Investec Bank plc

Overview

The information in this presentation relates to the financial year ended 31 March 2021, unless otherwise indicated.

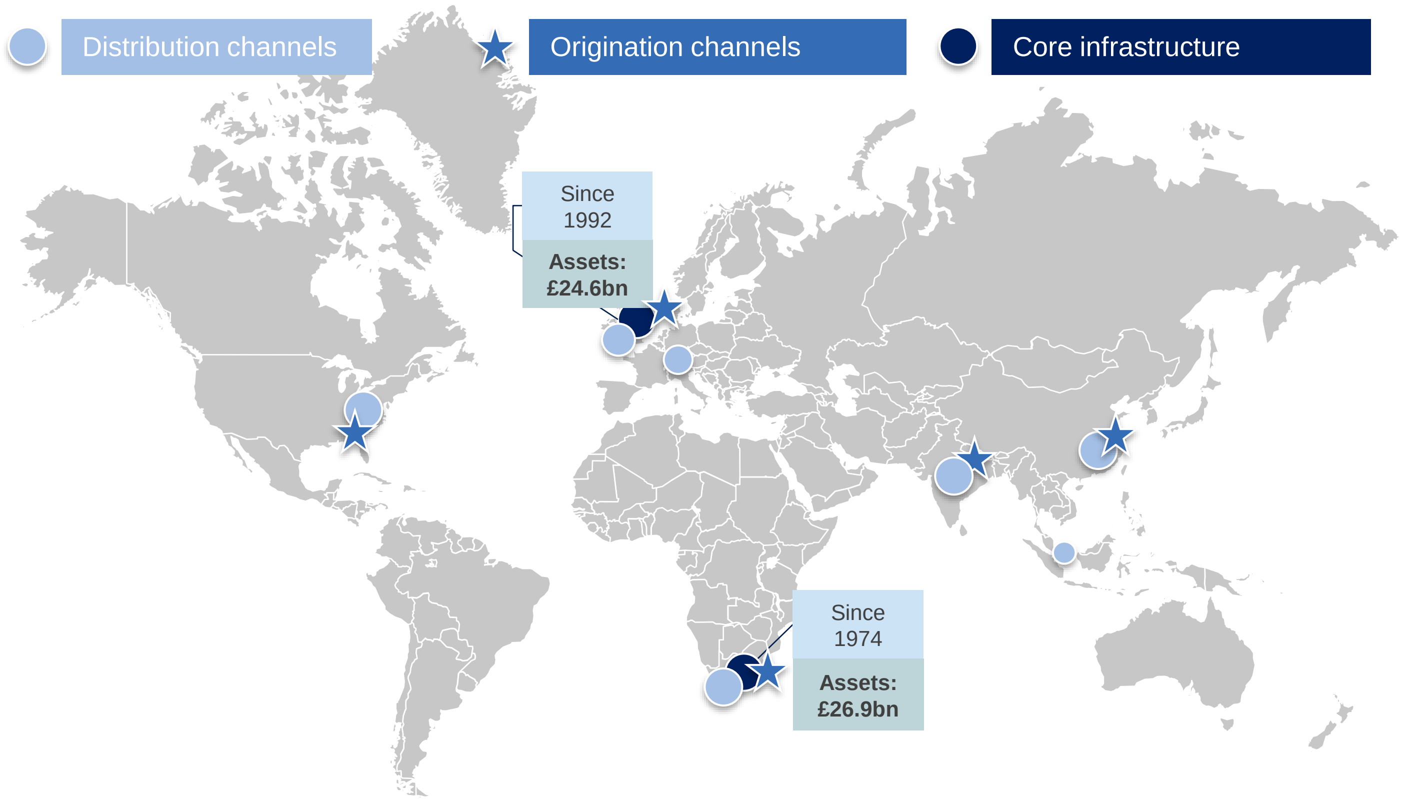
Contents

An overview of the Investec group

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)).

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

- Established in 1974
- Today, an efficient integrated international business platform employing approximately **8 200*** people
- Listed on the JSE and LSE (a FTSE 250 company)
- Total assets of **£51.5bn**; total equity of **£5.3bn**; funds under management of **£58.4bn**



*Including temporary employees and contractors

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.

Investec Limited
JSE primary listing
NSX secondary listing
BSE secondary listing

Sharing agreement

Investec plc
LSE primary listing
JSE secondary listing

Investec Bank Limited

Investec Securities (Pty) Ltd^

Investec Property Group Holdings (Pty) Ltd

^ Houses the Wealth & Investment business

Investec Bank plc

Investec Wealth & Investment Limited

Operating activities key:
Wealth & Investment
Specialist Banking

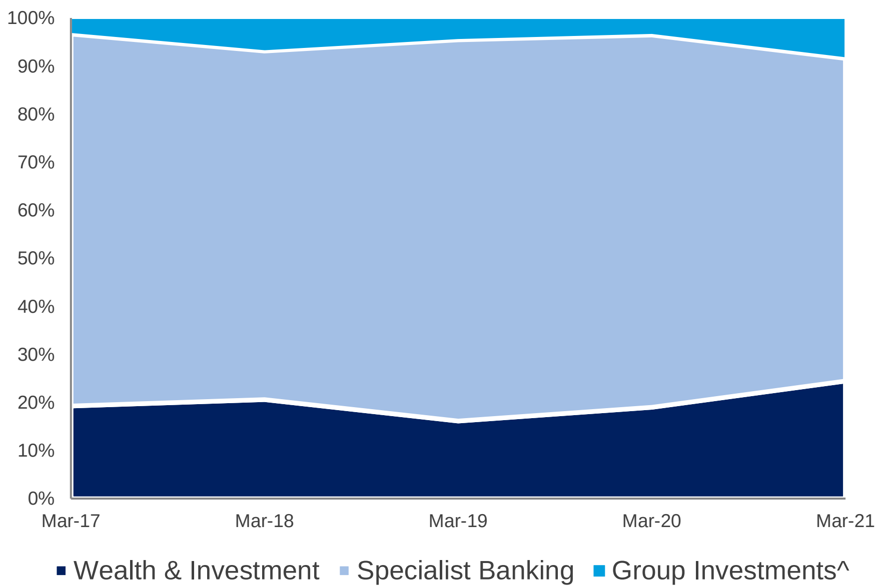
Note:
All shareholdings are 100% unless otherwise stated. Only main operating subsidiaries are indicated.

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

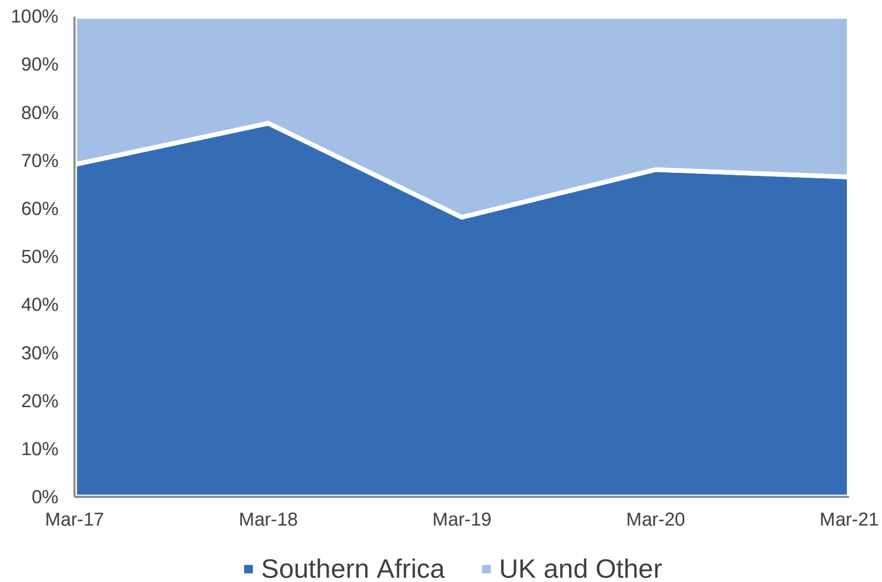
Across businesses

% contribution to adjusted operating profit*



Across geographies

% contribution to adjusted operating profit*



*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 September 2020).

Strategic direction

We strive to be a distinctive bank and investment manager, driven by a 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	**2**	**8 200+**	**£26.4bn**	**£34.4bn**	**£58.4bn**
Principal geographies	Core areas of activity	Employees	Core loans	Customer deposits	Funds under management

Corporate / Institutional / Private Equity / Government / Intermediary

Private client / charities / trusts

Specialist Banking

- Lending
- Transactional banking
- Advisory
- Investment activities
- Deposit rising activities

Wealth & Investment

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

We have market-leading distinctive client franchises

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

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

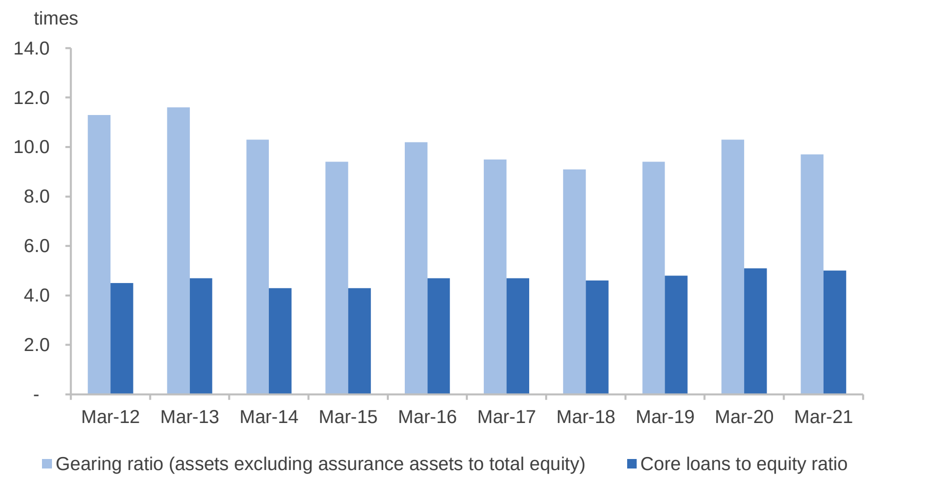
We continue to have a sound balance sheet

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 **£13.2 billion** at 31 March 2021, representing **38.4%** 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: 9.7x** 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

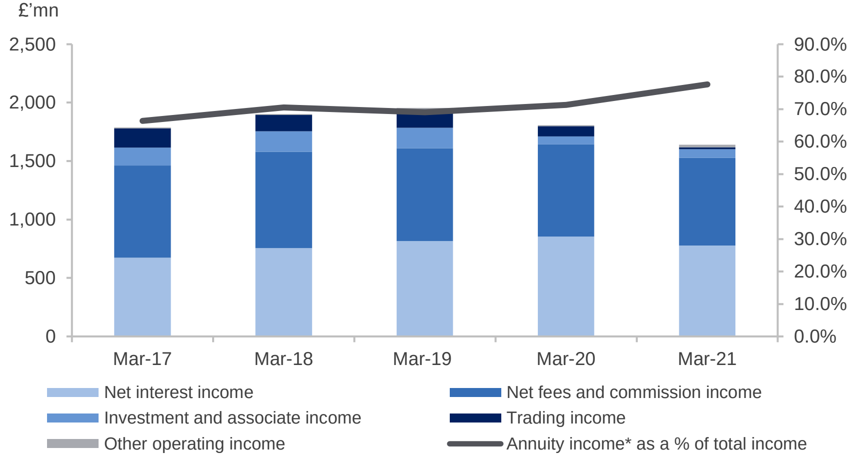
Cash and near cash

Low gearing ratios

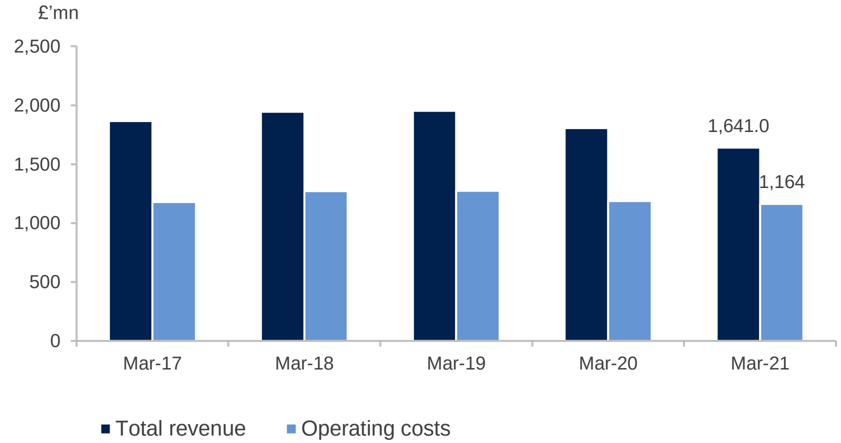


We have a sound track record

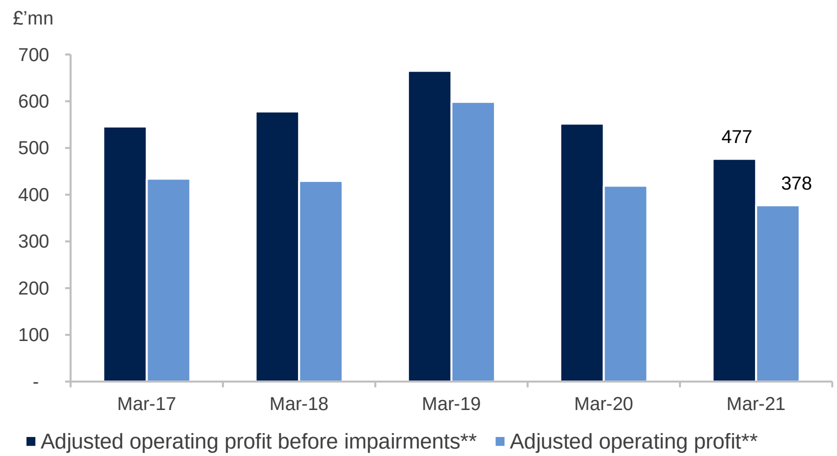
Recurring income



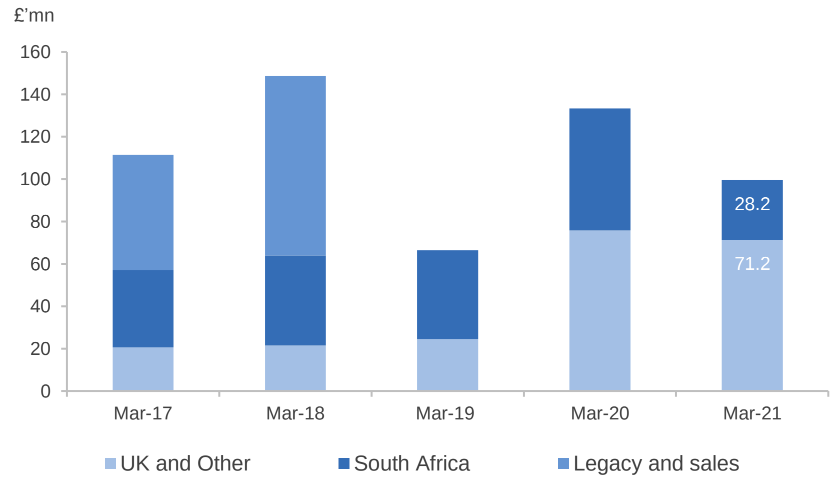
Revenue versus expenses



Adjusted operating profit** before impairments



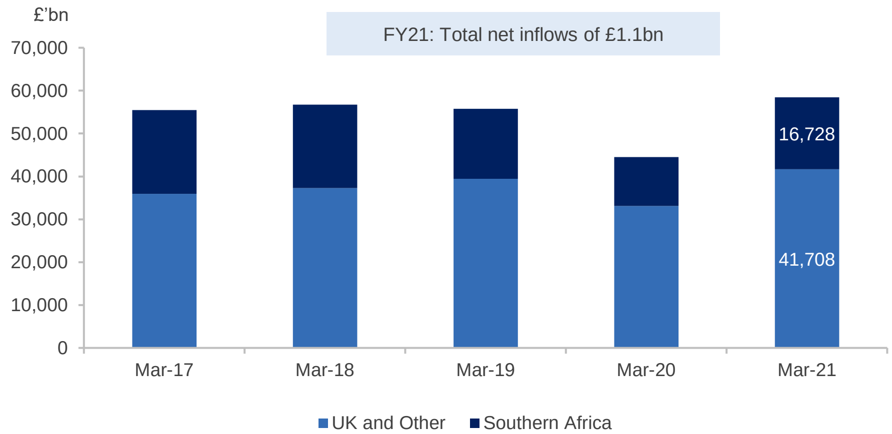
Expected credit loss impairment charges



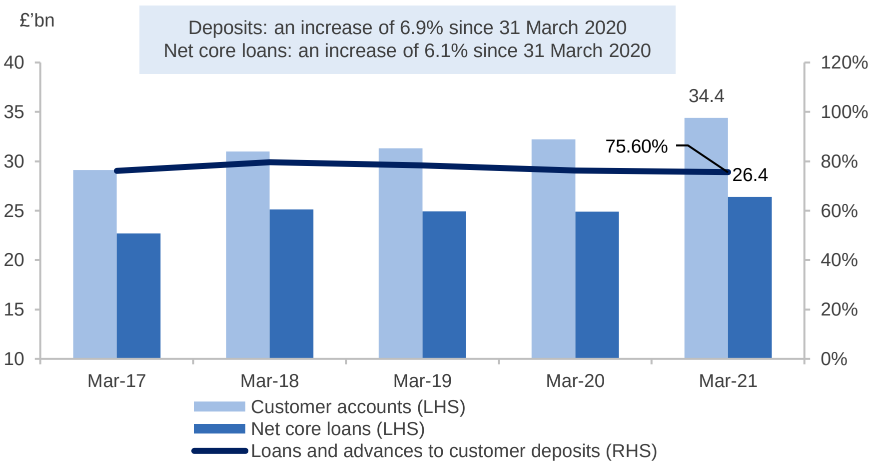
*Where annuity income is net interest income and annuity fees. **Operating profit before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

We have a sound track record *(cont.)*

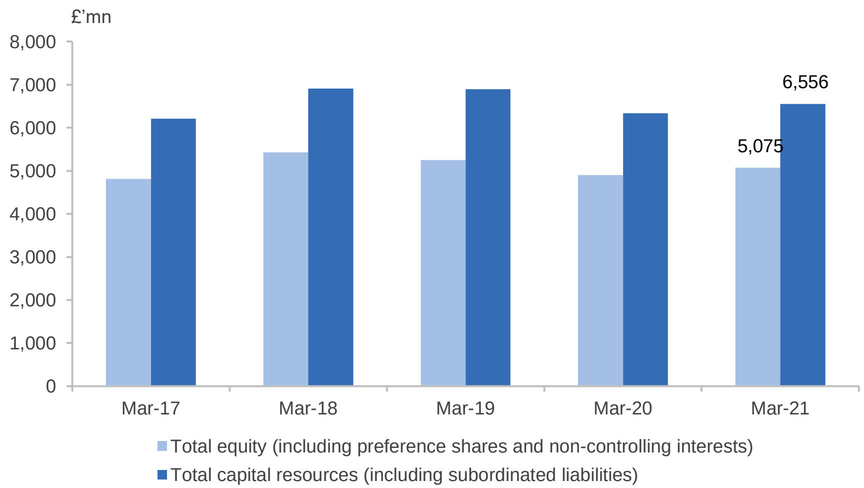
Funds under management



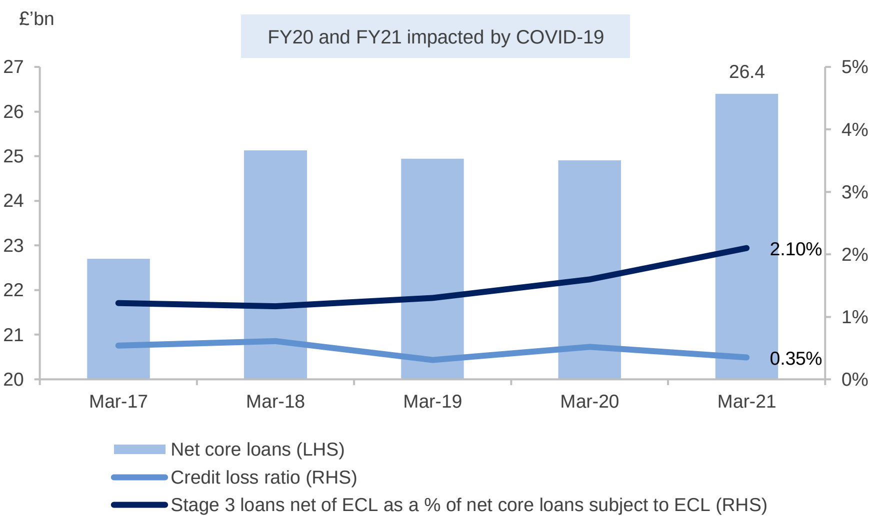
Net core loans and deposits



Total equity and capital resources



Asset quality



Living our purpose to create enduring worth, living in, not off, society

Investec's sustainability principles:

- Creating **long-term value** for all our stakeholders
- **Do no harm:** ethical conduct and ESG screening
- Committed to **a clean carbon transition**
- Providing **profitable, impactful and sustainable** products and services
- **Maximising impact:** through a focus on the Sustainable Development Goals (SDGs)

Two core SDG priorities

10 REDUCED INEQUALITIES | 13 CLIMATE ACTION

Addressing climate and inequality issues is fundamental to the success of our business

Secondary SDG priorities

4 QUALITY EDUCATION | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 8 DECENT WORK AND ECONOMIC GROWTH | 11 SUSTAINABLE CITIES AND COMMUNITIES

Well positioned in ESG rankings and ratings

Dow Jones Sustainability Indices: **Top 15%** in the global diversified financial services sector (inclusion since 2006)

JSE: **Top 30** in the FTSE/JSE Responsible Investment Index

Sustainalytics: **Top 20%** in the Global Sustainability Leaders Index (inclusion since 2012)

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

CDP: **Score B** against an industry average of B (formerly Carbon Disclosure Project)

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

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

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

IRMSA (The Institute of Risk Management South Africa): **1 of 5** finalists for **the ESG Sustainability Professional Award**

Actions taken in the past year

ENVIRONMENT Took action to **address climate** issues	• Achieved **net-zero direct emissions** for the second year as part of our commitment to ongoing carbon neutrality in our Scope 1 and Scope 2 emissions. • Received **shareholder support** for climate commitments and published our first TCFD standalone report
SOCIAL Continued to make progress on **diversity** and **equality**	• Improved our gender diversity performance at **senior leadership level** • Maintained our **Level 1** rating under the Financial Sector Code in South Africa and signed up to **the UK Race at Work Charter** • Contributed £3.2mn in COVID-19 relief to communities
GOVERNANCE Strengthened our **sustainability governance**	• Established an **ESG Executive Committee** to align sustainability activities across the organisation • Implemented a more **robust ESG screening** process • Created a framework to link **Executive Directors remuneration** to ESG KPIs
STRATEGY Embedded sustainability into **business strategy**	• Launched several **sustainability products and services** including the first European mid-market ESG-linked subscription lines, the UK's first retail ESG-linked Deposit Plan and Investec Wealth & Investment's launch of a Global Sustainability Equity Fund • Created a **Sustainable Finance Framework**
COMMITMENT Deepened our commitment by signing up to several **international memberships**	• UN Environment Programme Finance Initiative (**UNEP FI**) • UN Principles for Responsible Banking (**UN PRB**) • UN Principles for Responsible Investment (**UN PRI**)

An overview of Investec Bank plc (IBP)

The information in this presentation relates to the year ending 31 March 2021, unless otherwise indicated.

Investec Bank plc

Investec Bank plc is a **distinctive bank** and **wealth manager** with operations principally in the UK

Total assets	Net core loans	Total equity	Customer deposits	Funds under management	Employees (approx.)
£24.4bn	**£12.3bn**	**£2.4bn**	**£16.2bn**	**£41.7bn**	**3,400+**

Investec Bank plc

- Operating in the UK since 1992
- **Wholly owned subsidiary of Investec plc (UK FTSE 250 listed entity** since 2002)
  - Investec Bank plc is the main banking subsidiary of Investec plc
  - Structured into two distinct businesses: Banking (Private Banking and Corporate, Investment Banking and Other) and Wealth & Investment
- **PRA and FCA regulated and a member of the London Stock Exchange**
- Long-term rating of A1 stable outlook (Moody's) and BBB+ Negative^ outlook (Fitch)
- **Balanced and defensive business model** comprising Specialist Banking and Wealth & Investment – c.69% of adjusted operating profit* from non-banking activities
- **Creditors ring-fenced** from Investec Bank Limited (Southern African banking subsidiary)
- **Capital and liquidity are not fungible** between Investec Bank plc and Investec Bank Limited – each entity required to be self-funded and self-capitalised in adherence with the regulations in their respective jurisdictions

^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. *At 31 March 2021, where adjusted operating profit is Operating profit before acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

Investec Bank plc (cont.)

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 53% of IBP's revenue#
- Geographic and operational diversity with a high level of **annuity revenue**^ accounting for 67% of total operating income
- FUM* of **£41.7bn** and **positive net inflows** generated by our leading UK private client wealth management business

Sound balance sheet

- **Never required shareholder or government support**
- **Robust capital base: 11.8% CET1 ratio**** and **strong leverage ratio of 8.0%** (9.4% on the UK leverage ratio framework) as of 31 March 2021
- IBP benefits from a substantial unlevered asset, being Wealth & Investment (FUM: £41.7bn)
- **Low gearing:** 10.3x
- **Strong liquidity ratios** with high level of readily available, high quality liquid assets representing 42.2% of customer deposits (cash and near cash: £6.9bn)
- **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 year ended 31 March 2021. ^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 31 March 2021; 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

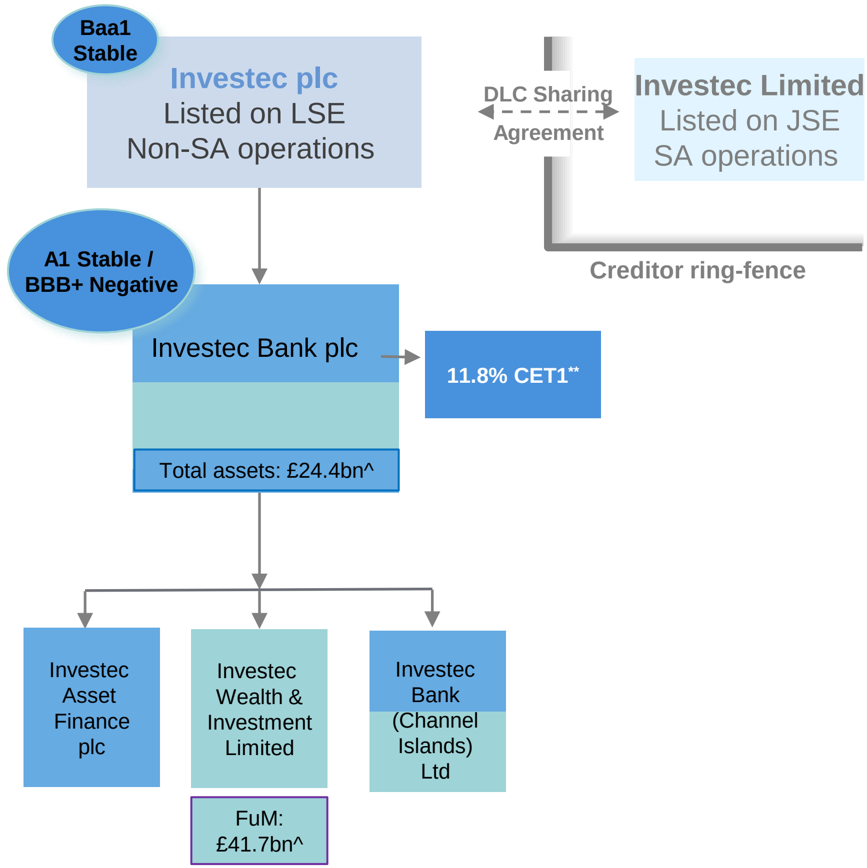
Features of Investec's structure

- **Investec plc is the holding company** of the Investec group's **UK and Other operations**
- One main operating subsidiary
  - **IBP** (which houses the **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 *UK and Other*	**Mar-21**	**Mar-20**	**Mar-19**
Investec Wealth & Investment	**£41.7bn**	**£33.1bn**	**£39.1bn**
Other	£0.4bn	£0.4bn	£0.4bn
Funds under management	**£42.1bn**	**£33.5bn**	**£39.5bn**

Specialist banking

Wealth & Investment

All shareholdings are 100% unless otherwise stated. Only main operating subsidiaries are indicated ^Funds under management (FUM) relating to Wealth & Investment and Total assets relating to IBP all as at 301 March 2021. ** CET1 ratios shown on a consolidated basis as at 31 March 2021; after the deduction of foreseeable charges and dividends as required by the Capital Requirements Regulation (CRR) and EBA technical standards.

IBP: balanced business model supporting our long-term strategy

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

	Specialist Banking	Wealth & Investment
Client	Corporate / Private Equity / intermediary / Government / Institutional	Private client (high net worth / Charities / Trusts
Business	• Lending • Advisory • Hedging • Private Capital • Transactional Banking • Savings • Foreign exchange	• Investments and savings • Pensions and retirement • Financial planning
Region	UK and Europe, Channel Islands, USA, India	UK, Channel Islands (Guernsey), Switzerland
Value Proposition	• Established, full service high-tech high-touch 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 31.4% of adjusted operating profit* in FY2021	• Built via organic growth and the acquisition and integration of businesses over a long period of time • We demonstrate a deeper insight and a more empathetic approach to the range of financial considerations our clients need to make, when managing their wealth. • 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 • £41.7bn in funds under management • Generated 68.6.0% of adjusted operating profit* in FY2021

*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.

IBP: key objectives

Maintain healthy capital ratios

- Always held **capital in excess of regulatory requirements**
- Targets:
  - Common Equity Tier 1 ratio >10% (**11.8%** at 31 Mar 2021)
  - Tier 1 ratio >11% (**13.4**% at 31 Mar 2021)
  - Total capital ratio: 14% – 17% (**16.4%** at 31 Mar 2021)
  - Leverage ratio >6% (**8.0**% at 31 Mar 2021)
- 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%** (42.2% as at 31 Mar 2021)
- Maintain **diversified sources of funding**

Perpetuate the quality of the balance sheet

Focus on revenue drivers

Maintain operational efficiency

- Continue to **build our client franchises and 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 24.6% since 31 Mar 20 to £41.7bn)
- Moderate loan growth, emphasis on diversified portfolios
- Increase transactional activity

- **IBP's cost to income ratio was 80.9% at 31 Mar 2021 (blend of banking and wealth management businesses)**
- Targeting cost to income of below 65% for IBP Specialist Banking and between 73-77% for IBP 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 cost increased by 7.2% compared to prior financial year
- Elevated cost to income ratio as a result of pressures on revenue given current environment

Balanced business model

Realigned the business model since the global financial crisis and focused on growing capital light businesses

- At 31 March 2021, total capital light activities accounted for 53% of Investec Bank plc's revenue
- We have significantly increased our funds under management – a key capital light annuity income driver – by growing our Wealth & Investment business. Wealth & Investment FUM have grown from £14.9bn at 31 March 2011 to £41.7bn at 31 March 2021. Revenue from Wealth & Investment makes up 34% of Investec Bank plc's total operating income at 31 March 2021

Capital light activities

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

£496mn

53% of total revenue

Of which:

Net fees and commissions:

£486mn

52% of total revenue

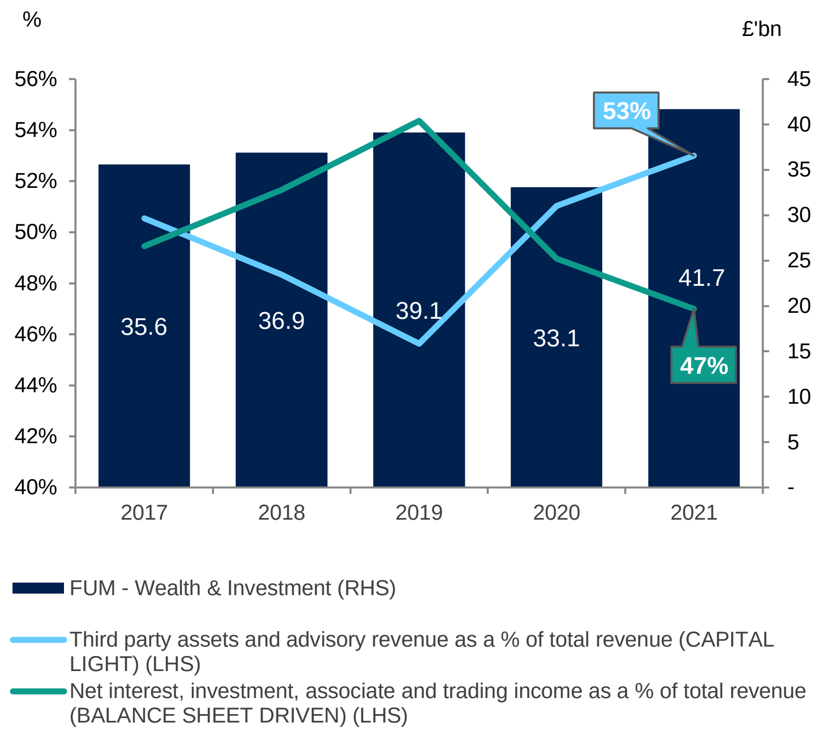
- Specialist Bank - £170mn
- Wealth & Investment - £316mn

Other:

£10mn

1% of total revenue

Investec Bank plc revenues and funds under management



Balance sheet driven activities

Includes:
- Lending portfolios
- Trading income largely from client flows, balance sheet management and other
- Investment portfolios

£440mn

47% of total revenue

Of which:

Net interest income:

£414mn

44% of total revenue

Customer flow and other trading income:

£0.2mn

Investment and associate income:

£26mn

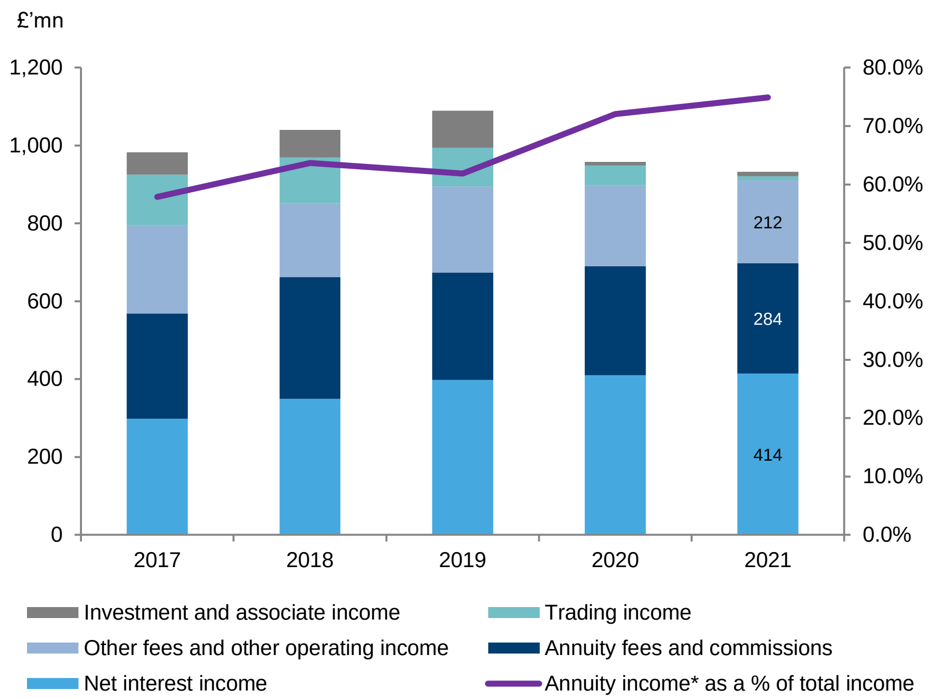
5% of total revenue

Fee and commission income ← **Types of income** → **Net interest, investment, associate and customer flow trading income**

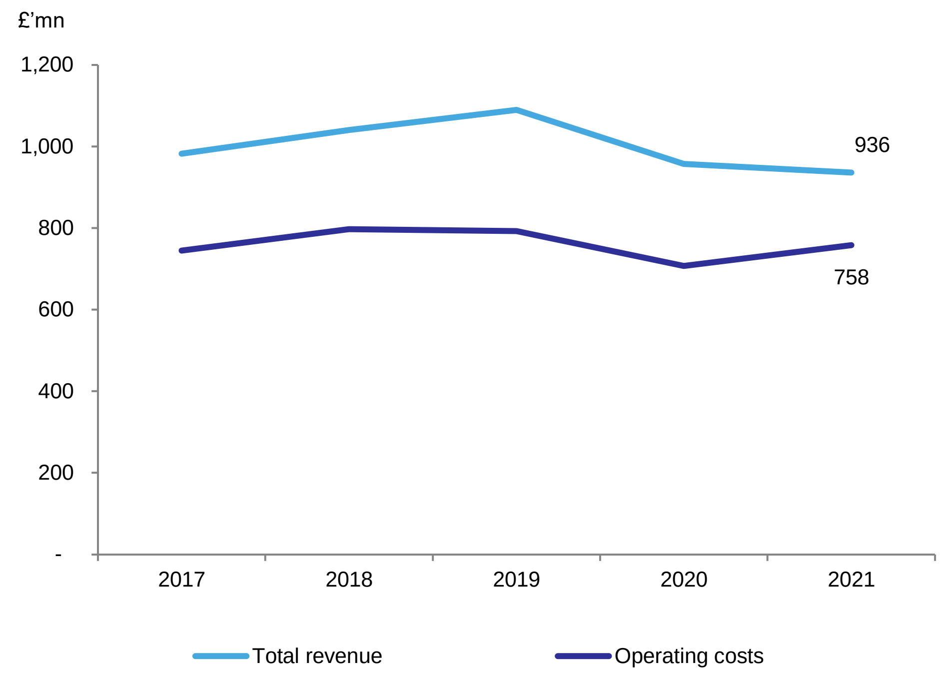
IBP's operating fundamentals

IBP: profitability supported by diversified revenue streams

Annuity income



Revenue versus expenses



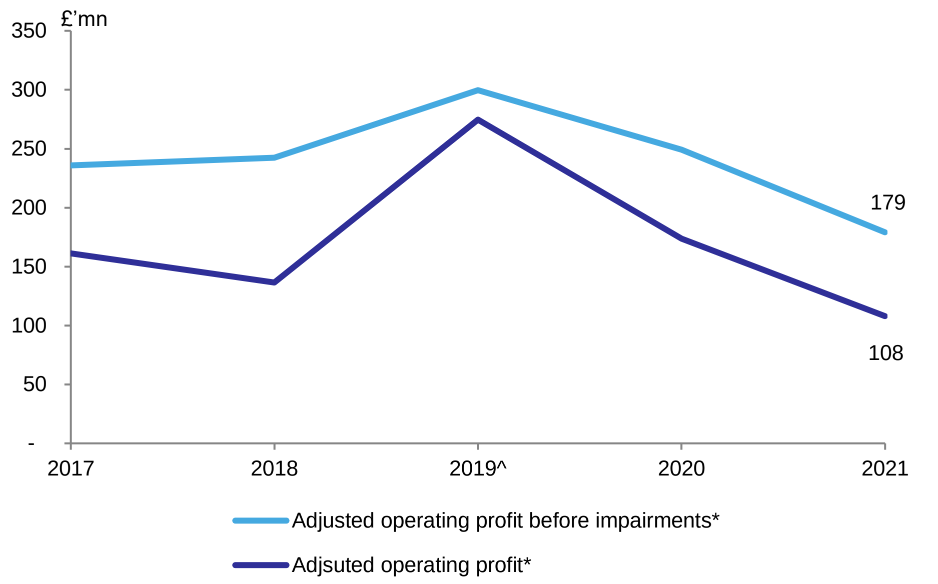
- **Solid recurring income base (FY21: 75%)** compromising net interest income and annuity fees which has been enhanced by the growth in our wealth management business
- **Total capital light activities accounted for 53%** of IBP's income for the year ended 31 March 2021 (51% at 31 March 2020)

- We are **focused on managing costs** while building for the future
  - Investment in our Private Banking business is fully expensed – now in leverage and growth phase
  - No longer incurring double premises costs
- UK Specialist Bank reduced operating costs by £60mn (13.3%) in FY2020.

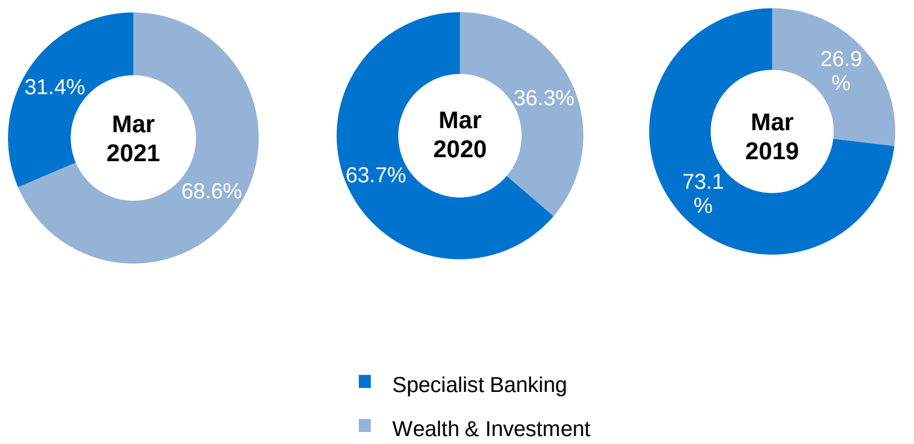
*Where annuity income is net interest income and annuity fees.

IBP: profitability supported by diversified revenue streams

Adjusted operating profit*



Business mix percentage contribution to adjusted operating profit*



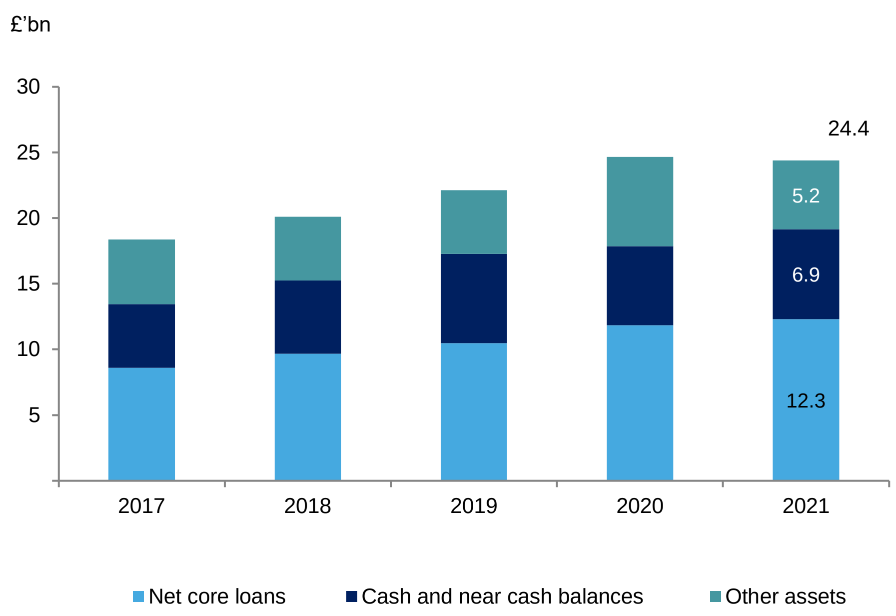
- **We have grown adjusted operating profit** from £51m in 2012 to £108m in 2021 (CAGR of 10.6%)
- Since 2008, results have been impacted by elevated impairments driven by the legacy portfolio. This is particularly evident in the 2018 financial year as increased impairments were recognised in anticipation 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.
- It is also worth noting that we remained profitable throughout the global financial crisis and have built a solid client franchise business which has supported growth in revenue.

- 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 financial year ended 31 March 2021 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

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

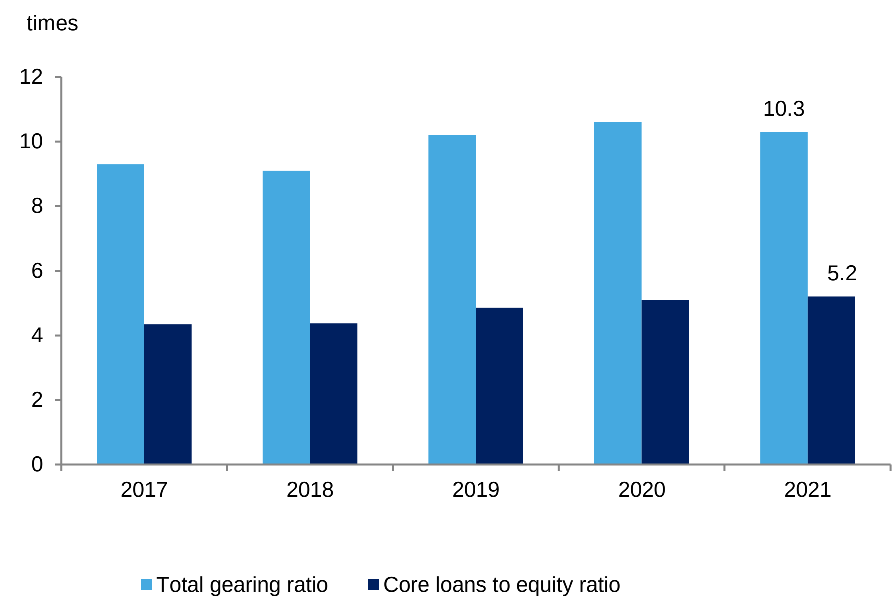
IBP: consistent asset growth, gearing ratios remain low

Total assets composition



- Our core loans and advances have grown steadily over the past 10 years (CAGR of 5.0% since 2012)
- Good growth in cash and near cash balances (CAGR of 4.6% since 2012)

Gearing* remains low



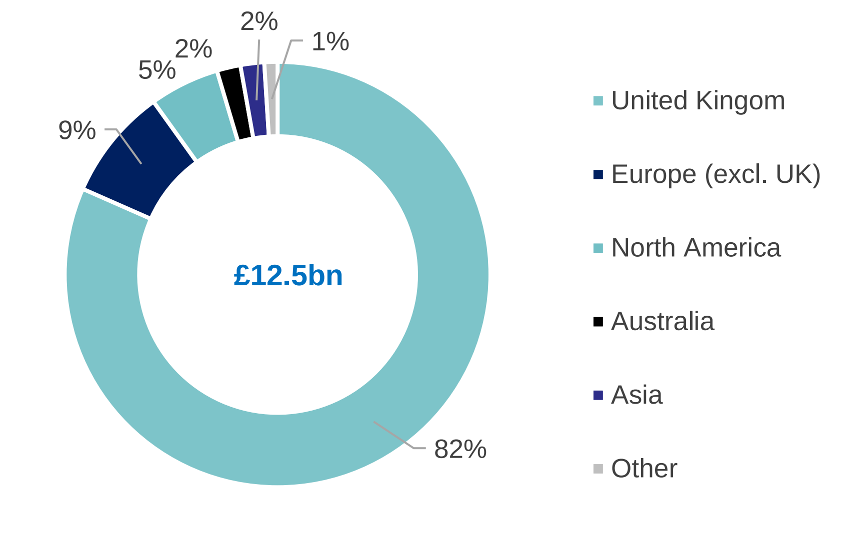
- We have **maintained low gearing ratios*** with total gearing at 10.3x and an average of 10.3x since 2012

*Gearing ratio calculated as Total Assets divided by Total Equity. ** Loans and deposits in FY15 impacted by the sale of group assets, largely in Australia.

IBP: 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 4.0% 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**.

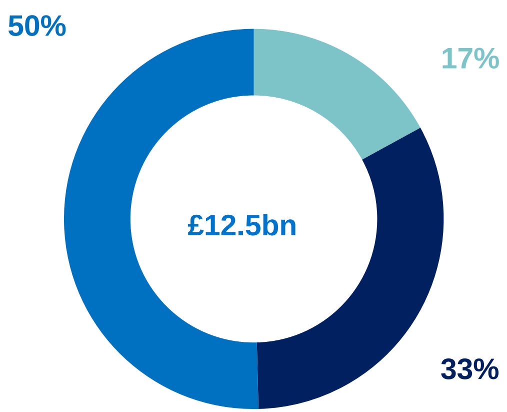
Gross core loans by country of exposure at 31 March 2021



Gross core loans by risk category at 31 March 2021

Corporate and other

Asset finance	16.1%
Corporate lending and acquisition finance	11.5%
Fund finance	10.3%
Other corporate, institutional, govt. loans	5.8%
Power and infrastructure finance	4.0%
Asset-based lending	2.5%
Resource finance	0.2%



Lending collateralised against property

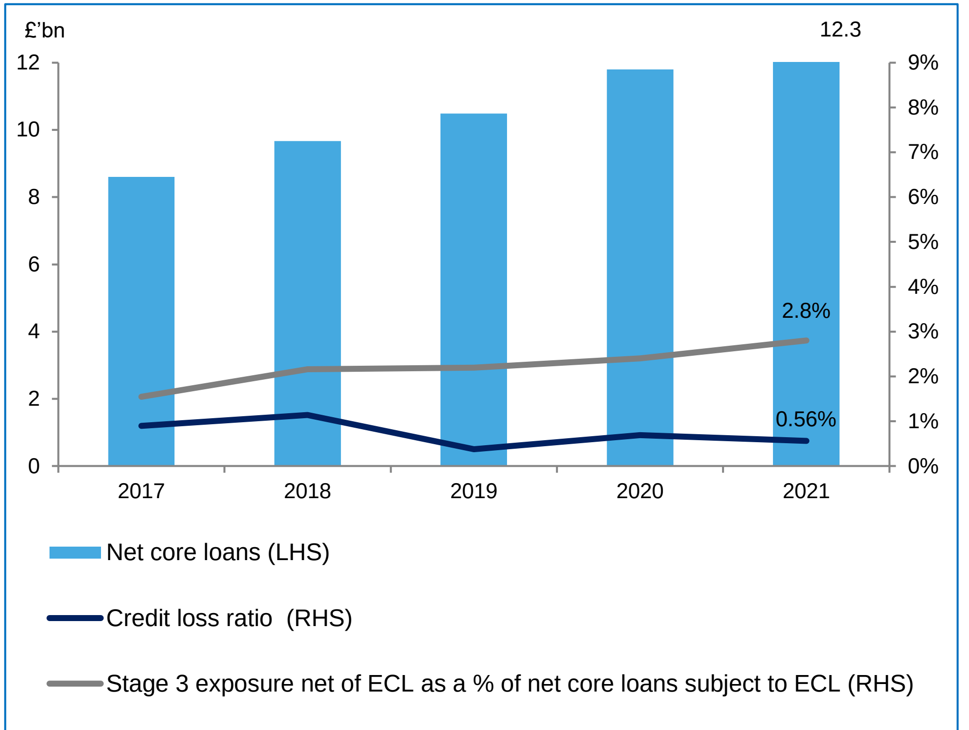
Commercial property investment	9.4%
Residential property – development	2.6%
Residential property – investment	2.8%
Commercial property – development	1.8%
Residential vacant land and planning	0.4%
Commercial vacant land and planning	0.1%

High net worth and other private client

HNW and private client mortgages	25.6%
HNW and specialised lending	7.0%

IBP: sound asset quality

Core loans and asset quality

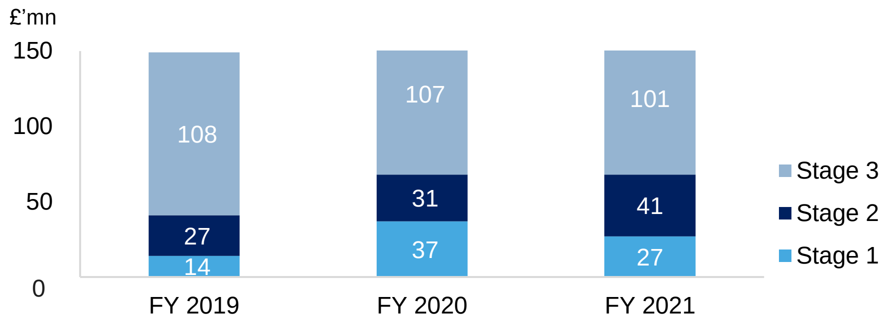


- **Credit quality on net core loans for the year ended 31 March 2021:**
  - **Total income statement ECL impairment charges** amounted to £71.1mn (31 Mar 2020: £75.7mn), while the annualised **credit loss ratio#** amounted to 0.56% (30 Mar 2020: 0.69%). The decrease since 31 March 2020 was driven primarily 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 £231mn. **Stage 3 exposure net of ECL as a % of net core loans subject to ECL** declined marginally since 31 March 2020 to 2.4%.

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

IBP: asset quality metrics

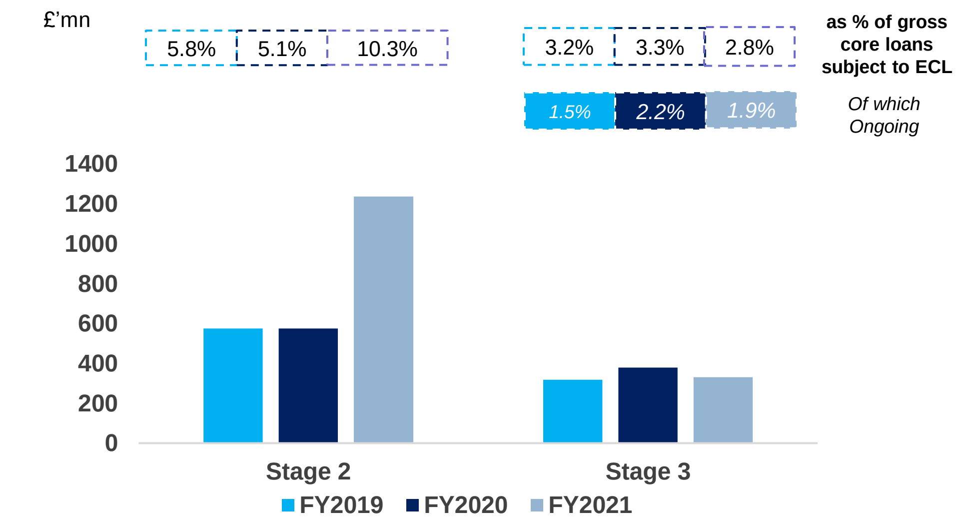
Provision build due to COVID-19 under IFRS 9



ECL coverage ratio	FY 2019	FY 2020	FY 2021
Stage 1	0.2%	0.4%	0.3.%
Stage 2	4.7%	5.4%	3.3%
Stage 3	33.9%	28.2%	30.4%
of which Ongoing Stage 3	23.5%	24.9%	26.8%

- The overall loan portfolio continues to hold up well despite the macro environment.
- The £26 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 increased 6% from £107mn at 31 March 2020 to £101mn at 31 March 2021. As a result, Stage 3 ECL coverage ratio increased to 30.4%% 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

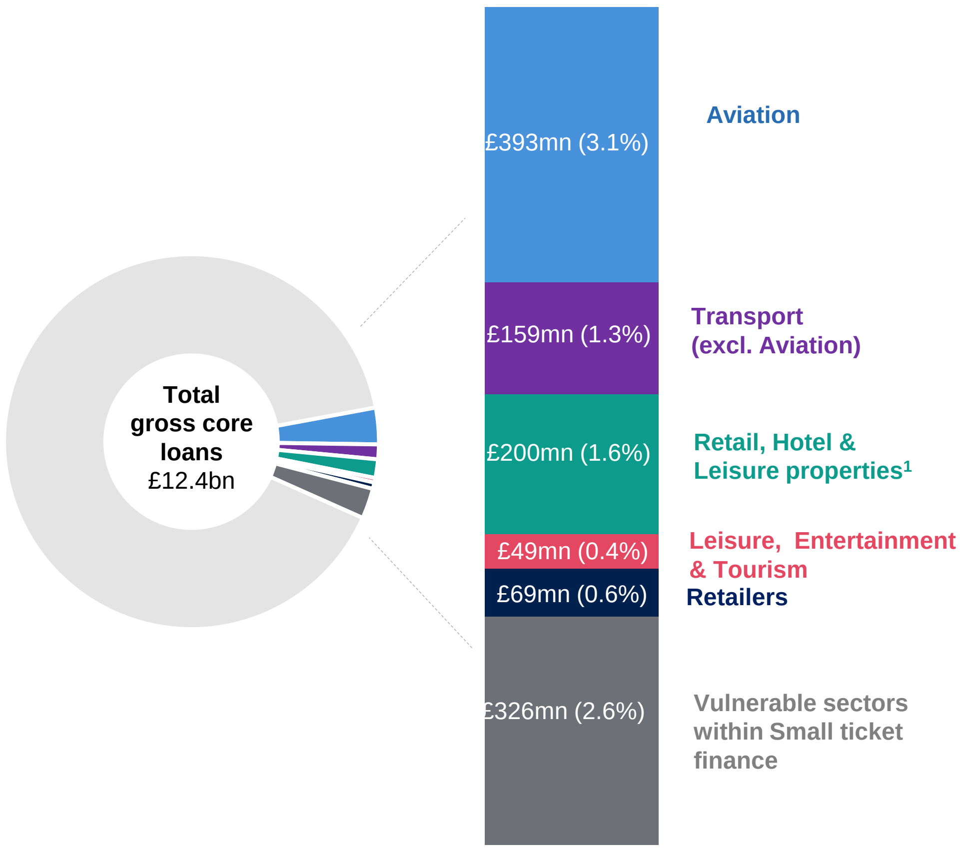


- Stage 2 exposures increased from 5.1% at 31 March 2020 to 10.3% at 31 March 2021, reflecting deterioration in the forward-looking recognition of impairment charges under IFRS9. Of the increase in Stage 2, 97% relates to the impact of the weakened IFRS9 macro-economic scenarios.
- In line with regulatory 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 2.7% at 31 March 2021.
- Stage 3 in the Ongoing book (excluding Legacy) totalled £332mn or 2.8% of gross core loans subject to ECL at 31 March 2021 (31 March 2020: 3.3%). Tail risk from Legacy portfolio has reduced significantly (0.7% of net core loans).

Sectors particularly affected by COVID-19

Exposures to vulnerable sectors

31 March 2021



Our exposure to sectors considered to have been particularly affected by COVID-19 totalled £1,196mn as at 31 March 2021 or 9.6% 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 £393mn of gross core loans at 31 March 2021. 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

IBP: 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

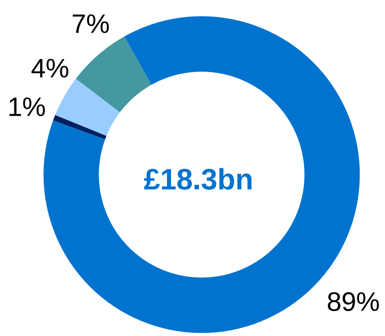
Conservative and prudent funding strategy

- **Maintaining a high base of high-quality liquid assets**
- **Diversifying funding sources**
- **Limiting concentration risk**
- **Low reliance on wholesale funding**
- **Maintaining a stable retail deposit franchise**

Credit ratings*

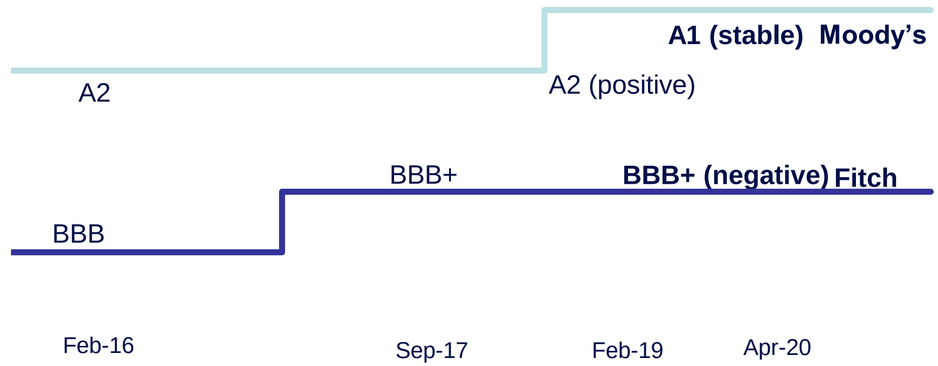
- In February 2019, **Moody's** upgraded IBP's long-term deposit rating to **A1** (stable outlook) from A2 (positive outlook) and its baseline credit assessment (BCA) to baa1 from baa2. These ratings were affirmed on 16 August 2019.
- On 24 July 2020, **Fitch** affirmed IBP's Long Term Issuer Default 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.

Selected funding sources



£'mn	Mar 2021
Customer deposits	16 241
Debt securities in issue^	1 193
Subordinated liabilities	771
Liabilities arising on securitisation of other assets	108
Total	**18 313**

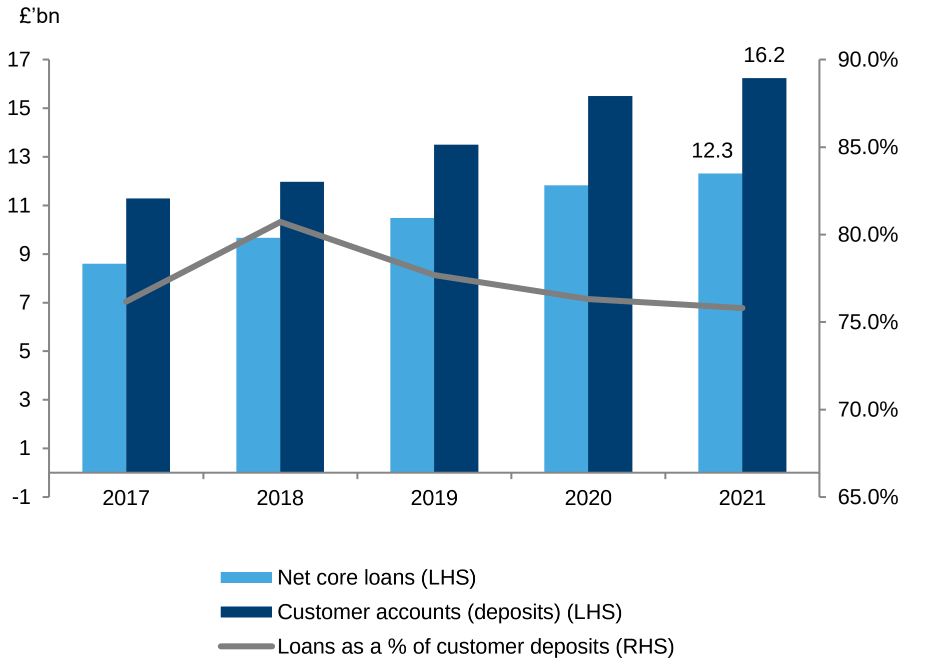
IBP's long-term ratings



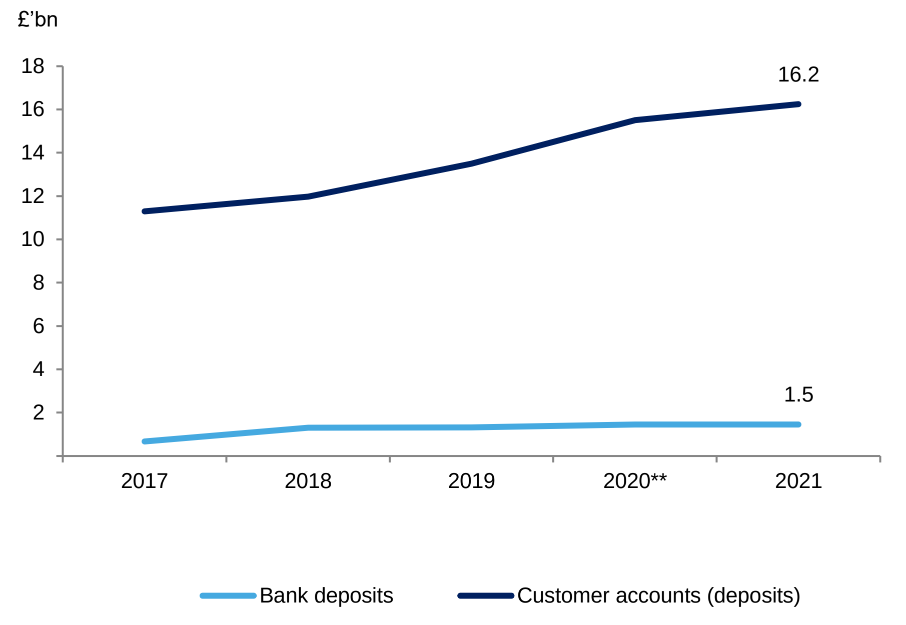
*A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.
^Of which £92mn relates to retail customers.

IBP: primarily customer deposit funded with low loan to deposit ratio

Fully self-funded: conservative loan to deposit ratio



Total deposits: growing customer deposits



- **Since 2012, customer deposits have grown by 46% (c.5% CAGR) to £16.2bn at 31 March 2021**
- Loans and advances to customers as a percentage of customer deposits remained conservative at 75.8%

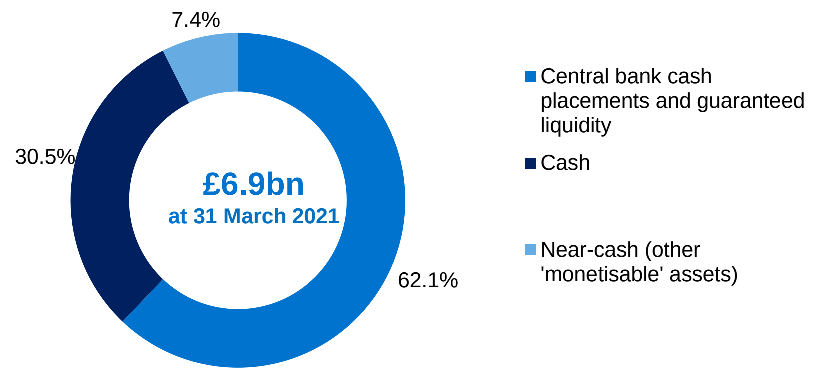
- Increase in retail deposits and very little reliance on wholesale deposits
- Fixed and notice deposits make up a large proportion of customer deposits and our customers display a strong 'stickiness' and willingness to reinvest in our suite of term and notice products

**As at 31 March 2020, certain Investec structured products amounting to £823 million have been reclassified from Debt securities in issue to Customer deposits in order to better reflect the underlying characteristics, contractual terms and liquidity of these products. The prior year has not been restated.

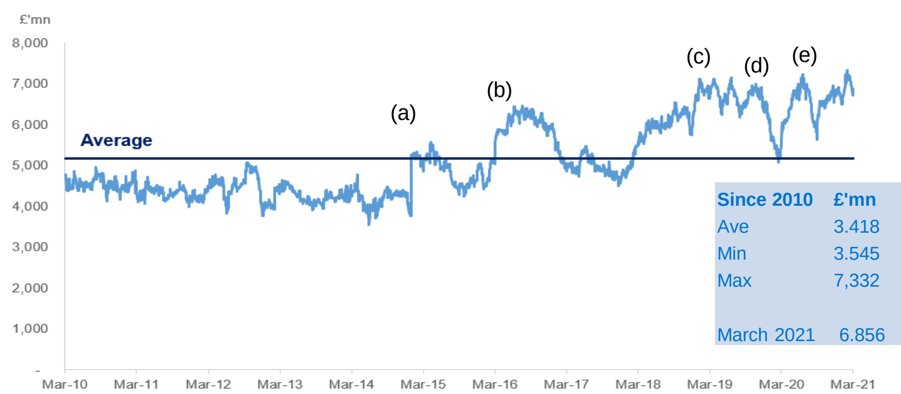
IBP: maintaining robust surplus liquidity

- 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 since 2010 (£4.7bn) to £6.9bn at 31 March 2021 **(representing 42.2% of customer deposits)**
- At 31 March 2021 the **Liquidity Coverage Ratio** reported to the Prudential Regulatory Authority for IBP (solo basis) was **475%** and the **Net Stable Funding Ratio^ was 126%** - both metrics well ahead of current minimum regulatory requirements

Cash and near cash composition

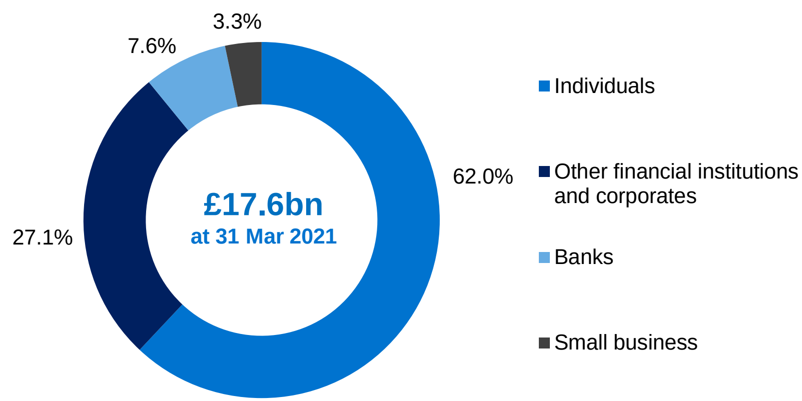


High level of cash and near cash balances



(a) Impacted by sale of group assets; (b) Prudent increase in cash pre Brexit referendum; (c) Pre-funding ahead of loss of Irish deposits; (d) Prior to the onset of the COVID-19 pandemic, cash and near cash reduced to business-as-usual level as we paid out the Irish deposits that we had already pre-funded; (e) COVID-19 pandemic

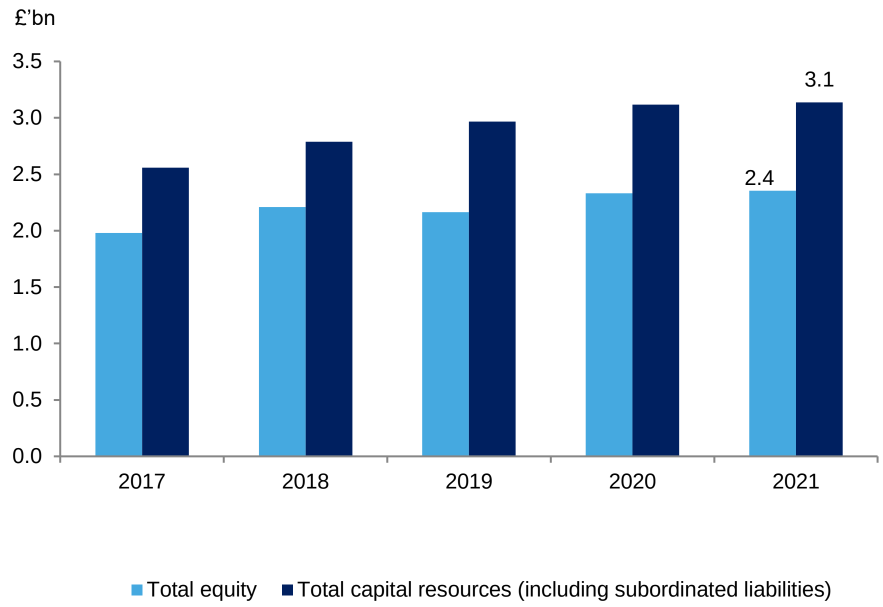
Depositor concentration by type



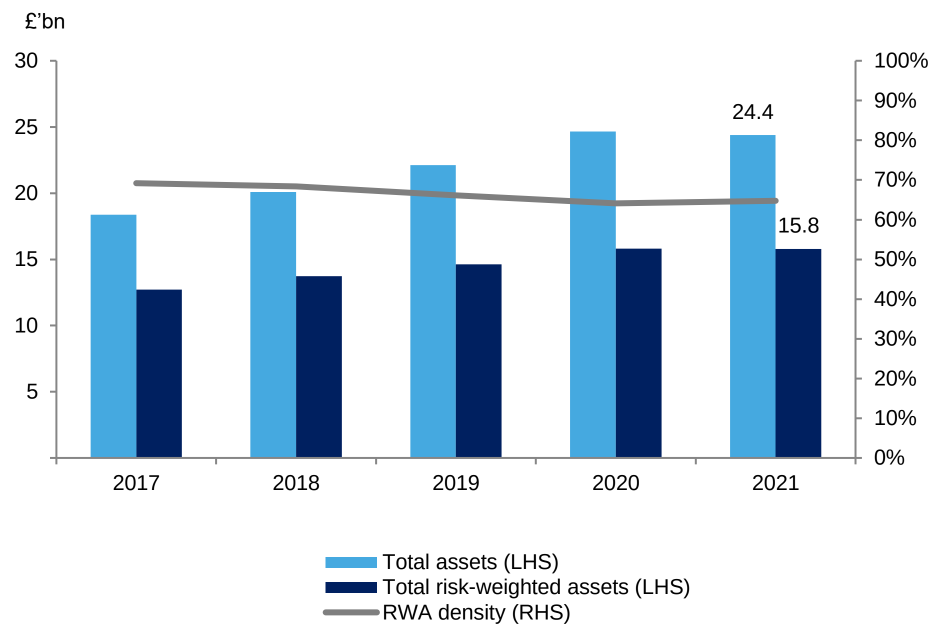
^The LCR and NSFR are calculated using the relevant EU regulation, applying our own interpretations where required. The reported LCR and NSFR may change over time with regulatory developments and guidance.

IBP: sound capital base and capital ratios

Total capital



Total risk-weighted assets: high RWA density



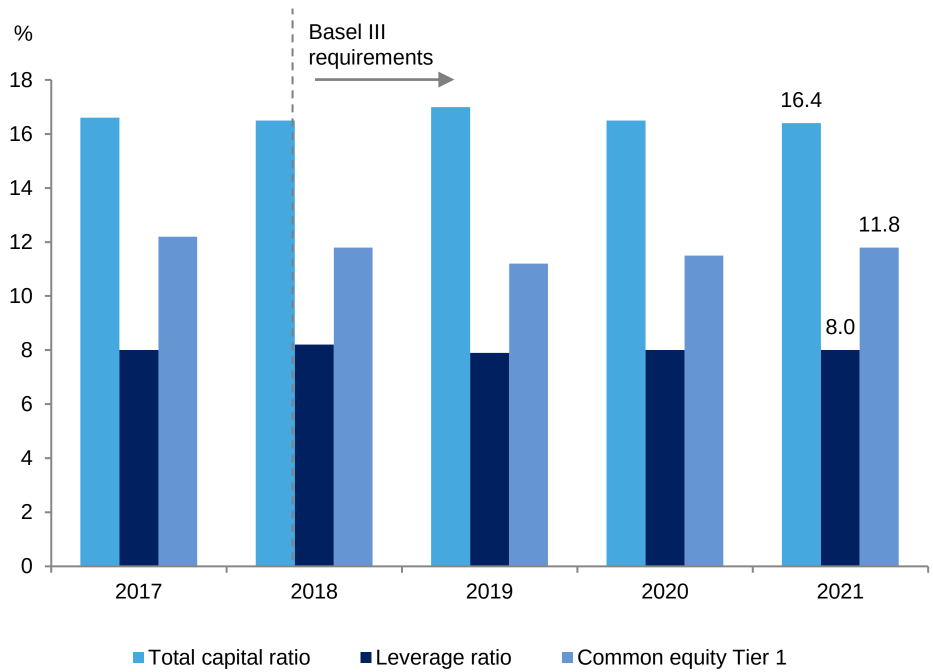
- **We have continued to grow our capital base** and did not require recourse to government or shareholders during the global financial crisis
- Our **total equity** has grown by c.43% since 2012 to £2.4bn at 31 March 2021 (CAGR of c.4%)

- As we use the **Standardised Approach** for our RWA calculations, our RWAs represent a large portion of our total assets
- IBP's Total RWAs / Total assets is **65%**, which is higher relative to many UK banks on the Advanced Approach
- As a result we **inherently hold more capital**

IBP: sound capital base and capital ratios (continued)

- Investec has **always held capital in excess of regulatory requirements** and intends to perpetuate this philosophy and ensure that it remains well capitalised
- The bank has **never required shareholder or government support**
- In January 2020, the Bank of England confirmed that the preferred resolution strategy for IBP remains 'modified insolvency'. As a result, the BoE has therefore set **IBP's MREL requirement as equal to its Total Capital Requirement** (Pillar 1 + Pillar 2A).

Basel capital ratios*



Capital development

A summary of ratios*	31 Mar 2021	31 Mar 2020	Target
Common equity tier 1#	11.8%	11.5%	>10%
Common equity tier 1 (fully loaded)^	11.3%	11.1%	
Tier 1)#	13.4%	13.1%	>11%
Total capital ratio #	16.4%	16.5%	14% to 17%
Leverage ratio**	8.0%	8.0%	>6%
Leverage ratio** (fully loaded)^	7.7%	7.8%	
Leverage ratio** (current UK leverage ratio framework)^^	9.4%	9.2%	

^Based on the group's understanding of current regulations, "fully loaded" is based on Capital Requirements Regulation (CRR) requirements as fully phased in by 2022; including full adoption of IFRS 9.

^^Investec Bank 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.

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

*Since 2014, capital information is based on Basel III capital requirements as applicable in the UK. Comparative information is disclosed on a Basel II basis. Since 2014, ratios include the deduction of foreseeable charges and dividends as required under the CRR and EBA technical standards. Excluding this deduction, IBP's CET1 ratio would be 7bps (31 March 2020: 0bps) higher. The leverage ratio prior to 2014 has been estimated. #The reported CET 1, T1 and total capital adequacy amounts and ratios are calculated applying the IFRS 9 transitional arrangements (including the changes introduced in the "quick fix" regulation adopted in June 2020).

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

- Since the global financial crisis in 2007 / 2008, IBP 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.**
- **IBP also includes capital light non-banking income from IW&I** (0% profit contribution in 2011 to 66% profit contribution in FY2021), one of the largest private client wealth managers in the UK with £41.7bn FUM and an estimated value of c.£1bn (pre-crisis) not included in IBP's capital ratios, which provides IBP additional loss absorbing buffer.
- Continued focus on growing our capital light businesses, contributing 53% of IBP's total operating income (only 25% in March 2011).
- **IBP 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 £16.2bn. Funding raised in the wholesale markets is used to diversify and lengthen overall funding.
- IBP 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, IBP'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 18% at 31 March 2021) and strong performance of the Ongoing portfolio over this time.
- **IBP's resilience** is demonstrated by its strong liquidity (cash and near cash £6.8bn), diversified stable funding, robust capital (CET1 ratio of 11.8%) supported by a high leverage ratio (8.0%) 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.

Further information

IBP: two core areas of activity

Wealth & Investment: Key income drivers and performance statistics

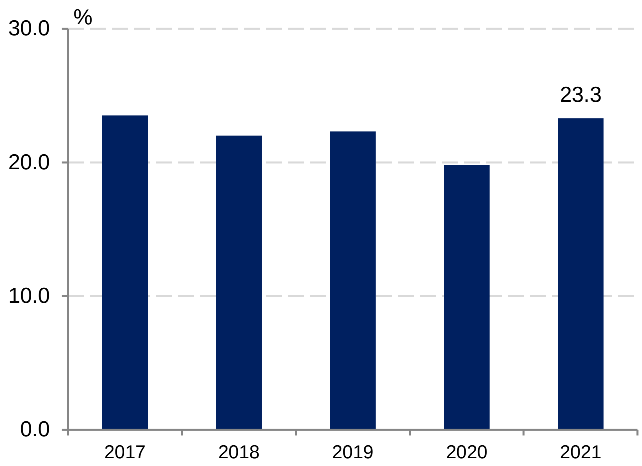
Key income drivers (besides market levels)

- Investment management fees earned on FUM (largely equity mandates)
- Commissions earned for execution
- Largely discretionary FUM with average fees 80bps to 90bps
- Target for average net inflows: 5% of opening FUM for UK business

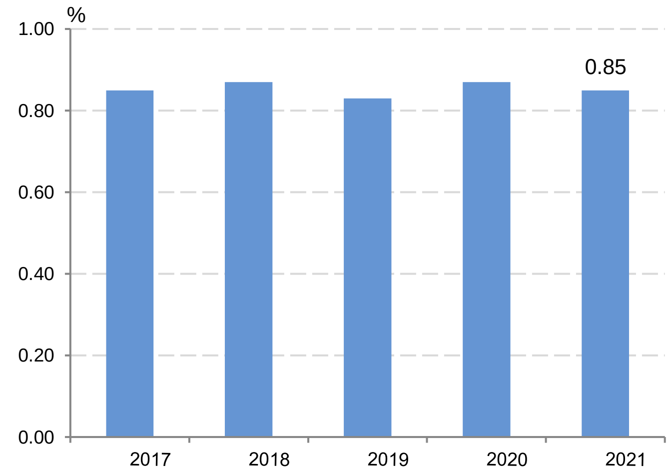
Current positioning

- Number of employees: c.1,300
- Operating margin: 18.6%
- FUM: £41.7bn (as at 31 March 2021)
- Net inflows as a % of opening FUM: 3.3% (£1.1bn net inflows for the year ended 31 March 2021)
- Average income yield# earned on funds under management: 0.9%
- Adjusted operating profit*: £74.3mn (March 2020 : £63.0mn)
- % contribution to IBP adjusted operating profit*: 62%

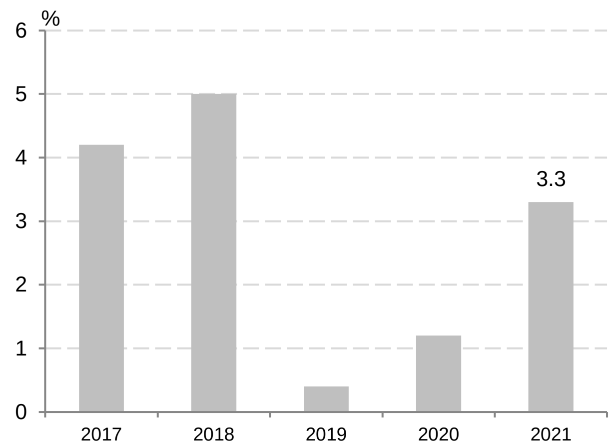
Operating margin



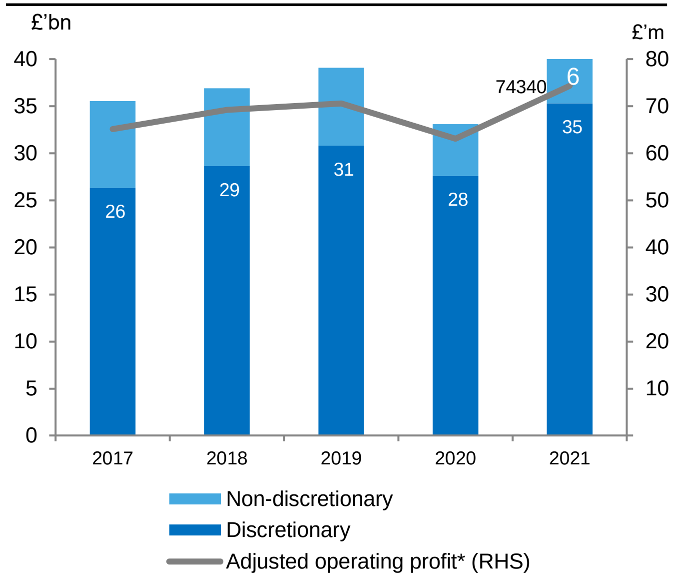
Average income# as a % of FUM



Net inflows as a % of opening FUM



Funds under management



#The average income yield on funds under management represents the annualised total operating income for the period as a percentage of the average of opening and closing funds under management. This calculation does not adjust for the impact of market movements throughout the period on funds under management or the timing of acquisitions and disposals (where applicable) during the respective periods. *Adjusted operating profit is Operating profit before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests. ^Annualised net flows in funds under management as a % of opening funds under management.

IBP: two core areas of activity (continued)

Specialist Banking ongoing: Key income drivers and performance statistics

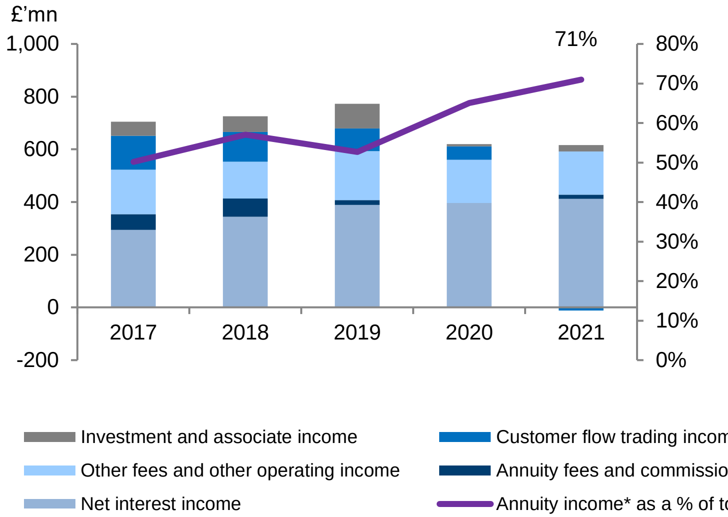
Key income drivers (besides market, economic and rate levels)

- **Net interest:** levels of loans; surplus cash; deposits
- **Fees and commissions**: levels of private and corporate client activity
- **Investment income:** realised and unrealised returns earned on our investment and fixed income portfolios
- **Customer flow trading income:** level of client activity

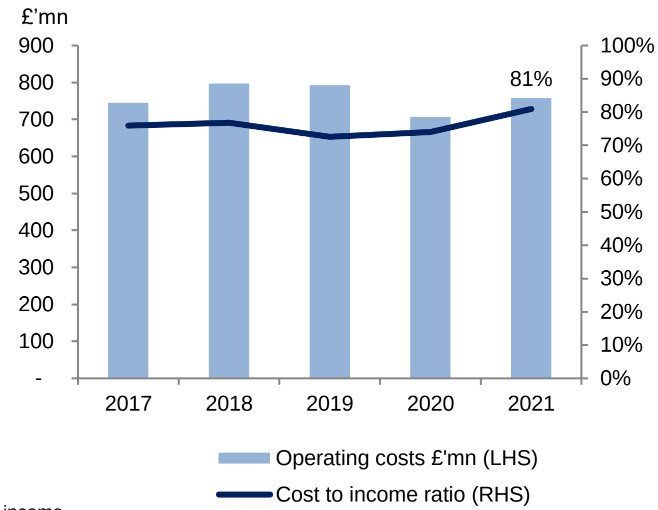
Current positioning

- Number of employees: c.2,100
- Cost to income: 81.3%
- NIM: 1.90% (Mar 2020: 2.09%)
- Adjusted operating profit*: £44.8mn (Mar 20: £102.6mn)
- % contribution to IBP adjusted operating profit*: 38%

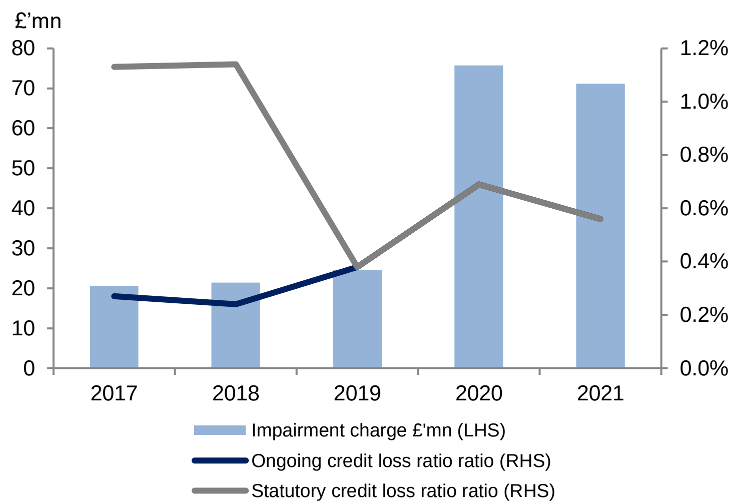
Revenue



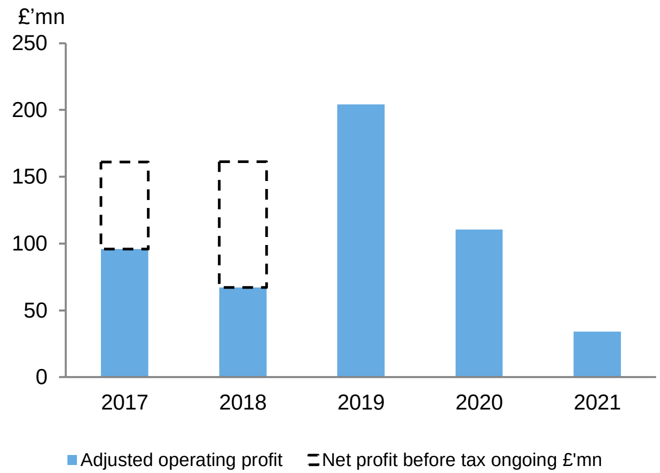
Costs



Expected credit loss impairment charges



Adjusted operating profit**

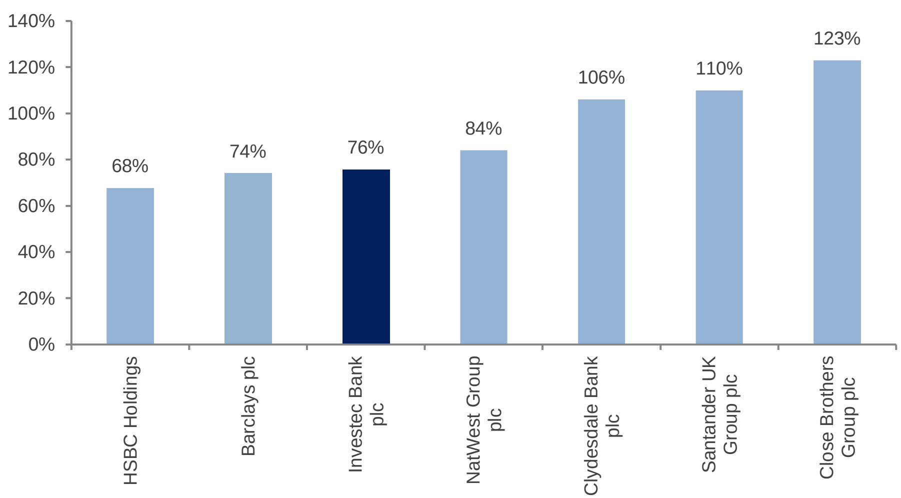


Information for financial years pre 2019 reflects the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold). Information from FY19 onwards is presented on a statutory basis. *Adjusted operating profit is Operating profit before goodwill, acquired intangibles and strategic actions, less profit attributable to other non-controlling interests.

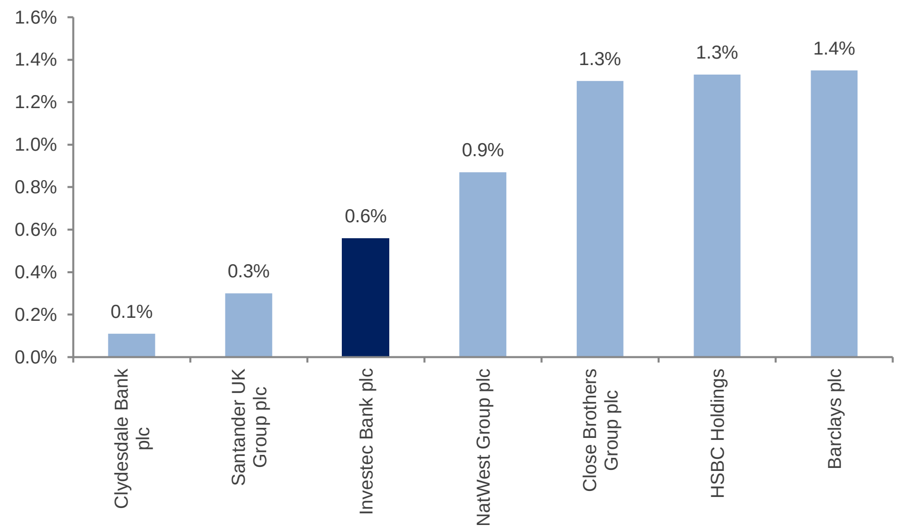
Investec Bank plc: peer analysis

Investec Bank plc: peer group comparisons

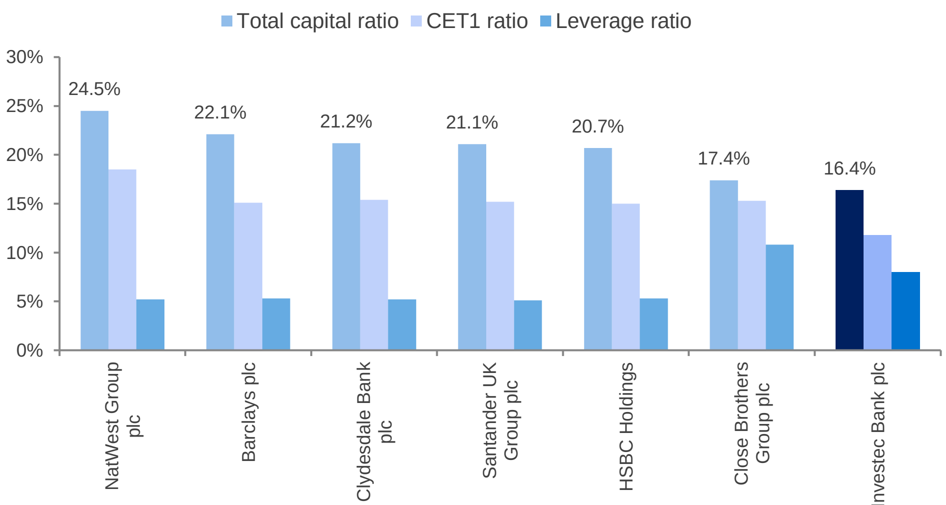
Funding: Loans and advances to customers as a % of customer deposits (smaller number is better)



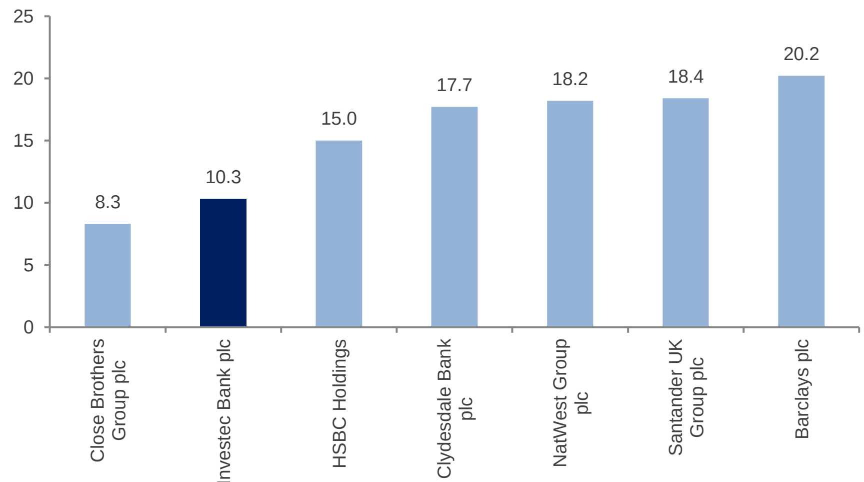
Credit loss ratio: ECL impairment charges as a % of average core loans and advances (smaller number is better)



Capital ratios* (larger number is better)



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



Source: Company year end/interim financial results as at 20 May 2021. *IBP 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. IBP's total RWAs/Total assets was 65% at 31 March 2021, which is substantially higher than some other UK banks which have an average RWA intensity of c.30%.

Investec Bank 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.
- Stage 3/Default loans largely comprise loans that are impaired and/or over 90 days in arrears.

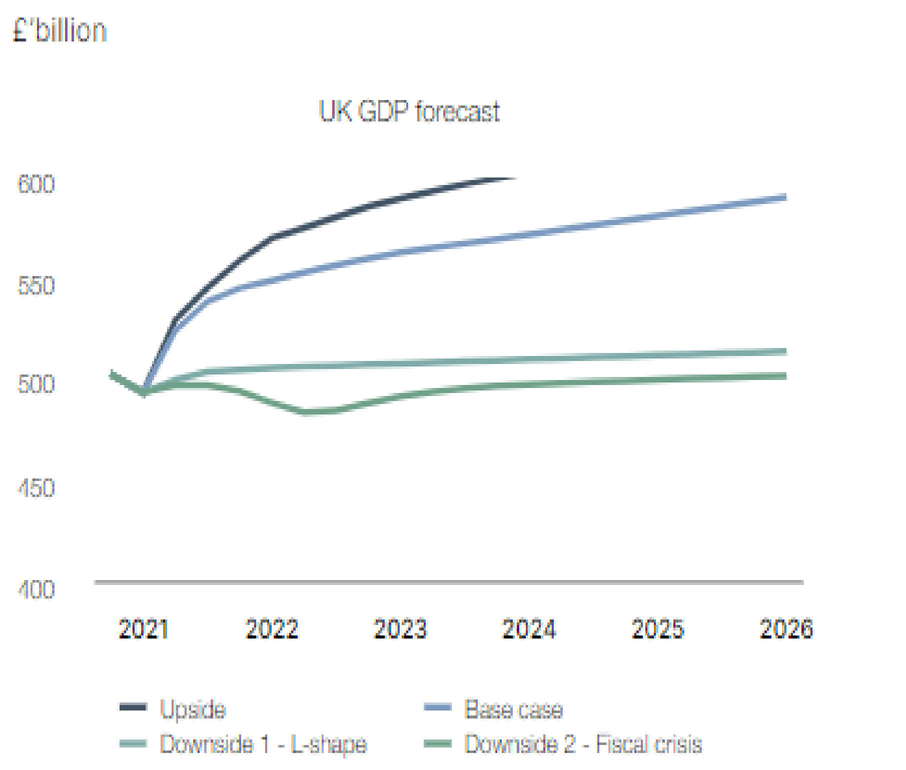
Appendix – summary financials

IFRS 9 macro economic scenario forecasts

- For Investec Bank 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.

- 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 2021.

UK GDP forecast under COVID assumptions
£'bn



Macro-economic scenarios	Upside %	Base case %	Downside 1 L-shape	Downside 2 No-FTA Brexit
UK				
GDP growth	5.4	4.2	1.3	0.9
Unemployment	4.3	4.7	6.9	7.8
House price growth	3.7	1.6	0.7	-0.9
BoE – Bank rate	1.0	0.6	-0.4	-0.7
Euro area				
GDP growth	4.4	3.1	-1	0.9
US				
GDP growth	6.5	3.4	1.4	1.2
Scenario weighting	10	55	30	5

IBP: salient financial features

Key financial statistics	31 March 2021	31 March 2020	% change
Total operating income before expected credit loss impairment charges (£'000)	936 332	957 207	(2.2%)
Operating costs (£'000)	757 758	707 033	7.2%)
Adjusted operating profit (£'000)	108 301	173 604	(37.6%)
Earnings attributable to ordinary shareholder (£'000)	63 809	57 822	(10.4%)
Cost to income ratio (%)	80.9%	73.9%	
Total capital resources (including subordinated liabilities) (£'000)	3 136 401	3 118 202	0.6%
Total equity (£'000)	2 364 920	2 331 172	1.4%
Total assets (£'000)^	24 395 538	24 570 955	(0.7%)
Net core loans (£'000)	12 311 104	11 832 499	4.0%
Customer accounts (deposits) (£'000)	16 240 634	15 505 883	4.7%
Loans and advances to customers as a % of customer deposits	75.8%	76.3%	
Cash and near cash balances (£'mn)	6 857	6 040	13.5%
Funds under management (£'mn)	41 708	33 465	24.6%
Total gearing ratio (i.e. total assets to equity)	10.3x	10.6x	
Total capital ratio	16.4%	16.5%	
Tier 1 ratio	13.4%	13.1%	
CET 1 ratio	11.8%	11.5%	
Leverage ratio	8.0%	8.0%	
Leverage ratio – 'fully loaded'	7.7%	7.7%	
Stage 3 exposure as a % of gross core loans subject to ECL	2.8%	3.3%	
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	2.0%	2.4%	
Credit loss ratio	0.56%	0.69%	

^Restated as detailed in the IBP website book

IBP: income statement

£'000	Year to 31 Mar 2021	Year to 31 Mar 2020
Interest income	702 126	784 421
Interest expense	(288 035)	(374 872)
Net interest income	**414 091**	**409 549**
Fee and commission income	499 671	495 789
Fee and commission expense	(13 201)	(13 766)
Investment income	23 820	6 591
Share of post taxation profit of associates and joint venture holdings	1 768	2 128
Trading income arising from		
- customer flow	(11 025)	50 980
- balance sheet management and other trading activities	11 206	(528)
Other operating income	10 002	6 464
Total operating income before expected credit loss impairment charges	**936 332**	**957 207**
Expected credit loss impairment charges	(71 134)	(75 706)
Operating income	**865 198**	**881 501**
Operating costs	(757 758)	(707 033)
Operating profit before acquired intangibles and strategic actions	**107 440**	**174 468**
Impairment of goodwill	(8 787)	-
Amortisation of acquired intangibles	(12 851)	(12 915)
Closure and rundown of the Hong Kong direct investments business	7 387	(89 257)
Operating profit	**93 189**	**72 296**
Financial impact of group restructures	-	(26 898)
Profit before taxation	**93 189**	**45 398**
Taxation on operating profit before acquired intangibles and strategic actions	(31 270)	(7 638)
Taxation on acquired intangibles and strategic actions	1 029	20 926
Profit after taxation	**62 948**	**58 686**
Profit / Loss attributable to non-controlling interests	861	(864)
Earnings attributable to shareholder	**63 809**	**57 822**

IBP: balance sheet

£'000	31 March 2021	31 March 2020
Assets		
Cash and balances at central banks	3 043 034	2 277 318
Loans and advances to banks	1 383 602	1 793 867
Reverse repurchase agreements and cash collateral on securities borrowed	2 065 232	2 458 822
Sovereign debt securities	1 108 253	1 084 958
Bank debt securities	48 044	51 238
Other debt securities	708 845	695 818
Derivative financial instruments	773 334	1 250 994
Securities arising from trading activities	281 645	256 645
Investment portfolio	350 941	350 662
Loans and advances to customers	12 316 313	11 834 207
Other loans and advances	162 456	266 501
Other securitised assets	107 259	106 218
Interests in associated undertakings and joint venture holdings	4 213	6 579
Deferred taxation assets	109 849	129 715
Other assets	1 438 535	1 462 159
Property and equipment	185 502	216 955
Goodwill	244 072	252 958
Software	7 791	6 955
Other intangible assets	56 618	68 386
Total assets	**24 395 540**	**24 570 955**

IBP: balance sheet (continued)

£'000	31 March 2021	31 March 2020
Liabilities		
Deposits by banks	1 352 279	1 450 463
Derivative financial instruments	916 352	1 147 525
Other trading liabilities	49 055	118 572
Repurchase agreements and cash collateral on securities lent	157 357	396 811
Customer accounts (deposits)	16 240 634	15 505 883
Debt securities in issue	1 193 378	1 026 474
Liabilities arising on securitisation of other assets	108 281	110 679
Current taxation liabilities	37 287	43 470
Deferred taxation liabilities	20 652	22 112
Other liabilities	1 183 862	1 630 764
	21 259 137	**21 452 753**
Subordinated liabilities	771 481	787 030
	22 030 618	**22 239 783**
Equity		
Ordinary share capital	1 280 550	1 280 550
Share premium	199 538	199 538
Capital reserve	153 177	153 177
Other reserves	(12 827)	(11 071)
Retained income	494 092	455 609
Shareholder's equity excluding non-controlling interests	**2 114 530**	**2 077 803**
Additional Tier 1 securities in issue	250 000	250 000
Non-controlling interests in partially held subsidiaries	390	3 369
Total equity	**2 364 920**	**2 331 172**
Total liabilities and equity	**24 395 538**	**24 669 539**

IBP: segmental analysis of operating profit

For the year ended 31 March 2021 £'000	Wealth & Investment	Specialist Banking		Total group
		Private Banking	CIB & Other	
Net interest income	2 296	34 664	377 131	414 091
Fee and commission income	316 813	705	182 153	499 671
Fee and commission expense	(773)	(61)	(23 367)	(13 201)
Investment income	272	19	23 529	23 820
Share of post taxation profit of associates and joint venture holdings	-	-	1 768	1 768
Trading income arising from				
- customer flow	920	1 196	(13 141)	(11 025)
- balance sheet management and other trading activities	(9)	13	11 202	11 206
Other operating income	-	-	10 002	10 002)
Total operating income before expected credit loss impairment charges	**319 519**	**36 536**	**580 277**	**936 332**
Expected credit loss impairment releases/(charges)	(4)	(1 515)	(69 615)	(71 134)
Operating income	**319 515**	**35 021**	**510 662**	**865 198**
Operating costs	(245 175)	(38 033)	(474 550)	-(57 758)
Operating profit before acquired intangibles and strategic actions	**74 340**	**(3 012)**	**36 112**	**107 440**
Profit attributable to non-controlling interests	-	-	861	861
Adjusted operating profit	**74 340**	**(3 012)**	**36 973**	**108 301**
Selected returns and key statistics				
Cost to income ratio	76.7%	104.1%	81.7%	80.9%
Total assets (£'million)	1 016	3 338	20 042	24 396

IBP: segmental analysis of operating profit

For the year to 31 March 2020 £'000	Wealth & Investment	Specialist Banking		Total group
		Private Banking	CIB & Other	
Net interest income	12 604	23 441	373 504	409 549
Fee and commission income	305 090	341	190 358	495 789
Fee and commission expense	(678)	(8)	(13 080)	(13 766)
Investment income	(436)	-	7 027	6 591
Share of post taxation profit of associates and joint venture holdings	-	-	2 128	2 128
Trading income arising from				
- customer flow	862	1 433	48 685	50 980
- balance sheet management and other trading activities	108	1	(637)	(528)
Other operating income	181	-	6 283	6 464
Total operating income before expected credit loss impairment charges	**317 731**	**25 208**	**614 268**	**957 207**
Expected credit loss impairment releases/(charges)	1	(643)	(75 064)	(75 706)
Operating income	**(317 732)**	**24 565**	**539 204**	**881 501**
Operating costs	(254 714)	(43 482)	(408 837)	(707 033)
Operating profit before acquired intangibles and strategic actions	**63 018**	**(18 917)**	**129 503**	**174 468**
Profit attributable to non-controlling interests	-	-	(864)	(864)
Adjusted operating profit	**63 018**	**(18 917)**	**129 503**	**173 604**
Selected returns and key statistics				
Cost to income ratio	80.20%	172.5%	66.7%	73.90%
Total assets (£'million)	1 013	2 432	21 126	24 571

IBP: asset quality under IFRS 9

£'million	31 March 2021	31 March 2020
Gross core loans subject to ECL	**11 968**	**11 354**
Stage 1	10 398	10 339
Stage 2	1 238	576
of which past due greater than 30 days	90	*31*
Stage 3	332	379
*Ongoing (excluding Legacy) Stage 3**	231	*249*
Gross core loans subject to ECL (%)		
Stage 1	86.9%	91.6%
Stage 2	10.3%	5.1%
Stage 3	2.8%	3.3%
*Ongoing (excluding Legacy) Stage 3**	*1.9%*	*2.2%*
Stage 3 net of ECL	231	272
*Ongoing (excluding Legacy) Stage 3**	169	*187*
Aggregate collateral and other credit enhancements on Stage 3	235	274
Stage 3 net of ECL and collateral		-
Stage 3 as a % of gross core loans subject to ECL	2.8%	3.3%
*Ongoing (excluding Legacy) Stage 3**	*1.9%*	*2.2%*
Total ECL as a % of Stage 3 exposure	50.9%	46.2%
Stage 3 net of ECL as a % of net core loans subject to ECL	2.0%	2.4%
*Ongoing (excluding Legacy) Stage 3**	*1.4%*	*1.7%*

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

IBP: capital adequacy

£'million	31 March 2021	31 March 2020*
Tier 1 capital		
Shareholders' equity	2 081	2 061
Non-controlling interests	-	-
Regulatory adjustments to the accounting basis	99	91
Deductions	(312)	(333)
Common equity tier 1 capital	**1868**	**1 819**
Additional tier 1 capital	250	250
Tier 1 capital	**2 118**	**2 069**
Tier 2 capital	**473**	**533**
Total regulatory capital	**2 591**	**2 602**
Risk-weighted assets^	**15 789**	**15 808**
Capital ratios^		
Common equity tier 1 ratio	11.8%	11.5%
Tier 1 ratio	13.4%	13.1%
Total capital ratio	16.4%	16.5%

*The capital adequacy disclosures for Investec Bank plc include the deduction of foreseeable charges and dividends when calculating common equity tier (CET) 1 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 the Investec group's 2021 integrated annual reports, which follow our normal basis of presentation and do not include the when calculating CET 1 capital. Investec Bank plc's CET 1 ratio would be 7bps (31 March 2020: 0bps) higher on this basis. ^CET 1, Tier 1 (T1), total capital adequacy ratios and risk-weighted assets are calculated applying the IFRS 9 transitional arrangements.