

Out of the Ordinary[®]

 **Investec**

Specialist Bank



Investec plc

Overview

The information in this presentation relates to the six months ended 30 September 2020, unless otherwise indicated.

Contents

	Page
1 Investec group overview	3
2 Investec plc overview	15
3 Investec plc operating fundamentals	22
4 Investec plc peer analysis	35
5 Appendix	37



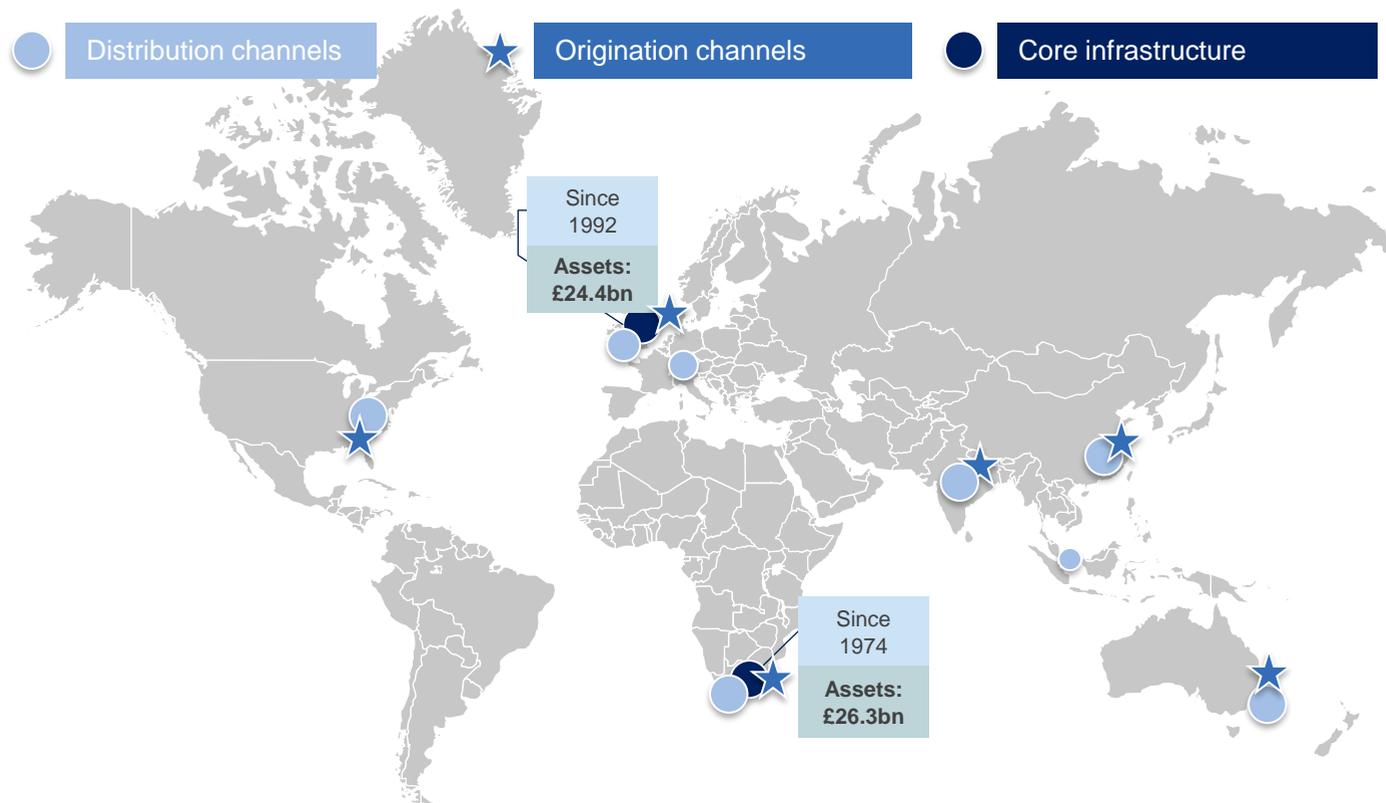


An overview of the Investec group

The Investec group information reflects that of its continuing operations. Following the group's demerger of Investec Asset Management (now Ninety One) in March 2020, the group's results for the prior periods (financial year ended 31 March 2020 and six months ended 30 September 2019) reflect the asset management business as a discontinued operation.

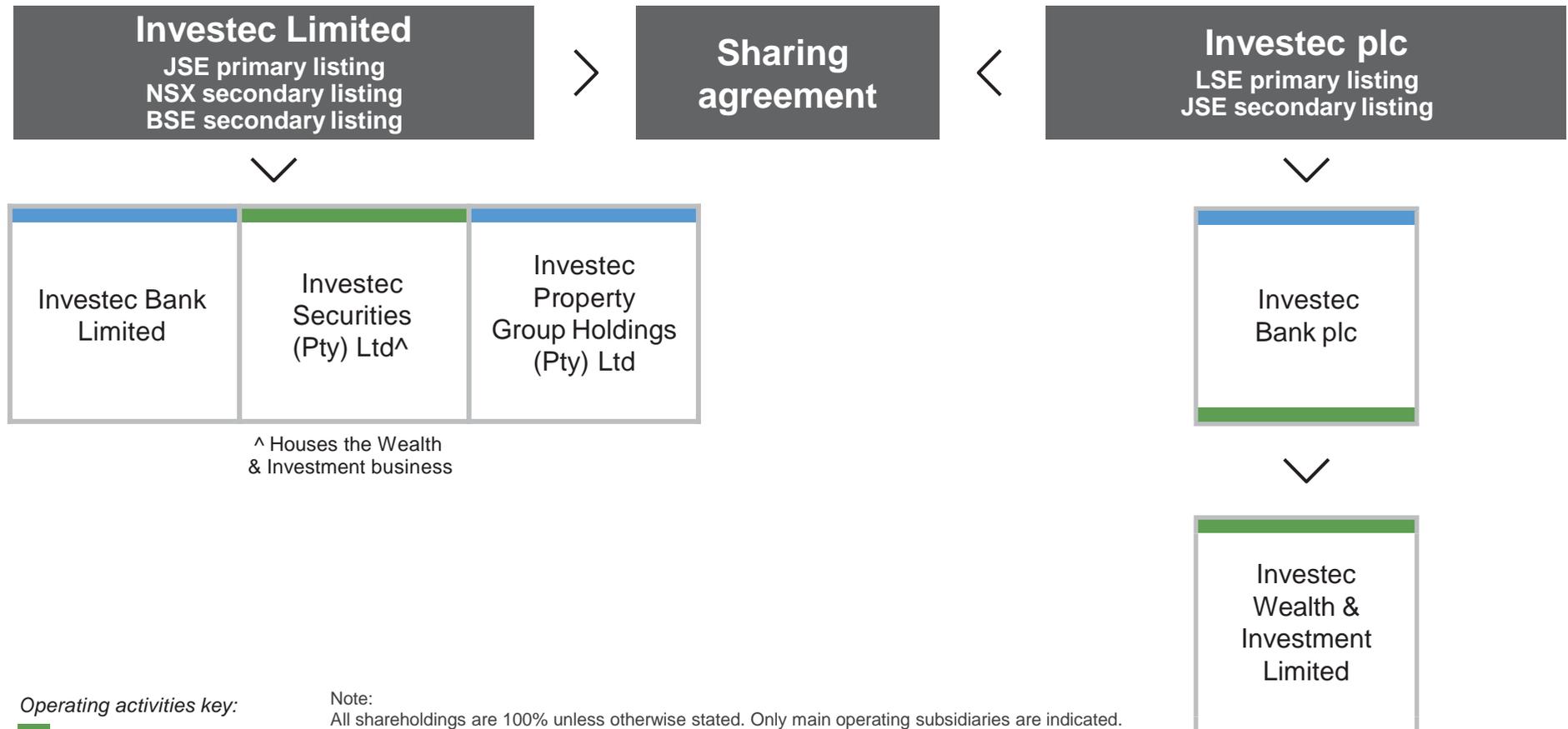
A domestically relevant, internationally connected banking and wealth & investment group

- Established in 1974
- Today, an efficient integrated international business platform employing approximately **8 500*** people
- Listed on the JSE and LSE (a FTSE 250 company)
- Total assets of **£50.7bn**; total equity of **£5.1bn**; third party funds under management of **£52.0bn**



Group structure

- In 2002, Investec implemented a **Dual Listed Companies (DLC) structure**
- In terms of our DLC structure, **Investec Limited** is the controlling company of our businesses in Southern Africa, and **Investec plc** is the controlling company of our non-Southern African businesses.



[^] Houses the Wealth & Investment business

Operating activities key:

- Wealth & Investment
- Specialist Banking

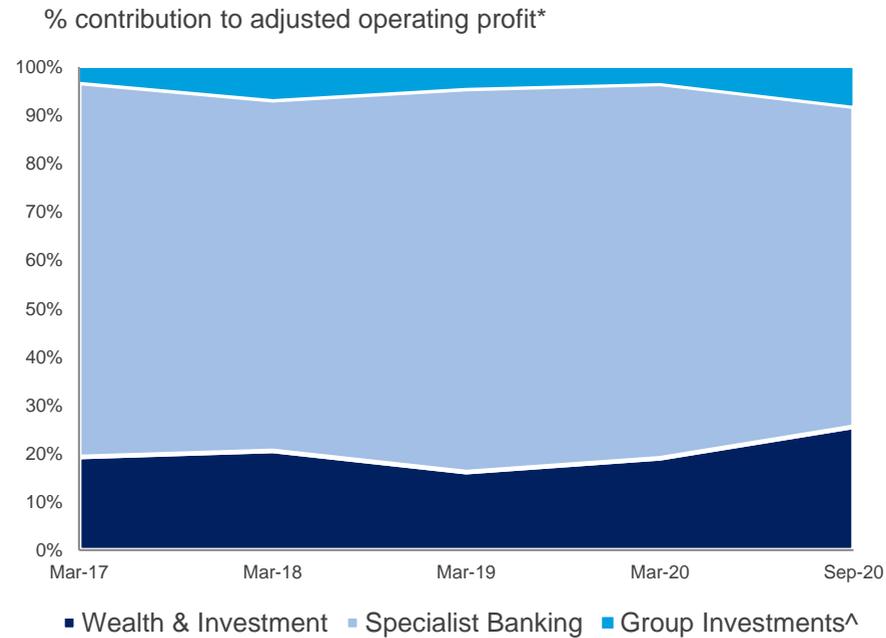
Note:

All shareholdings are 100% unless otherwise stated. Only main operating subsidiaries are indicated.

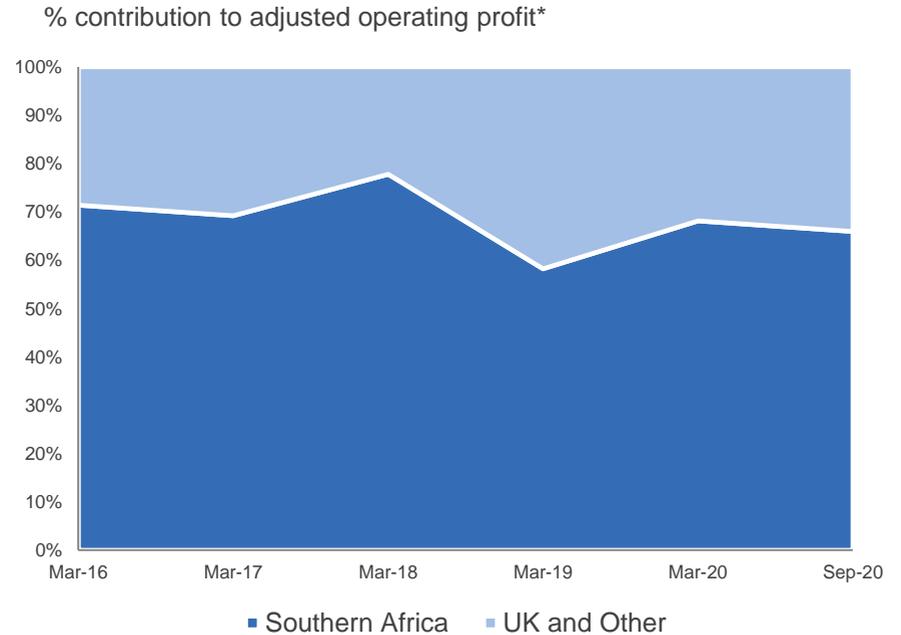
In March 2020, Investec completed the demerger and separate listing of Ninety One (formerly known as Investec Asset Management). The Investec group retained a 25% shareholding in the Ninety One DLC group, with 16.3% held through Investec plc and 8.7% held through Investec Limited.

Solid recurring income base supported by a diversified portfolio

Across businesses



Across geographies



*Adjusted operating profit by geography is Operating profit before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests. Adjusted operating profit by business is Operating profit before group costs and before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests. ^Specialist Banking no longer includes Group Investments which is now shown as a separate segmental division. Prior periods have been restated to reflect the same basis (Group Investments was reported separately from March 2017).

Strategic direction

We strive to be a distinctive bank and investment manager, driven by commitment to our core philosophies and values.

The Investec distinction

Client focused approach

- Clients are at the core of our business
- We strive to build business depth by deepening existing and creating new client relationships
- High-tech, high-touch approach
- High level of service by being nimble, flexible and innovative.

Specialised strategy

- Serving select market niches as a focused provider of tailored structured solutions
- Enhancing our existing position in principal businesses and geographies through organic growth and select bolt-on acquisitions.

Sustainable business

- Contributing to society, macro-economic stability and the environment
- Well-established brand
- Managing and positioning the group for the long term
- Balancing operational risk with financial risk while creating value for shareholders
- Cost and risk conscious.

Strong culture

- Strong entrepreneurial culture that stimulates extraordinary performance
- Passionate and talented people who are empowered and committed
- Depth of leadership
- Strong risk awareness
- Material employee ownership.

One Investec

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 imperative 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

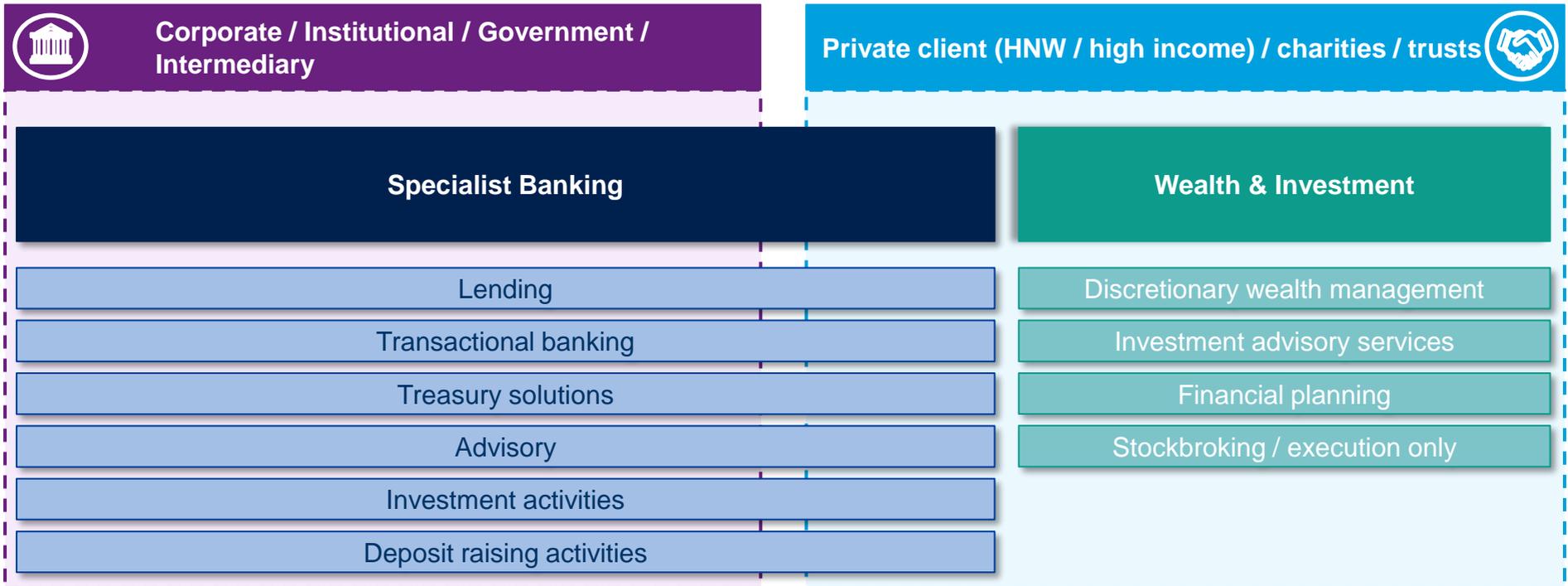
- We are committed to delivering exceptional service to our clients, creating long-term value for our shareholders and to contributing meaningfully to our people, communities and the planet
- All relevant Investec resources and services are on offer in every single client transaction
- Sustain our distinctive,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

In the short term, our objective is to **simplify, focus and grow** the business with discipline.

Balanced business model supporting our long-term strategy

A domestically relevant, internationally connected banking and wealth & investment group

2 Principal geographies	2 Core areas of activity	8,500+ Employees	£25.2bn Core loans	£32.6bn Customer deposits	£52.0bn Third party FUM
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We have market-leading distinctive client franchises

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

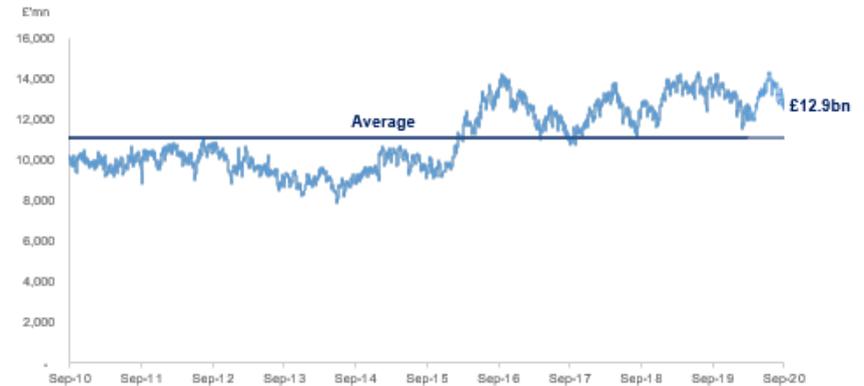
We are a people business backed by our out of the ordinary culture, and entrepreneurial spirit

We continue to have a sound balance sheet

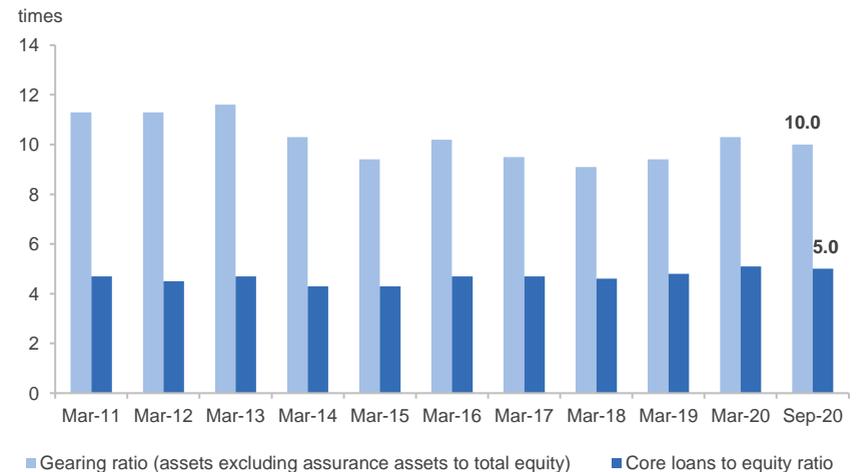
Key operating fundamentals

- Senior management “hands-on” culture
- A high level of readily available, **high quality liquid assets**: representing c. 25% - 35% of our liability base. Cash and near cash balances amounted to **£12.9 billion** at 30 September 2020, representing **39.5%** of customer deposits.
- No reliance on wholesale funding
- Solid leverage ratios: always held **capital in excess of regulatory requirements** and the group intends to perpetuate this philosophy. Target common equity tier 1 ratio of above 10% and total capital ratios between 14% and 17%
- **Low gearing ratio: 10.0x** with **strong leverage ratios** remain ahead of the group’s target of 6%
- Geographical and operational diversity with a **high level of annuity income** which continues to support sustainability of operating profit

Cash and near cash

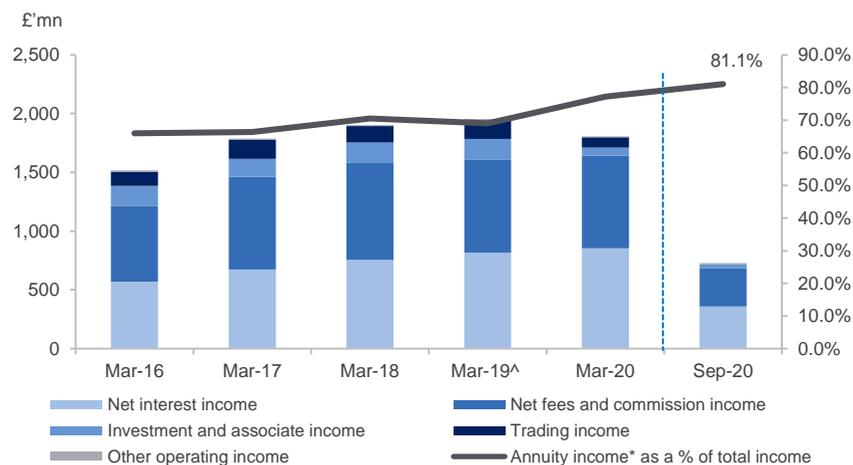


Low gearing ratios

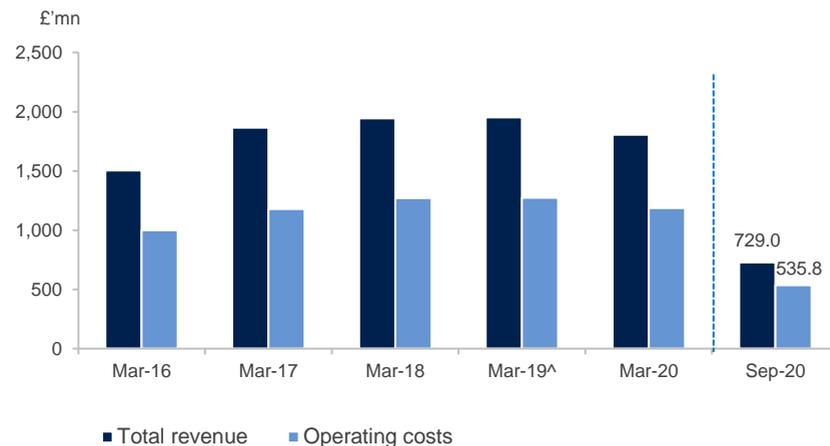


We have a sound track record

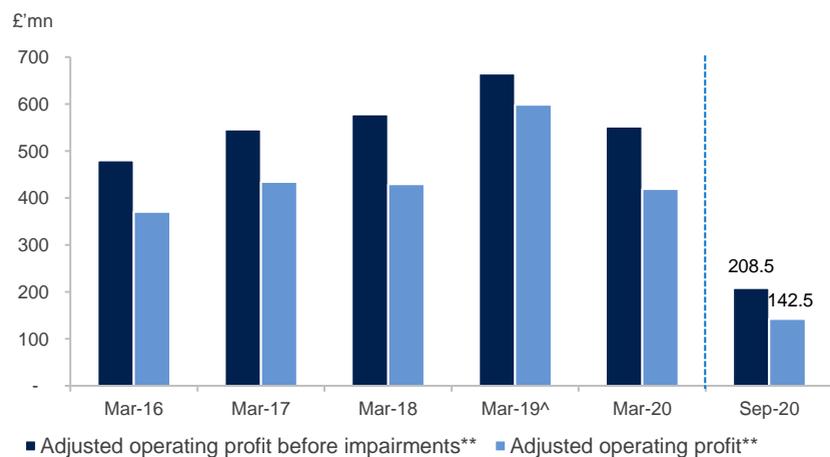
Recurring income



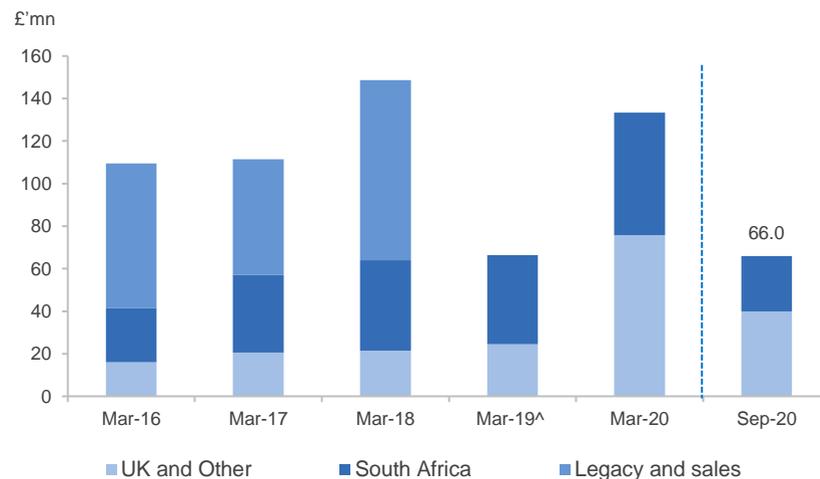
Revenue versus expenses



Adjusted operating profit** before impairments



Credit loss impairment charges

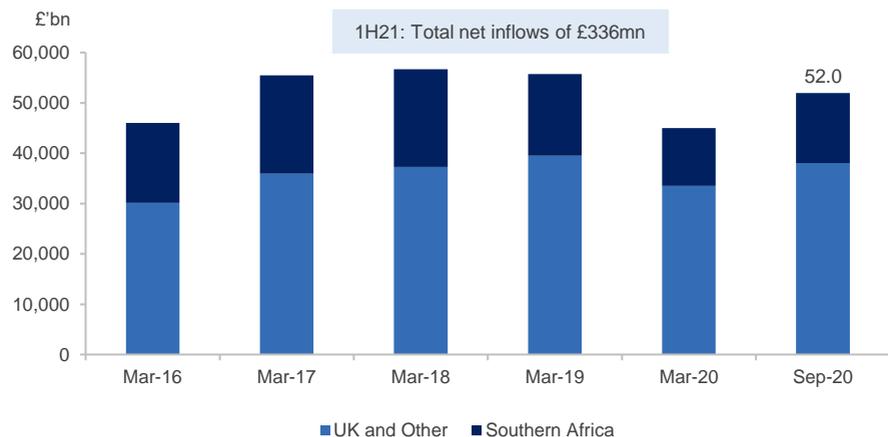


*Where annuity income is net interest income and annuity fees. **Operating profit before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

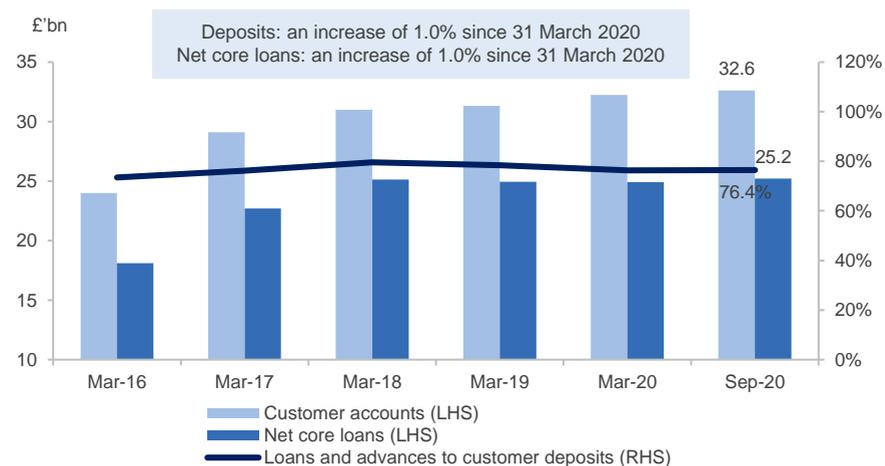
^Reflected in the above trends, March 2019 information has been restated and excludes the financial impact of the rundown of the Hong Kong direct investments business and the impact of other group restructures as detailed in the Investec group's 2020 Analyst Book. All other prior year numbers have not been restated.

We have a sound track record (cont.)

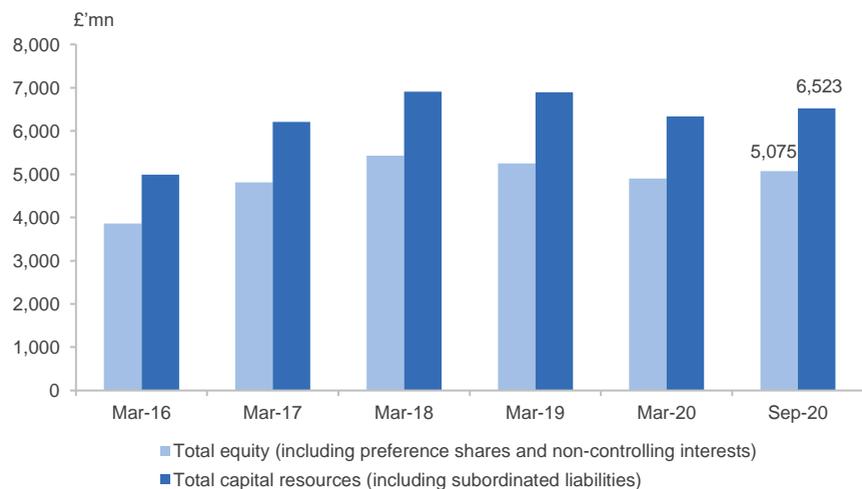
Third party funds under management



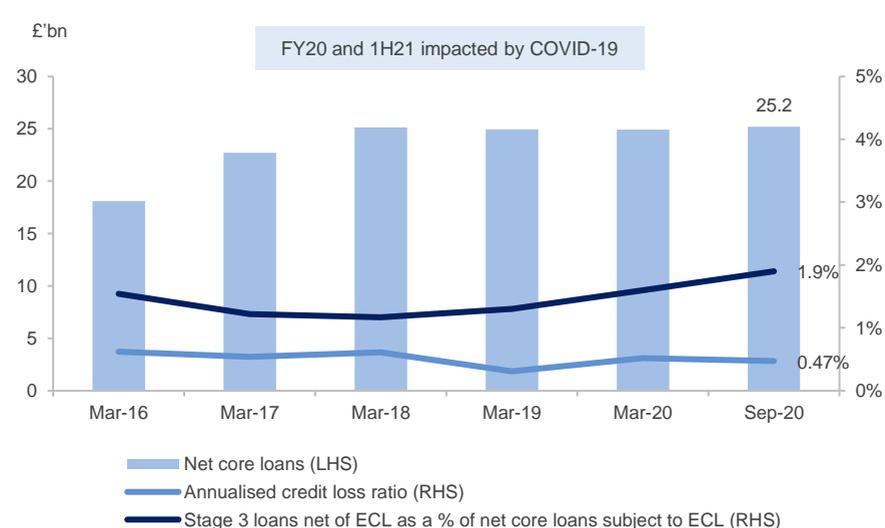
Net core loans and deposits



Total equity and capital resources



Asset quality



COVID-19 Response update

Our people

- Staff in South Africa are beginning to **return to the office**. In the UK, staff continue to work from home given the second lockdown
- Research and consideration underway of the **future world of work** post COVID-19 and the multiple remote working models available to us
- **Investec Employee Wellbeing Helpline**

Our clients

- Current COVID-19 relief provided to **6.3%** of gross loans in **the UK (13.7% at peak)**. **In South Africa**, the current proportion of book under relief is **2.2% (23.0% at peak)**.
- **Facilitated over R20mn in donations on behalf of clients**, primarily from income generated in our Private Client Charitable Trust
- Accredited lender for government guaranteed COVID-19 lending schemes in both the UK and South Africa

Our communities

- Committed £3.6mn (R77.5mn) for Group to COVID-19 relief for communities with about 63.5% allocated to date
- Senior leaders and staff donated via salary deductions to community initiatives focused on Food security, economic continuity, healthcare, education and anti-gender based violence

Operational resilience

- Managing the integrity of our balance sheet through conservative liquidity levels and capital – above internal board-approved targets and regulatory requirements
- Further investment in IT infrastructure
- Implemented key safety protocols across all locations with a detailed track and containment process

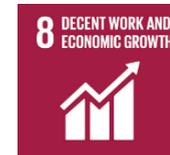
Integrating the Sustainable Development Goals (SDG) into business strategy

Creating financial and social value in a sustainable way that ensures a low-carbon, inclusive world

Two core SDG priorities



Six secondary SDG priorities



Investec's sustainability framework is based on:

- **Living sustainably** within our operations
- **Partnering with clients** on their ESG journey and offering sustainability products and services
- **Aligning our community initiatives** to our SDG priorities to maximise impact

Advocacy and Thought Leadership

- **Active participation** in the United Nations Global Investors for Sustainable Development (UN GISD)
- **Working with industry** in the UK and SA to ensure policy coherence
- Using the strength of our brand to **educate and promote sustainable thinking**

Focused on addressing climate change and inequality

Action taken in the past six months

Published our **first stand alone TCFD report** in line with our commitment to climate disclosures

Shareholders voted **99.95% in favour of our climate-related resolution** at the Aug-20 AGM

Purchased carbon credits to offset our FY20 emissions and meet our **net zero commitment**

Signed up to the **United Nations Environment Programme Finance Initiative** (UNEP FI) and the **Partnership for Carbon Accounting Financials** (PCAF)

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

Rated **Level 1** under the Financial Sector Code in South Africa

Launched a number of ESG products including the first European mid-market ESG-linked subscription lines and the UK's first retail ESG-linked Deposit Plan

Well positioned in ESG rankings and ratings



Top 15% in the global diversified financial services sector (inclusion since 2006)



Top 30 in the FTSE/JSE Responsible Investment Index



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



Top 2% scoring AAA in the financial services sector by MSCI ESG Research



Score B against an industry average of C (formerly Carbon Disclosure Project)



Top 20% of the ISS ESG global universe and **Top 14%** of diversified financial services



Included in the **FTSE UK 100 ESG Select Index** (out of 641 companies)



1 of 43 banks and financial services in the **Global ESG Leaders Index** (total of 439 components)



1 of 5 finalists for the **ESG Sustainability Professional Award**



An overview of Investec plc

The information in this presentation relates to the six months ended 30 September 2020, unless otherwise indicated.

Overview of Investec plc

Investec plc is a **distinctive bank** and **investment manager** with **primary business in the UK**.

We are focused on delivering profitable, impactful and sustainable solutions for our clients in two core areas of activity, namely: **Wealth & Investment** and **Specialist Banking**

Total assets
£24.6bn

Net core loans
£12.0bn

Total equity
£2.5bn

Customer deposits
£15.6bn

Third Party FUM
£38.0bn

Investec plc

- Holding company of the Investec group's **UK & Other operations***
- Operating in the UK since 1992
- **UK FTSE 250 listed entity** since 2002
- **PRA and FCA regulated and a member of the London Stock Exchange**
- **Balanced and defensive business model** comprising Specialist Banking and Wealth & Investment – c.69% of adjusted operating profit[^] from non-banking activities
- Employing approximately 3,700 permanent employees
- **Creditors ring-fenced** from Investec Bank Limited (Southern African banking subsidiary)
- **Capital and liquidity are not fungible** between Investec plc and Investec Limited (listed holding company of the group's Southern African operations) – each entity required to be self-funded and self-capitalised in adherence with the regulations in their respective jurisdictions

Key strengths

Diversified revenue streams with high annuity base

- Balanced business model comprising two distinct business activities: **Specialist Banking and Wealth & Investment**
- Continued focus on growing our **capital light businesses**, now 52.9% of Investec plc's revenue[#]
- Geographic and operational diversity with a high level of **annuity revenue**[^] accounting for 75.3% of total operating income
- Third party FUM* of **£38.0bn** and **positive net inflows** for Wealth & Investment

Sound balance sheet

- **Never required shareholder or government support**
- **Robust capital base: 10.6% CET1 ratio**** and **strong leverage ratio of 7.7%** (7.3% on a fully loaded basis) as of 30 September 2020
- Investec plc benefits from a substantial unlevered asset, being Wealth & Investment (FUM: £37.6bn)
- **Low gearing: 10.0x**
- **Strong liquidity ratios** with high level of readily available, high quality liquid assets representing 39.8% of customer deposits (cash and near cash: £6.2bn)
- **Diversified funding base** with strong retail deposit franchise and low reliance on wholesale funding
- We target a **diversified, secured loan portfolio**, lending to clients we know and understand

Strong culture

- **Stable management** - senior management team average tenor of c.15 – 20 years
- Strong, entrepreneurial culture balanced with a strong risk awareness
- Employee ownership – long-standing philosophy

[#]For the six months ended 30 September 2020. [^]Where annuity income is net interest income and annuity fees. ^{*}Where FUM is third party funds under management.

**CET1 ratios shown on a consolidated basis as at 30 September 2020; after the deduction of foreseeable charges and dividends as required by the Capital Requirements Regulation (CRR) and EBA technical standards.

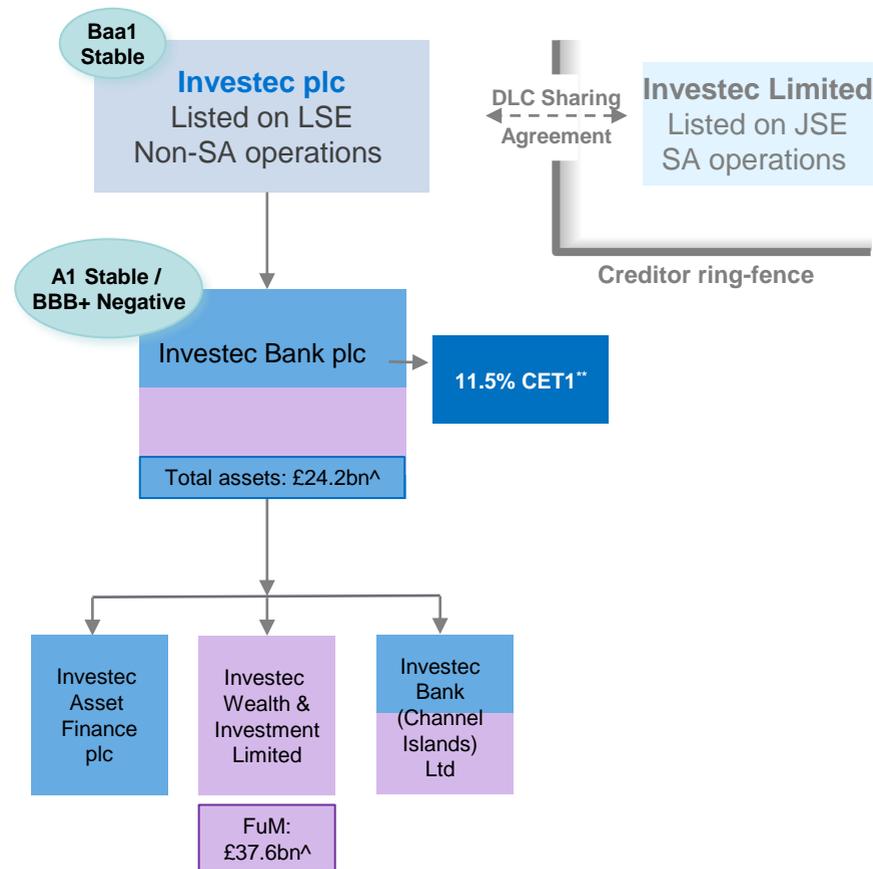
Investec and IBP: structure and main operating subsidiaries

Features of Investec's structure

- **Investec plc is the holding company** of the Investec group's **UK & Other operations***
- One main operating subsidiary
 - **Investec Bank plc (IBP)** (which houses the **Specialist Banking** and **Wealth & Investment** activities)

Features of the Investec Group's DLC structure

- Investec implemented a **Dual Listed Companies Structure** in July 2002
- **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** under the DLC structure conditions
- **Shareholders have common economic and voting interests** (equivalent dividends on a per share basis; joint electorate and class right voting) as a result of a Sharing Agreement
- **Investec operates as if it is a single unified economic enterprise** with the same Boards of Directors and management at the holding companies



Funds under management	Sep-20	Mar-20	Mar-19
<i>UK & Other</i>			
Investec Wealth & Investment	£37.6bn	£33.1bn	£39.1bn
Other	£0.4bn	£0.4bn	£0.4bn
Total third party assets under management	£38.0bn	£33.5bn	£39.5bn

■ Specialist banking
■ Wealth & Investment

Balanced business model supporting our long-term strategy

Two distinct business activities focused on well defined target clients and regions

Client	Corporate / Institutional / Government / Intermediary	Private client (high net worth / high income) / charities / trusts
Business	Specialist Banking <ul style="list-style-type: none"> • Lending • Transactional banking • Treasury solutions • Advisory • Investment activities • Deposit raising activities 	Wealth & Investment <ul style="list-style-type: none"> • Investments and savings • Pensions and retirement • Financial planning
Region	UK and Europe, Australia, Hong Kong, India, USA	UK, Channel Islands (Guernsey), Switzerland
Value Proposition	<ul style="list-style-type: none"> • Established, full service banking solution to corporate and private clients with leading positions in various areas • High-touch personalised service – ability to execute quickly • Ability to leverage international, cross-border platforms • Strong UK client base and internationally connected • Strong ability to originate, manufacture and distribute • Balanced business model with good business depth and breadth • Generated 31% of adjusted operating profit* in 1H2021 	<ul style="list-style-type: none"> • Built via organic growth and the acquisition and integration of businesses over a long period of time • Established platforms in the UK, Guernsey and Switzerland • Four distribution channels: direct, intermediaries, Investec Private Bank, and Investec internationally • Global investment process, delivering tailor-made and innovative solutions to our clients • Focus on organic growth in our key markets • Recognised brand and balance sheet strength attracts investment managers and supports client acquisition • Low risk, capital light, annuity income generation • £37.6bn in funds under management • Generated 69% of adjusted operating profit* in 1H2021

*Adjusted operating profit by business is Operating profit before group costs and before acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

Investec plc: strategic objectives

Maintain healthy capital ratios

- Always held capital in excess of regulatory requirements
- Targets:
 - Common Equity Tier 1 ratio >10% (10.6% at 30 September 2020)
 - Tier 1 ratio >11% (12.3% at 30 September 2020)
 - Total capital ratio: 14% – 17% (14.7% at 30 September 2020)
 - Leverage ratio >6% (7.7% at 30 September 2020)
- Capital strength maintained without recourse to shareholders, new investors or government assistance

Maintain robust liquidity management philosophy

- Appropriately manage our levels of surplus liquidity and cost of funding
- Maintain high level of readily available, high-quality liquid assets - minimum cash to customer deposit ratio of 25% (39.8% at 31 September 2020)
- Maintain diversified sources of funding

Perpetuate the quality of the balance sheet

Focus on revenue drivers

- Continue to build our client franchises and client base in the UK – focus on direct relationships with entrepreneurs, mid-sized corporates and high net worth clients
- Generate high-quality income through diversified revenue streams and businesses
- Leverage our private client platform (across banking and wealth management)
- Continue to grow FUM (up 13.6% since 31 March 2020 to £38.0bn)
- Moderate loan growth, emphasis on diversified portfolios
- Increase transactional activity

Maintain operational efficiency

- Investec plc's cost to income ratio was 83.4% at 30 September 2020 (blend of banking and wealth management businesses)
- Targeting cost to income ratio of below 65% for Specialist Banking and between 73-77% for Wealth & Investment
- Focused on managing costs while building for the future
 - Investment in the Private Banking business fully expensed – now in leverage and growth phase
 - Operating costs down 10.4% compared to first half of prior financial year
 - Elevated cost to income ratio as a result of pressures on revenue given current environment

Investec plc: focusing on capital light activities

- Realigned the business model since the global financial crisis and focused on **growing capital light businesses**
- At 31 March 2020, total capital light activities accounted for **51.5% of Investec plc's revenue**
- We have **significantly increased our third party funds under management** - a key capital light annuity income driver - in the Wealth & Investment business. FUM have grown from £14.9bn at March 2011 to £33.1bn at March 2020. Revenue from Wealth & Investment makes up 33.5% of Investec plc's total operating income at 31 March 2020.

CAPITAL LIGHT ACTIVITIES

Third party asset management, advisory and transactional income

- Wealth management
- Advisory services
- Transactional banking services
- Funds

BALANCE SHEET DRIVEN ACTIVITIES

Net interest, customer flow trading, investment and associate income

- Lending portfolios
- Trading income largely from client flow as well as balance sheet management and other
- Investment portfolios

CAPITAL LIGHT BUSINESSES*

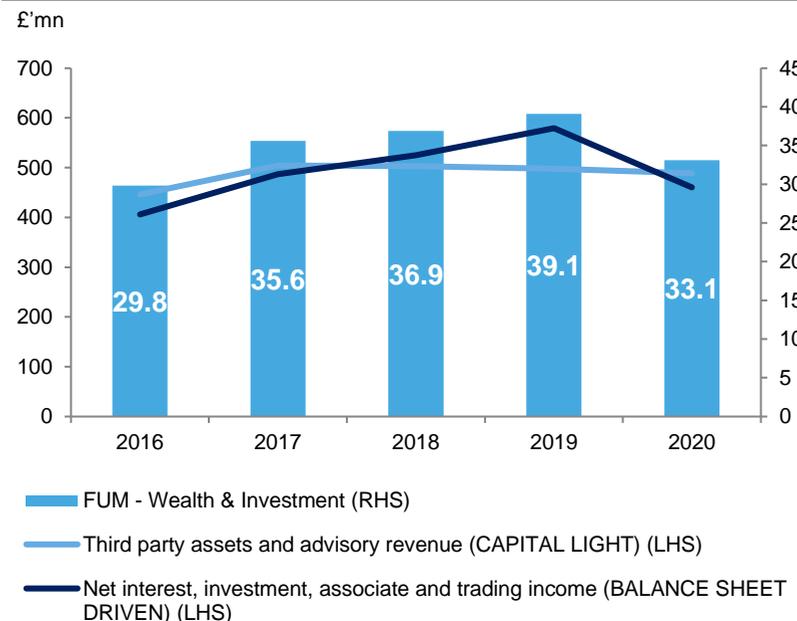
£489mn
52% of total revenue

Net fees and commissions of
£482mn
51% of total revenue

- Of which £178mn Specialist Bank
- Of which £304mn Wealth & Investment

Other of
£7mn
1% of total revenue

Investec plc revenues and funds under management



BALANCE SHEET DRIVEN BUSINESSES*

£459mn
48% of total revenue

Net interest income of
£397mn
42% of total revenue

Customer flow and other trading income of
£50mn
5% of total revenue

Investment and associate income of
£12mn
1% of total revenue

Fee and commission income



Types of income



Net interest, customer flow trading, investment and associate income

*For the financial year ended 31 March 2020



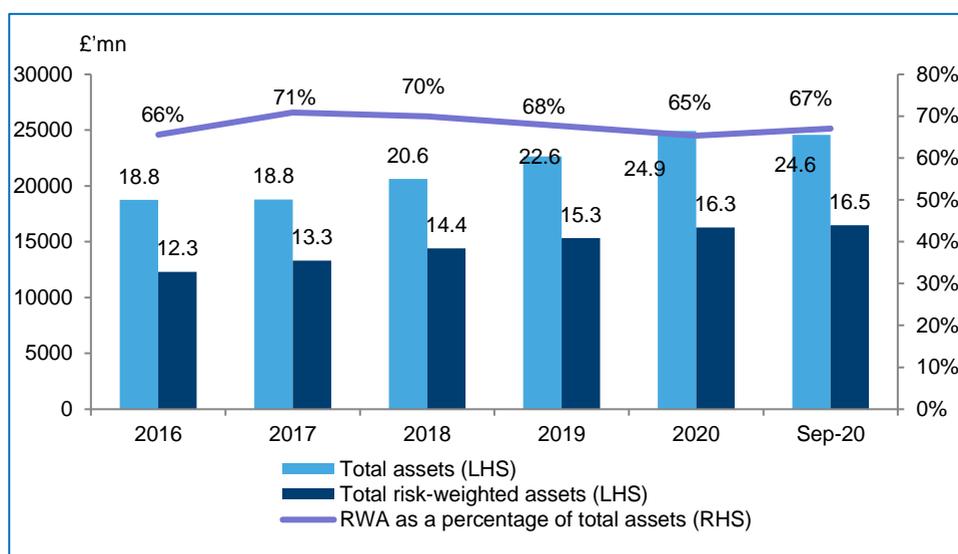
**Investec plc:
sound balance sheet and
operating fundamentals**

Investec plc: sound capital base and capital ratios

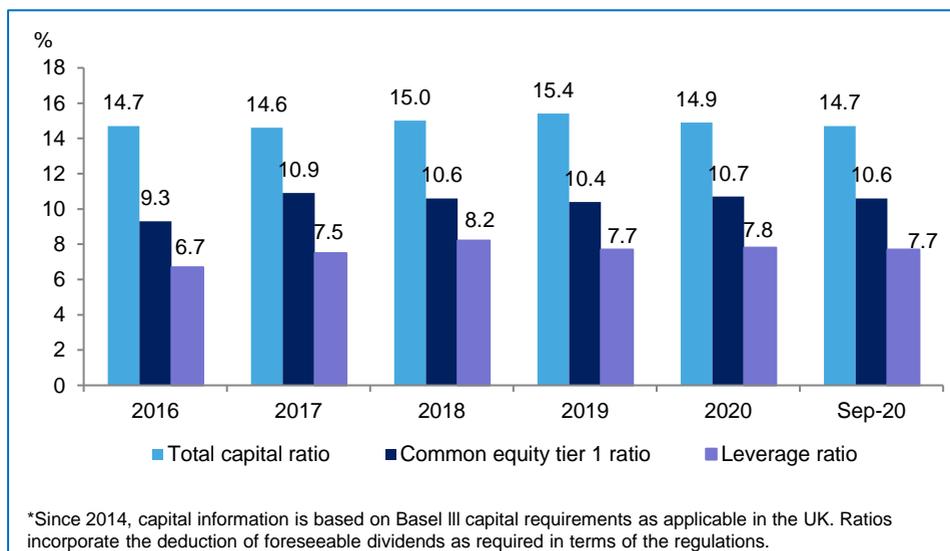
Total capital



Total risk-weighted assets



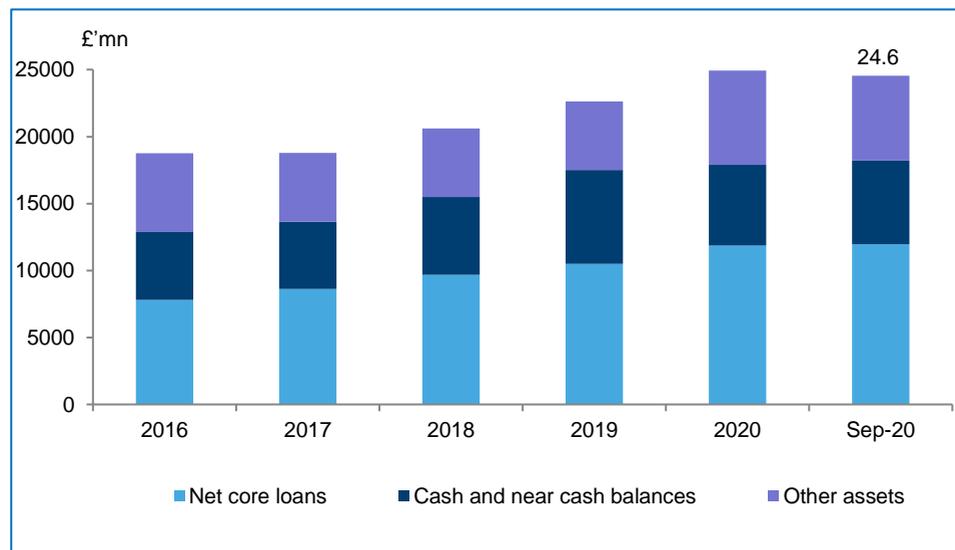
Basel capital ratios*



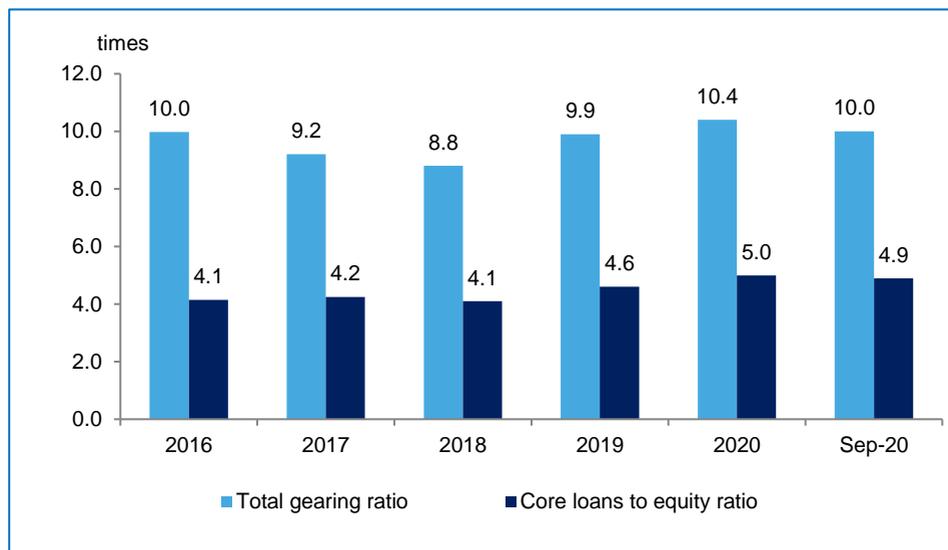
- Investec has always held capital in excess of regulatory requirements and the group intends to perpetuate this philosophy and ensure that it remains well capitalised
- Capital targets:
 - Common equity tier 1 target: above 10%
 - Total capital ratio target: 14% – 17%
- As we are on the Standardised Approach in terms of Basel III, our RWAs represent a large portion of our total assets.** As a result we inherently hold more capital than our peers who are on the Advanced Approach
- We have continued to grow our capital base** throughout the crisis without recourse to government and shareholders. Our total shareholders' equity has grown by 31% since 2016 to £2.5bn at 30 September 2020
- 30 September 2020: total capital ratio of 14.7% and common equity tier 1 ratio of 10.6%** (these ratios incorporate the deduction of foreseeable dividends as required in terms of the regulations. Excluding these adjustments, the common equity tier 1 ratio would be 12bps higher (31 March 2020: 0bps higher))
- Our fully loaded Basel III common equity tier 1 ratio is estimated to be 10.1% and our fully loaded leverage ratio is 7.3%**

Investec plc: low gearing ratios

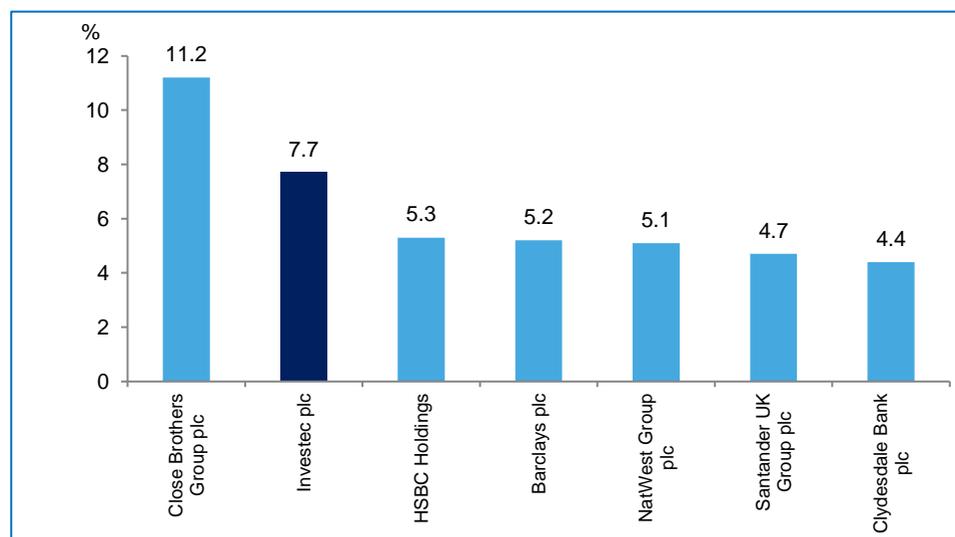
Total assets



Gearing



Regulatory leverage ratios - peer group comparisons*

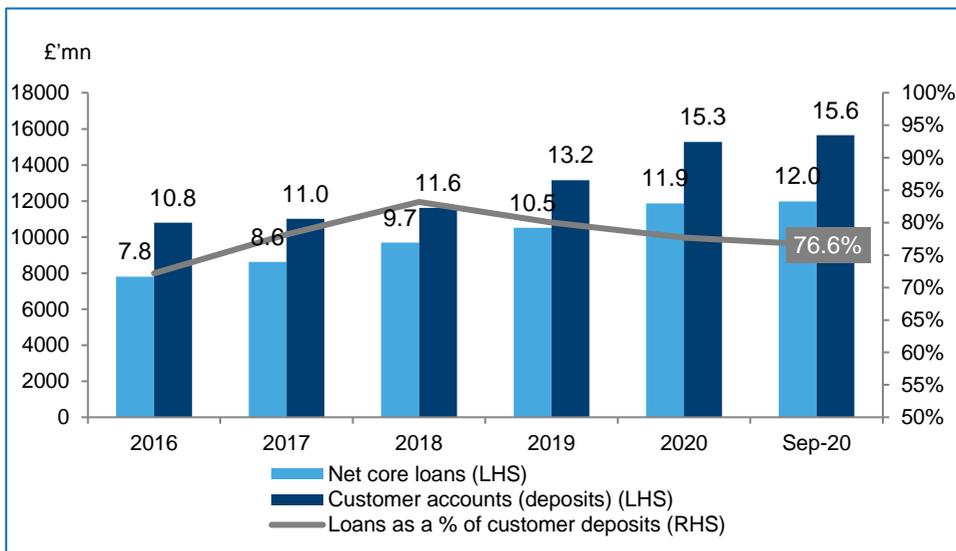


- Our core loans have grown steadily over the past few years at a compound annual growth rate of 10% per year since 2016 – representing the biggest increase in our assets
- **We have maintained low gearing ratios with total gearing at 10.0x and an average of 9.7x since 2016**

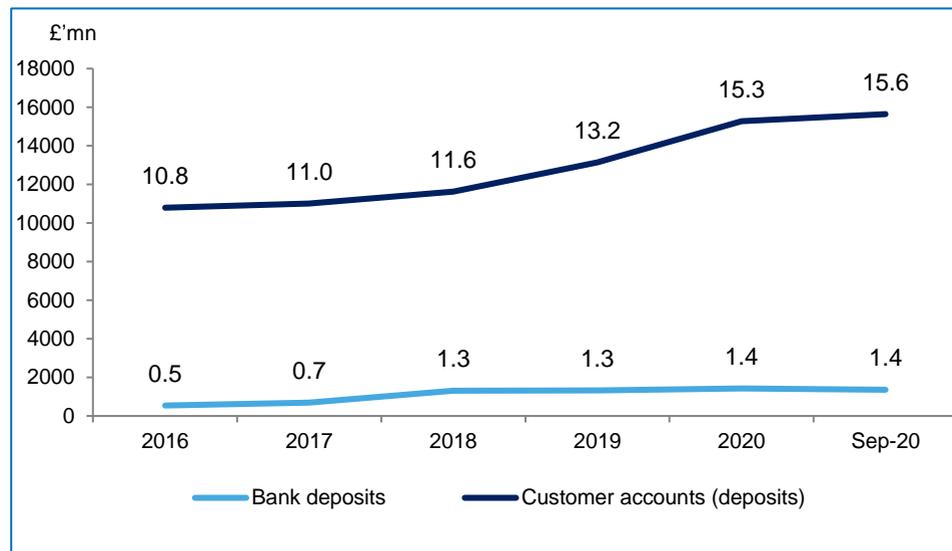
*Source: as disclosed in the latest available year-end/interim annual financial statements at 18 November 2020. Note: Investec plc is not subject to the UK leverage ratio framework, but for comparative purposes, the leverage ratio under the current UK leverage ratio framework would be 8.6% at 30 September 2020.

Investec plc: surplus liquidity

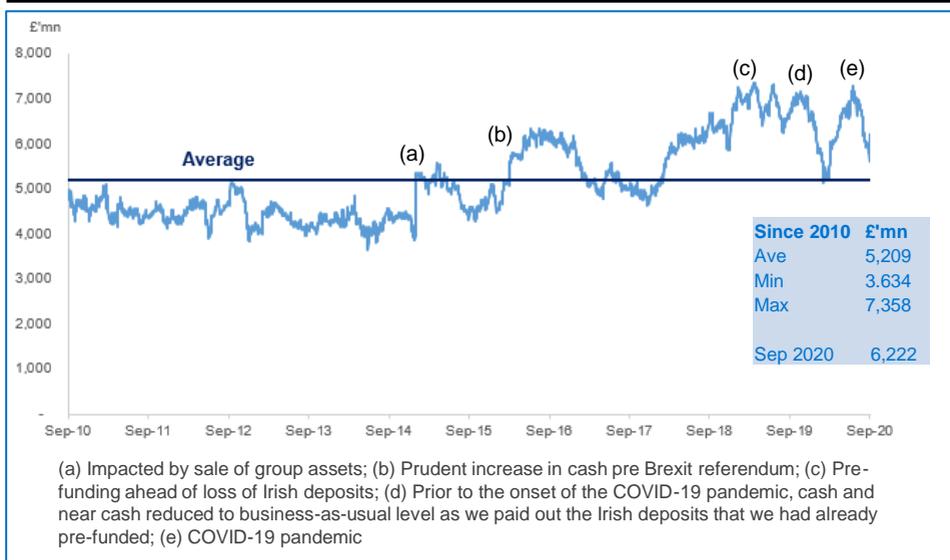
Total loans and deposits



Total deposits – increase in retail deposits



Cash and near cash balances



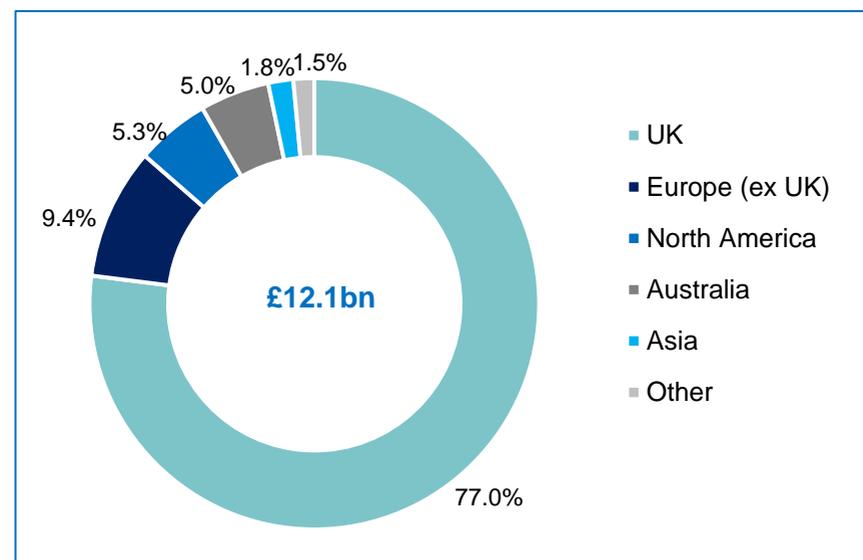
- We exceed Basel III liquidity requirements
- Customer deposits have grown by 45% (c.9% CAGR p.a.) since 2016 to £15.6bn at 30 September 2020
- We maintain a high level of readily available, high quality liquid assets – targeting a minimum cash to customer deposit ratio of 25%. These balances have increased significantly since 2010 to £6.2bn at 30 September 2020 (representing 39.8% of customer deposits)
- Loans and advances to customers as a % of customer deposits remains conservative at 76.6% as of 30 September 2020 (31 March 2020: 77.7%)
- Fixed and notice deposits make up a large proportion of customer deposits and our customers display a strong 'stickiness' and willingness to reinvest in our suite of term and notice products
- The LCR reported to the Prudential Regulatory Authority at 30 September 2020 was 335% for Investec plc. Investec plc's NSFR was 126%[^].

[^]Ahead of the implementation of the final NSFR rules, the bank has applied its own interpretations of regulatory guidance and definitions from the Basel Committee on Banking Standards (BCBS) final guidelines to calculate the NSFR.

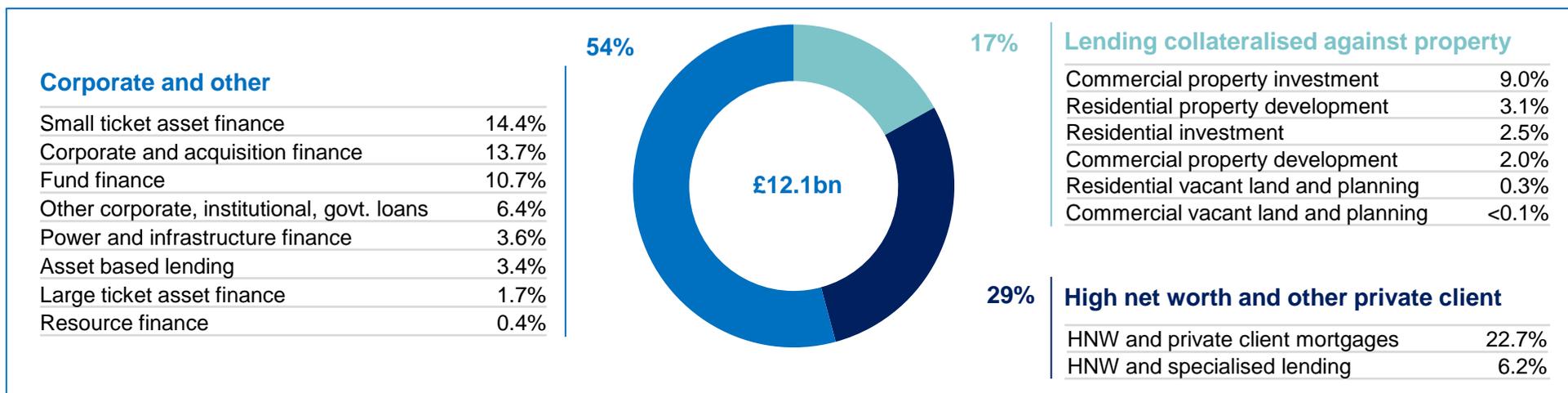
Investec plc: exposures in a select target market

- Credit and counterparty exposures are to a **select target market**:
 - High net worth and high income clients
 - Mid to large sized corporates
 - Public sector bodies and institutions
- The majority of exposures reside **within the UK**
- We typically originate loans with the intent of holding these assets to maturity, thereby developing a 'hands-on' and **long-standing relationship with our client**
- **Net core loan growth of 1.0% since 31 March 2020**. Growth has been driven by our residential mortgage portfolio through acquisition of target clients in line with our Private Banking strategy
- Focus remains on redeployment of capital into core business activity and ensuring that **concentration risk** to certain asset types, industries and geographies is **prudently managed, mitigated and controlled**.

Gross core loans by country of exposure at 30 Sept 2020

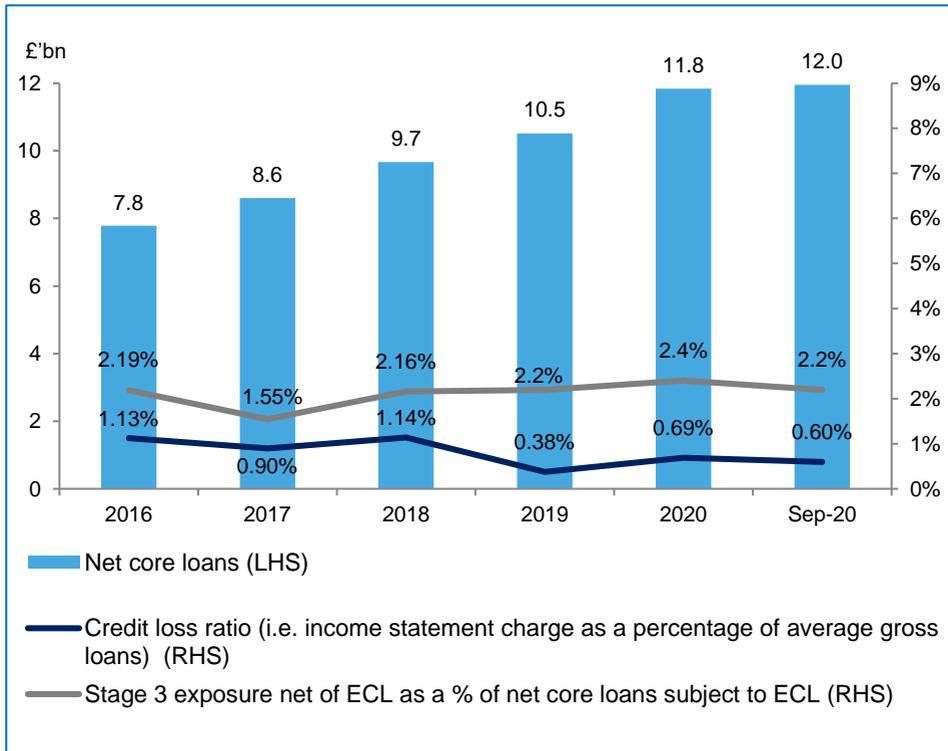


Gross core loans by risk category at 30 September 2020



Investec plc: sound and improving asset quality

Core loans and asset quality



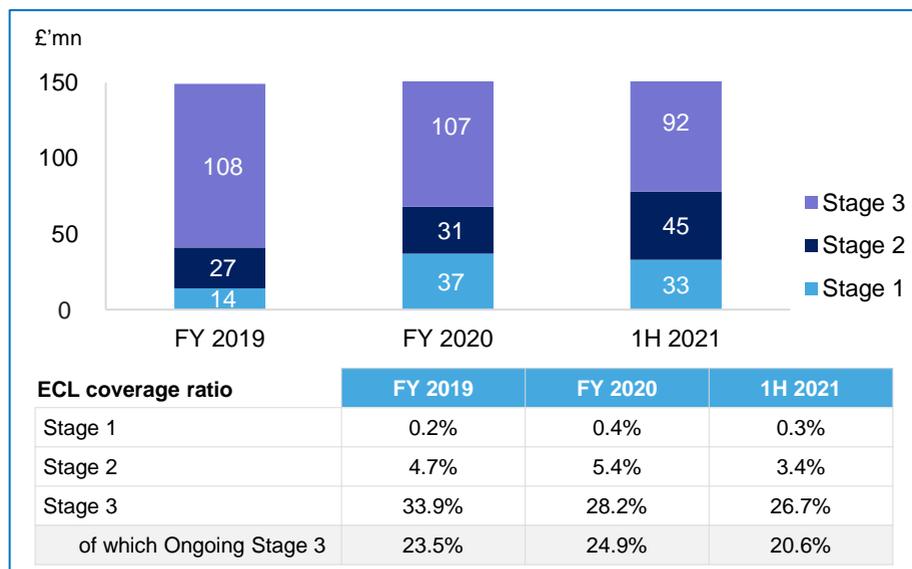
Credit quality on net core loans for the six months ended 30 September 2020:

- Total income statement ECL impairment charges** amounted to £39.9mn (30 Sept 2019: £16.1mn), while the annualised **credit loss ratio[#]** amounted to 0.60% (30 Sept 2019: 0.28%), below the annualised credit loss ratio of 0.97% for the second half of the previous financial year. The increase since 31 March 2020 was driven primarily by updated assumptions applied in our models to capture the deterioration in macro-economic variables since year end.
- Stage 3 exposures net of ECL** decreased from £272mn at 31 March 2020 to £253mn. **Stage 3 exposure net of ECL as a % of net core loans subject to ECL** declined marginally since 31 March 2020 to 2.2%.

[#]Expected credit loss (ECL) impairment charges on gross core loans as a % of average gross core loans subject to ECL.

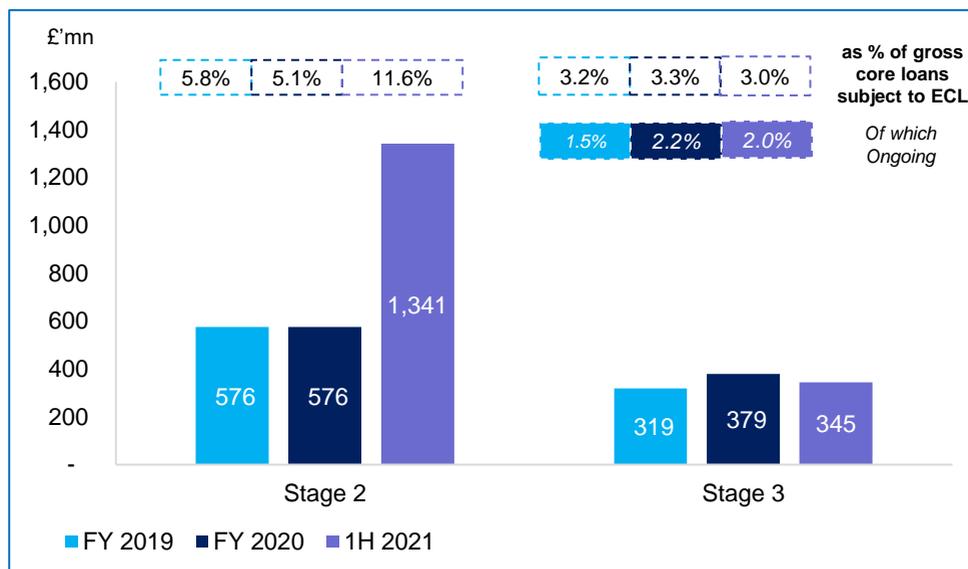
Investec plc: asset quality metrics

Provision build due to COVID-19 under IFRS 9



- The overall loan portfolio continues to hold up well despite the macro environment.
- 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.
- Stage 3 provisions decreased 14% from £107mn at 31 March 2020 to £92mn at 30 Sept 2020. As a result, Stage 3 ECL coverage ratio decreased to 26.7% from 28.2%.
- Stage 2 coverage reduced given a significant proportion of Stage 2 was 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.

Gross core loans by Stage

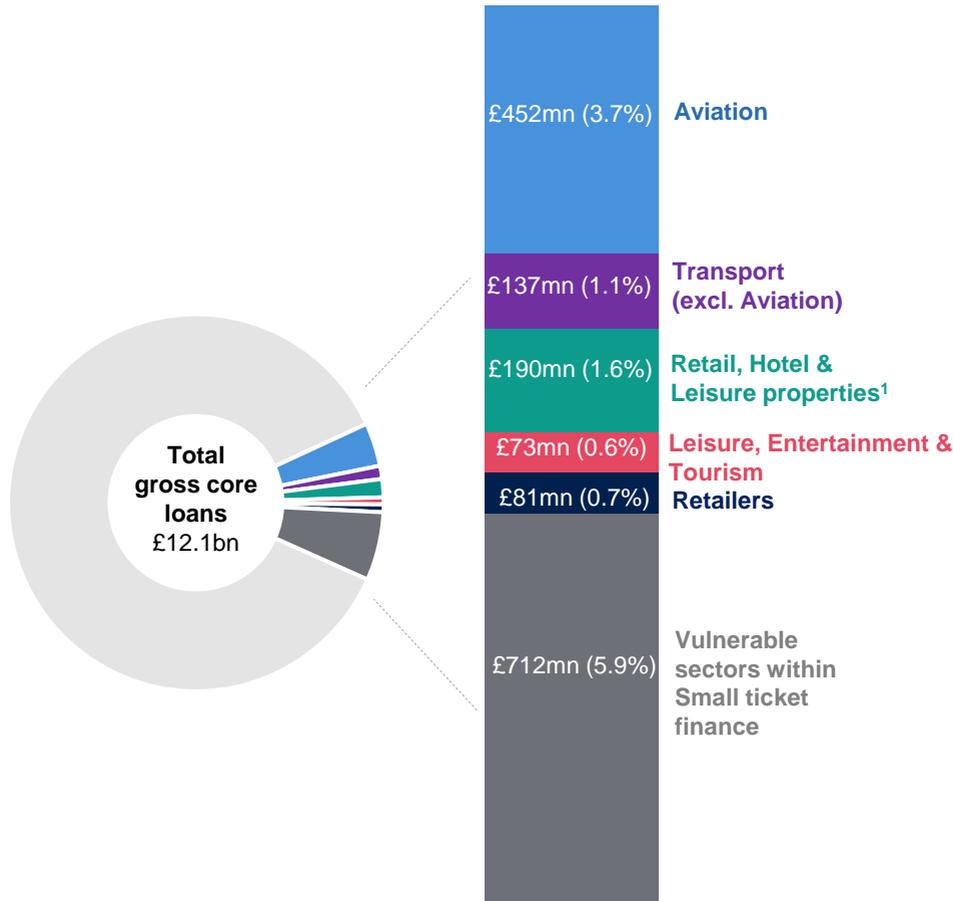


- Stage 2 exposures increased from 5.1% at 31 March 2020 to 11.6% at 30 Sept 2020, reflecting deterioration in the forward looking recognition of impairment charges under IFRS9. Of the increase in Stage 2, 97% relates to the impact of the weakened IFRS9 macro-economic scenarios.
- In line with regulatory and accounting bodies' guidance, 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.
- COVID-19 relief measures currently in place have reduced from a peak of 13.7% of gross core loans at end June 2020 to 9.0% at 30 Sept 2020.
- Stage 3 in the Ongoing book (excluding Legacy) totalled £228mn or 2.0% of gross core loans subject to ECL at 30 Sept 2020 (31 March 2020: 2.2%). Tail risk from Legacy portfolio has reduced significantly (0.8% of net core loans).

Sectors particularly affected by COVID-19

Exposures to vulnerable sectors

30 September 2020



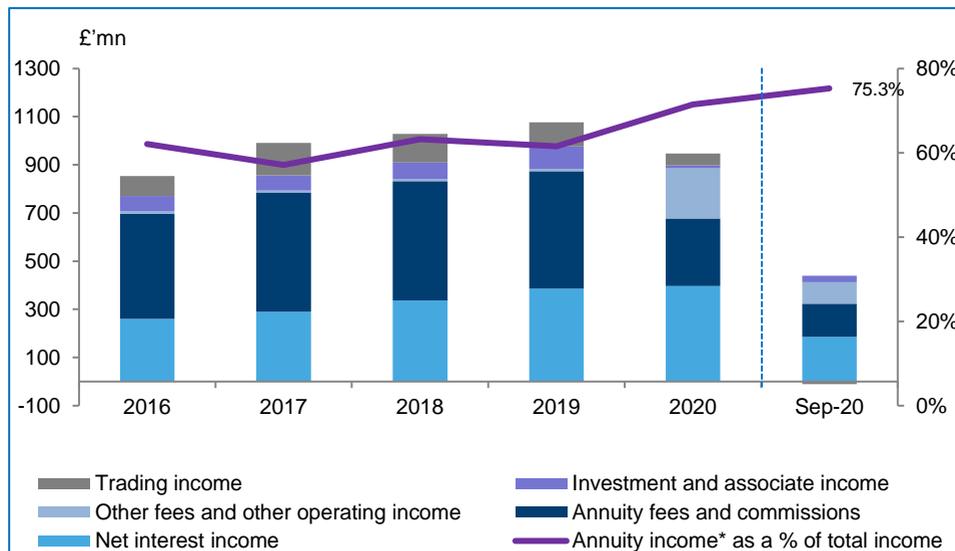
Our exposure to sectors considered to have been particularly affected by COVID-19 totalled £1,645mn as at 30 September 2020 or 13.5% of gross core loans and advances

- We have a **diversified portfolio across sectors**. Government stimulus and support measures to date have provided substantial support to the underlying economy which has helped to mitigate the impact on the vulnerable sectors.
- Limited direct exposure to Leisure, entertainment and tourism, Transport (excl. Aviation) and Retailers through the Corporate portfolio in line with our risk appetite
- These exposures are well managed, typically with substantial sponsors in place to support the transactions and well understood by the bank given the small number of deals in each sector
- In the **property portfolio**, direct exposure to Retail (excl. supermarkets) and Hotels / Leisure is limited. A large proportion of retail exposures have anchor tenants which are well known discount retailers or DIY stores which are expected to weather the potential recessionary environment well
- The **aviation portfolio** totalled £452mn of gross core loans at 30 September 2020. There is no unsecured corporate exposure to the airline industry. The majority of the exposure is either senior secured on aircraft with conservative loan to value ratios, to flag carriers who are likely to be supported by their respective governments during this period or to lessors, rather than direct to airlines, where these companies have substantial balance sheets which are continuing to support debt service. We continue to closely monitor these exposures given the significant ongoing disruption to this industry as a result of COVID-19, albeit the underlying transactions are well structured and underpinned by good assets
- **Small ticket asset finance** borrowers are predominantly in the UK SME market and as a result have been affected by COVID-19, however, this business (average ticket size of £10K – £25K) covers a broad range of sectors and actively seeks to avoid concentration to any particular industry. In addition, there are diversified underlying assets with a focus on hard assets. The government schemes announced are expected to directly support the clients within this business as well as in other areas of corporate and other lending

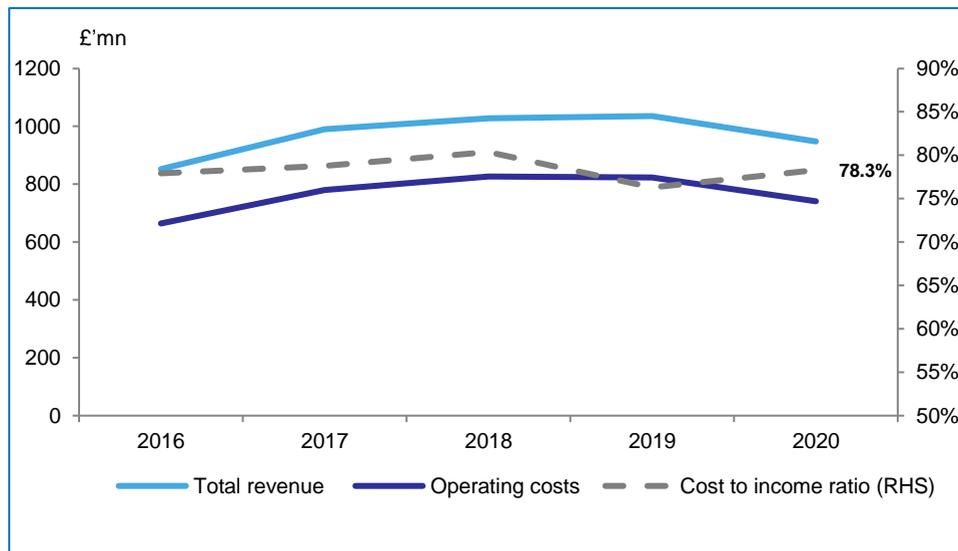
¹ Retail properties which have no underlying tenants that are either food retailers or other essential goods and services

Investec plc: profitability supported by diversified revenue streams

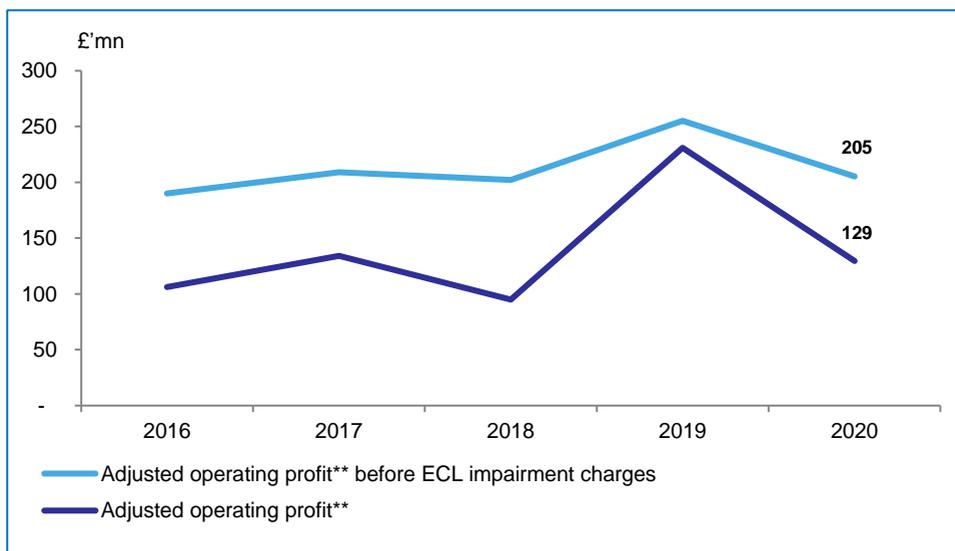
Annuity income



Revenue versus expenses



Adjusted operating profit** before ECL impairment charges



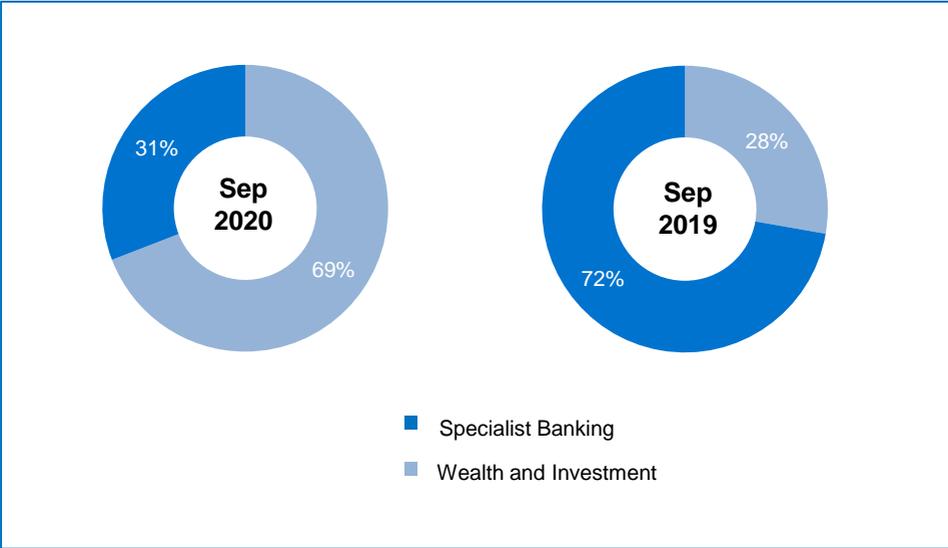
- We have a **solid recurring income base (75.3%)** comprising net interest income and annuity fees which has been enhanced by the growth in our wealth management business
- **Total capital light activities accounted for 52.9%** of Investec plc's income for the six months ended 30 Sept 2020 (51.5% at 31 March 2020)
- Since 2008, results have been impacted by elevated impairments driven by the legacy portfolio. This is particularly evident in the 2018 financial year as increased impairments were recognised in anticipation of accelerated exits on certain legacy assets. This is not expected to be repeated, as evident in the 2019 and 2020 financial years there was no repeat of prior substantial legacy losses
- We are focusing on **managing costs** while building for the future – the UK Specialist Banking business reduced operating costs by £96m (17.6%) in FY2020, albeit that the cost to income ratio increased due to revenue pressure

*Where annuity income is net interest income and annuity fees. **Operating profit before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests

Investec plc: we have realigned the business model

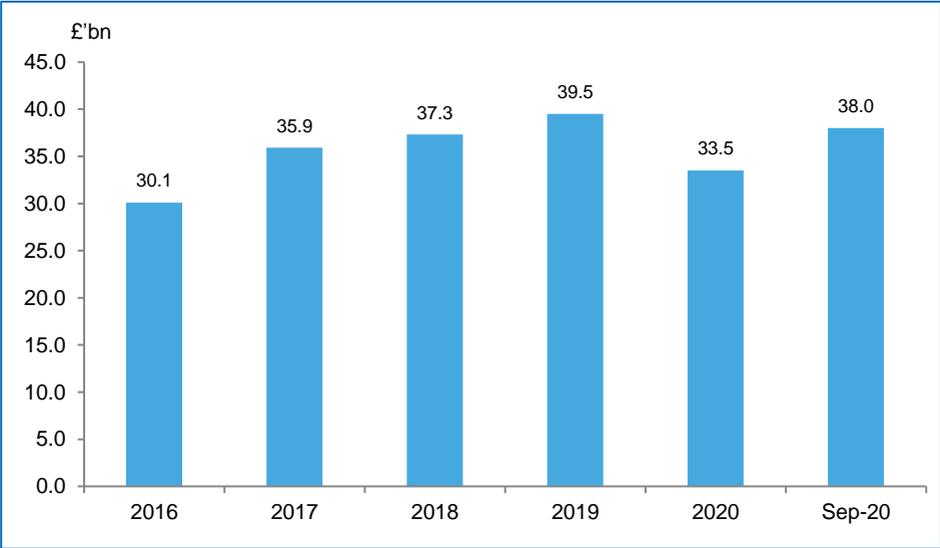
With continued focus on building capital light revenues from the Wealth & Investment business

% contribution to adjusted operating profit*



- Profitability is supported by a diversified, quality adjusted operating profit mix from the Specialist Banking and Wealth & Investment businesses
- The lower contribution from the Specialist Banking business in the six months ended 30 Sept 2020 was largely driven by hedging costs related to our structured deposits book; offsetting the increased equity capital markets activity and good levels of lending turnover experienced across private client and certain corporate client lending

Funds under management



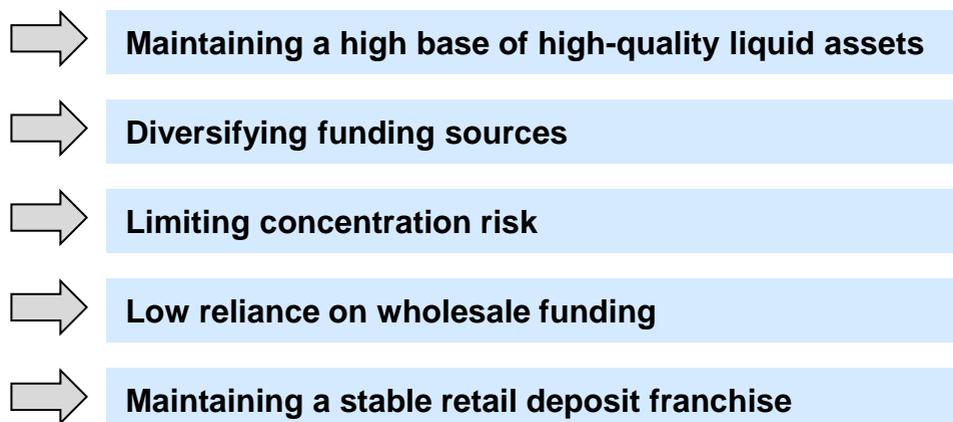
- Funds under management increased by 13.6% to £38.0 billion due to favourable market movements, investment performance and positive net inflows.
- Prior financial years included funds under management in respect of the Irish Wealth & Investment business, which was sold during the year (£2.4 billion funds under management at 31 March 2019)

*Adjusted operating profit by business is Operating profit before group costs and goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

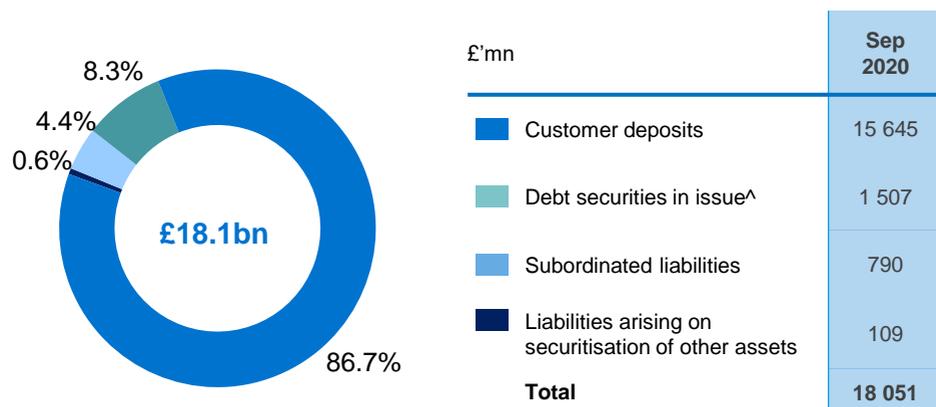
Investec plc: diversified funding strategy and credit ratings

- Investec's funding consists **primarily of customer deposits**
- Investec adopts a **conservative and prudent funding strategy**
- Positive rating trajectory:** over the past few years both IBP and Investec plc have received ratings upgrades

Conservative and prudent funding strategy



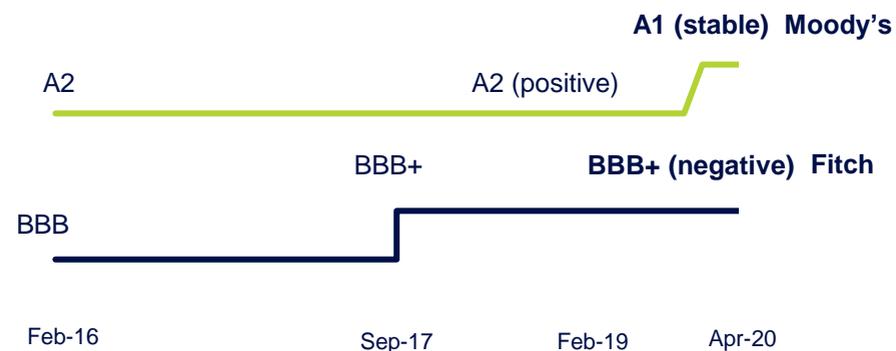
Selected funding sources



Credit ratings*

- In February 2019, **Moody's** upgraded IBP's long-term deposit rating to **A1** (stable outlook) from A2 (positive outlook) and its baseline credit assessment (BCA) to baa1 from baa2. These ratings were affirmed on 16 August 2019.
- On 24 July 2020, **Fitch** affirmed IBP's Long Term Issuer Default Rating (IDR) at **BBB+** and removed the Rating Watch Negative (that had been placed on IBP's ratings on 1 April 2020 following the onset of the COVID-19 pandemic) to reflect Fitch's view that IBP's ratings are not immediately at risk from the impact of the economic downturn. The outlook on the Long-Term IDR is negative to reflect the ongoing downside risks relating to COVID-19.

IBP's long-term ratings



*A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Well positioned to withstand current stress arising from COVID-19 pandemic

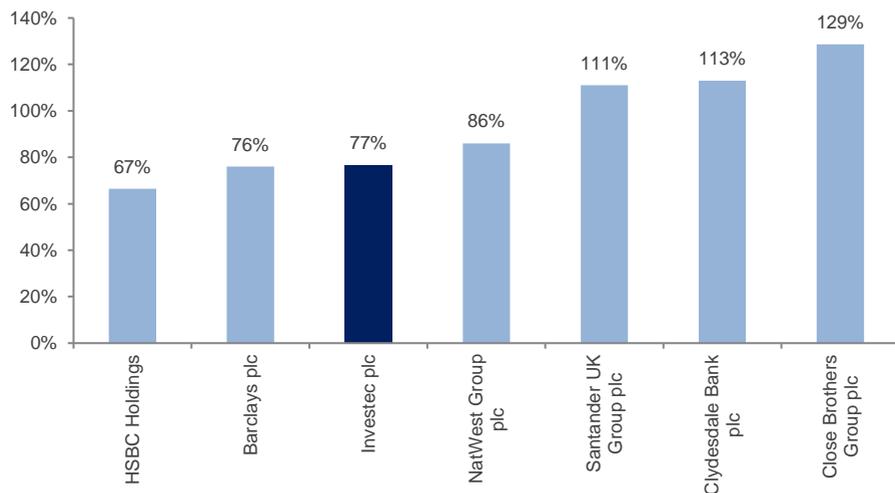
- Since the global financial crisis in 2007 / 2008, Investec plc has reshaped its business model and shifted its composition of revenues **toward lower lending risks** with a greater focus on **lower risk activities that generate more stable fee and commission income**.
- **Investec plc also includes capital light non-banking income from IW&I** (0% profit contribution in 2011 to 69% profit contribution in 1H2021), one of the largest private client wealth managers in the UK with £37.6bn FUM and an estimated value of c.£1bn (pre-crisis) not included in Investec plc's capital ratios, which provides Investec plc an additional loss absorbing buffer.
- Continued focus on growing our capital light businesses, contributing 52.9% of Investec plc's total operating income (only 25% in March 2011).
- **Investec plc shifted its risk appetite away from wholesale funding** following the global financial crisis and has demonstrated a consistently strong track record in raising and retaining customer deposits, which now total £15.6bn. Funding raised in the wholesale markets is used to diversify and lengthen overall funding.
- Investec plc absorbed over £1bn worth of losses as a result of the global financial crisis largely in relation to the bank's Legacy portfolio yet the bank managed to **remain profitable throughout the crisis**, build on its capital base, pay dividends and not require government support.
- Since then, Investec plc's credit risk appetite for over 10 years has focused on a **diversified, secured portfolio** with limited concentration risk as evidenced through the substantial reduction in Lending collateralised by property (from a peak of 52% in 2010 to 17% at 30 September 2020) and strong performance of the Ongoing portfolio over this time.
- **Investec plc's resilience** is demonstrated by its strong liquidity (cash and near cash £6.2bn), diversified stable funding, robust capital (CET1 ratio of 10.6%) supported by a high leverage ratio (7.7%) and with resilient revenues from multiple business lines to support performance, leaving the bank well positioned to be able to withstand the substantial disruption that has taken place to date as well as anticipated future impacts over the coming months.
- During the year to 31 March 2020, the demerger resulted in a 59bps increase in Investec plc's CET 1 ratio. **Investec plc retains a 16.3% shareholding in the Ninety One group, which could result in further capital uplift if sold.**



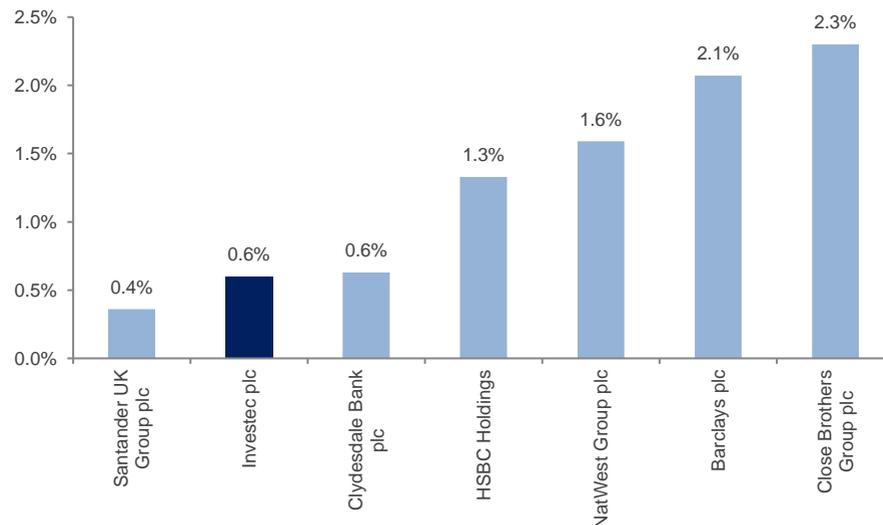
Investec plc: peer analysis

Investec plc: peer group comparisons

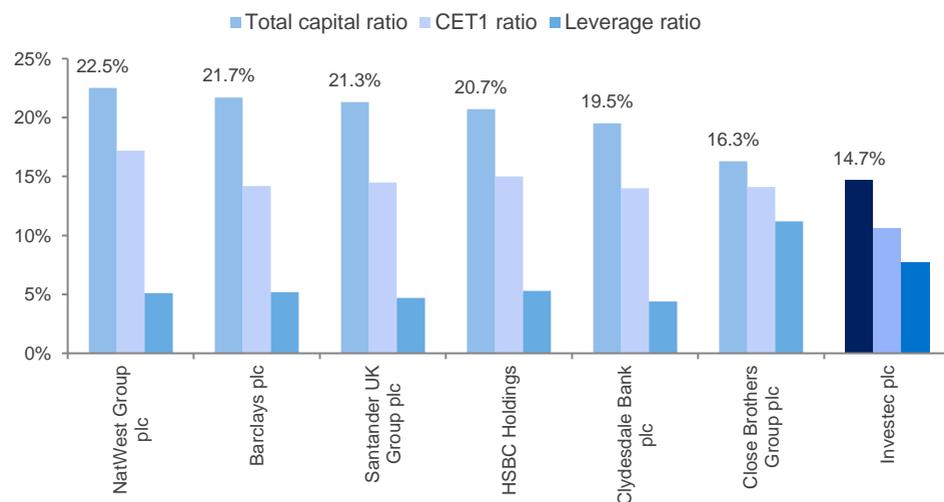
Funding: Loans and advances to customers as a % of customer deposits (smaller number is better)



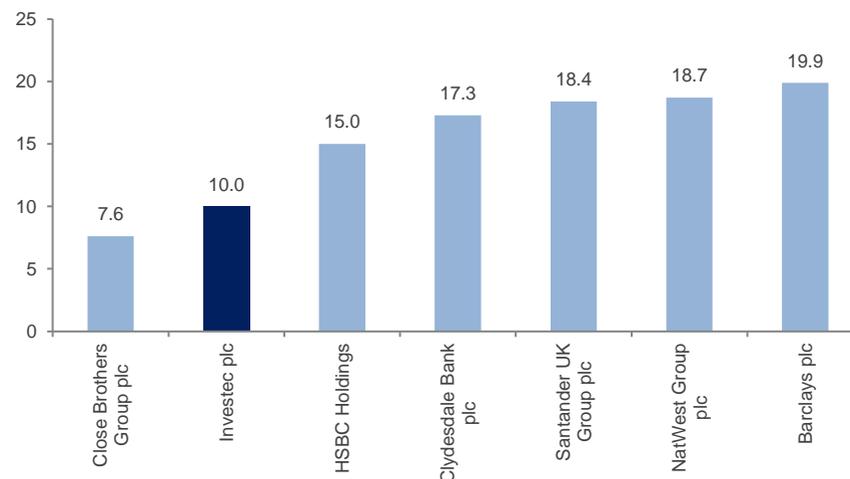
Credit loss ratio: ECL impairment charges as a % of average core loans and advances (smaller number is better)



Capital ratios* (larger number is better)



Gearing ratio: Assets: equity (smaller number is better)



Source: Company year end/interim financial results as at 18 November 2020. *Investec plc applies the standardised approach in the calculation of risk-weighted assets and as a result we inherently hold more capital than our peers who are on the Advanced Internal Ratings Model approach. Investec plc's total RWAs/Total assets was 67% at 30 September 2020, which is substantially higher than some other UK banks which have an average RWA intensity of c.30%.

Investec plc: peer group comparisons

Definitions and/or explanations of certain ratios:

- Customer deposits do not include deposits from banks.
- The loans and advances to customers as a % of customer deposits ratio reflects how much of a bank's advances to customers are funded from the "retail and corporate" market as opposed to the "wholesale funding and banking market". A ratio higher than one indicates that advances to customers are not fully funded from the retail and corporate market, with the balance being funded from the wholesale market.
- A capital ratio is a measure of a bank's available capital expressed as a percentage of a bank's risk-weighted assets. It is based on regulatory qualifying capital (including common equity tier 1, additional tier 1 and tier 2 capital) as a percentage of risk-weighted assets. Assets are risk-weighted either according to the Standardised Approach in terms of Basel or the Advanced Approach.
- The leverage ratio is calculated as tier 1 capital (according to regulatory definitions) divided by total assets (exposure measure). This ratio effectively assumes that all assets are 100% risk-weighted and is a more conservative measure than the total capital ratio. Regulators are expecting that this ratio should exceed 5%.
- The gearing ratio is calculated as total assets divided by total equity (according to accounting definitions).
- The credit loss ratio is calculated as the ECL impairment charges on core loans as a percentage of average gross core loans subject to ECL.
- Stage3/Default loans largely comprise loans that are impaired and/or over 90 days in arrears.



Investec plc - appendices

Demerger of the asset management business

Following the group’s management succession announcement in February 2018, the Investec Board, together with the executive team, conducted a comprehensive strategic review to ensure that the **group is well positioned to serve the long-term interests of its stakeholders.**

On 13 March 2020, Investec **successfully completed the demerger of its asset management business (Investec Asset Management),** which became separately listed as *Ninety One* on 16 March 2020.

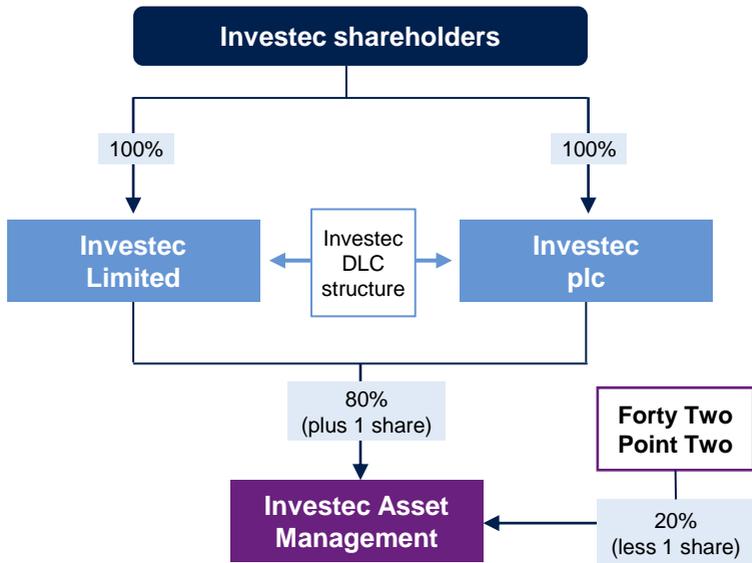
Conclusions from the strategic review	Demerger benefits for Investec
<ul style="list-style-type: none"> Investec group comprises a number of successful businesses operating across two core geographies, with different capital requirements and growth trajectories Compelling current and potential linkages between the Specialist Banking and Wealth & Investment businesses (clear geographic and client overlap) Limited synergies between these businesses and Investec Asset Management <p>The Board concluded that a demerger and separate listing of Investec Asset Management would simplify the group and allow both businesses to focus on their respective growth trajectories; resulting in improved resource allocation, better operational performance and higher long-term growth.</p>	<p>Simplification and focus to improve returns</p> <ul style="list-style-type: none"> Capital discipline: A more disciplined approach to capital allocation, particularly where businesses are non-core to overall long-term growth and capital strategy Driving growth: Clear set of opportunities to deliver growth. We are focused on growing our client base and building new sources of revenue across our existing client base Improved cost management: Heightened focus on efficiencies to be gained through optimising operational platforms and technology initiatives Greater connectivity: Building on compelling linkages between the Specialist Banking and Wealth & Investment businesses and across geographies Digitalisation: Further developing digital capabilities to continue delivering an advanced high-tech, high-touch proposition, to enable business transformation and greater efficiencies.

The effect of the demerger is to unbundle the asset management business from the Investec group and have **two separately listed entities.**

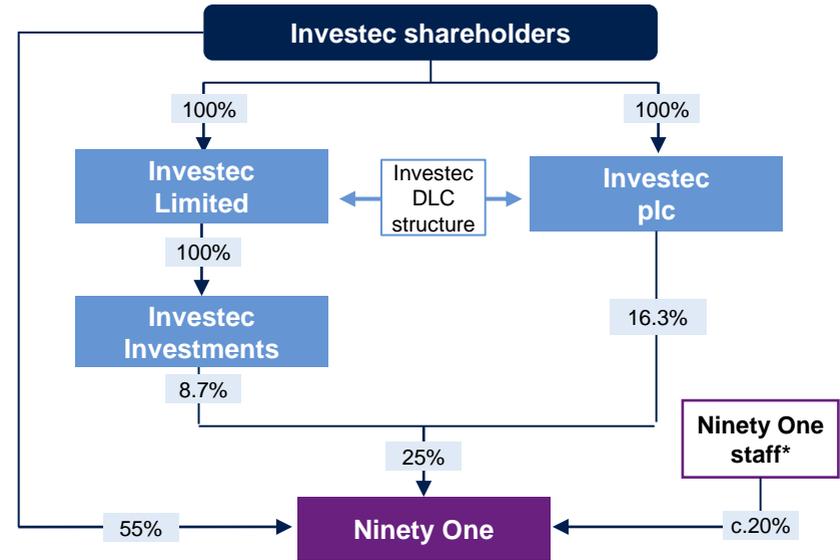


Change in Investec's shareholding in the asset management business

Pre-demerger structure:



Post-demerger structure:



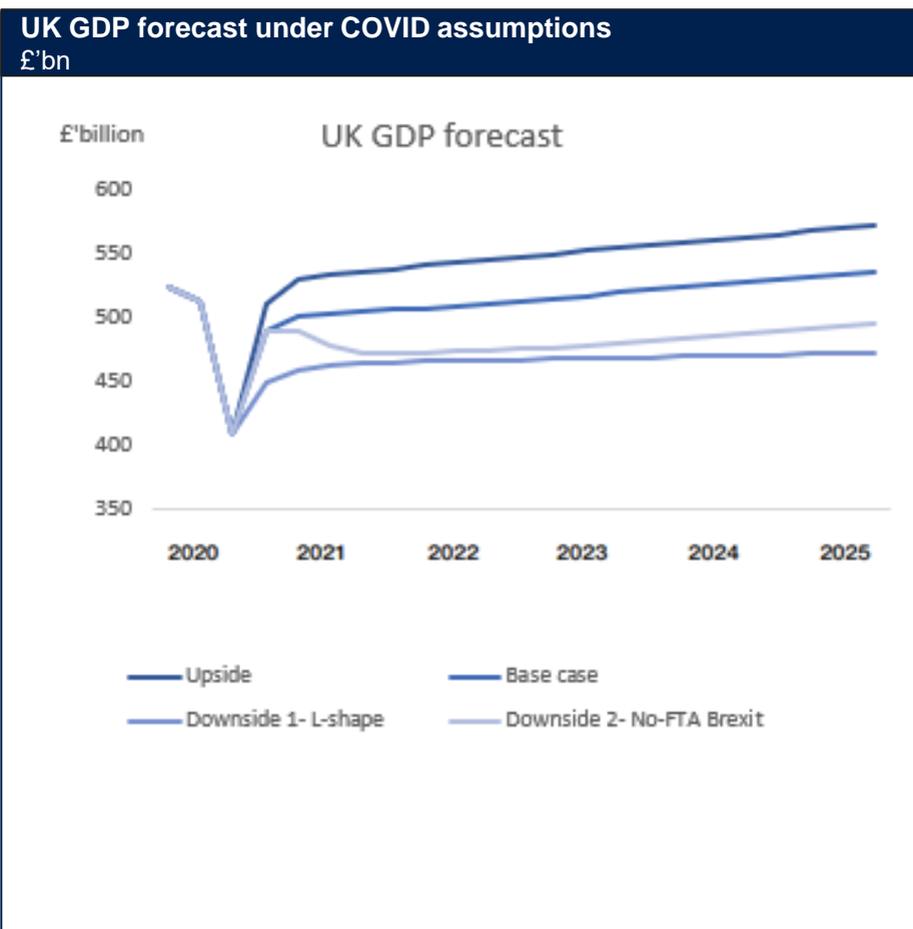
*Consisting of Forty Two Point Two and Ninety One's employee benefit trusts.

Pursuant to the demerger transaction, Investec distributed 55% of Ninety One to existing Investec shareholders who **received one Ninety One share for every two Investec shares held.**

As a founding shareholder of Ninety One, the Boards of both Investec and Ninety One believe that it is appropriate for Investec to retain a modest shareholding in Ninety One. Investec believes Ninety One is an attractive business with meaningful intrinsic value. Retaining an equity stake allows Investec to participate in future value creation by Ninety One.

IFRS 9 macro economic scenario forecasts

- 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. Given that the scenarios have now been fully updated to reflect the latest macro-economic risk, the COVID-19 long and COVID-19 short scenarios utilised at 31 March 2020 to support an ECL overlay are no longer required.
- As such, the base case has been updated to reflect the unprecedented falls in GDP witnessed in the second quarter of 2020 and the latest views around the shape of the economic recovery in light of the most recent indicators. Additionally, the downside scenarios have been replaced with two new stress cases to better reflect the current risk backdrop. The downside 1 L-shape scenario has been included to reflect pandemic related risks, whilst rising Brexit risks have been addressed through the downside 2 No-free trade agreement (No-FTA) Brexit scenario. The upside case envisages a quicker than expected recovery from the COVID-19 pandemic with GDP recovering its pre-crisis peak by the end of 2020.



Macro-economic scenarios	Upside %	Base case %	Downside 1 L-shape	Downside 2 No-FTA Brexit
UK				
GDP growth	2.1	0.7	(1.7)	(1.0)
Unemployment	3.9	5.4	7.7	7.5
House price growth	2.5	1.4	(0.9)	(0.8)
BoE – Bank rate	0.9	0.2	(0.3)	0.1
Euro area				
GDP growth	1.9	0.7	(1.0)	0.1
US				
GDP growth	2.6	1.4	0.1	1.4
Scenario weighting	5	50	10	35

Investec plc: salient financial features

Key financial statistics	30 Sept 2020	30 Sept 2019	% change	31 March 2020
Total operating income before expected credit loss impairment charges (£'000)	428 828	509 241	(15.8%)	948 249
Operating costs (£'000)	357 880	399,269	(10.4%)	740 792
Adjusted operating profit (£'000)	31 574	94 064	(66.4%)	129 386
Earnings attributable to ordinary shareholders (£'000)	18 890	82 746	(77.2%)	645 521
Cost to income ratio (%)	83.4%	78.4%		78.3%
Total capital resources (including subordinated liabilities) (£'000)	3 250 573	3 131 524	3.8%	3 175 859
Total equity (£'000)	2 460 268	2 319 940	6.0%	2 388 829
Total assets (£'000)	24 557 441	23 544 534	4.3%	24 924 703
Net core loans (£'000)	11 978 740	10 795 132	11.0%	11 870 160
Customer accounts (deposits) (£'000)	15 644 774	13 366 979	17.0%	15 280 302
Loans and advances to customers as a % of customer deposits	76.7%	80.8%		77.7%
Cash and near cash balances (£'mn)	6 222	6 619	(6.0%)	6 040
Funds under management (£'mn)*	38 018	41 539	(8.5%)	33 465
Total gearing ratio (i.e. total assets to equity)	10.0x	10.1x		10.4x
Total capital ratio	14.7%	15.2%		14.9%
Tier 1 ratio	12.3%	12.2%		12.4%
Common equity tier 1 ratio	10.6%	10.5%		10.7%
Leverage ratio – current	7.7%	7.6%		7.8%
Leverage ratio – ‘fully loaded’ ^{^^}	7.3%	7.3%		7.4%
Stage 3 exposure as a % of gross core loans subject to ECL	3.0%	3.1%		3.3%
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	2.2%	2.2%		2.4%
Credit loss ratio	0.60%	0.28%		0.69%

*In order to be comparable with the 2020 financial year, the 2019 funds under management figure above reflects that of Continuing operations only (i.e. excludes funds under management related to the asset management business as at 31 March 2019). ^^Based on group's understanding of current regulations, 'fully loaded' is based on Capital Requirements Regulation requirements as fully phased in by 2022, including full adoption of IFRS 9.

Investec plc: income statement

£'000	30 Sept 2020	30 Sept 2019	31 March 2020
Interest income	356 054	392 717	784 396
Interest expense	(170 798)	(198 488)	(387 011)
Net interest income	185 256	194 229	397 385
Fee and commission income	226 400	257 408	496 036
Fee and commission expense	(6 513)	(5 167)	(13 836)
Investment income	25 189	17 346	6 375
Share of post taxation profit of associates and joint venture holdings	2 227	3 595	5 382
Trading income arising from			
- customer flow	(20 081)	45 736	50 980
- balance sheet management and other trading activities	9 374	(6 390)	(537)
Other operating income	6 976	2 584	6 464
Total operating income before expected credit loss impairment charges	428 828	590 341	948 249
Expected credit loss impairment charges	(39 904)	(16 087)	(75 800)
Operating income	388 924	493 341	872 449
Operating costs*	(357 800)	(399 269)	(742 199)
Operating profit before acquired intangibles and strategic actions	31 044	93 985	130 250
Amortisation of acquired intangibles	(6 414)	(6 548)	(12 915)
Closure and rundown of the Hong Kong direct investments business	(2 158)	(49 469)	(89 257)
Operating profit	22 472	37 968	28 078
Financial impact of group restructures	-	12 757	(25 725)
Profit before taxation from continuing operations	22 472	50 725	2 353
Taxation on operating profit before acquired intangibles and strategic actions	(5 337)	(15 555)	706
Taxation on acquired intangibles and strategic actions	1 225	11 707	20 926
Profit after taxation from continued operations	18 360	46 877	23 985
Profit after taxation from discontinued operations	-	45 533	640 506
Profit after taxation	18 360	92 410	664 491
Profit attributable to Asset Management non-controlling interests	-	(9 743)	(18 106)
Profit / Loss attributable to other non-controlling interests	530	79	(864)
Earnings attributable to shareholders	18 890	82 746	645 521

*Depreciation on operating leased assets of £0.4 million (30 September 2019: £0.8 million; 31 March 2020: £1.4 million), which was previously reported as a separate line item, has been included in operating costs. The prior period has been restated to reflect the same basis.

Investec plc: balance sheet

£'000	30 Sept 2020	31 March 2020	% Change
Assets			
Cash and balances at central banks	1 918 509	2 277 318	(15.8%)
Loans and advances to banks	1 633 410	1 794 165	(9.0%)
Reverse repurchase agreements and cash collateral on securities borrowed	2 183 917	1 627 246	34.2%
Sovereign debt securities	1 537 996	1 688 670	(8.9%)
Bank debt securities	65 645	51 238	28.1%
Other debt securities	747 605	685 936	9.0%
Derivative financial instruments	900 732	1 251 135	(28.0%)
Securities arising from trading activities	665 035	582 693	14.1%
Investment portfolio	703 911	635 297	10.8%
Loans and advances to customers	11 982 727	11 871 849	0.9%
Other loans and advances	130 430	191 930	(32.0%)
Other securitised assets	107 353	106 218	1.1%
Interests in associated undertakings and joint venture holdings	55 948	54 391	2.9%
Deferred taxation assets	121 259	130 657	(7.2%)
Other assets	1 272 858	1 425 868	(10.7%)
Property and equipment	202 038	216 955	(6.9%)
Investment properties	-	-	
Goodwill	261 283	261 183	0.0%
Software*	7 108	7 144	(0.5%)
Other intangible assets	59 669	64 810	(7.9%)
Total assets	24 557 441	24 924 703	(1.5%)

* Software of £7.1 million (31 March 2020: £7.0 million; 30 September 2019: £8.8 million), which was previously reported within Intangible assets, is now reported as a separate line item. The prior period has been re-presented to reflect the same basis.

Investec plc: balance sheet (continued)

£'000	30 Sept 2020	31 March 2020	% change
Liabilities			
Deposits by banks	1 351 400	1 419 298	(4.8%)
Derivative financial instruments	946 372	1 245 333	(24.0%)
Other trading liabilities	101 542	118 572	(14.4%)
Repurchase agreements and cash collateral on securities lent	192 592	396 811	(51.5%)
Customer accounts (deposits)	15 644 774	15 280 302	2.4%
Debt securities in issue	1 506 801	1 467 870	2.7%
Liabilities arising on securitisation of own originated loans and advances	109 107	110 679	1.4%
Current taxation liabilities	36 154	26 905	34.4%
Deferred taxation liabilities	19 336	21 438	(9.8%)
Other liabilities	1 398 789	1 661 636	(15.8%)
	21 306 868	21 748 844	(2.0%)
Subordinated liabilities	790 305	787 030	0.4%
	21,306,868	22 535 874	(5.5%)
Equity			
Ordinary share capital	202	202	0.0%
Ordinary share premium	806 812	806 812	0.0%
Treasury shares	(127 022)	(140 559)	(9.6%)
Other reserves	(109 335)	(147 971)	(26.1%)
Retained income	1 610 291	1 592 182	1.1%
	2 180 948	2 110 666	3.3%
Perpetual preference share capital and premium*	24 794	24 794	0.0%
	2 205 742	2 135 460	3.3%
Shareholder's equity excluding non-controlling interests			
Other Additional Tier 1 securities in issue	250 000	250 000	0.0%
Non-controlling interests in partially held subsidiaries	4 526	3 369	34.3%
	2 460 268	2 388 829	3.0%
Total equity			
	24 557 441	24 924 703	(1.5%)

*Perpetual preference share premium of £24.8 million (31 March 2020: £24.8 million; 30 September 2019: £24.8 million), which was previously reported within Ordinary share premium, is now reported within Perpetual preference share capital and premium. The prior period has been re-presented to reflect the same basis.

Investec plc: segmental analysis of operating profit

For the six months ended 30 September 2020 £'000	Wealth & Investment	Specialist Banking	Group costs	Total group
Continuing operations				
Net interest income	1 597	183 659	–	185 256
Fee and commission income	153 389	73 011	–	226 400
Fee and commission expense	(385)	(6 128)	–	(6 513)
Investment income	47	25 142	–	25 189
Share of post taxation profit of associates and joint ventures holdings	–	2 227	–	2 227
Trading income arising from				
- customer flow	323	(20 404)	–	(20 081)
- balance sheet management and other trading activities	102	9 272	–	9 374
Other operating income	0	6 976	–	6 976
Total operating income before expected credit loss impairment charges	155 073	273 755	–	428 828
Expected credit loss impairment release/(charges)	(6)	(39 898)	–	(39 904)
Operating income	155 067	233 857	–	388 924
Operating costs*	(126 190)	(221 482)	(10 208)	(357,880)
Operating profit before acquired intangibles and strategic actions from continuing operations	28 877	12 375	(10 208)	31 044
Loss attributable to other non-controlling interests	–	530	–	530
Operating profit before acquired intangibles and strategic actions from continuing operations after non-controlling interest	28 877	12 905	(10 208)	31 574
Cost to income ratio	81.4%	80.7%	n/a	83.4%
Total assets (£'million)	995	23,562	n/a	24 557

*Depreciation on operating leased assets of £0.4 million, which was previously reported as a separate line item, has been included in operating costs. The prior period has been restated to reflect the same basis.

Investec plc: segmental analysis of operating profit

For the six months ended 30 September 2019 £'000	Wealth & Investment	Specialist Banking	Group costs	Total group
Continuing operations				
Net interest income	6 694	187 535	-	194 229
Fee and commission income	155 807	101 601	-	257 408
Fee and commission expense	(339)	(4 828)	-	(5 167)
Investment income	(372)	17 718	-	17 346
Share of post taxation profit of associates and joint ventures holdings	-	3 595	-	3 595
Trading income arising from				
- customer flow	483	45 253	-	45 736
- balance sheet management and other trading activities	17	(6 407)	-	(6 390)
Other operating income	-	2 584	-	2 584
Total operating income before expected credit loss impairment charges	162 290	347 051	-	509 341
Expected credit loss impairment release/(charges)	1	(16 088)	-	(16 087)
Operating income	162 291	330 963	-	493 254
Operating costs*	(131 836)	(251 594)	(15 839)	(399 269)
Operating profit before acquired intangibles and strategic actions from continuing operations	30 455	79 369	(15 839)	93 985
Loss attributable to other non-controlling interests	-	79	-	79
Adjusted operating profit from continuing operations	30 455	79 448	(15 839)	94 064
Operating profit before strategic actions from discontinued operations				58 974
Profit attributable to non-controlling interests of discontinued operations				(9 743)
Operating profit before acquired intangibles, strategic actions and after non-controlling interest				143 295
Cost to income ratio	81.2%	72.5%	n/a	78.4%
Total assets (£'million)	959	22 093	n/a	23 052

*Depreciation on operating leased assets of £0.8 million, which was previously reported as a separate line item, has been included in operating costs. The prior period has been restated to reflect the same basis.

Investec plc: asset quality under IFRS 9

£'million	30 Sept 2020	31 March 2020
Gross core loans and advances subject to ECL	11 602	11 392
Stage 1	9 916	10 437
Stage 2	1 341	576
<i>of which past due greater than 30 days</i>	13	31
Stage 3	345	379
<i>Ongoing (excluding Legacy) Stage 3*</i>	228	249
Gross core loans and advances subject to ECL (%)		
Stage 1	85.5%	91.6%
Stage 2	11.6%	5.1%
Stage 3	3.0%	3.3%
<i>Ongoing (excluding Legacy) Stage 3*</i>	2.0%	2.2%
Stage 3 net of ECL	253	272
<i>Of which Ongoing (excluding Legacy) Stage 3*</i>	181	187
Aggregate collateral and other credit enhancements on Stage 3	257	274
Stage 3 net of ECL and collateral	-	-
Stage 3 as a % of gross core loans and advances to customers subject to ECL	3.0%	3.3%
<i>Of which Ongoing (excluding Legacy) Stage 3*</i>	2.0%	2.2%
Total ECL impairments as a % of Stage 3 exposure	49.3%	46.2%
Stage 3 net of ECL as a % of net core loans and advances to customers subject to ECL	2.2%	2.4%
<i>Of which Ongoing (excluding Legacy) Stage 3*</i>	1.6%	1.7%

*Ongoing information, as separately disclosed from 2014 to 2018, excludes Legacy, which comprises pre-2008 assets held on the balance sheet, that had low/negative margins and assets relating to business we are no longer undertaking.

Investec plc: capital adequacy

£'million	30 Sept 2020	31 March 2020
Shareholders' equity	2 127	2 090
Non-controlling interests	-	-
Regulatory adjustments to the accounting basis	106	91
Deductions	(483)	(436)
Common equity tier 1 capital	1 750	1 745
Additional tier 1 instruments	274	274
Tier 1 capital	2 024	2 019
Tier 2 capital	392	414
Total regulatory capital	2 416	2 433
Risk-weighted assets^^	16 482	16 285
Capital ratios^^		
Common equity tier 1 ratio	10.6%	10.7%
Tier 1 ratio	12.3%	12.4%
Total capital ratio	14.7%	14.9%

The capital adequacy disclosures for Investec plc include the deduction of foreseeable charges and dividends when calculating common equity tier 1 (CET1) capital as required under the Capital Requirements Regulation and European Banking Authority technical standards. These disclosures are different to the capital adequacy disclosures included in Investec's 2020 and 2019 integrated report, which follow our normal basis of presentation and do not include this deduction when calculating CET 1 capital. Investec plc's CET1 ratio would be 12bps (31 March 2020: 0bps) higher on this basis. ^^ CET1, Tier 1 (T1), total capital ratios and risk-weighted assets are calculated applying the IFRS 9 transitional arrangements.