the group's segmental disclosure, the Specialist Banking business segment has been disaggregated to reflect the underlying client franchises residing within the Specialist Bank, namely: (1) Private Banking, and (2) Corporate, Investment Banking and Other.
Commentary on these segments is provided on the following pages. The information below is an overview of the Specialist Banking business as a whole.

Business head
Ruth Leas

Awards

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

"Large Loans Mortgage Lender of the Year" at the 2021 Mortgage Awards for the 3rd consecutive year

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

Highlights

Adjusted operating profit
£44.8mn
(2020: £102.6mn)

ROE post tax
1.2%
(2020: 6.2%)

Cost to income
81.3%
(2020: 71.7%)

Credit loss ratio
0.56%
(2020: 0.69%)

Diversified loan book by risk category: Core loans

£12.3 billion

Corporate and other lending	**50%**
Asset finance	16%
Corporate and acquisition finance	11%
Fund finance	10%
Other corporate and financial institutions and governments	6%
Power and infrastructure finance	4%
Asset-based lending	3%
Resource finance	0.2%

Lending collateralised by property	**17%**
Commercial real estate	11%
Residential real estate	6%

High net worth and other private client lending	**33%**
Mortgages	26%
HNW and specialised lending	7%

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

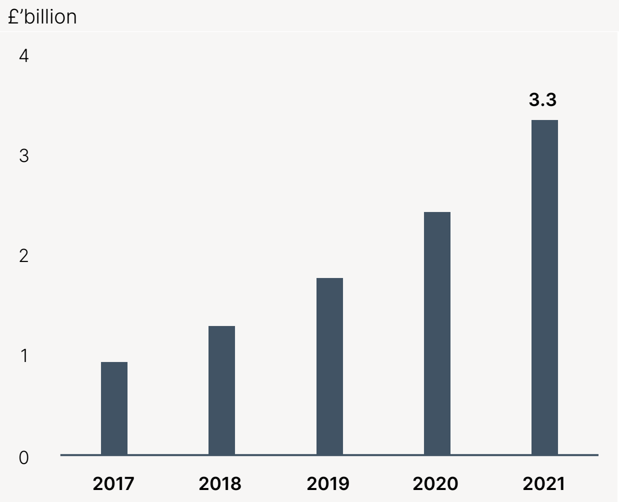
Highlights: Belonging, Inclusion and Diversity (BID)
- Reduced our gender pay gap for the third consecutive year, with planned strategies and actions to drive the increase of female representation at senior levels
- Signed up to the UK Race at Work Charter
- Established a Young Leaders Council
- Launched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

PRIVATE BANKING

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

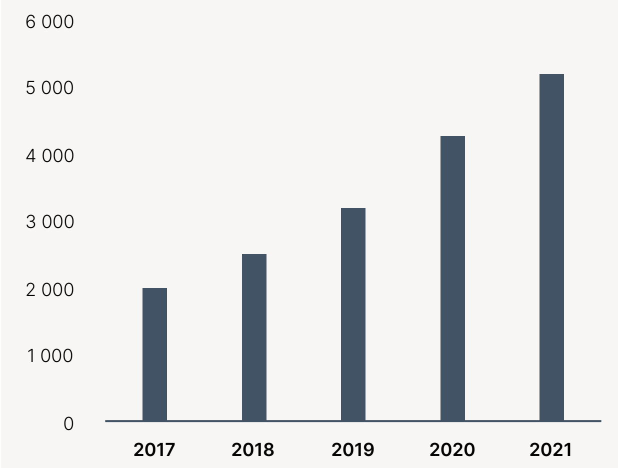
Performance in the period under review
- The business had a very successful trading period in terms of loan origination, FX flows and client acquisition, and we remain ahead of original growth and scale plans despite the COVID-19 environment and associated challenges.
- Higher net interest income supported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

Loans and advances to customers



Strong loan book growth:
- Strong growth in the loan book (up 37.2% since 31 March 2020) was supported by client acquisition (in line with strategy) and new lending turnover
- The business also capitalised on a marked pick-up in demand for residential mortgages due to the COVID-19 related Stamp Duty relief in the UK
- In line with our strategic objective to grow the Private Banking business, the loan book has grown at a compound annual growth rate of 35.2% over the past 4 years

HNW client acquisition



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

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

Strategy execution:
- We are successfully executing on our communicated 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 and enables us to win mandates in other areas due to the positive and close relationship in the Private Banking business.
- During the period, over 300 referrals were made to the other UK businesses, with 40% conversion resulting in over £100mn in incremental FUM and loans.
- We continue to collaborate with our Wealth & Investment business to integrate and provide a new HNW Wealth proposition – areas of overlap have been identified, bringing opportunities to realise both client revenue and cost synergies. There are also ongoing efforts across the private banking ecosystem to continue offering South African clients a unique international proposition.

PRIVATE BANKING
CONTINUED

Income statement analysis and key income drivers

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

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

- The business generated £15.6 million more in adjusted operating profit compared to the prior year. The net loss reduced to £3.0 million (2020: £18.7 million) as we scaled up and leveraged the investment in the business, bringing us closer to breaking even.
- ECL impairment charges for the period increased to £1.5 million (2020: £0.6 million) as a result of loan book growth. The credit loss ratio on this book is c.5bps, indicative of the quality of the underlying franchise. Refer to page 101 for further information on the group's asset quality.
- Operating costs decreased by £5.2 million or 12.0%, reflecting lower discretionary spending during the COVID-19 environment and heightened focus on cost control. The prior period also included higher investment spend related to scaling the business.

Growth opportunities and outlook:

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

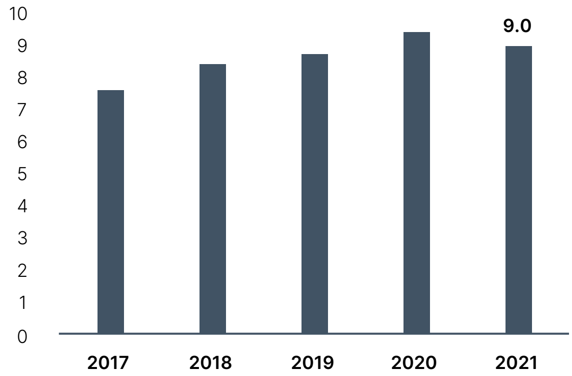
CORPORATE, INVESTMENT BANKING AND OTHER

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

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

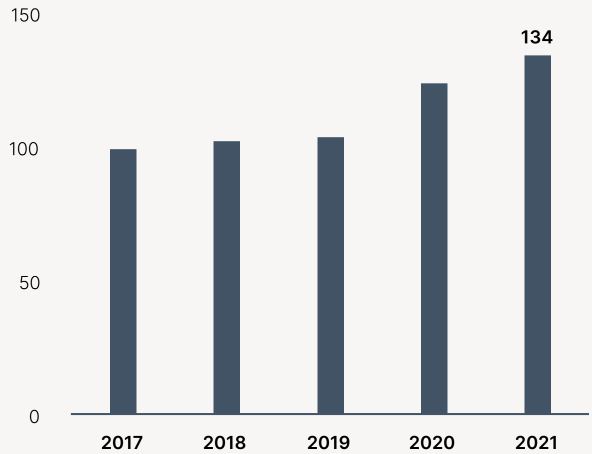
Loans and advances to customers

£'billion



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

Growth in listed corporate clients



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

Extel 2020 research rank

#1

in 7 out of 14 sectors covered

Winner

Best Leasing and Asset Finance Provider

Best Business FX provider*

Winner

Corporate Broker of the Year**

UK public takeovers rank

#2

for 10 years to Dec 2020^

Net increase in broking clients

+24

since 1 April 2020

13 years in asset finance lending £5.8bn to

70,000+

UK customers

340

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

£3.5bn

equity raised for clients since March 2020

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

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

Income statement analysis and key income drivers

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

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

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

- Net interest income was slightly up, benefiting from a higher average loan book. This was offset by a lower NIM due to lower interest rates and assets repricing ahead of liabilities post rate cuts
- Despite strong equity capital markets fees, net fees and commission income decreased due to the non-repeat of significant deal fees in Aviation and Power and Infrastructure Finance in the prior period
- Investment income was significantly higher than the prior period, largely driven by fair value gains on listed and unlisted equities, as well as the profit on sale of the IAPF management company
- Trading income from customer flow was impacted by £93 million of risk management and risk reduction costs related to the structured products book (2020: £29 million). These losses significantly impacted profitability, resulting in FY2021 ROE being c.4% lower than it otherwise would have been. As guided in the group's results announcement on page 18, we expect these costs to be approximately £30 million in FY2022
- Trading income from balance sheet management and other trading activities was up £11.9 million mainly due to improved asset values following the extreme COVID-19 related volatility in the fourth quarter of the prior year
- The increase in other operating income of £9.5 million primarily reflects the fair value movements of the Ninety One shares held in the group's staff share scheme as a result of the demerger and separate listing of Ninety One. The impact is reduced by a corresponding increase in personnel costs
- ECL impairment charges were £5.5 million lower than the prior period, mainly driven by the non-repeat of an ECL impairment charge related to a single name transaction impacted by the COVID-19 pandemic in the prior year. Refer to page 101 for further information on the group's asset quality
- The 13.9% increase in operating costs includes one-off costs associated with restructures implemented in the period and increased variable remuneration reflecting improved business momentum. Fixed costs were lower than the prior period, driven by reduced discretionary spend and continued focus on cost discipline.

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

Strategy execution:

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

Growth opportunities and outlook:

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

GROUP INVESTMENTS

Group Investments is now shown as a separate segmental division. 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 providing transparency of the standalone values of the assets classified as Group Investments.

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

Portfolio breakdown and ROE

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

31 March 2020	**Asset analysis £'million**	Income analysis £'000
Ninety One plc	225 343	4 091
Ordinary shareholders' equity held on investment portfolio – 31 March 2020	97 640	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2020	48 820	
Post-tax return on adjusted average ordinary shareholders' equity – 31 March 2021		**8.4%**

Income statement analysis

£'000	**31 March 2021**	31 March 2020	Variance	% change
Share of post taxation profit/(loss) of associates and joint venture holdings	25 142	4 091	21 051	100.0%
Total operating income before expected credit loss impairment charges	**25 142**	**4 091**	**21 051**	**100.0%**
Expected credit loss impairment charges	—	—	—	—
Operating costs	—	—	—	—
Operating income before goodwill, acquired intangibles and strategic actions	**25 142**	**4 091**	**21 051**	**100.0%**
Loss/(profit) attributable to other non-controlling interests	—	—	—	—
Adjusted operating profit	**25 142**	**4 091**	**21 051**	**100.0%**
ROE post-tax	15.5 %	8.4%		

Factors driving the performance in the period under review included:

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

SOUTHERN AFRICA

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

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

Recognised by the Financial Times of London.

Highlights

Funds under management

£16.7bn

(2020: £11.6bn)

Net core loans

£14.1bn

(2020: £13.0bn)

Customer deposits

£18.4bn

(2020: £16.9bn)

Adjusted operating profit

£251.6mn

(2020: £285.7mn)

ROE post tax

9.3%

(2020: 10.7%)

Cost to income

58.7%

(2020: 56.4%)

What we do

Private client offering

Wealth & Investment

Portfolio management

Wealth management

Stockbroking

Private Banking

Transactional banking

Lending

Property Finance

Private Capital

Savings

Foreign exchange

Corporate client offering

Corporate and Investment Banking

Specialised lending

Import and trade finance lending

Treasury and trading solutions

Institutional research, sales and trading

Advisory

Debt and Equity Capital Markets

Life assurance products

Target market

Private client offering

- Individuals
- Charities and trusts
- Financial advisers and intermediaries

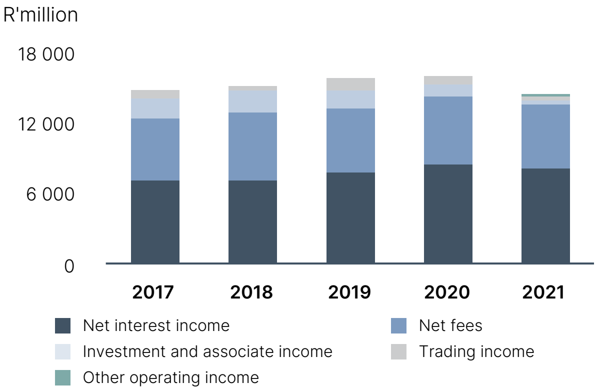
- High net worth individuals
- Entrepreneurs
- High-income professionals
- Sophisticated investors
- Owner managers in mid-market companies

Corporate client offering

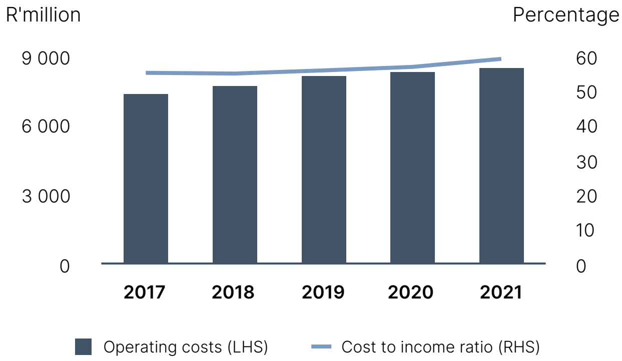
- Mid to large size corporates
- Intermediaries
- Institutions
- Government bodies

SOUTHERN AFRICA
CONTINUED

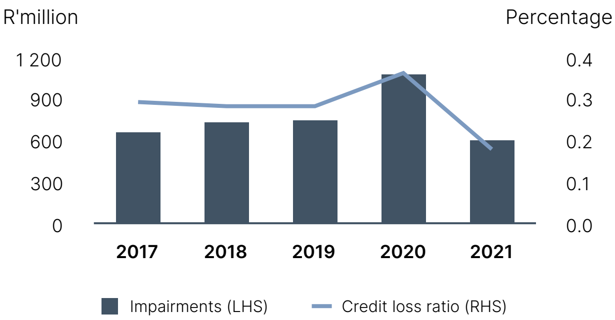
Operating income



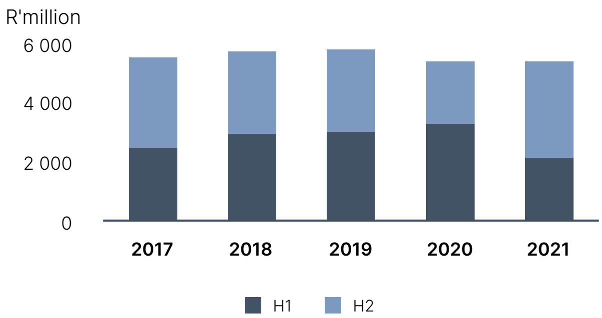
Operating costs



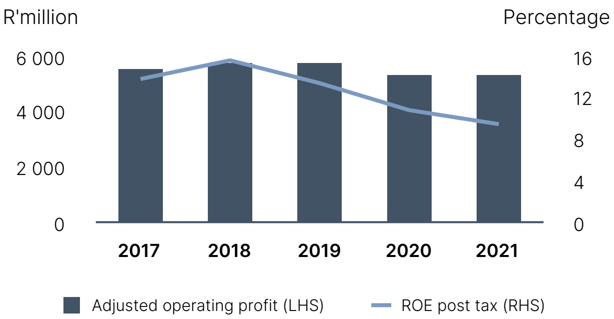
Expected credit losses/impairment losses^



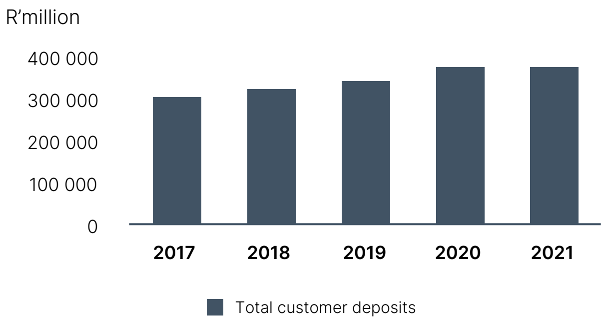
Adjusted operating profit



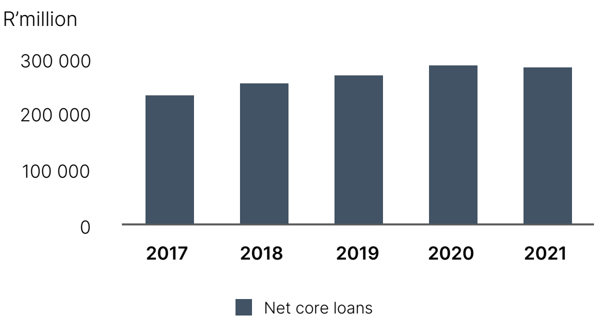
Adjusted operating profit and ROE



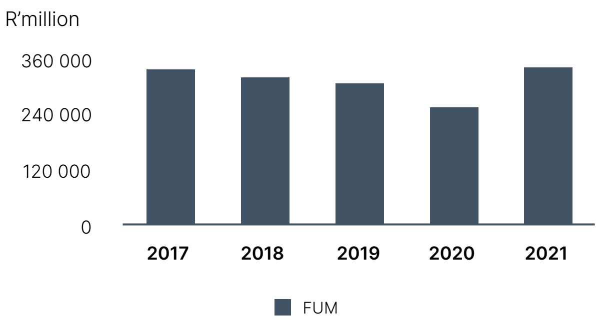
Total customer deposits



Net core loans



Funds under management



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

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

WEALTH & INVESTMENT

Business head
Henry Blumenthal

Awards

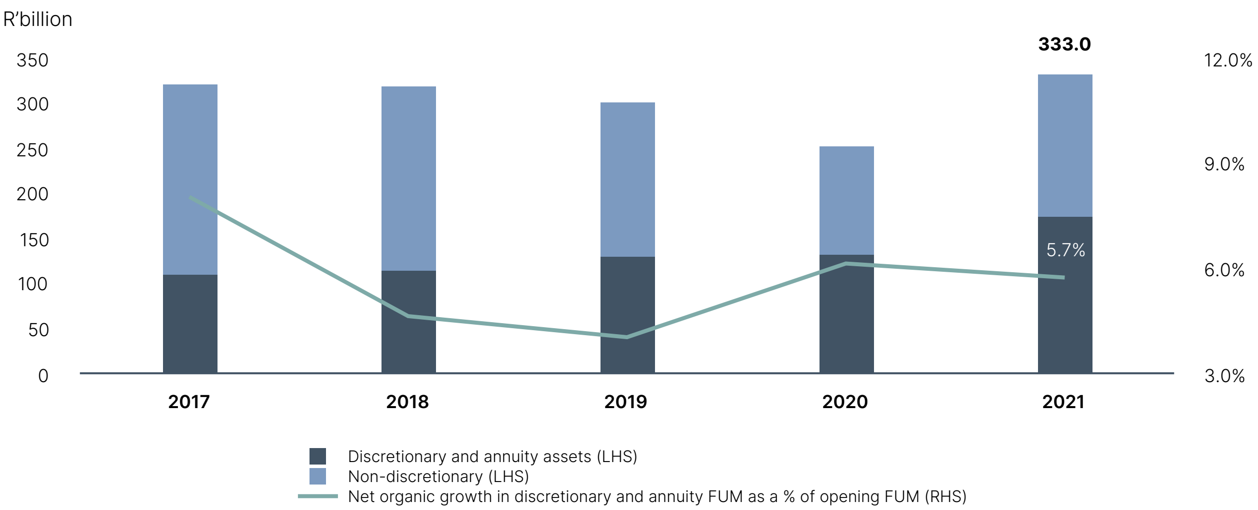
Voted 'Best Private Bank & Wealth Manager' by London's Financial Times – 8 years in a row

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

Performance highlights:

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

Funds under management and net flows



FUM variance drivers since 31 March 2020:

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

Funds under management

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

Net flows at cost over the year

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

WEALTH & INVESTMENT
CONTINUED

Income statement analysis and key income drivers

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

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

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

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

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

SPECIALIST BANKING OVERVIEW

Following a review of the group's segmental disclosure, the Specialist Banking business segment has been disaggregated to reflect the underlying client franchises residing within the Specialist Bank, namely: (1) Private Banking, and (2) Corporate, Investment Banking and Other.
Commentary on these segments is provided on the following pages. The information below is an overview of the Specialist Banking business as a whole.

Business head
Richard Wainwright

Awards

Ranked 'Best Private Bank and Wealth Manager 2020' - 8 years in a row (FT London)	**Winner 'Euromoney Private Banking 2020' - 8 years in a row**	**Recognised by The Banker as 'South Africa's Bank of the Year 2020'**

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

Highlights

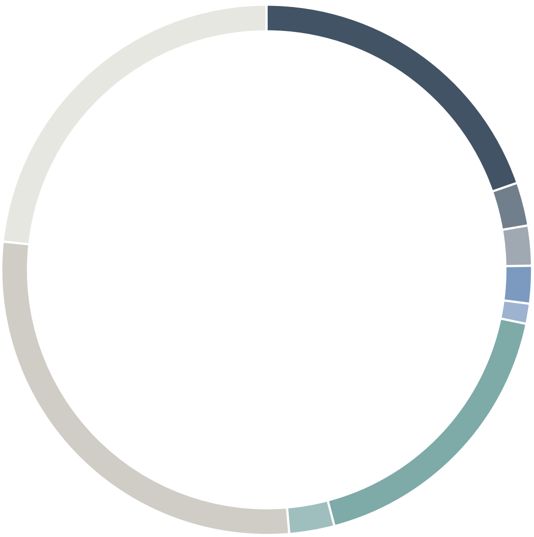
Adjusted operating profit
£231.5mn
(2020: £263.7mn)

ROE post tax
10.3%
(2020: 12.0%)

Cost to income
55.7%
(2020: 53.7%)

Credit loss ratio
0.18%
(2020: 0.38%)

Diversified loan book by risk category: Core loans
£14.1 billion



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

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

Highlights: Belonging, Inclusion and Diversity (BID)
- Building a Young Leaders Council and reverse mentorship programme to create spaces for young, aspirational talent to connect and learn with leaders.
- Women directorship programme - During 2020 we ran a pilot programme designed to enable women to take up non-executive director positions on boards.
- 'Zebra Crossing' initiative - aims to raise levels of multi-cultural awareness of staff at Investec, enabling them to appreciate and celebrate the richness of our diverse population and take these insights back into the business.

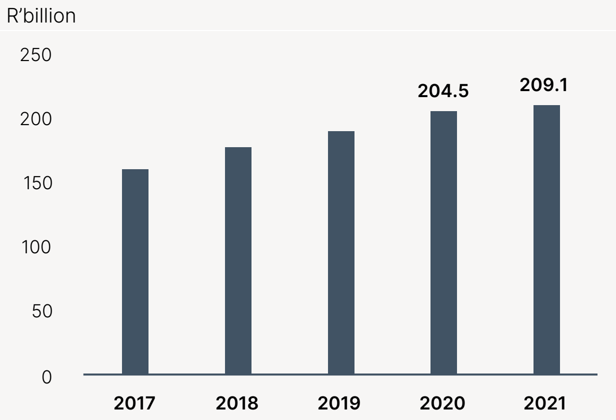
PRIVATE BANKING

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

Performance highlights:

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

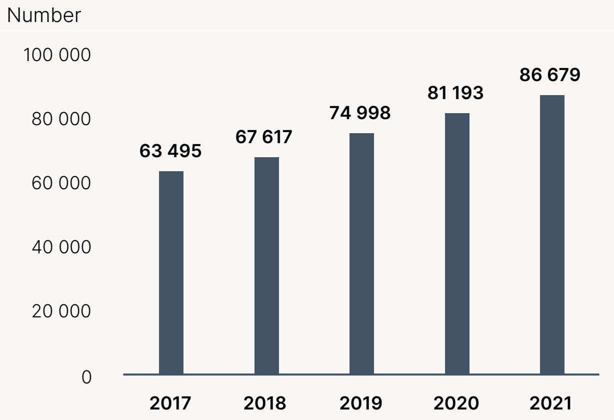
Loans and advances to customers*



Loan book growth impacted by national lockdown:

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

Client acquisition



Good client acquisition:

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

* Including own originated securitised assets.

Strategy execution:

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

PRIVATE BANKING
CONTINUED

Income statement analysis and key income drivers

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

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

Overview of financial performance (in Rands):

- Net interest income decreased 5.0%. The decrease is mainly as a result of margin reduction in private client deposits due to a 300bps drop in the repo rate since January 2020.
- Net fees were 8.2% lower year on year. Net lending fees decreased in line with lower lending turnover and the non-repeat of certain large fees received in the prior year. Despite a 6.8% increase in the number of clients, lower point of sale activity resulted in overall reduced private client transactional fees.
- Investment income decreased by 92.9% due to lower realisations of investments and profit participations and negative fair value adjustments.
- Impairments were 91.1% lower than the prior year due to a negligible portfolio impairments charge driven by stable lending books and increased recoveries which were 83% higher than last year. Refer to page 101 for further information on the group's asset quality.
- Operating costs decreased by 7.6% driven by headcount containment and reduced discretionary expenditure during the pandemic.

Growth opportunities:

- Client acquisition: broadening our target market into new professional segments.
- Programmable banking: 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 IW&I) the ability to trade shares and invest in selected investments and will help us grow our capital light revenues over time. There are currently 3 467 clients on the platform.

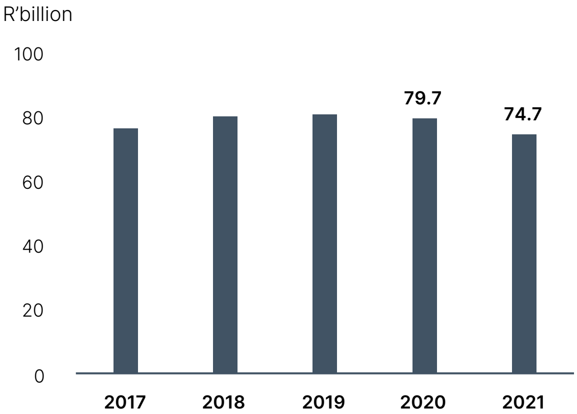
CORPORATE, INVESTMENT BANKING AND OTHER

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

Performance highlights:

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

Loans and advances to customers



Subdued lending activity:

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

Growth initiatives:

Total policies issued to date
+6,231
Investec Life

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

539
Number of clients on Investec Business Online

R34bn
Investec Property Fund - FUM

Awards:

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

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

International Equities – Brokerage
#1
JSE

International Equities – Brokerage
#2
Mclagan

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

CORPORATE, INVESTMENT BANKING AND OTHER
CONTINUED

Income statement analysis and key income drivers

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

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

Overview of financial performance (in Rands):
- Net interest income is 3.3% lower than the prior year due to a reduction in interest rates, lower lending activity and significant loan repayments.
- Net fees are 8.0% lower than the prior year driven by lower lending and subdued equity capital markets activity.
- Investment income and share of post taxation profit from associates improved by 45.3% due to reduced property write-downs in the current year, offset by the non-repeat of higher dividend income and realisation gains on bonds in the prior year.
- Total trading income is up 35.2% driven by increased commodity and interest rate derivatives trading activity. This was partially offset by the MTM on certain derivatives hedging fixed deposits and foreign exchange currency exposures.
- Expected credit loss impairment charges decreased by 6.0%. Lower book growth and improved macro-economic factors were partly offset by an increase in specific impairments. Refer to page 101 for further information on the group's asset quality.
- Costs increased by 8.8% year on year driven primarily by the first-time consolidation of the European Logistics Property Asset management Company acquired in the prior year and a share based accounting charge following the demerger of Ninety One. Headcount was well contained and discretionary spend was lower year on year. Excluding the impact of the Ninety One share liability and the European logistics property asset management company consolidation, operating costs are flat year on year.

Strategy execution and growth opportunities:
- Capital optimisation: Approval was received from the Prudential Authority to adopt the AIRB approach for the SME and Corporate models effective 1 April 2021. We expect an approximate 60bps uplift to CET1.
- Infrastructure: actively supporting the Department of Minerals 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 my mid-2022 and pursuing project funding opportunities for the sustainable infrastructure development symposium under Infrastructure South Africa (SIDSSA).
- Transactional business banking: Investec Business Online, a single platform transactional banking capability targeting our corporate and business clients was launched in the current year including a mobile app. The offering includes an Investec corporate credit card with overdraft facility, enhancing our service offering for this client segment.
- Mid-market segment: Focused on growing the Investec for Business client base. Successful roll out of Investec Business Online will further enhance our offering.
- Investec Property (IP), the fund manager for IPF will continue to recycle and deploy capital into property investment opportunities which deliver long term capital and income growth to IPF's shareholder base. Specifically, IP continues to look to scale IPF's European logistics platform, which may also provide investment opportunities for both private and institutional clients.

GROUP INVESTMENTS

Group Investments is now shown as a separate segmental division. 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 providing 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). Investec accounts for its combined 25% investment in Ninety One by applying equity accounting.

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

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

  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, Bud Industrial Services was born.

- **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 £271.4 million (R5.5 billion) at 31 March 2021. During the current financial year, Investec recognised equity accounted earnings of £4.2 million (R89.0 million) in relation to this investment.

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

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

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

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

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

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

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

GROUP INVESTMENTS
CONTINUED

Portfolio breakdown and ROE

31 March 2021	Asset analysis £'000	Income analysis £'000	Asset analysis R'million	Income analysis R'million
Ninety One Limited	125 920	13 508	2 564	284
IEP Group Proprietary Limited (IEP)	271 406	4 247	5 526	89
Equity investments^	53 521	(1 732)	1 090	(36)
Investec Property Fund*	159 469	(1 597)	3 242	(35)
Investec Australia Property Fund**	—	10 688	—	228
Total equity exposures	**610 316**	**25 114**	**12 422**	**530**
Associated loans and other assets	—	—	—	—
Total exposures on balance sheet	**610 316**	**25 114**	**12 422**	**530**
Debt funded	299 456	(15 871)	6 092	(337)
Equityº	310 860		6 330	
Total capital resources and funding	**610 316**		**12 422**	
Adjusted operating profit		**9 243**		**193**
Taxation		(676)		(15)
Operating profit after taxation		**8 567**		**178**
Risk-weighted assets	**2 705 752**		**58 382**	
Ordinary shareholders' equity held on investment portfolio – 31 March 2021	310 860		6 330	
Ordinary shareholders' equity held on investment portfolio – 31 March 2020	291 085		6 448	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2021	300 973		6 389	
Post-tax return on adjusted average ordinary shareholders' equity 31 March 2021		**2.8%**		

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

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

GROUP INVESTMENTS
CONTINUED

Income statement analysis

£'000	31 March 2021	31 March 2020	Variance	% change	% change in Rands
Net interest expense	(43 295)	(54 288)	10 993	(20.2%)	(13.1%)
Net fee and commission income	45 340	72 666	(27 326)	(37.6%)	(29.2%)
Investment (loss)/income	16 955	39 194	(22 239)	(56.7%)	(45.7%)
Share of post taxation profit of associates and joint venture holdings	7 956	18 985	(11 029)	(58.1%)	(51.6%)
Trading (loss)/income arising from					
– customer flow	9 968	(15 814)	25 782	(>100.0%)	(>100.0%)
– balance sheet management and other trading activities	(22 508)	29 945	(52 453)	(>100.0%)	(>100.0%)
Other operating income	—	4	(4)	(100.0%)	(100.0%)
Total operating loss before expected credit loss impairment charges	**14 416**	**90 692**	**(76 276)**	**(84.1%)**	**(81.8%)**
Expected credit loss impairment charges	(2 379)	(8 154)	5 775	(70.8%)	(100.0%)
Operating (loss)/income	**12 037**	**82 538**	**(70 501)**	**(85.4%)**	**(83.4%)**
Operating costs	(2 096)	(2 815)	719	(25.5%)	72.0%
Operating (loss)/profit before goodwill, acquired intangibles and strategic actions	**9 941**	**79 723**	**(69 782)**	**(87.5%)**	**(86.1%)**
Loss/(profit) attributable to other non-controlling interests	(698)	(67 090)	66 392	(99.0%)	(99.7%)
Adjusted operating profit	**9 243**	**12 633**	**(3 390)**	**(26.8%)**	**20.1%**
ROE post-tax	2.8%	2.9%			

Factors driving the performance in the period under review:

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

Strategy execution:

- During the period, in line with the strategic objective of capital discipline, the group made further progress on reducing the size of the South African investment portfolio. Despite market conditions not being conducive to realising some of the investments, the size of the South African investment portfolio was further reduced by c.R1.2 billion.

04

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 31 March 2021.

As at 31 March 2021 the base case has been updated to represent the latest economic outlook that reflects the forecasted recovery from the COVID-19 pandemic. At 31 March 2020 the downside scenarios consisted of a global asset price shock and one depicting economic stagnation. These were replaced at 30 September 2020 to better reflect the balance of risks, with an L-shape scenario and a No-FTA Brexit scenario. At 31 March 2021, the L-shape scenario remains, but has been updated to reflect the latest economic data. However, given the UK-EU trade deal, the No-FTA Brexit scenario has been replaced with a Fiscal crisis scenario.

	Base case					At 31 March 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 Fiscal crisis**
UK									
GDP growth	12.2	3.5	1.9	1.6	1.6	5.4	4.2	1.3	0.9
Unemployment rate	6.1	4.8	4.2	4.2	4.2	4.3	4.7	6.9	7.8
House price growth	1.9	0.8	1.2	2.0	2.3	3.7	1.6	0.7	(0.9)
Bank of England – Bank rate	0.1	0.1	0.5	1.0	1.5	1.0	0.6	(0.4)	(0.7)
Euro area									
GDP growth	6.7	3.8	1.9	1.6	1.6	4.4	3.1	1.0	0.9
US									
GDP growth	7.7	3.8	2.0	1.8	1.8	6.5	3.4	1.4	1.2
Scenario weightings			**55**			**10**	**55**	**30**	**5**

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 31 March 2021.

South Africa exited from recession in the third quarter of 2020, and the base case is one where this economic recovery continues out to 2024 in real terms. Globally, economic recovery is also expected to continue, underpinned by sufficient monetary and other policy supports in key advanced economies. The sharp deterioration last year in South Africa's government finances has seen credit rating downgrades, but fiscal consolidation is expected over the medium term, and as a result South Africa retains a Ba (BB equivalent) category rating from Moody's. Expropriation of private sector property without compensation is expected to be extremely limited and not have a negative impact on the economy or on market sentiment. As at 31 March 2020, the weighting of the base case was 43%, but at 31 March 2021 the scenario weighting of the base case was 48% as economic recoveries are under way globally and domestically.

	Base case					At 31 March 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	4.5	1.1	2.4	2.4	2.9	5.5	4.4	2.7	1.8	(0.5)
Repo rate	3.6	4.5	5.0	5.1	5.4	3.5	3.8	4.7	5.0	5.6
Bond yield	10.3	10.3	10.3	10.7	10.7	9.2	9.5	10.4	11.1	11.9
Residential property price growth	4.6	5.1	5.3	5.5	5.9	7.1	6.3	5.3	4.1	2.6
Commercial property price growth	(1.4)	0.5	0.9	1.3	1.7	3.6	2.1	0.6	(1.0)	(2.7)
Exchange rate (South African Rand:US Dollar)	15.4	15.7	15.8	16.1	16.3	12.0	13.6	15.8	17.7	18.4
Scenario weightings			**48**			**1**	**2**	**48**	**44**	**5**

MACRO-ECONOMIC SCENARIOS AND KEY JUDGEMENTS
CONTINUED

Key judgements at 31 March 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. However, in the period since 31 March 2020, the actual movements experienced under the base case have been of a scale and speed which has not previously been experienced in the bank's models given the nature of the stress caused by the COVID-19 pandemic. In the period since 30 September 2020, we have seen a substantial 'bounce back' in economic conditions that has also resulted in extreme actual movements well beyond that previously experienced in the bank's models. As a result, these extreme and unprecedented economic conditions have identified limitations in aspects of our model design and calibration. Unresolved, this aspect of the models would have resulted in a substantial over-prediction of default rates in the period to 30 September 2020 and a significant under-prediction of default rates at 31 March 2021.

The model methodology itself was therefore reviewed and adjusted to ensure the output of the models reflected the ongoing uncertainty in the economic environment whilst still relying on the bank's internal models where relevant. To address these limitations, mitigation measures have been utilised to floor the 'point in time' probability of default at the 'through the cycle' long run probability of default. This suppresses the 'bounce-back' experienced in the macro-economic scenarios and allows the models to output ECL impairments in a reliable and unbiased way whilst still observing the economic trends being experienced and reflecting the fundamental credit strength of the underlying exposures.

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. Based on the outcome of this review an ECL overlay amounting to £16 million has been 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 31 March 2021. This overlay has been applied to Stage 2.

At 31 March 2020 the models did not reflect the onset of the pandemic and therefore overlays totalling £26 million were allocated across Stage 1 and 2. The £19 million ECL overlay from 31 March 2020, which had been held across the performing portfolio to capture risks not yet identified in the models due to COVID-19, has now been incorporated within the updated macro-economic scenarios applied. Additionally, a management overlay of £8 million at 31 March 2020, which had been considered appropriate in addition to the bank's calculated model-driven ECL due to uncertainty over the models' predictive capability, has been released due to the methodology implemented to account for over-prediction of default rates. A portion of this management overlay has been re-introduced to support the methodology applied to the IFRS 9 models (£2 million included within the £16 million overlay referred to above). The UK bank will continue to assess the appropriateness of this management overlay and expects that it could be re-introduced if economic forecasts revert to historical levels and there remain specific areas of model uncertainty at that time.

South Africa

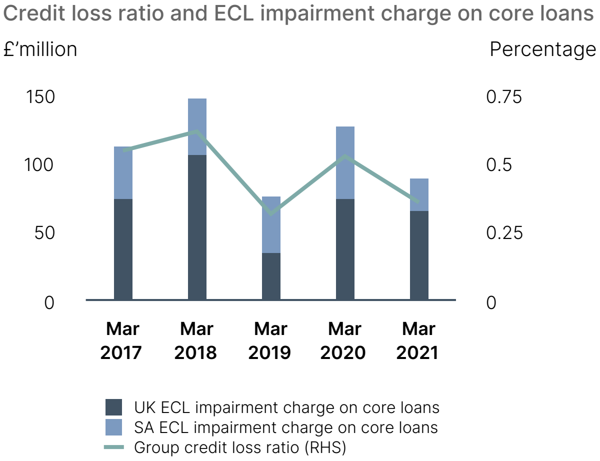
In South Africa, the expected impact from COVID-19 as well as the offsetting effect of government relief measures, has required significant judgement. Regulatory bodies provided guidance on expectations around provisioning and staging treatment of exposures. The forward-looking macro-economic scenarios used in the measurement of ECL were updated to capture the wide-reaching impacts of the sovereign downgrade by Moody's to sub-investment grade as well as the impact of COVID-19.

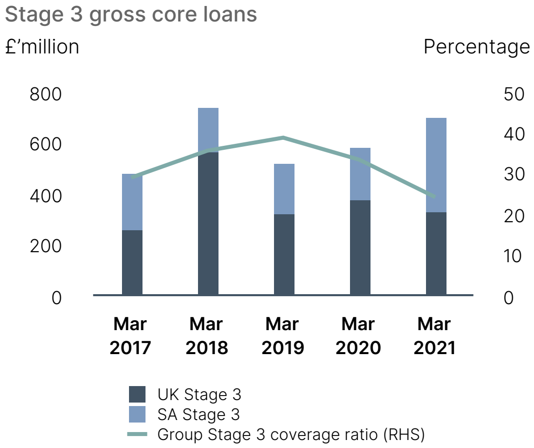
A management ECL overlay of R290 million (31 March 2020: R190 million) was raised for the Private Bank portfolio to account for the unique nature of the COVID-19 pandemic and the impact on the South African economy. Specifically, the management ECL overlay accounts for emerging risks identified for certain 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. The management ECL overlay was estimated after stressing the PD and loss given default (LGD) of the relevant credit exposures. In line with our previous approach Stage 3 ECLs continued to be assessed using expert credit judgement.

Given the fast-changing nature of the COVID-19 pandemic and the government measures announced, we will continue to review and refine our approach to calculate 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





Asset quality metrics reflect the solid performance of core loans to date. The group reported a credit loss ratio of 0.35% at 31 March 2021 down from the 0.52% reported at 31 March 2020. The credit loss ratio remains elevated from pre pandemic levels, particularly in the UK, however this is predominantly driven by provisioning on the performing book under IFRS 9. The South African credit loss ratio improved as the portfolio benefited from better than expected recoveries.

Stage 3 loans increased from 2.4% at 31 March 2020 to 2.7% of gross core loans subject to ECL at 31 March 2021. In the UK, Stage 3 in the Ongoing book (excluding Legacy) reduced to 1.9% of gross core loans subject to ECL at 31 March 2021 (31 March 2020: 2.2%) driven by a number of exits and limited new defaults. In South Africa, the total coverage ratio has declined from 1.2% at 31 March 2020 to 0.9% at 31 March 2021. The decrease in Stage 3 coverage was due to the write-off of a previously provided for single name exposure.

	UK and Other		Southern Africa		Total group	
£'million	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Gross core loans	**12 501**	**12 045**	**14 241**	**13 193**	**26 742**	**25 238**
Gross core loans at FVPL (excluding fixed rate loans^)	512	653	77	108	589	761
Gross core loans subject to ECL*	**11 989**	**11 392**	**14 164**	**13 085**	**26 153**	**24 477**
Stage 1	10 415	10 437	13 064	12 193	23 479	22 630
Stage 2	1 242	576	735	690	1 977	1 266
of which past due greater than 30 days	90	31	13	59	103	90
Stage 3	332	379	365	202	697	581
of which Ongoing (excluding Legacy) Stage 3#	231	249	365	202	596	451
Stage 3 as a % of gross core loans subject to ECL	2.8%	3.3%	2.6%	1.5%	2.7%	2.4%
ECL	**(170)**	**(175)**	**(134)**	**(152)**	**(304)**	**(327)**
Stage 1	(27)	(37)	(49)	(48)	(76)	(85)
Stage 2	(42)	(31)	(20)	(19)	(62)	(50)
Stage 3	(101)	(107)	(65)	(85)	(166)	(192)
of which Ongoing (excluding Legacy) Stage 3#	(62)	(62)	(65)	(85)	(127)	(147)
Coverage ratio						
Stage 1 and 2	0.6%	0.6%	0.5%	0.5%	0.5%	0.6%
Stage 3	30.4%	28.2%	17.8%	42.1%	23.8%	33.0%
of which Ongoing (excluding Legacy) Stage 3#	26.8%	24.9%	17.8%	42.1%	21.3%	32.6%
Total coverage ratio	1.4%	1.5%	0.9%	1.2%	1.2%	1.3%
Credit loss ratio	**0.56%**	**0.69%**	**0.18%**	**0.38%**	**0.35%**	**0.52%**
ECL impairment charges on core loans	(65)	(74)	(24)	(53)	(89)	(127)
Average gross core loans subject to ECL	11 691	10 642	13 624	13 773	25 315	24 415

^ These are fixed rate loans which have passed the solely payments of principal and interest test (SPPI) and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. The drawn (£1.0 billion) exposure falls predominantly into Stage 1 (consistent throughout the period) (31 March 2020: £0.9 billion). The ECL on the portfolio is £5.1 million (31 March 2020: £3.0 million).

* Includes portfolios for which ECL is not required for IFRS purposes, but for which management evaluates on this basis as calculated on page 131.

\# Refer to definitions on page 133. Our exposure (net of ECL) to the UK Legacy portfolio has reduced from £111 million at 31 March 2020 to £84 million at 31 March 2021. These assets are substantially impaired and are largely reported under Stage 3.

ASSET QUALITY
CONTINUED

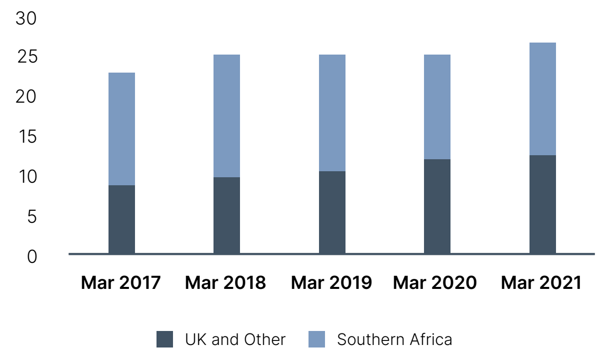
The group's net core loan book increased to £26.4 billion and increased by 1.6% in neutral currency. On 8 December 2020 the group announced its exit from Australia. The wind down of this business is underway and the sale of c.£400 million of the corporate lending portfolio took place in March 2021, which has substantially reduced our remaining exposure to this geography.

In the UK, growth in net core loans was driven by the residential mortgage portfolio and other high net worth lending as we gained good traction in our Private Banking strategy. Corporate client lending portfolios saw good activity albeit limited net book growth and were impacted by the exit of Australia including the sale of certain corporate loans in the period.

In South Africa, net core loans decreased 0.5% in home currency due to lower originations during the year under review coupled with repayments, mainly in the corporate portfolio.

Gross core loans by geography

£'billion



An analysis of core loans by risk category – Total group

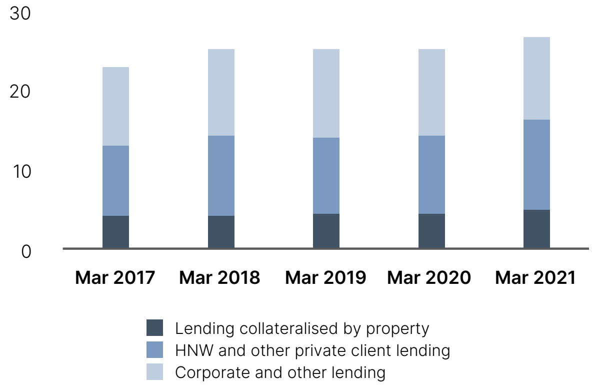
	Stage 1			Stage 2		
£'million	Gross exposure subject to ECL	ECL	Coverage	Gross exposure subject to ECL	ECL	Coverage
At 31 March 2021						
Commercial real estate	3 403	(11)	0.32%	273	(7)	2.6%
Residential real estate	991	(2)	0.20%	23	—	—%
Total lending collateralised by property	**4 394**	**(13)**	**0.30%**	**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%**
At 31 March 2020*						
Commercial real estate	3 223	(16)	0.50%	164	(12)	7.3%
Residential real estate	927	(2)	0.22%	15	—	—%
Total lending collateralised by property	**4 150**	**(18)**	**0.43%**	**179**	**(12)**	**6.7%**
Mortgages	5 780	(5)	0.08%	130	(3)	2.3%
High net worth and specialised lending	3 585	(12)	0.33%	104	(7)	6.7%
Total high net worth and other private client lending	**9 365**	**(17)**	**0.18%**	**234**	**(10)**	**4.3%**
Corporate and acquisition finance	3 587	(29)	0.80%	482	(15)	3.2%
Asset-based lending	405	(2)	0.37%	36	(1)	2.1%
Fund finance	1 672	(3)	0.18%	—	—	—%
Other corporate and financial institutions and governments	849	(2)	0.29%	13	(1)	4.8%
Asset finance	1 965	(13)	0.66%	174	(8)	4.6%
Power and infrastructure finance	584	(1)	0.17%	144	(3)	2.1%
Resource finance	53	—	—%	4	—	—%
Total corporate and other lending	**9 115**	**(50)**	**0.55%**	**853**	**(28)**	**3.3%**
Total core loans	**22 630**	**(85)**	**0.37%**	**1 266**	**(50)**	**3.9%**

* During the current financial year, the risk appetite classifications were reviewed and, where necessary, amended, to ensure that the classifications align with how the underlying portfolios and associated credit risk is managed and that they are consistent with the risk appetite framework and the internal risk management approach of the bank.

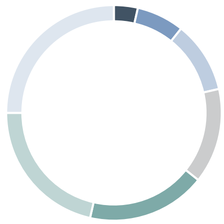
ASSET QUALITY
CONTINUED

Gross core loans by risk category

£'billion



Gross core loans by industry at 31 March



	2021	2020
High net worth and other professional individuals	42.6%	38.5%
Lending collateralised by property – largely to private clients	18.9%	18.5%
Finance and insurance	9.0%	11.1%
Business services	5.8%	5.8%
Manufacturing and commerce	4.2%	5.0%
Transport	3.9%	4.9%
Electricity, gas and water (utility services)	3.7%	3.2%
Other	11.9%	13.0%

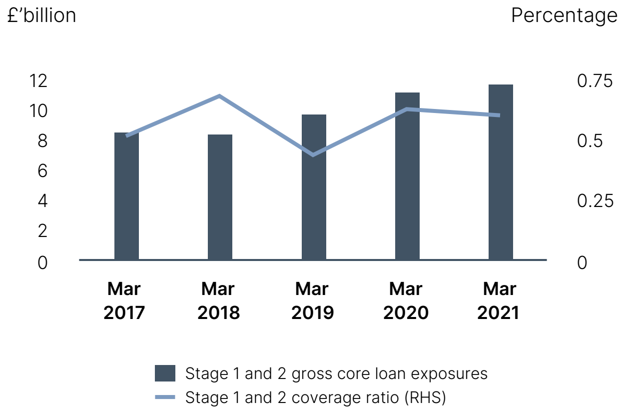
Stage 3			Total				
Gross exposure subject to ECL	ECL	Coverage	**Gross exposure subject to ECL**	**ECL**	**Coverage**	**Gross core loans at FVPL (not subject to ECL)**	**Net core loans**
245	(38)	15.5%	3 921	(56)	1.4%	19	3 884
78	(30)	38.5%	1 092	(32)	2.9%	11	1 071
323	**(68)**	**21.1%**	**5 013**	**(88)**	**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**
150	(17)	11.3%	3 537	(45)	1.3%	42	3 534
109	(39)	35.8%	1 051	(41)	3.9%	30	1 040
259	**(56)**	**21.6%**	**4 588**	**(86)**	**1.9%**	**72**	**4 574**
82	(14)	17.1%	5 992	(22)	0.4%	—	5 970
27	(22)	81.5%	3 716	(41)	1.1%	14	3 689
109	**(36)**	**33.0%**	**9 708**	**(63)**	**0.6%**	**14**	**9 659**
123	(45)	36.3%	4 192	(89)	2.1%	171	4 274
—	—	—%	441	(3)	0.6%	20	458
—	—	—%	1 672	(3)	0.2%	21	1 690
13	(1)	7.7%	875	(4)	0.5%	170	1 041
69	(54)	78.3%	2 208	(75)	3.4%	213	2 346
8	—	—%	736	(4)	0.5%	80	812
—	—	—%	57	—	—%	—	57
213	**(100)**	**47.1%**	**10 181**	**(178)**	**1.7%**	**675**	**10 678**
581	**(192)**	**33.1%**	**24 477**	**(327)**	**1.3%**	**761**	**24 911**

ASSET QUALITY
CONTINUED

Net core loans grew by 3.9% to £12.3 billion (31 March 2020: £11.9 billion). The overall asset quality remained resilient, with the increase in Stage 2 loans being driven largely by deteriorated macro-economic scenarios and a change in weightings as a result of the COVID-19 pandemic offset by the sale of certain Australian corporate loans in Stage 2.

Overall coverage for Stage 1 and Stage 2 remains elevated at 31 March 2021, reflecting the ongoing uncertainty arising from the COVID-19 pandemic. A slight reduction in coverage reflects the greater proportion of the portfolio made up of high net worth mortgage lending relative to prior years, which typically has a lower coverage ratio given the strong credit quality of the underlying borrowers.

UK Stage 1 and 2 gross core loan exposures and coverage

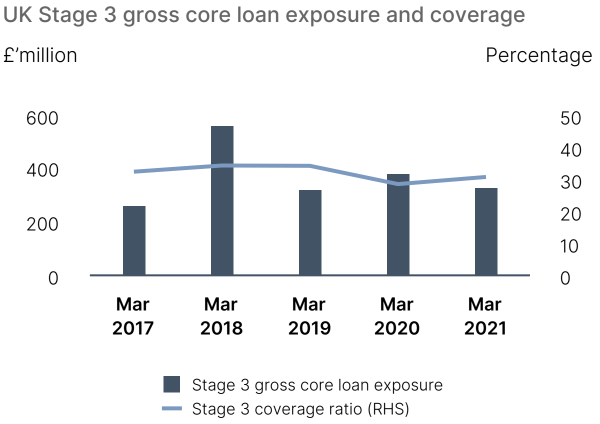


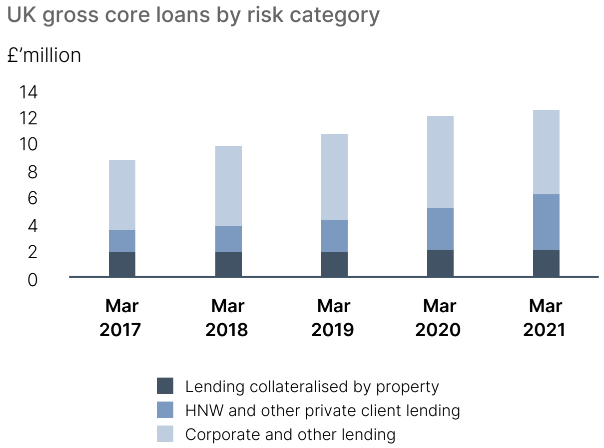
An analysis of core loans by risk category – UK and Other

	Stage 1			Stage 2		
£'million	Gross exposure subject to ECL	ECL	Coverage	Gross exposure subject to ECL	ECL	Coverage
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%**
At 31 March 2020						
Commercial real estate	983	(1)	0.10%	105	(12)	11.4%
Residential real estate	607	—	—%	12	—	—%
Total lending collateralised by property	**1 590**	**(1)**	**0.06%**	**117**	**(12)**	**10.3%**
Mortgages	2 438	(2)	0.08%	19	—	—%
High net worth and specialised lending	620	—	—%	11	(1)	9.1%
Total high net worth and other private client lending	**3 058**	**(2)**	**0.07%**	**30**	**(1)**	**3.3%**
Corporate and acquisition finance	1 524	(17)	1.12%	147	(6)	4.1%
Asset-based lending	405	(2)	0.49%	36	(1)	2.8%
Fund finance	1 293	(2)	0.15%	—	—	—%
Other corporate and financial institutions and governments	574	(2)	0.35%	4	—	—%
Asset finance	1 603	(11)	0.69%	165	(8)	4.8%
Power and infrastructure finance	339	—	—%	77	(3)	3.9%
Resource finance	51	—	—%	—	—	—%
Total corporate and other lending	**5 789**	**(34)**	**0.59%**	**429**	**(18)**	**4.2%**
Total core loans	**10 437**	**(37)**	**0.35%**	**576**	**(31)**	**5.4%**

*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





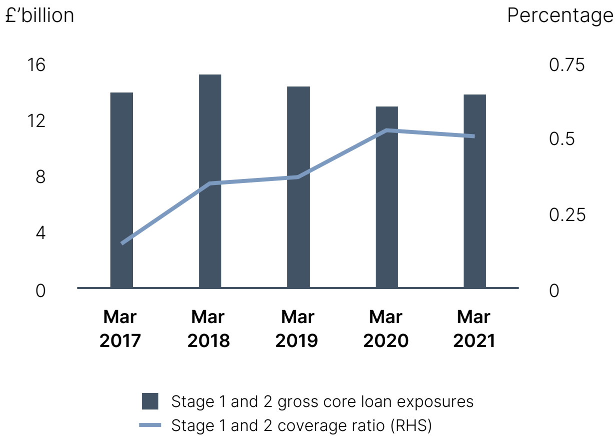
Stage 3			Total				
Gross exposure subject to ECL	ECL	Coverage	**Gross exposure subject to ECL**	**ECL**	**Coverage**	**Gross core loans at FVPL (not subject to ECL)**	**Net core loans**
137	(25)	18.2%	1 397	(29)	2.1%	19	1 387
73	(29)	39.7%	699	(29)	4.1%	11	681
210	**(54)**	**25.7%**	**2 096**	**(58)**	**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**
125	(12)	9.6%	1 213	(25)	2.1%	42	1 230
108	(39)	36.1%	727	(39)	5.4%	30	718
233	**(51)**	**21.9%**	**1 940**	**(64)**	**3.3%**	**72**	**1 948**
28	(1)	3.6%	2 485	(3)	0.1%	—	2 482
4	(3)	75.0%	635	(4)	0.6%	14	645
32	**(4)**	**12.5%**	**3 120**	**(7)**	**0.2%**	**14**	**3 127**
40	(21)	52.5%	1 711	(44)	2.6%	91	1 758
—	—	—%	441	(3)	0.7%	20	458
—	—	—%	1 293	(2)	0.2%	21	1 312
13	(1)	7.7%	591	(3)	0.5%	170	758
53	(30)	56.6%	1 821	(49)	2.7%	185	1 957
8	—	—%	424	(3)	0.7%	80	501
—	—	—%	51	—	—%	—	51
114	**(52)**	**45.6%**	**6 332**	**(104)**	**1.6%**	**567**	**6 795**
379	**(107)**	**28.2%**	**11 392**	**(175)**	**1.5%**	**653**	**11 870**

ASSET QUALITY
CONTINUED

Net core loans decreased 0.5% in home currency due to lower originations during the year under review coupled with repayments, mainly in the corporate portfolio. Stage 2 exposures remain relatively flat at 5.2% of gross core loans subject to ECL at 31 March 2021 (31 March 2020: 5.3%), albeit reduced from 6.4% at 30 September 2020. For the first half of the year the increase was due to single name exposures particularly affected by COVID-19 and model-driven migrations from updated macro-economic scenarios, mainly in the residential mortgage portfolio. In the second half of the year, the decrease is predominantly due to certain transfers into Stage 3 as well as a limited number of exposures improving and, as a result, moving back into Stage 1.

Overall coverage for Stage 1 and Stage 2 remains flat year on year at 0.5% for 31 March 2021, reflecting the ongoing effects of the COVID-19 pandemic. Stage 3 coverage decreased to 17.8% (31 March 2020: 42.1%) due to the write-off of a single name transaction that was fully provided for.

SA Stage 1 and 2 gross core loan exposures and coverage



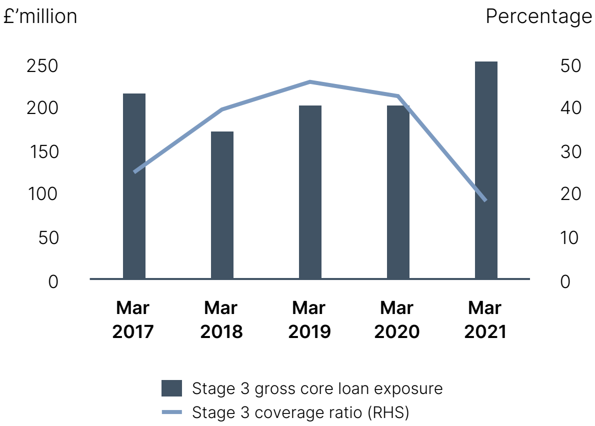
An analysis of core loans by risk category - Southern Africa

	Stage 1			Stage 2		
£'million	Gross exposure subject to ECL	ECL	Coverage	Gross exposure subject to ECL	ECL	Coverage
At 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%**
At 31 March 2020*						
Commercial real estate	2 240	(15)	0.67%	59	—	—%
Residential real estate	320	(2)	0.63%	3	—	—%
Total lending collateralised by property	**2 560**	**(17)**	**0.66%**	**62**	**—**	**—%**
Mortgages	3 342	(3)	0.09%	111	(3)	2.7%
High net worth and specialised lending	2 965	(12)	0.40%	93	(6)	6.5%
Total high net worth and other private client lending	**6 307**	**(15)**	**0.24%**	**204**	**(9)**	**4.4%**
Corporate and acquisition finance	2 063	(12)	0.57%	335	(9)	2.8%
Fund finance	379	(1)	0.26%	—	—	—%
Financial institutions and governments	275	—	0.17%	9	(1)	6.8%
Asset finance	362	(2)	0.55%	9	—	—%
Power and infrastructure finance	245	(1)	0.41%	67	—	—%
Resource finance	2	—	—%	4	—	—%
Total corporate and other lending	**3 326**	**(16)**	**0.49%**	**424**	**(10)**	**2.4%**
Total core loans	**12 193**	**(48)**	**0.39%**	**690**	**(19)**	**2.8%**

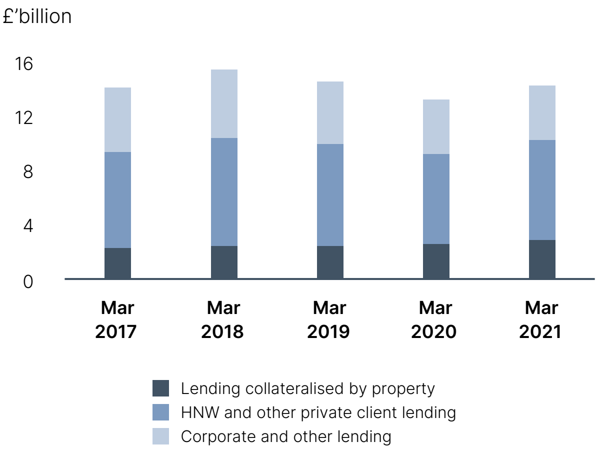
* During the current financial year, the risk appetite classifications were reviewed and, where necessary, amended, to ensure that the classifications align with how the underlying portfolios and associated credit risk is managed and that they are consistent with the risk appetite framework and the internal risk management approach of the bank.

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**
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**
25	(5)	20.0%	2 324	(20)	0.9%	—	2 304
1	—	—%	324	(2)	0.6%	—	322
26	**(5)**	**19.2%**	**2 648**	**(22)**	**0.8%**	**—**	**2 626**
54	(13)	24.1%	3 507	(19)	0.5%	—	3 488
23	(19)	82.6%	3 081	(37)	1.2%	—	3 044
77	**(32)**	**41.6%**	**6 588**	**(56)**	**0.8%**	**—**	**6 532**
83	(24)	28.8%	2 481	(45)	1.8%	80	2 516
—	—	—%	379	(1)	0.3%	—	378
—	—	7.1%	284	(1)	0.4%	—	283
16	(24)	150.0%	387	(26)	6.7%	28	389
—	—	—%	312	(1)	0.3%	—	311
—	—	—%	6	—	—%	—	6
99	**(48)**	**48.5%**	**3 849**	**(74)**	**1.9%**	**108**	**3 883**
202	**(85)**	**42.1%**	**13 085**	**(152)**	**1.2%**	**108**	**13 041**

ASSET QUALITY
CONTINUED

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

The table below indicates underlying movements in gross core loans subject to ECL from 31 March 2020 to 31 March 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 2 was almost all driven by the deteriorated economic outlook and corresponding PD deterioration in the loan book resulting in a model-driven significant increase in credit risk (SICR) for these exposures. Transfers into Stage 3 relate to select single name exposures across varying sectors in the South African book. 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 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. In South Africa, there have been a number of large repayments in Stage 1 which have been slightly offset by further advances and new lending with lower ECLs.

The ECL impact of changes to risk parameters and models during the year largely relate to the deteriorated macro-economic scenarios and relative weightings 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 the opening date, 31 March 2020.

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 2020	**10 437**	**(37)**	**576**	**(31)**	**379**	**(107)**	**11 392**	**(175)**
Transfer from Stage 1	(1 019)	4	991	(4)	28	—	—	—
Transfer from Stage 2	120	(2)	(220)	6	100	(4)	—	—
Transfer from Stage 3	—	—	8	—	(8)	—	—	—
ECL remeasurement arising from transfer of stage	—	2	—	(10)	—	(18)	—	(26)
New lending net of repayments (includes assets written off)	944	(9)	(86)	3	(162)	26	696	20
Changes to risk parameters and models	—	15	—	(6)	—	—	—	9
Foreign exchange and other	(67)	—	(27)	—	(5)	2	(99)	2
At 31 March 2021	**10 415**	**(27)**	**1 242**	**(42)**	**332**	**(101)**	**11 989**	**(170)**

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 2020	**12 193**	**(48)**	**690**	**(19)**	**202**	**(85)**	**13 085**	**(152)**
Transfer from Stage 1	(453)	2	383	(2)	70	—	—	—
Transfer from Stage 2	240	(4)	(371)	11	131	(7)	—	—
Transfer from Stage 3	12	(1)	3	(1)	(15)	2	—	—
ECL remeasurement arising from transfer of stage	—	4	—	(5)	—	(14)	—	(15)
New lending net of repayments (includes assets written off)	131	2	(24)	2	(39)	50	68	54
Changes to risk parameters and models	—	—	—	(6)	—	(4)	—	(10)
Foreign exchange and other	941	(4)	54	—	16	(7)	1 011	(11)
At 31 March 2021	**13 064**	**(49)**	**735**	**(20)**	**365**	**(65)**	**14 164**	**(134)**

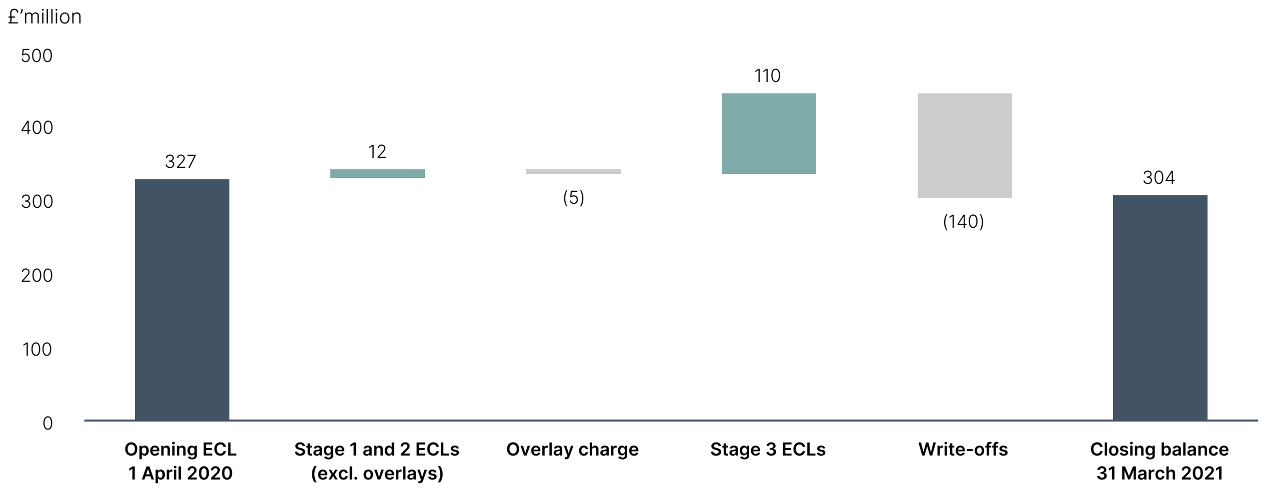
ASSET QUALITY
CONTINUED

ECL movements on core loans and advances subject to ECL
In the UK, previous assumptions were made at the onset of the COVID-19 pandemic at 31 March 2020 resulting in ECL overlays totalling £26 million being applied to the performing book to capture risks not yet identified in the models. Since then, the bank's methodology has changed to incorporate the deteriorated macro-economic scenarios resulting in an uptick in Stage 1 and Stage 2 ECL (excluding overlays). This increase has been offset by a reduction in the ECL overlay applied to the performing book from £26 million to £16 million at 31 March 2021 as a result of this change in approach.

In South Africa, it was considered appropriate to increase the management ECL overlay by R100 million to allow the Private Bank portfolio to cater for risks not adequately represented by the historic data used to populate the ECL models.

Overall, since 31 March 2020, write-offs were elevated due to single name exposures in both UK and South Africa which were both substantially provided for at the end of the previous financial year. The churn in Stage 3 exposure since 31 March 2020 demonstrated that we have been able to exit and resolve issues on certain transactions despite challenging market conditions.

For more information on key judgements refer to page 100



An analysis of COVID-19 relief measures and vulnerable sectors
In the UK, we have sought to be able to offer additional support for 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). At 31 March 2021 we have approved loans totalling £213 million under these schemes. The BBLS, CBILS and CLBILS schemes closed for new applications on 31 March 2021 and are being replaced by the Recovery Loan Scheme (RLS) which came into use on 6 April until 31 December 2021. The RLS, which we became accredited to lend under, will in effect replace the three prior schemes providing maximum finance of up to £10 million under the scheme, with the government providing an 80% guarantee. We are well placed to further support our clients with this scheme where required and appropriate.

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 PA (South African Prudential Authority) was announced. This COVID-19 loan guarantee scheme has been operating since 12 May 2020 and will terminate on 11 July 2021. Investec actively participated in the programme and has approved a total amount of R690 million as at 31 March 2021. There were material conditions imposed in relation to these COVID-19 loans, such as the qualification, repayment terms, interest conditions, utilisation and disbursements. This, combined with the proactive relief offered by the banking sector to their clients in the form of interest and/or capital repayment holidays, meant that the take up of the loan guarantee scheme was much lower than the potential R200 billion maximum value.

An analysis of COVID-19 relief measures by geography
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 most appropriately 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 2.7% at 31 March 2021. In South Africa, as lockdown restrictions have eased, 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 1.3% at 31 March 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.

ASSET QUALITY
CONTINUED

UK and Other

£'million	31 March 2021 Total gross core loans	Exposure with active COVID-19 relief	COVID-19 relief as a % of gross core loans by category
Lending collateralised by property	2 126	42	2.0%
High net worth and other private client lending	4 065	51	1.3%
Corporate and other lending	6 310	249	3.9%
Total	**12 501**	**342**	**2.7%**

Southern Africa

R'million	31 March 2021 Total gross core loans	Exposure with active COVID-19 relief	COVID-19 relief as a % of gross core loans by category
Lending collateralised by property	59 440	367	0.6%
High net worth and other private client lending	149 456	947	0.6%
Corporate and other lending	81 148	2 439	3.0%
Total	**290 044**	**3 753**	**1.3%**

An analysis of COVID-19 vulnerable sectors by geography

UK and Other

	31 March 2021					31 March 2020				
£'million	**Stage 1**	**Stage 2**	**Stage 3**	**FVPL**	**Total gross core loans**	Stage 1	Stage 2	Stage 3	FVPL	**Total gross core loans**
Aviation	30	95	6	262	393	142	—	—	341	483
Transport (excluding aviation)	29	99	31	—	159	153	26	25	1	205
Retail, hotel and leisure properties^	109	14	66	11	200	82	13	64	27	186
Leisure, entertainment and tourism	22	27	—	—	49	103	—	—	—	103
Retailers	55	7	8	—	70	60	41	—	5	106
Vulnerable sectors within small ticket asset finance*	265	50	11	—	326	609	61	12	—	682
Total	**510**	**292**	**122**	**273**	**1 197**	**1 149**	**141**	**101**	**374**	**1 765**
Coverage ratio	**0.59%**	**3.1%**	**33.6%**	**—**	**4.4%**	**0.52%**	**3.5%**	**26.7%**	**—**	**2.2%**

^ Retail properties which have no underlying tenants that are either food retailers or other essential goods and services.
* Note that at 31 March 2020 Motor finance was reported within small ticket asset finance as a vulnerable sector. Following internal review, at 31 March 2021 motor finance is now reported separately and no longer reported as a vulnerable sector given the underlying performance of the portfolio over the past 12 months.

Southern Africa

	31 March 2021					31 March 2020*				
R'million	**Stage 1**	**Stage 2**	**Stage 3**	**FVPL**	**Total gross core loans**	Stage 1	Stage 2	Stage 3	FVPL	**Total gross core loans**
Aviation	2 592	487	537	20	3 636	3 275	537	359	—	4 171
Hotel	2 170	97	103	—	2 370	1 785	76	104	—	1 965
Gaming and leisure	25	2 977	—	—	3 002	2 703	—	274	—	2 977
Trade finance	2 502	208	192	—	2 902	2 396	455	493	—	3 344
Total	**7 289**	**3 769**	**833**	**20**	**11 910**	**10 159**	**1 068**	**1 230**	**—**	**12 457**
Coverage ratio	**0.92%**	**1.1%**	**29.2%**	**—**	**2.9%**	**0.33%**	**2.4%**	**13.9%**	**—**	**1.9%**

* As at 31 March 2020 Clothing retailers (R609 million) and Automotive manufacturing and suppliers (R149 million) were reported as vulnerable sectors. Following internal review, at 31 March 2021 these two sectors are no longer reported as a vulnerable given the alleviated pressure on these sectors following the lifting of social containment measures.

CAPITAL MANAGEMENT AND ALLOCATION

Capital management and allocation

A summary of capital adequacy and leverage ratios

	Standardised		FIRB		Increased AIRB scope°°		Standardised		FIRB	
	Investec plc° *	IBP° *	Investec Limited* ^	IBL* ^	Investec Limited* ^	IBL* ^	Investec plc° * #	IBP° * #	Investec Limited* ^	IBL* ^
	31 March 2021						31 March 2020			
Common equity tier 1 ratio**	11.2%	12.0%	12.2%	13.3%	12.8%	14.0%	10.7%	11.5%	10.9%	12.1%
Common equity tier 1 ratio (fully loaded)***	10.7%	11.5%	12.2%	13.3%	12.8%	14.0%	10.3%	11.1%	10.9%	12.1%
Tier 1 ratio**	12.8%	13.6%	12.9%	13.7%	13.4%	14.4%	12.4%	13.1%	11.5%	12.3%
Total capital ratio**	15.1%	16.6%	16.0%	17.8%	16.6%	18.6%	14.9%	16.5%	15.0%	16.4%
Risk-weighted assets (£'million)**	16 332	15 789	351 329	329 468	336 833	314 945	16 285	15 808	337 755	319 090
Leverage exposure measure (£'million)	26 675	26 351	594 013	556 033	594 129	556 151	25 869	25 719	604 762	571 144
Leverage ratio^^	7.9%	8.1%	7.6%	8.1%	7.6%	8.1%	7.8%	8.0%	6.4%	6.9%
Leverage ratio (fully loaded)***	7.5%	7.8%	7.5%	8.1%	7.5%	8.1%	7.4%	7.8%	6.3%	6.8%
Leverage ratio (UK leverage ratio framework)^^^	9.2%	9.5%	n/a	n/a	n/a	n/a	8.9%	9.2%	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 31 March 2021 of £3 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 £25 million (31 March 2020: £0 million) for Investec plc and £25 million (31 March 2020: £0 million) for IBP would lower the CET1 ratio by 17bps (31 March 2020: 0bps) and 16bps (31 March 2020: 0bps) 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 present numbers on a pro-forma basis for 31 March 2021.

\# Where applicable, the 31 March 2020 comparatives for leverage have been restated to account for the reclassification of gilts and total return swaps. The restatements are detailed on page 69.

^ 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 (31 March 2020: 24bps) and 48bps (31 March 2020: 15bps) 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.

Investec Limited

Year under review

At 31 March 2021, the CET1 ratio increased to 12.2% from 10.9% at 31 March 2020. CET1 capital increased by R6.1 billion to R43 billion, largely affected by:

- Positive attributable earnings post-taxation and minorities of R3.9 billion
- Recovery of available for Sale Reserve of R2.9 billion, mainly as a result of the revaluation of OCI.

The increases were partially offset by:

- Total ordinary dividends paid to Ltd shareholders of R747 million
- R213 million increase in the PVA haircut due to implementation of new methodology in September 2020.

Risk-weighted assets (RWAs) increased by 4% from R337.8 million (March 2020) to R351.3 million (March 2021) predominantly within credit risk RWAs.

Credit risk RWAs, which include equity risk, increased by 4.8% or R14.7 billion. The increase is largely as a result of the IPRE model override, valuing derivatives on the new regulatory methodology (SA-CCR) across counterparty credit risk and credit valuation adjustment (CVA) and book growth. A portion of our investment in Ninety One plc is deducted from CET1 capital and the balance included in equity risk, risk-weighted at 318%.

Market risk RWAs decreased by 3.7% or R175 million, Initially Market Risk capital increased at the start of the 12 months under review due to more volatile historical data being included in the VaR scenarios since the COVID-19 pandemic hit in March 2020. A decrease can be seen in the last quarter of 2021 as lower VaR figures have entered the 60-day averaging period.

Operational risk for Investec Limited decreased by 3.4% or R945 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 increased to 7.6% (March 2021) from 6.4% (March 2020).

Minimum capital requirement

Investec Limited's minimum CET1 requirement at 31 March 2021 is 7.25% comprising a 4.5% Pillar 1 minimum requirement , a 2.5% Capital Conservation Buffer (CCB), a 0.25% Domestically Significant Import (D-SIB) Buffer and a 0% Countercyclical Capital Buffer (CCyB), but excludes the Bank-specific ICR add-on (Pillar 2B). South Africa has not announced any CCyB requirements for 2021. As at 31 March 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

CAPITAL MANAGEMENT AND ALLOCATION
CONTINUED

response to the economic shock arising from COVID-19. At 31 March 2021 the SA Pillar 2A rate has remained at 0%, however it is expected to be fully reinstated to 1% by 1 January 2022.

Investec plc

Year 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 31 March 2021, the CET1 ratio increased to 11.2% from 10.7% at 31 March 2020. CET1 capital increased by £79 million to £1.8 billion, mainly as a result of:

- CET1 generation through net profit and loss of £70 million
- An increase in other comprehensive income of £95 million (including the fair value uplift on our investment in Ninety One plc), partially offset by an £85 million increase in the deduction applied to financial sector entities which exceed the 10% threshold
- A net increase of £6 million in the IFRS 9 transitional add-back adjustment, primarily as a result of the adoption of the quick fix amendments to the CRR in June 2020. The amended regulations allowed new provisions recognised in 2020 and 2021 for financial assets that are not credit-impaired to be added back to CET1 capital
- A decrease of £19 million in the goodwill and intangible assets net of deferred taxation deduction, primarily driven by the impairment of goodwill of £11 million relating to Investec Ireland. The goodwill has been written off as a result of the change in business following the Brexit impact and as such there is limited linkage remaining between the business acquisition which gave rise to the goodwill and the ongoing business in Ireland.

The increases were partially offset by:

- Dividends paid to ordinary shareholders and additional tier 1 security holders of £35 million
- An increase in treasury shares of £8 million.

RWAs increased by 0.3% or £47 million to £16.3 billion over the period, predominantly within credit risk RWAs.

Credit risk RWAs, which include equity risk, increased by £315 million. The increase is mainly driven by growth in private client lending, predominately HNW mortgages and other HNW lending. In addition, the portion of our Investment in Ninety One plc, which is not deducted from CET1 capital, is risk-weighted at 250% and is included in equity risk.

Counterparty credit risk decreased by £321 million driven by a reduction in the volume of commodity swaps traded during the year and further reduction in counterparty credit risk exposures due to the recovery in interest rates and commodity prices, relative to 31 March 2020.

Market risk RWAs increased by £44 million, mainly due to an increase in collective investment undertaking risk due to a change in the capital treatment applied to these positions, partially offset by a decrease in foreign exchange risk due to the strengthening of GBP against the EUR and USD and a decrease in equity and interest rate risk due to market normalisation and risk reduction.

Operational risk RWAs decreased by £82 million, due to a reduction in the three-year average operating income used to determine the capital requirement.

The group's leverage ratio remained relatively flat at 7.9%.

Minimum capital requirement

Investec plc's minimum CET1 requirement at 31 March 2021 is 7.5% comprising a 4.5% Pillar 1 minimum requirement , a 2.5% Capital Conservation Buffer (CCB), a 0.47% Pillar 2A requirement and a 0.03% CCyB. The group's institution specific CCyB requirement is calculated based on the relevant exposures held in jurisdictions in which a buffer rate has been set. On 11 March 2020, the Financial Policy Committee (FPC) announced that with immediate effect the UK CCyB rate be reduced to 0% in response to the economic shock arising from COVID-19. At the 31 March 2021 the UK CCyB rate has remained at 0%.

In response to the economic shock from COVID-19, the PRA announced in May 2020 that firms subject to a Supervisory Review and Evaluation Process (SREP) in 2020 and 2021 would have their Pillar 2A capital requirements set as a nominal amount, instead of a percentage of RWAs. Firms not subject to a SREP in 2020 may apply for a conversion of their current Pillar 2A requirement into a nominal amount using RWAs as of end-December 2019. This change would apply until the next regulatory-scheduled SREP. Investec plc's Pillar 2A capital requirement has been converted into a nominal capital amount. In addition, on 16 December 2020, the PRA confirmed that it would reduce the group's Pillar 2A minimum requirement to reflect the FPC's decision from December 2019 to increase the CCyB in a standard risk environment (even though the FPC's decision was subsequently revoked, in light of the COVID-19 pandemic). The group's Pillar 2A requirement expressed as a percentage of RWAs at 31 March 2021 amounted to 0.83% of RWAs, of which 0.47% has to be met with CET1 capital.

CAPITAL MANAGEMENT AND ALLOCATION
CONTINUED

Capital structure and capital adequacy

	Standardised		FIRB		Increased AIRB Scope**	
At 31 March 2021	Investec plc* º ^ £'million	IBP* º ^ £'million	Investec Limited* ^^ R'million	IBL* ^^ R'million	Investec Limited* ^^ R'million	IBL* ^^ R'million
Shareholders' equity	**2 223**	**2 106**	**44 700**	**44 290**	**44 700**	**44 290**
Shareholders' equity excluding non-controlling interests	2 256	2 114	47 739	45 771	47 739	45 771
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)**	**(3 004)**	**(1 769)**	**(2 878)**	**(1 651)**
Goodwill and intangible assets net of deferred tax	(307)	(298)	(425)	(388)	(425)	(388)
Investment in financial entity	—	—	(1 114)	(1 035)	(1 101)	(1 024)
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)	—	(963)	—	(957)	—
Amount of deductions exceeding 15% threshold	—	—	—	—	—	—
Other regulatory adjustments	—	—	(156)	—	(156)	—
Securitisation positions which can alternatively be subject to a 1 250% risk weight	(2)	(2)	—	—	—	—
Common equity tier 1 capital	**1 824**	**1 893**	**43 004**	**43 858**	**43 130**	**43 976**
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**	**45 146**	**45 194**	**45 261**	**45 312**
Tier 2 capital	**366**	**473**	**10 967**	**13 370**	**10 571**	**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)	—	(3 382)	—	(3 782)	—
Investment in capital of financial entities above 10% threshold	—	—	(531)	—	(527)	—
Total regulatory capital	**2 464**	**2 616**	**56 113**	**58 564**	**55 832**	**58 682**
Risk-weighted assets	**16 332**	**15 789**	**351 329**	**329 468**	**336 833**	**314 945**

* 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 present numbers on a pro-forma basis for 31 March 2021.

º 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

Capital structure and capital adequacy

	Standardised		FIRB	
At 31 March 2020	**Investec plc* º ^ £'million**	IBP* º ^ £'million	**Investec Limited** ^^ R'million**	IBL** ^^ R'million
Shareholders' equity	**2 090**	**2 061**	**39 903**	**39 754**
Shareholders' equity excluding non-controlling interests	2 135	2 078	43 086	41 288
Perpetual preference share capital and share premium	(25)	—	(3 183)	(1 534)
Deconsolidation of special purpose entities	(20)	(17)	—	—
Non-controlling interests	**—**	**—**	**—**	**—**
Non-controlling interests per balance sheet	3	3	11 045	—
Non-controlling interests excluded for regulatory purposes	(3)	(3)	(11 045)	—
Regulatory adjustments to the accounting basis	**91**	**91**	**1 518**	**1 518**
Additional value adjustments	(8)	(7)	(6)	(6)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	12	12	(26)	(26)
Cash flow hedging reserve	—	—	1 550	1 550
Adjustment under IFRS 9 transitional arrangements	87	86	—	—
Deductions	**(436)**	**(333)**	**(4 554)**	**(2 721)**
Goodwill and intangible assets net of deferred tax	(326)	(315)	(537)	(496)
Investment in financial entity	—	—	(1 662)	(1 596)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(18)	(18)	—	—
Shortfall of eligible provisions compared to expected loss	—	—	(629)	(629)
Investment in capital of financial entities above 10% threshold	(92)	—	(692)	—
Amount of deductions exceeding 15% threshold	—	—	(961)	—
Other regulatory adjustments	—	—	(73)	—
Common equity tier 1 capital	**1 745**	**1 819**	**36 867**	**38 551**
Additional tier 1 capital	**274**	**250**	**1 902**	**751**
Additional tier 1 instruments	274	250	5 727	1 994
Phase out of non-qualifying additional tier 1 instruments	—	—	(3 774)	(1 227)
Non-qualifying surplus capital attributable to non- controlling interest	—	—	(51)	—
Non-controlling interest in non-banking entities	—	—	—	(16)
Tier 1 capital	**2 019**	**2 069**	**38 769**	**39 302**
Tier 2 capital	**414**	**533**	**11 885**	**12 905**
Collective impairment allowances	—	—	896	895
Tier 2 instruments	533	533	14 383	12 037
Non-qualifying surplus capital attributable to non-controlling interests	(119)	—	(2 747)	—
Investment in capital of financial entities above 10% threshold	—	—	(647)	(27)
Total regulatory capital	**2 433**	**2 602**	**50 654**	**52 207**
Risk-weighted assets	**16 285**	**15 808**	**337 755**	**319 090**

* 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.

º 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 £0 million for Investec plc and £0 million for IBP would lower the CET1 ratio by 0bps and 0bps respectively.

^ CET1, Tier 1, total regulatory capital and RWAs are calculated applying the IFRS 9 transitional arrangements.

^^ 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 24bps and 15bps lower respectively.

CAPITAL MANAGEMENT AND ALLOCATION
CONTINUED

Risk-weighted assets

	Standardised		FIRB		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 31 March 2021				At 31 March 2020			
Risk-weighted assets	**16 332**	**15 789**	**351 329**	**329 468**	**16 285**	**15 808**	**337 755**	**319 090**
Credit risk	12 497	12 413	278 812	277 781	12 183	12 145	263 690	266 552
Equity risk	581	117	25 511	9 959	580	125	30 428	15 010
Counterparty credit risk	691	691	9 756	9 756	921	922	8 796	8 837
Credit valuation adjustment risk	59	59	5 892	5 892	59	59	2 363	2 371
Market risk	778	778	4 526	3 887	734	726	4 701	4 158
Operational risk	1 726	1 731	26 832	22 193	1 808	1 831	27 777	22 162

* 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.

05

Additional information

ANALYSIS OF ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

At 31 March 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	—	3 517 100	—	3 517 100
Loans and advances to banks	—	2 699 317	—	2 699 317
Non-sovereign and non-bank cash placements	1 133	438 708	—	439 841
Reverse repurchase agreements and cash collateral on securities borrowed	1 288 230	2 287 483	—	3 575 713
Sovereign debt securities	3 263 149	448 474	—	3 711 623
Bank debt securities	872 290	249 440	—	1 121 730
Other debt securities	630 280	733 955	—	1 364 235
Derivative financial instruments	1 714 743	—	—	1 714 743
Securities arising from trading activities	1 024 671	—	—	1 024 671
Investment portfolio	909 050	—	—	909 050
Loans and advances to customers	2 217 677	23 823 410	—	26 041 087
Own originated loans and advances to customers securitised	—	401 912	—	401 912
Other loans and advances	—	102 135	—	102 135
Other securitised assets	111 676	28 411	—	140 087
Interests in associated undertakings and joint venture holdings	—	—	699 244	699 244
Deferred taxation assets	—	—	246 622	246 622
Other assets	215 951	1 351 142	658 670	2 225 763
Property and equipment	—	—	329 972	329 972
Investment properties	—	—	832 061	832 061
Goodwill	—	—	259 805	259 805
Software	—	—	12 574	12 574
Other acquired intangible assets	—	—	58 968	58 968
Non-current assets classified as held for sale	40 881	—	10 902	51 783
	12 289 731	**36 081 487**	**3 108 818**	**51 480 036**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	52 405	—	—	52 405
	12 342 136	**36 081 487**	**3 108 818**	**51 532 441**
Liabilities				
Deposits by banks	294	2 403 418	—	2 403 712
Derivative financial instruments	2 190 487	—	—	2 190 487
Other trading liabilities	326 189	—	—	326 189
Repurchase agreements and cash collateral on securities lent	213 959	789 353	—	1 003 312
Customer accounts (deposits)	1 046 569	33 402 861	—	34 449 430
Debt securities in issue	118 690	1 773 629	—	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	—	—	78 790	78 790
Deferred taxation liabilities	—	—	40 333	40 333
Other liabilities	107 262	1 064 989	840 752	2 013 003
	4 111 731	**39 594 896**	**959 875**	**44 666 502**
Liabilities to customers under investment contracts	49 798	—	—	49 798
Insurance liabilities, including unit-linked liabilities	2 607	—	—	2 607
	4 164 136	**39 594 896**	**959 875**	**44 718 907**
Subordinated liabilities	334 804	1 146 147	—	1 480 951
	4 498 940	**40 741 043**	**959 875**	**46 199 858**

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).

At 31 March 2021 £'000	Total instruments at fair value	Fair value category Level 1	 Level 2	 Level 3
Assets				
Non-sovereign and non-bank cash placements	1 133	—	1 133	—
Reverse repurchase agreements and cash collateral on securities borrowed	1 288 230	—	1 288 230	—
Sovereign debt securities	3 263 149	3 263 149	—	—
Bank debt securities	872 290	446 322	425 968	—
Other debt securities	630 280	68 401	458 475	103 404
Derivative financial instruments	1 714 743	303	1 687 635	26 805
Securities arising from trading activities	1 024 671	1 013 194	6 317	5 160
Investment portfolio	909 050	40 159	6 363	862 528
Loans and advances to customers	2 217 677	—	1 170 287	1 047 390
Other securitised assets	111 676	—	4 417	107 259
Other assets	215 951	215 951	—	—
Non-current assets classified as held for sale	40 881	—	—	40 881
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	52 405	52 405	—	—
	12 342 136	**5 099 884**	**5 048 825**	**2 193 427**
Liabilities				
Deposits by banks	294	—	—	294
Derivative financial instruments	2 190 487	45 879	2 116 868	27 740
Other trading liabilities	326 189	151 460	174 729	—
Repurchase agreements and cash collateral on securities lent	213 959	—	213 959	—
Customer accounts (deposits)	1 046 569	—	1 046 569	—
Debt securities in issue	118 690	—	118 690	—
Liabilities arising on securitisation of other assets	108 281	—	—	108 281
Other liabilities	107 262	—	61 704	45 558
Liabilities to customers under investment contracts	49 798	—	49 798	—
Insurance liabilities, including unit-linked liabilities	2 607	—	2 607	—
Subordinated liabilities	334 804	334 804	—	—
	4 498 940	**532 143**	**3 784 924**	**181 873**
Net financial assets at fair value	**7 843 196**	**4 567 741**	**1 263 901**	**2 011 554**

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

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
Other securitised assets	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 2020	**848 670**	**1 101 666**	**106 218**	**178 840**	**2 235 394**
Total gains/(losses)	(20 077)	21 188	8 732	11 787	21 630
In the income statement	(20 077)	23 380	8 732	11 787	23 822
In the statement of comprehensive income	—	(2 192)	—	—	(2 192)
Purchases	150 579	945 617	—	9 054	1 105 250
Sales	(49 969)	(495 505)	—	(26 367)	(571 841)
Issues	—	—	—	37	37
Settlements	(23 935)	(480 644)	(7 691)	(29 409)	(541 679)
Transfers into level 3	13	7 802	—	5 032	12 847
Transfers to non-current assets classified as held for sale	(39 093)	—	—	39 093	—
Foreign exchange adjustments	(3 660)	(52 734)	—	(11 817)	(68 211)
Balance at 31 March 2021	**862 528**	**1 047 390**	**107 259**	**176 250**	**2 193 427**

For the year ended 31 March 2021, following a review of the valuation methodology of a number of financial instruments, the following reclassifications were made during the year: loans and advances to customers of £7.8 million from level 2 to level 3; other debt securities of £4.6 million from level 2 to level 3 and derivative assets of £0.4 million from level 2 to level 3.

£'000	Liabilities arising on securitisation of other assets	Other balance sheet liabilities	Total
Liabilities			
Balance as at 1 April 2020	**110 679**	**27 602**	**138 281**
Total gains or losses in the income statement	5 460	7 798	13 258
In the income statement	5 460	7 798	13 258
In the statement of comprehensive income	—	—	—
Issues	—	40 085	40 085
Settlements	(7 858)	(1 186)	(9 044)
Foreign exchange adjustments	—	(707)	(707)
Balance as at 31 March 2021	**108 281**	**73 592**	**181 873**

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 31 March 2021 £'000	Total	Realised	Unrealised
Total gains or (losses) included in the income statement for the period			
Net interest income	61 446	52 093	9 353
Investment income*	(50 178)	(6)	(50 172)
Trading income arising from customer flow	(2 389)	428	(2 817)
Trading income arising from balance sheet management and other trading activities	1 685	—	1 685
	10 564	**52 515**	**(41 951)**
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	(1 031)	(1 031)	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(2 192)	—	(2 192)
	(3 223)	**(1 031)**	**(2 192)**

• Included within the investment income statement balance are unrealised gains of £10.3 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 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 31 March 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	103 404	Potential impact on income		3 789	(10 320)
		Credit spreads	0.4%-3.3%	107	(198)
		Cash flow adjustments	CPR 4.4%	7	(7)
		Other^	^	3 675	(10 115)
Derivative financial instruments	26 805	Potential impact on income		5 232	(6 226)
		Volatilities	5.4%-21.4%	51	(148)
		Underlying asset value^^	^^	4 724	(4 724)
		Cashflow adjustment	CPR 4.4%	9	(9)
		Other^	^	448	(1 345)
Securities arising from trading activities	5 160	Potential impact on income statement			
		Cash flow adjustments	CPR 8.0%	1 310	(1 686)
Investment portfolio	862 528	Potential impact on income statement		104 666	(164 098)
		Price earnings multiple	4.2x-9.0x	5 560	(13 330)
		Underlying asset value^^	^^	2 561	(5 967)
		EBITDA	**	30 225	(23 679)
		Discount rate	13%-17%	2 482	(4 149)
		Cash flows	**	1 875	(1 383)
		Underlying asset value^^	^^	1 991	(3 707)
		Precious and industrial metal prices	(5%)-5%	1 346	(1 346)
		Property prices	(10%)-10%	32 188	(32 188)
		Other^	^	26 438	(78 349)
Loans and advances to customers	1 047 390	Potential impact on income statement		25 603	(43 785)
		Credit spreads	0.08%-37.3%	9 439	(14 745)
		Price earnings multiple	3.5x-4.1x	4 200	(2)
		Underlying asset value^^	^^	3 267	(9 105)
		Other^	^	8 697	(19 933)
		Potential impact on other comprehensive income			
		Credit spreads	0.12%-4.3%	5 590	(9 711)
Other securitised assets	107 259	Potential impact on income statement			
		Cash flow adjustments	CPR 4.4%	1 554	(1 653)
Non-current assets classified as held for sale	40 881	Potential impact on income statement		2 417	(2 533)
		Discount rates	13%-15%	658	(774)
		Property prices	(10%)-10%	1 759	(1 759)
Total level 3 assets	**2 193 427**			**150 161**	**(240 012)**

FAIR VALUE DISCLOSURE
CONTINUED

At 31 March 2021	Balance sheet value £'000	Significant unobservable input changed	Range which unobservable input has been changed	Favourable changes £'000	Unfavourable changes £'000
Assets					
Liabilities					
Deposits by banks	294	Potential impact on income			
		Underlying asset value^^	^^	—	44
Derivative financial instruments	27 740	Potential impact on income statement		(4 750)	4 800
		Volatilities	5.4%-21.1%	(26)	76
		Underlying asset value^^	^^	(4 724)	4 724
Liabilities arising on securitisation of other assets	108 281	Potential impact on income statement			
		Cash flow adjustments	CPR 4.4%	(213)	240
Other liabilities	45 558	Potential impact on income statement			
		Property prices	(10%)-10%	(4 556)	4 556
Total level 3 liabilities	**181 873**			**(9 519)**	**9 640**
Net level 3 assets	**2 011 554**				

* 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 and cash flows have been stressed on an investment-by-investment basis in order to obtain favourable and unfavourable valuations.

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

The following table sets out the fair value of financial instruments held at amortised cost when the carrying value is not a reasonable approximation of fair value.

At 31 March 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	3 517 100	3 517 100	—	—
Loans and advances to banks	2 699 317	2 693 819	5 498	5 474
Non-sovereign and non-bank cash placements	438 708	438 708	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	2 287 483	1 199 041	1 088 442	1 088 987
Sovereign debt securities	448 474	—	448 474	456 716
Bank debt securities	249 440	88 370	161 070	170 384
Other debt securities	733 955	254 240	479 715	483 461
Loans and advances to customers	23 823 410	12 556 718	11 266 692	11 258 257
Own originated loans and advances to customers securitised	401 912	401 912	—	—
Other loans and advances	102 135	39 920	62 215	62 916
Other securitised assets	28 411	28 411	—	—
Other assets	1 351 142	1 350 870	272	256
	36 081 487	**22 569 109**	**13 512 378**	**13 526 451**
Liabilities				
Deposits by banks	2 403 418	465 326	1 938 092	1 957 489
Repurchase agreements and cash collateral on securities lent	789 353	140 679	648 674	650 958
Customer accounts (deposits)	33 402 861	19 691 073	13 711 788	13 772 710
Debt securities in issue	1 773 629	497 583	1 276 046	1 303 071
Liabilities arising on securitisation of own originated loans and advances	160 646	160 646	—	—
Other liabilities	1 064 989	1 060 712	4 277	3 660
Subordinated liabilities	1 146 147	154 489	991 658	1 107 936
	40 741 043	**22 170 508**	**18 570 535**	**18 795 824**

This note has been restated to separately present those items where fair value approximates the carrying value.

SHAREHOLDER ANALYSIS

Investec ordinary shares

As at 31 March 2021, Investec plc and Investec Limited had 696.1 million and 318.9 million ordinary shares in issue respectively.

Spread of ordinary shareholders as at 31 March 2021

Investec plc ordinary shares in issue

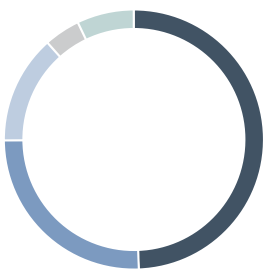
Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
15 022	1 - 500	53.5%	2 494 271	0.4%
4 727	501 - 1 000	16.8%	3 593 762	0.5%
5 796	1 001 - 5 000	20.6%	12 771 853	1.8%
920	5 001 -10 000	3.3%	6 666 777	1.0%
907	10 001 - 50 000	3.2%	20 074 784	2.9%
222	50 001 - 100 000	0.8%	15 309 197	2.2%
481	100 001 and over	1.8%	635 171 974	91.2%
28 075		**100.0%**	**696 082 618**	**100.0%**

Investec Limited ordinary shares in issue

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
6 470	1 - 500	58.5%	778 216	0.2%
1 318	501 - 1 000	11.9%	1 002 479	0.3%
1 910	1 001 - 5 000	17.3%	4 339 220	1.4%
382	5 001 - 10 000	3.5%	2 847 961	0.9%
557	10 001 - 50 000	5.0%	12 845 838	4.0%
155	50 001 - 100 000	1.4%	11 168 855	3.5%
266	100 001 and over	2.4%	285 922 140	89.7%
11 058		**100.0%**	**318 904 709**	**100.0%**

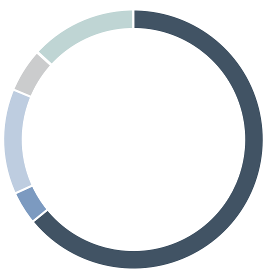
Geographical holding by beneficial ordinary shareholder as at 31 March 2021

Investec plc



South Africa	49.4%
UK	25.5%
USA and Canada	13.5%
Rest of Europe	4.5%
Asia	—%
Other countries and unknown	7.1%

Investec Limited



South Africa	64.1%
UK	4.1%
USA and Canada	13.1%
Rest of Europe	5.4%
Asia	0.1%
Other countries and unknown	13.2%

SHAREHOLDER ANALYSIS
CONTINUED

Largest ordinary shareholders as at 31 March 2021
In accordance with the terms provided for in Section 793 of the UK Companies Act, 2006 and Section 56 of the South African Companies Act, 2008, the group has conducted investigations into the registered holders of its ordinary shares (including nominee and asset management companies) and the results are as disclosed below.

Investec plc

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	83 457 484	12.0%
2. Prudential Portfolio Mgrs (ZA)	71 241 361	10.3%
3. Allan Gray (ZA)	52 144 500	7.5%
4. The Vanguard Group, Inc (US & UK)	30 662 160	4.4%
5. BlackRock Inc (US & UK)	30 066 281	4.3%
6. Investec Staff Share Scheme (UK)	28 883 926	4.2%
7. BrightSphere Investment Group (US & UK)	18 167 610	2.6%
8. Schroder Investment Mgt (US & UK)	16 777 780	2.4%
9. Norges Bank Investment Mgt (EU)	14 749 919	2.1%
10. Old Mutual Investment Group (ZA)	14 073 094	2.0%
Cumulative total	**360 224 115**	**51.8%**

The top 10 shareholders account for 51.8% of the total shareholding in Investec plc. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

Investec Limited

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	42 895 324	13.5%
2. Allan Gray (ZA)	29 164 629	9.1%
3. Investec Staff Share Scheme (ZA)	24 973 434	7.8%
4. Sanlam Group (ZA)	11 569 125	3.6%
5. BlackRock Inc (US & UK)	10 938 965	3.4%
6. The Vanguard Group, Inc (US)	8 831 140	2.8%
7. Westwood Global Investments (US)	8 219 098	2.6%
8. Prudential Portfolio Mgrs (ZA)	8 010 749	2.5%
9. Absa Group Limited (ZA)	7 106 361	2.2%
10. Old Mutual Investment Group (ZA)	7 027 649	2.2%
Cumulative total	**158 736 474**	**49.8%**

The top 10 shareholders account for 49.8% of the total shareholding in Investec Limited. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

SHAREHOLDER ANALYSIS
CONTINUED

Share statistics

For the year ended	31 March 2021	31 March 2020
Price earnings ratio[1]	7.6	4.5
Dividend payout ratio (%)	45.0	38.1*
Dividend yield (%)	5.9	5.3*
Earnings yield (%)[1]	13.2	22.3

Investec plc

For the year ended	31 March 2021	31 March 2020
Daily average volumes of shares traded (‘000)	2 802	2 631
Closing market price per share (Pound Sterling)	2.19	1.52
Number of ordinary shares in issue (million)	696.1	696.1
Market capitalisation (£’million)[2]	1 433	1 010

Investec Limited

For the year ended	31 March 2021	31 March 2020
Daily average volumes of shares traded (‘000)	2 089	1 344
Closing market price per share (Rands)	43.27	33.99
Number of ordinary shares in issue (million)	318.9	318.9
Market capitalisation (R’million)[2]	40 007	31 686
Market capitalisation (£’million)[2]	2 025	1 417

1. Calculations are based on the adjusted earnings per share from continuing operations and the closing share price.
2. This calculation of market capitalisation excludes the group's treasury shares. For the market capitalisation of Investec plc, the LSE only includes the shares in issue for Investec plc, as Investec Limited is not incorporated in the UK. For the market capitalisation of Investec Limited, the JSE has agreed to use the total number of shares in issue for the combined group, comprising Investec plc and Investec Limited.

* In light of regulatory guidance provided to banks in both South Africa and the UK, the board decided not to declare a final ordinary dividend for the 2020 financial year. The 11.0 pence in FY2020 reflects the interim dividend per share which was prior to the demerger of the asset management business (Ninety One).The dividend payout ratio and dividend yield are therefore calculated with reference to the corresponding adjusted earnings and closing share price, respectively, for the six months ended 30 September 2019.

SHAREHOLDER ANALYSIS
CONTINUED

Investec preference shares
Investec plc, Investec Limited and Investec Bank Limited have issued preference shares.

Spread of preference shareholders as at 31 March 2021

Investec plc preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
46	1 – 500	16.5%	8 698	0.3%
29	501 – 1 000	10.4%	22 767	0.8%
129	1 001 – 5 000	46.2%	251 940	9.1%
24	5 001 – 10 000	8.6%	183 941	6.7%
39	10 001 – 50 000	14.0%	837 077	30.4%
8	50 001 – 100 000	2.9%	566 026	20.6%
4	100 001 and over	1.4%	884 138	32.1%
279		**100.0%**	**2 754 587**	**100.0%**

Investec plc (Rand-denominated) perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
28	1 – 500	38.4%	5 008	3.8%
18	501 – 1 000	24.7%	14 279	10.9%
19	1 001 – 5 000	26.0%	47 369	36.0%
5	5 001 – 10 000	6.8%	27 791	21.1%
3	10 001 – 50 000	4.1%	37 000	28.2%
—	50 001 – 100 000	—%	—	—%
—	100 001 and over	—%	—	—%
73		**100.0%**	**131 447**	**100.0%**

Investec Limited perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
880	1 – 500	16.7%	250 655	0.8%
1 039	501 – 1 000	19.7%	859 409	2.6%
2 306	1 001 – 5 000	43.8%	5 595 657	17.4%
510	5 001 – 10 000	9.7%	3 697 938	11.5%
454	10 001 – 50 000	8.6%	8 713 248	27.1%
39	50 001 – 100 000	0.8%	2 768 592	8.6%
37	100 001 and over	0.7%	10 329 000	32.0%
5 265		**100.0%**	**32 214 499**	**100.0%**

SHAREHOLDER ANALYSIS
CONTINUED

Investec Bank Limited perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
735	1 – 500	22.0%	165 503	1.1%
756	501 – 1 000	22.6%	655 633	4.2%
1 291	1 001 – 5 000	38.6%	3 164 269	20.5%
313	5 001 – 10 000	9.4%	2 310 559	15.0%
212	10 001 – 50 000	6.3%	3 946 468	25.5%
21	50 001 – 100 000	0.6%	1 428 069	9.2%
16	100 001 and over	0.5%	3 777 129	24.5%
3 344		**100.0%**	**15 447 630**	**100.0%**

Largest preference shareholders as at 31 March 2021
Shareholders holding beneficial interests in excess of 5.0% of the issued preference shares are as follows:

Investec plc perpetual preference shares
Rock (Nominees) Limited 17.8%

CGWL Nominees Limited 6.1%

Investec plc (Rand-denominated) perpetual preference shares
Private individual 9.9%

Private individual 9.9%

Private individual 8.4%

Investec Limited perpetual preference shares
There were no shareholders holding beneficial interests in excess of 5.0% of the issued preference shares in Investec Limited, as at 31 March 2021.

Investec Bank Limited perpetual preference shares
There were no shareholders holding beneficial interests in excess of 5.0% of the issued preference shares in Investec Bank Limited, as at 31 March 2021.

06

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 pages 35 to 37 for the reconciliation of earnings attributable to shareholders to adjusted earnings attributable to ordinary shareholders

Adjusted earnings per share

Adjusted earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year

Refer to pages 35 to 37 for calculation

Adjusted operating profit

Refer to the calculation in the table below:

£'000	31 March 2021	31 March 2020
Operating profit before goodwill, acquired intangibles and strategic actions	377 110	487 111
Less: Profit attributable to other non-controlling interests	472	(67 952)
Adjusted operating profit	**377 582**	**419 159**

Adjusted operating profit per employee

Adjusted operating profit divided by average total employees including permanent and temporary employees

Refer to page 61 for calculation

Annuity income

Net interest income plus net annuity fees and commissions

Refer to pages 50 and 52

Core loans

The table below describes the differences between 'loans and advances to customers' as per the balance sheet and gross core loans

	UK and Other		Southern Africa		Total group	
£'million	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Loans and advances to customers per the balance sheet	12 336	11 872	13 705	12 716	26 041	24 588
Add: Own originated loans and advances to customers per the balance sheet	—	—	402	325	402	325
Add: ECL held against FVOCI loans reported on the balance sheet within reserves	(5)	(2)	—	—	(5)	(2)
Net core loans	**12 331**	**11 870**	**14 107**	**13 041**	**26 438**	**24 911**
of which subject to ECL*	11 819	11 217	14 030	12 933	25 849	24 150
Net core loans at amortised cost and FVOCI	11 819	11 217	12 935	11 998	24 754	23 215
Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes)^	—	—	1 095	935	1 095	935
of which FVPL (excluding fixed rate loans above)	512	653	77	108	589	761
Add: ECL	170	175	134	152	304	327
Gross core loans	**12 501**	**12 045**	**14 241**	**13 193**	**26 742**	**25 238**
of which subject to ECL*	11 989	11 392	14 164	13 085	26 153	24 477
of which FVPL (excluding fixed rate loans above)	512	653	77	108	589	761

^ These are fixed rate loans which have passed the solely payments of principal and interest test (SPPI) and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. The drawn (£1.1 billion) exposure falls predominantly into Stage 1 (consistent throughout the period) (31 March 2020: £0.9 billion). The ECL on the portfolio is £5.2 million (31 March 2020: £3.0 million).

* Includes portfolios for which ECL is not required for IFRS purposes, but for which management evaluates on this basis.

ALTERNATIVE PERFORMANCE MEASURES
CONTINUED

Core loans to equity ratio	Net core loans divided by total shareholders' equity per the balance sheet
Cost to income ratio	Refer to calculation in the table below:

£'000	31 March 2021	31 March 2020
Operating costs (A)^	1 164 513	1 186 427
Total operating income before expected credit losses	1 641 061	1 806 839
Less: Profit/loss attributable to other non-controlling interests	472	(67 952)
Total (B)	1 641 533	1 738 887
Cost to income ratio (A/B)	**70.9%**	**68.2%**

Coverage ratio	ECL as a percentage of gross core loans subject to ECL
Credit loss ratio	ECL impairment charges on core loans as a percentage of average gross core loans subject to ECL
Dividend payout ratio	Ordinary dividend per share divided by adjusted earnings per share
Gearing ratio	Total assets excluding assurance assets divided by total equity
Loans and advances to customers as a % of customer deposits	Loans and advances to customers as a percentage of customer accounts (deposits)
Net tangible asset value per share	Refer to calculation on page 63
Net interest margin	Interest income net of interest expense, divided by average interest-earning assets Refer to calculation on page 50
Return on average ordinary shareholders' equity (ROE)	Refer to calculation on pages 64 to 67
Return on average tangible ordinary shareholders' equity	Refer to calculation on pages 64 to 67
Return on risk-weighted assets	Adjusted earnings attributable to ordinary shareholders divided by average risk-weighted assets, where risk-weighted assets is calculated as the sum of risk-weighted assets for Investec plc and Investec Limited (converted into Pound Sterling) Refer to page 63
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 69 and 70.

DEFINITIONS

Cash and near cash
Includes cash, near cash (other 'monetisable assets') and Central Bank cash placements and guaranteed liquidity.

Diluted earnings per share
Diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders of Investec plc and Investec Limited, adjusted for the effects of dilutive ordinary potential shares, by the weighted average number of shares in issue during the period plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive ordinary potential shares during the year.

Refer to pages 35 to 37 for the calculation of diluted earnings per share.

Earnings per share
Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders in Investec plc and Investec Limited by the weighted average number of ordinary shares in issue during the year.

Refer to pages 35 to 37 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 calculated by dividing the group's headline earnings by the average number of shares which it had in issue during the accounting period.

Refer to pages 35 to 37 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), liabilities arising on securitisation of own originated loans and advances and liabilities arising on securitisation of other assets. Refer to page 50 for calculation.

Interest-earning assets
Cash and near cash, bank debt securities, sovereign debt securities, core loans and advances, other debt securities, other loans and advances and other securitised assets. Refer to page 50 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) multiplied by the closing share price of Investec plc on the London Stock Exchange.

Net-zero
Refers to 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.

Total group
Total group represents the group's results including the results of discontinued operations in the prior period.

Weighted number of ordinary shares in issue
The number of ordinary shares in issue at the beginning of the year increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the group less treasury shares. Refer to calculation on pages 35 to 37.

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
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
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
FRC	Financial Reporting Council
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
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
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
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
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 7.50000 pence (2020: 11.00000 pence) per ordinary share has been declared by the board from income reserves in respect of the financial year ended 31 March 2021 payable to shareholders recorded in the shareholders' register of the company at the close of business on Friday, 23 July 2021.

- For Investec plc shareholders, registered on the United Kingdom share register, through a dividend payment by Investec plc from income reserves of 7.50000 pence per ordinary share
- For Investec plc shareholders, registered on the South African branch register, through a dividend payment by Investec Limited, on the SA DAS share, payable from income reserves, equivalent to 7.50000 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, 20 July 2021
On the London Stock Exchange (LSE)	Wednesday, 21 July 2021
Shares commence trading ex-dividend	
On the Johannesburg Stock Exchange	Wednesday, 21 July 2021
On the London Stock Exchange	Thursday, 22 July 2021
Record date (on the JSE and LSE)	Friday, 23 July 2021
Payment date (on the JSE and LSE)	Tuesday, 10 August 2021

Share certificates on the South African branch register may not be dematerialised or rematerialised between Wednesday, 21 July 2021 and Friday, 23 July 2021, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 21 July 2021 and Friday, 23 July 2021, both dates inclusive.

Additional information for South African resident shareholders of Investec plc
- Shareholders registered on the South African branch register are advised that the distribution of 7.50000 pence, equivalent to a gross dividend of 150.00000 cents per share, has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Thursday 20 May 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 150.00000 cents per share paid by Investec Limited on the SA DAS share
- Shareholders registered on the South African branch register who are not exempt from paying the Dividend Tax will receive a net dividend of 120.00000 cents per share (gross dividend of 150.00000 cents per share less Dividend Tax of 30.00000 cents per share) paid by Investec Limited on the SA DAS share.

By order of the board

David Miller
Company Secretary
20 May 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 130

Notice is hereby given that final dividend number 130, being a gross dividend of 150.00000 cents (2020: 211.00000 cents) per ordinary share has been declared by the board from income reserves in respect of the financial year ended 31 March 2021 payable to shareholders recorded in the shareholders' register of the company at the close of business on Friday, 23 July 2021.

The relevant dates relating to the payment of dividend number 130 are as follows:

Last day to trade cum-dividend	Tuesday, 20 July 2021
Shares commence trading ex-dividend	Wednesday, 21 July 2021
Record date	Friday, 23 July 2021
Payment date	Tuesday, 10 August 2021

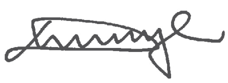
The final gross dividend of 150.00000 cents per ordinary share has been determined by converting the Investec plc distribution of 7.50000 pence per ordinary share into Rands using the Rand/Pound Sterling average buy/sell forward rate at 11h00 (SA time) on Thursday, 20 May 2021.

Share certificates may not be dematerialised or rematerialised between Wednesday, 21 July 2021 and Friday, 23 July 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 150.00000 cents per ordinary share
- Shareholders who are not exempt from paying the Dividend Tax will receive a net dividend of 120.00000 cents per ordinary share (gross dividend of 150.00000 cents per ordinary share less Dividend Tax of 30.00000 cents per ordinary share).

By order of the board



Niki van Wyk
Company Secretary
20 May 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 30
Notice is hereby given that preference dividend number 30 has been declared by the board from income reserves for the period 1 October 2020 to 31 March 2021 amounting to a gross preference dividend of 5.48495 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, 4 June 2021.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 5.48495 pence per preference share is equivalent to a gross dividend of 109.24923 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA time) on Thursday, 20 May 2021.

The relevant dates for the payment of dividend number 30 are as follows:

Last day to trade cum-dividend	
On the Johannesburg Stock Exchange (JSE)	Tuesday, 8 June 2021
On the International Stock Exchange (TISE)	Wednesday, 9 June 2021
Shares commence trading ex-dividend	
On the Johannesburg Stock Exchange (JSE)	Wednesday, 9 June 2021
On the International Stock Exchange (TISE)	Thursday, 10 June 2021
Record date (on the JSE and TISE)	Friday, 11 June 2021
Payment date (on the JSE and TISE)	Monday, 21 June 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 2 June 2021 and Friday, 4 June 2021, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 2 June 2021 and Friday, 4 June 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 87.39938 cents per preference share for preference shareholders liable to pay the Dividend Tax and 109.24923 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

David Miller
Company Secretary
20 May 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 20
Notice is hereby given that preference dividend number 20 has been declared by the board from income reserves for the period 1 October 2020 to 31 March 2021 amounting to a gross preference dividend of 331.58906 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, 11 June 2021.

The relevant dates relating to the payment of dividend number 20 are as follows:

Last day to trade cum-dividend	Tuesday, 8 June 2021
Shares commence trading ex-dividend	Wednesday, 9 June 2021
Record date	Friday, 11 June 2021
Payment date	Monday, 14 June 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 June 2021 and Friday, 11 June 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 265.27125 cents per preference share for preference shareholders liable to pay the Dividend Tax and 331.58906 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

David Miller
Company Secretary
20 May 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 33

Notice is hereby given that preference dividend number 33 has been declared by the board from income reserves for the period 1 October 2020 to 31 March 2021 amounting to a gross preference dividend of 271.44926 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, 11 June 2021.

The relevant dates for the payment of dividend number 33 are as follows:

Last day to trade cum-dividend	Tuesday, 8 June 2021
Shares commence trading ex-dividend	Wednesday, 9 June 2021
Record date	Friday, 11 June 2021
Payment date	Monday, 14 June 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 June 2021 and Friday, 11 June 2021, both dates inclusive.

Additional information for South African resident shareholders of Investec plc
- 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 217.15941 cents per preference share for shareholders liable to pay the Dividend Tax and 271.44926 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

Niki van Wyk
Company Secretary
20 May 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 No.: 549300RH5FFHO48FXT69

Preference share dividend announcement
Non-redeemable non-cumulative non-participating preference shares ('preference shares')
Declaration of dividend number 36
Notice is hereby given that preference dividend number 36 has been declared by the board from income reserves for the period 1 October 2020 to 31 March 2021 amounting to a gross preference dividend of 290.85595 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,11 June 2021.

The relevant dates for the payment of dividend number 36 are as follows:

Last day to trade cum-dividend	Tuesday, 8 June 2021
Shares commence trading ex-dividend	Wednesday, 9 June 2021
Record date	Friday, 11 June 2021
Payment date	Monday, 14 June 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 June 2021 and Friday, 11 June 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 232.68476 cents per preference share for shareholders liable to pay the Dividend Tax and 290.85595 cents per preference shareholders exempt from paying the Dividend Tax.

By order of the board

Niki van Wyk
Company Secretary
20 May 2021

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Registration number 3633621

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Registration number 1925/002833/06

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Nishlan Samujh (Finance Director)
Richard Wainwright
Ciaran Whelan

Non-executive directors
Perry Crosthwaite (Chair)
Zarina Bassa (Senior Independent Director)
Henrietta Baldock
David Friedland
Philip Hourquebie
Charles Jacobs
Stephen Koseff
Lord Malloch-Brown KCMG
Philisiwe Sibiya
Khumo Shuenyane

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Notes

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