Investec

OUT OF THE ORDINARY

Investec Bank plc

Overview

November 2021

The information in this presentation relates to the six months ended 30 September 2021, unless otherwise indicated.

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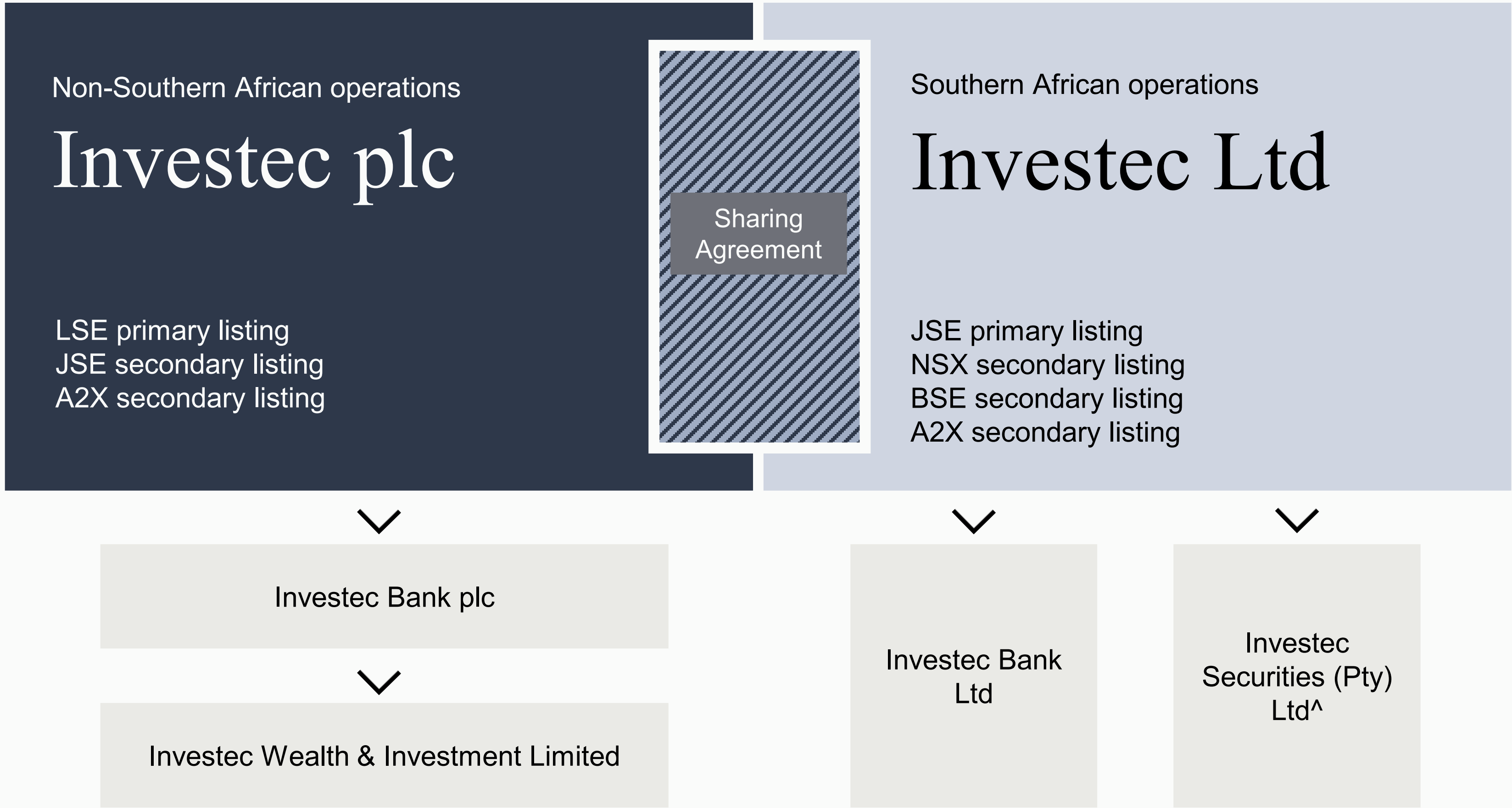
Overview of Investec group

Investec Dual Listed Company structure

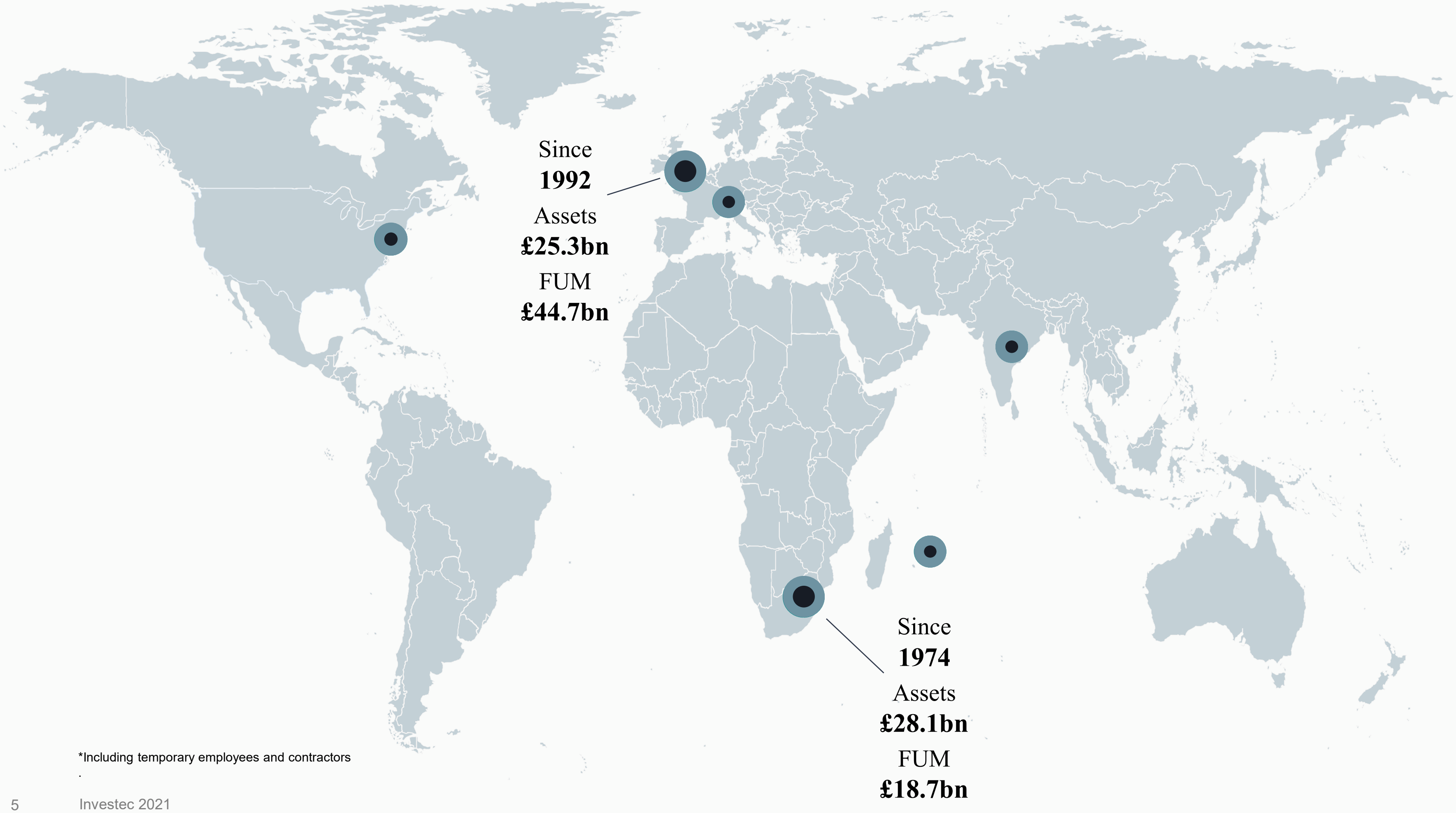


- Investec plc and Investec Limited are **separate legal entities and listings**, but are bound together by contractual agreements and mechanisms
- Investec operates as if it is a **single unified economic enterprise**
- Shareholders have **common economic and voting interests** as if Investec plc and Investec Limited were a single company
- **Creditors, however, are ring-fenced** to either Investec plc or Investec Limited as there are **no cross-guarantees** between the companies
- In March 2020, Investec completed the demerger and separate listing of Ninety One (formerly Investec Asset Management). Investec retained a 25% shareholding in the Ninety One group, with 16.3% held through Investec plc and 8.7% held through Investec Limited.

^ Houses the Wealth & Investment business
Note: All shareholdings are 100%. Only main operating subsidiaries are indicated.

Investec group at a glance

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 **£53.5bn**; total equity of **£5.5bn**; and total funds under management of **£63.4bn**

*Including temporary employees and contractors

One Investec

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

Our values

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

1

Cast-iron Integrity

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

2

Distinctive Performance

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

3

Client focus

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

4

Dedicated partnership

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

40+ years of heritage.

Two core geographies.

One Investec.

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

Investment proposition

Well positioned to pursue long-term growth

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

Framework to drive improved business performance

Growth initiatives

Clear set of opportunities to deliver revenue growth

Cost management

Improved management of the cost base through operational leverage

Underpinned by

Capital discipline

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

And delivered through

Digitalisation

Connectivity

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

Sustainability highlights

Ensuring that we do no harm, contribute positively, lend and invest responsibly and maintain our competitive ESG position

Sustainability principles

1. Creating enduring worth for all our stakeholders
2. Do no harm through ethical conduct and ESG screening
3. Committed to net-zero emissions
4. Providing profitable, impactful and sustainable products and services
5. Maximising impact through a focus on the SDGs

ENABLED THROUGH

Strong governance

- Created a framework linking **executive directors' remuneration** to ESG KPIs
- **Deepened our ESG skills** on the Group Board with the addition of two new non-executive directors
- Received a **low-risk rating** from Sustainalytics (16.6)

Innovative sustainable finance

Core SDGs

Climate action — 13 CLIMATE ACTION

- **99.9%** favorable vote for Scope 3 financed emissions resolution
- **0.11%** coal as a % of loans and advances
- A proud participant of: Climate Action 100+ — Investec Wealth & Investment
- Net-Zero Banking Alliance — Committed to NZBA

Reduced inequalities — 10 REDUCED INEQUALITIES

- **36%** women on the board
- **43%** board ethnic diversity
- **Level 1** BBBEE rating
- **4th** 2021 Universum employer of choice: students

Supporting SDGs

Some examples of how we supported the SDGs since April 2021

- 4 QUALITY EDUCATION — **£7.75mn** Sustainability Linked Loan to a client providing professional learning and development programmes
- 7 AFFORDABLE AND CLEAN ENERGY — **€90mn** Long-term partnership for UK renewable energy or carbon reduction projects
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — **R2.5bn** debt package for fibre roll-out primarily into underserviced businesses and homes
- 6 CLEAN WATER AND SANITATION — **R1.65bn** To secure South Africa's water resources through Trans Caledon Tunnel Authority
- 8 DECENT WORK AND ECONOMIC GROWTH — **£10.83mn** facility to fund the development of a modular student scheme
- 11 SUSTAINABLE CITIES AND COMMUNITIES — **€215mn** Arranged finance for TWO major hospital projects in Ghana

Strong ESG ratings

- Sustainability Yearbook Member 2021, S&P Global — **Top 15%** in the global diversified financial services sector (inclusion since 2006)
- CDP, Driving Sustainable Economies — **Score B** against an industry average of B (formerly Carbon Disclosure Project)
- Sustainalytics, a Morningstar company, RATED — **Top 16%** of globally assessed companies in the Global Sustainability Leaders Index
- ISS ESG — **Top 20%** of the ISS ESG global universe and **Top 14%** of diversified financial services
- MSCI ESG Ratings AAA (CCC | B | BB | BBB | A | AA | AAA) — **Top 2%** in the financial services sector in the MSCI Global Sustainability Index
- FTSE4Good — Included in the FTSE **UK 100 ESG Select Index** (out of 641). Included in the FTSE4Good **Index**

OUT OF THE ORDINARY

Overview of Investec Bank plc (IBP)

The information in this presentation relates to the six months ended 30 September 2021, unless otherwise indicated.

Investec Bank plc

A distinctive bank and investment manager with primary business in the UK

Total assets	Net core loans	Customer deposits	Funds under management	Employees (approx.)
£25.1bn	£13.7bn	£17.0bn	£44.7bn	3,400

Key highlights

Diversified revenue streams with high annuity base

- Balanced and defensive business model comprising **two core business activities: Specialist Banking and Wealth & Investment**
- Continued focus on growing **our capital light income, now 46.6% of Investec Bank plc's revenue**
- Geographic and operational diversity with a high level of **annuity revenue[1] accounting for 78.4% of total operating income**
- **Total funds under management (FUM) of £44.7bn** 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**: 11.7% CET1 ratio, strong leverage ratio of 7.9% (9.0%[2] on the UK leverage ratio framework) and total capital ratio of 16.0%/18.1%[3]
- Investec Bank plc benefits from **a substantial unlevered asset, being Wealth & Investment**
- **Strong liquidity ratios** with high level of readily available liquid assets, representing 43% of customer deposits (cash and near cash: £7.3bn)
- **Diversified funding base** with strong retail deposit franchise and low reliance on wholesale funding, customer deposits grew 4.8% in the six months ended 30 September 2021
- We target a **diversified, secured loan portfolio**, lending to clients we know and understand
- We **inherently hold more capital per unit of risk**, with a conservative **risk-weighted assets density of 64.6%[4]**

[1] Where annuity income is net interest income and annuity fees. [2] 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. [3] Pro-forma 30 September 2021 total capital ratio includes the proceeds of IBP's internal £350m tier 2 subordinated loan issuance, dated 4 October 2021. [4] Risk-weighted assets as a percentage of total assets.

Overview of Investec Bank plc

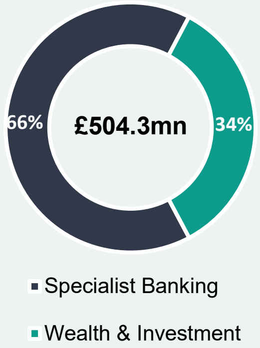
We provide our clients with a diversified, combined and integrated banking and wealth management offering with extensive depth and breadth of product and services

Corporate / Institutional / Private Equity / Intermediary / Government	Private clients (high net worth) / charities / trusts
Specialist Banking	**Wealth & Investment**
Lending	Discretionary wealth management
Transactional banking	Investment advisory services
Advice	Financial planning
Hedging	
Cash – deposit and savings	
Equity placement	

Specialist Banking – What makes us distinct

- Provision of high touch personalised service, with ability to execute quickly
- Ability to leverage international, cross-border platforms
- Well positioned to capture opportunities between the developed and the emerging world
- Strong ability to originate, manufacture and distribute
- Balanced business model with good business depth and breadth
- Provision of high-quality solutions to corporate and private clients, with leading positions in select areas

% contribution to revenue



Wealth & Investment - What makes us distinct

- Built via organic growth and the acquisition of businesses over a long period of time
- Global investment process, delivering tailor-made and innovative solutions to our clients
- Domestically relevant with offshore capabilities
- Recognised brand and balance sheet strength attracts investment managers and supports client acquisition
- Size allows us to be agile but with the scale and strength to compete successfully
- Well-positioned for evolving domestic market trends (e.g. financial planning, digitalisation)

Balanced business model

Focused on growing capital light businesses

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 £44.7bn at 30 September 2021. In the six months ended 30 September 2021, 34% of Investec Bank plc's revenue came from Wealth & Investment

Capital light activities

Includes:

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

£235mn

46.6% of total revenue

Of which:

Net fees and commissions:

£230.3mn

~45.7% of total revenue

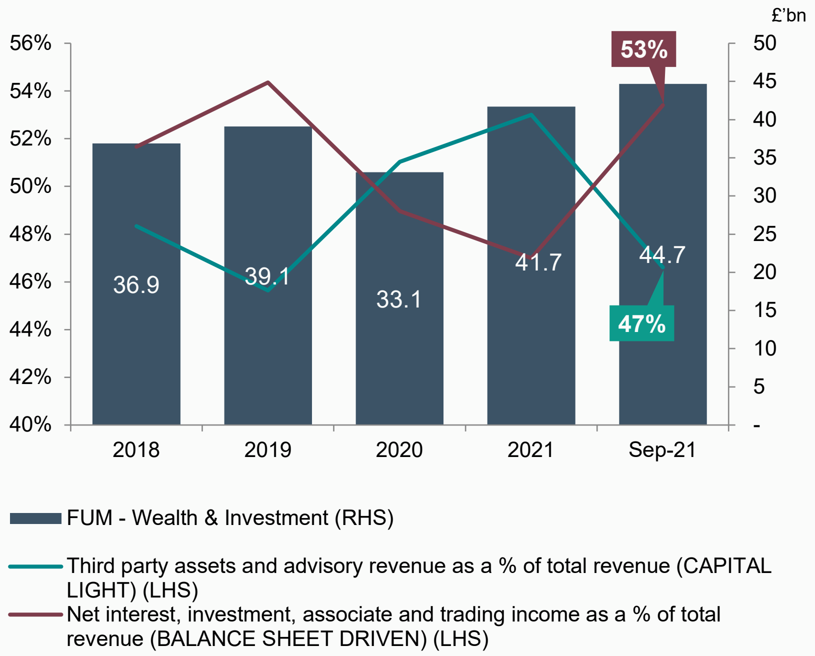
- Specialist Banking - £57mn
- Wealth & Investment - £173mn

Other:

£4.5mn

~0.9% of total revenue

Investec Bank plc funds under management and revenue type



Balance sheet driven activities

Includes:

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

£269mn

53.4% of total revenue

Of which:

Net interest income:

£235.5mn

~46.7% of total revenue

Customer flow and other trading income:

£28.7mn

~5.7% of total revenue

Investment and associate income:

£5.3mn

~1.0% of total revenue

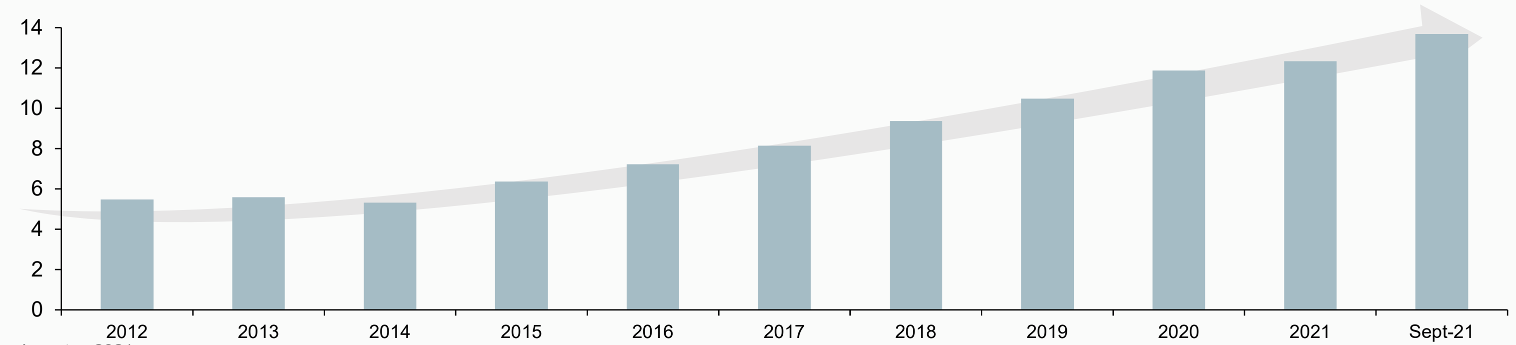
Fee and commission income ← Types of income → Net interest, investment, associate and customer flow trading income

Specialist Banking

Winning in under-serviced parts of the market through dynamic, full service offering

Private clients	Private companies	Private equity and sponsor-backed companies	Publically listed companies	Specialist sectors
For **high net worth clients** that need a banking partner to provide intellectual and financial capital to achieve their vision of success	For **UK mid-market founder and entrepreneur-led businesses** looking for a banking partner to support their needs, along every stage of their journey	For **UK mid-market Private Equity** clients looking for boutique service with 'bulge bracket' capability and award-winning franchises	For **UK mid-market listed companies** looking for top-ranked corporate broking and equity research and strategic advisory	**International specialist sector clients** looking for a corporate finance and banking partner with deep expertise and an innovative approach
Mortgages & Personal Lending, Cash Management & Foreign Exchange, Private Capital, integrated with Wealth Mgmt.	Growth & Leveraged Finance, Working Capital & Asset Finance, Specialist Lending, M&A Advisory, Equity Capital Markets, Treasury & Risk Solutions			

£'bn **UK Specialist Banking loan growth over time**[1]



Permanent employees	**c.2,100**
% Contribution to revenue[2] of Investec group	**c.35%**
% Contribution to loan book of Investec group	**c.48%**

[1] Information for financial years prior to 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.
[2] Investec Bank plc's Specialist Banking's total operating income before expected credit loss impairment charges as a percentage of the Investec group's (for the six months ended 30 September 2021).

Wealth & Investment

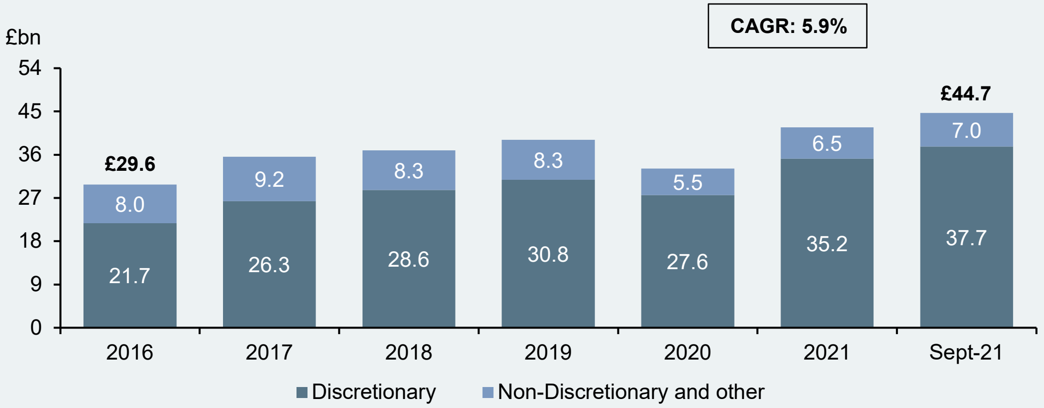
A leading private client wealth manager in the UK with £44.7bn funds under management

Our service offering	• Financial planning advice • Investment management, including bespoke portfolio management
Our client groups	• Private clients, including HNW and International • Clients of professional advisors • Charities
Our distribution channels	• Direct • Intermediaries • Investec Private Bank
International recognition	defaqto 2021 GOLD DFM Service; defaqto EXPERT RATED DFM Bespoke 2013-2021; defaqto EXPERT RATED DFM MPS on Platform 2021; 3D 2020 Investec Wealth & Investment Limited Awarded by ARC; COLWMA Winner 2019 Charity Investment Team of the Year Investec Wealth & Investment

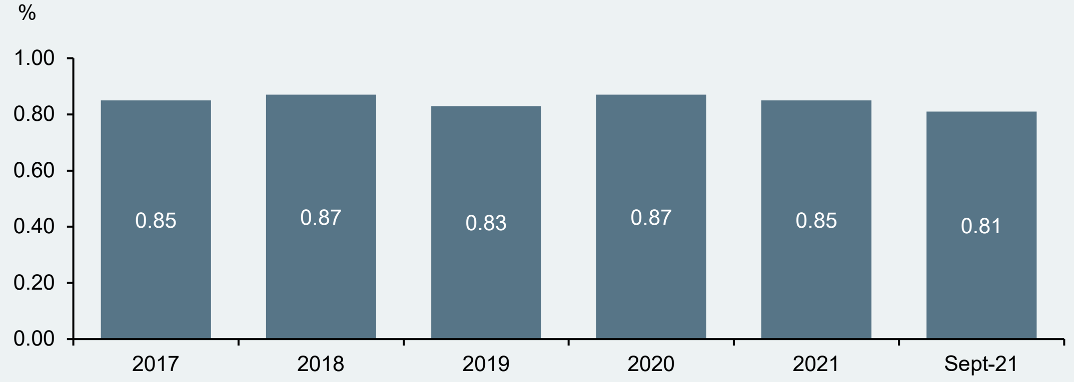
Key facts

Total FUM	£44.7bn[1]
% UK Discretionary	86%
% UK Direct	c.83%
Operating margin[2]	26.0%
Average yield	0.81%
Target Client	> £250k
# of Offices	15
# of UK client relationships	c.40,000
# of UK IMs[3]	316
# of UK FPs[3]	40

Focused move to discretionary wealth management – getting closer to CMD target of >90% discretionary FUM within three years



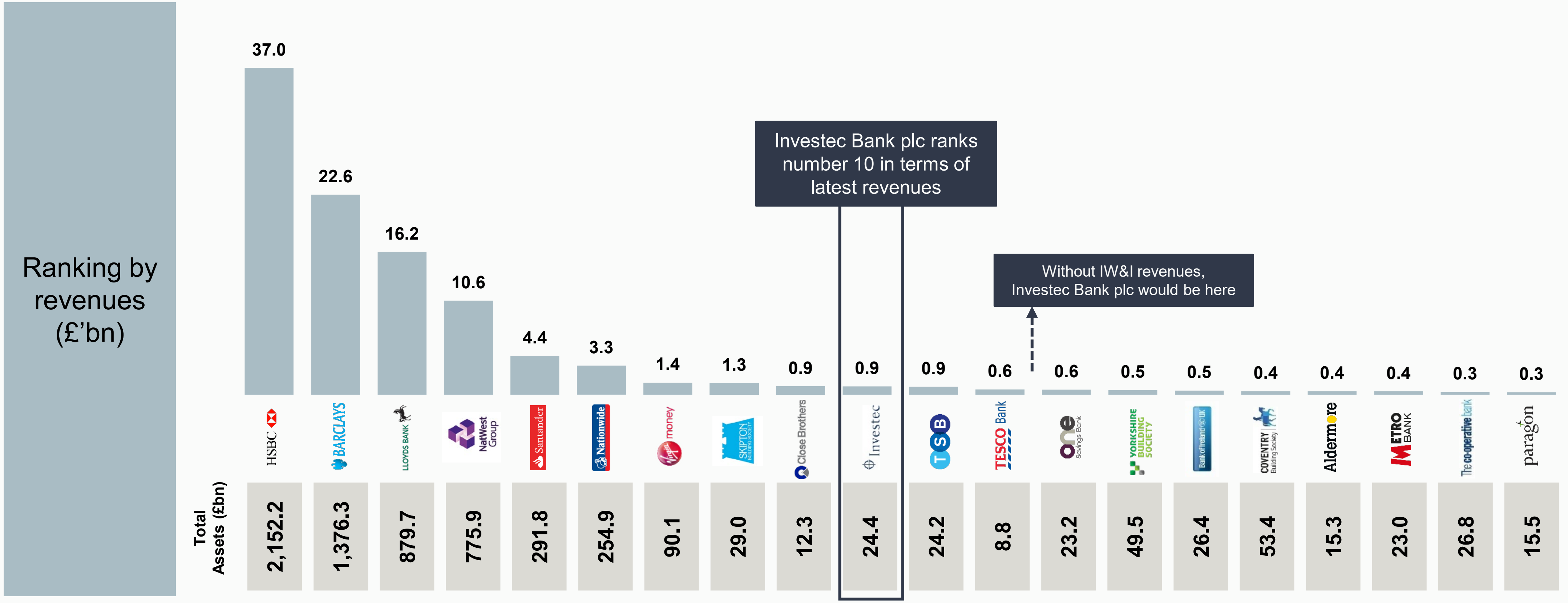
Average income[4] as a % of FUM



[1] Comprises UK & Channel Islands and Switzerland. In October 2019, the Republic of Ireland Wealth & Investment business was sold to Brewin Dolphin. UK & Channel Islands comprises c.97% of total FUM. [2] The operating margin of the UK & Channel Islands business (as well as Switzerland) was 24.3% at 30 September 2021.[3] Where IMs is investment managers and FPs is financial planners. [4] The average income yield on funds under management represents the total operating income for the period as a percentage of the average of opening and closing funds under management. This calculation does not adjust for the impact of market movements throughout the period on funds under management or the timing of acquisitions and disposals (where applicable) during the respective periods.

Domestically relevant, internationally connected

Investec Bank plc is a substantial business generating revenues of £936mn for the financial year ended 31 March 2021 despite the impacts from the COVID-19 pandemic.



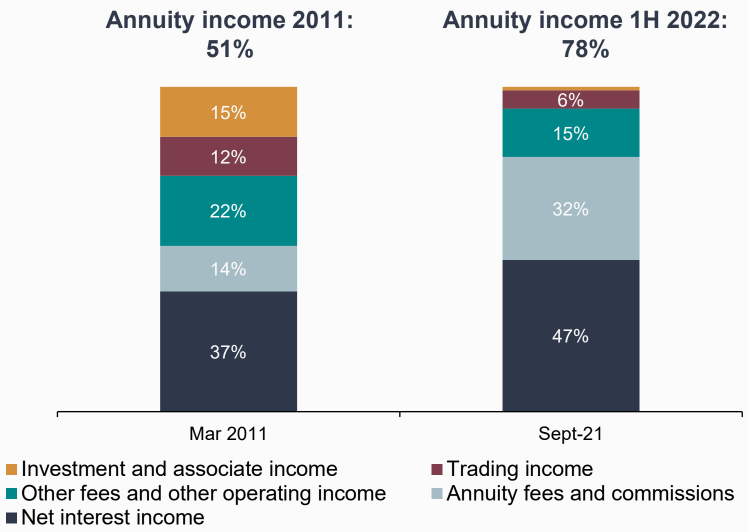
All figures are based on 30 June 2021 disclosures, with the exception of Investec Bank plc, Virgin Money UK plc and Paragon Banking Group plc which are shown as at 31 March 2021, Nationwide Building Society which is shown as at 4 April 2021, Tesco Personal Finance Group plc which is shown at 28 February 2021, Close Brothers Group plc which is shown at 31 January 2021, TSB Bank plc and Bank of Ireland (UK) plc which are shown at 31 December 2020 and Aldermore Group plc which is shown at 30 June 2020. Revenues have been annualised for all banks except Investec plc, Nationwide Building Society, TSB Bank plc, Tesco Personal Finance Group plc and Bank of Ireland (UK) plc whose results are shown at year end.

OUT OF THE ORDINARY

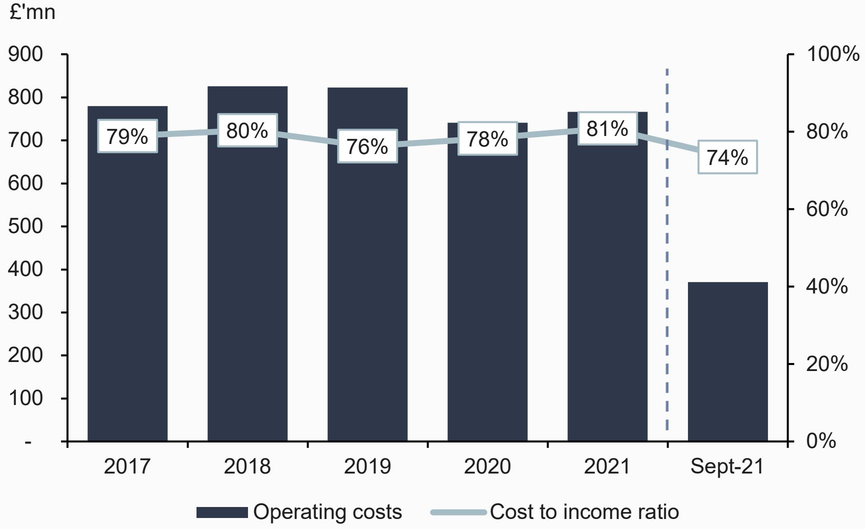
IBP’s operating fundamentals

Profitability supported by diversified revenue streams

Annuity income[1] (£'mn)



Costs and cost to income ratio (£'mn)

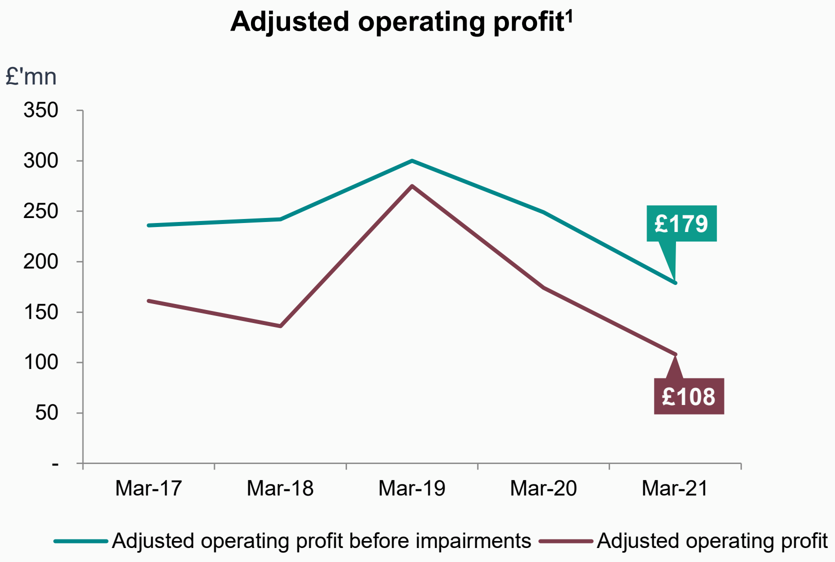


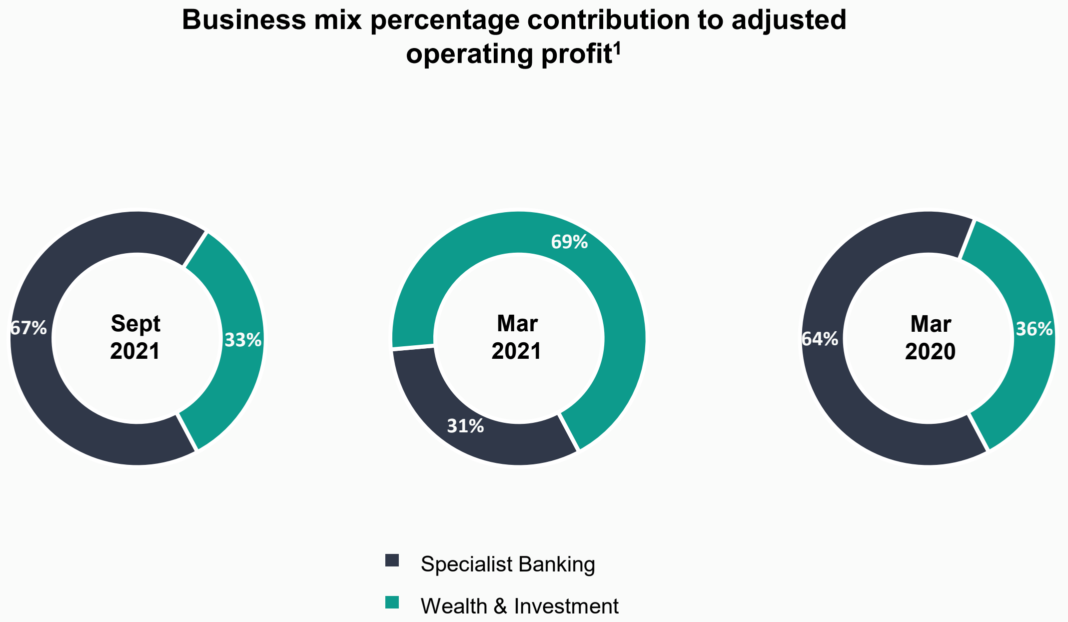
- **Solid recurring income base (1H22: 78%)** comprising net interest income and annuity fees, which has been enhanced by growth in our wealth management business and lending franchises
- **Diversified, quality revenue mix:**
  - Lending franchises driving net interest income – 47% of revenue
  - Wealth & Investment and lending franchises generating sound level of fees
- **Capital light**[1] activities = 47% of revenue.

- **Focused on managing costs** while building for the future
  - Private Banking business now in leverage and growth phase, with prior years' significant investment fully expensed
  - Continue to leverage technology and existing capabilities to improve client experience and reduce costs
- 1H22 **operating costs increased** on 1H21, driven by higher variable remuneration and discretionary spend in line with revenue growth
- The 1H22 **cost to income ratio of 73.5%** improved as a result of cost discipline and higher revenue growth.

[1] Where annuity income is net interest income and annuity fees; and capital light income is fees and other operating income.

Profitability supported by diversified revenue streams



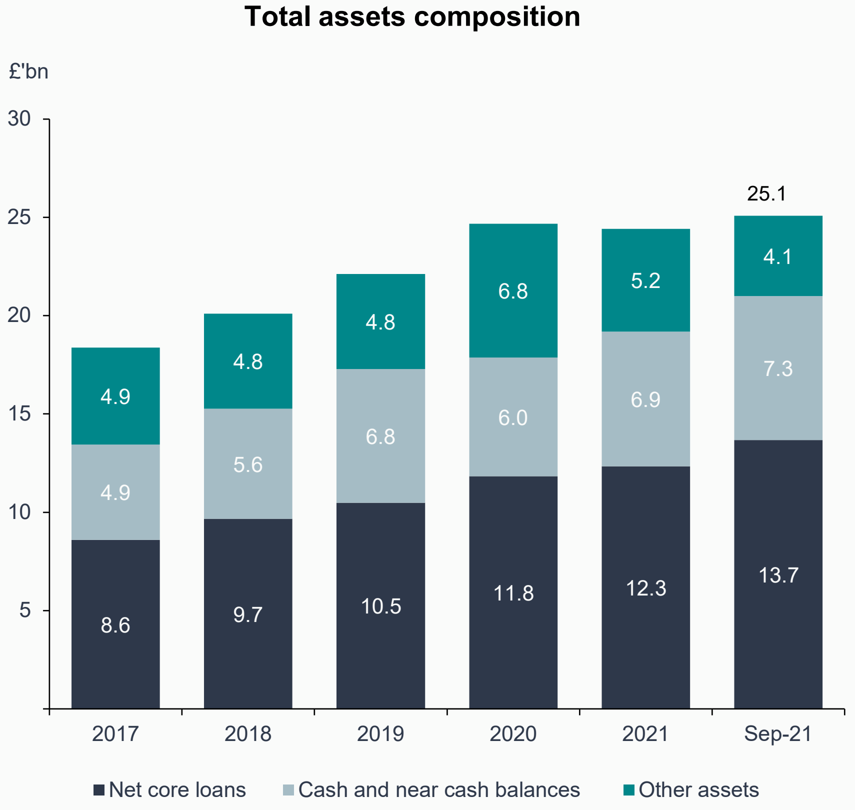


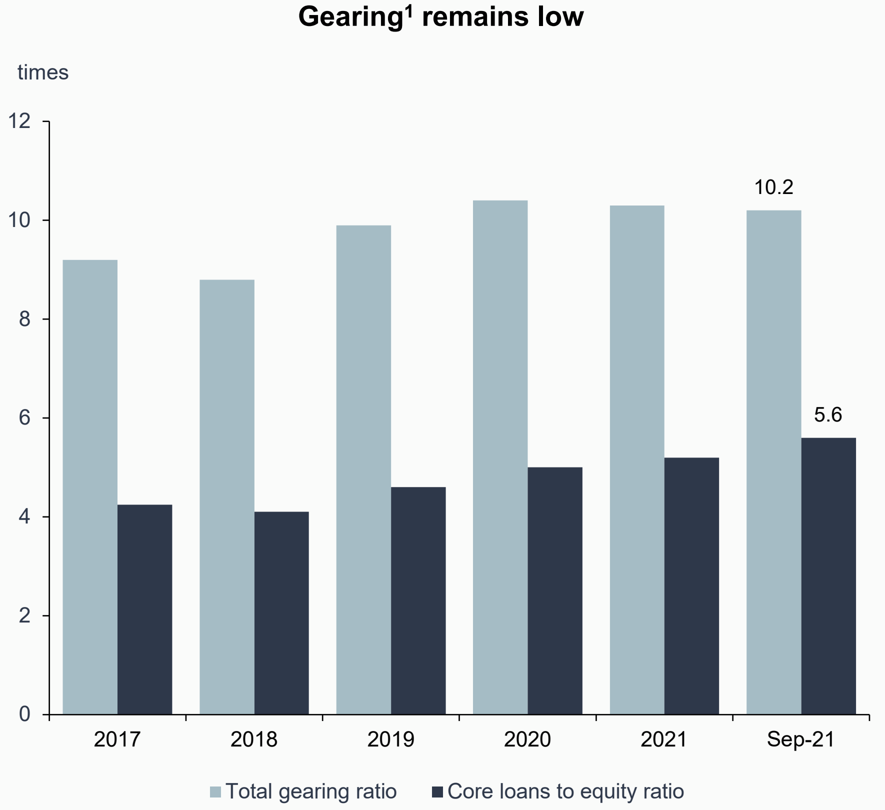
- We have grown adjusted operating profit from £51m in 2012 to £108m in March 2021 (CAGR of 8.7%)
- Since 2008, results have been impacted by elevated impairments driven by the legacy portfolio. This is particularly evident in the 2018 financial year as increased impairments were recognised in anticipation of accelerated exits on certain legacy assets. This is not expected to be repeated, as evident in the 2019, 2020 and 2021 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.

[1] 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

Consistent asset growth, gearing ratios remain low





- Our **net core loans** have grown steadily (CAGR of 10.9% since 2017)
- Good growth in **cash and near cash** balances (CAGR of 9.5% since 2017)

- We have **maintained low gearing ratios[1]** with total gearing at 10.2x and an average of 9.8x since 2017

[1] Gearing ratio calculated as total assets divided by total equity.

Exposures in a select target market

- Credit and counterparty exposures are to a **select target market:**
  - High net worth 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 clients**
- **Net core loan growth of 11.1% since 31 March 2021.** Growth has been driven by our residential mortgage portfolio through acquisition of target clients in line with our Private Clients strategy, supported by strong demand for corporate credit across several portfolios
- Focus remains on redeployment of capital into core business activities and ensuring that **concentration risk** to certain asset types, industries and geographies is **prudently managed, mitigated and controlled**

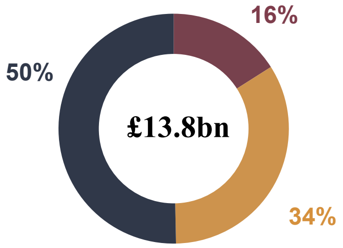
Gross core loans by country of exposure

United Kingdom	83%
Europe (excl. UK)	8%
North America	5%
Asia	2%
Australia	1%
Other	1%

Gross core loans by risk category

Corporate and other

Corporate and acquisition finance	12.1%
Fund finance	10.3%
Small ticket asset finance	9.6%
Other corporate, institutional, govt. loans	5.1%
Power & Infrastructure Finance	4.9%
Motor finance	4.8%
Asset based lending	2.5%
Large ticket asset finance	0.9%



Lending collateralised by property

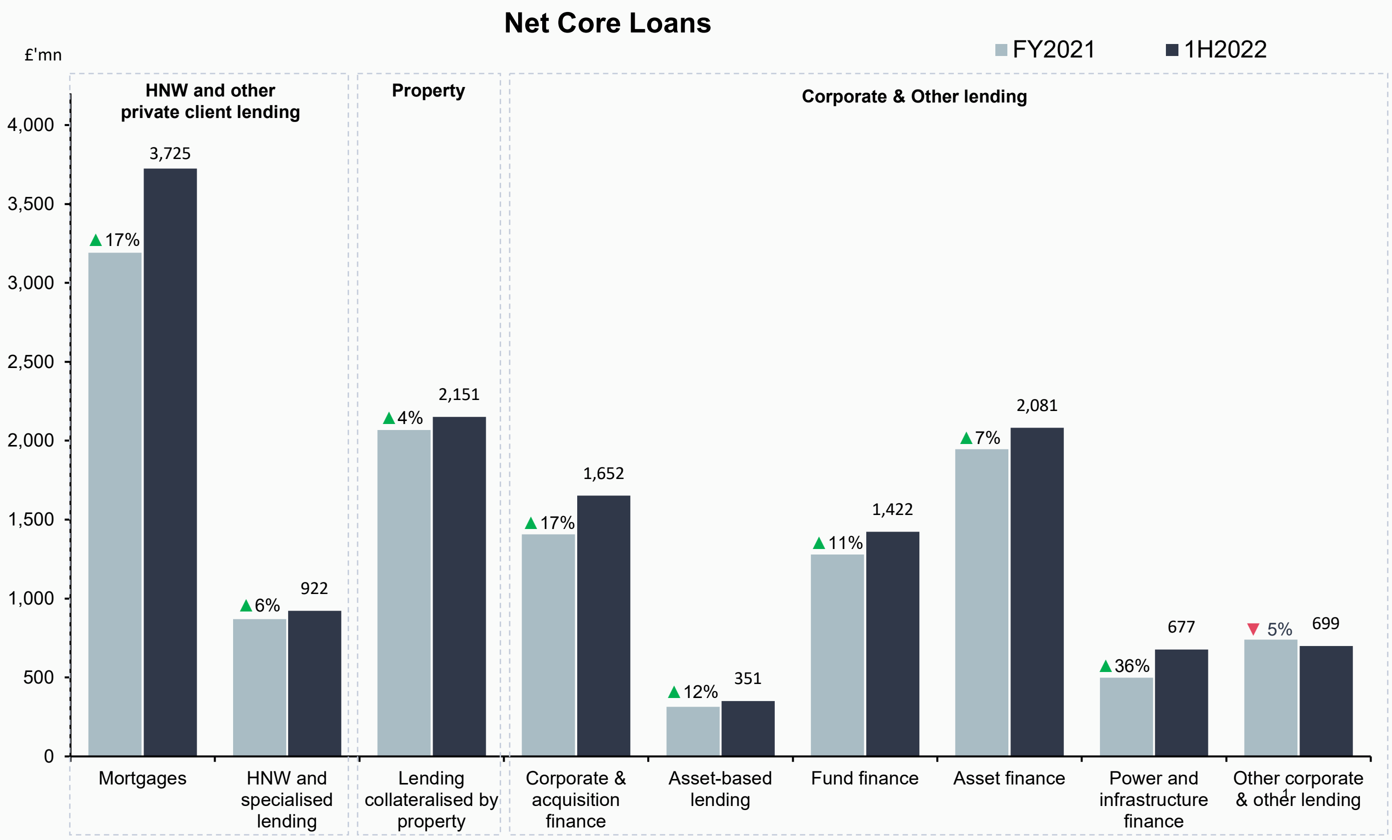
Commercial real estate – investment	8.7%
Residential real estate – development	2.7%
Residential real estate – investment	2.2%
Commercial real estate – development	2.0%
Residential vacant land and planning	0.3%
Commercial vacant land and planning	0.1%

High net worth and other private client

HNW and private client mortgages	27.0%
HNW and specialised lending	6.7%

Strong growth in loan book

Continued growth in HNW & Other Private client lending and increased activity across corporate lending portfolios



Net core loans up 11.1%, or 12.4% excluding Australia

- Strong growth in mortgages driven by continued client acquisition
- High turnover across corporate lending largely driven by new clients

Good traction in Private Banking resulted in strong growth in Mortgages in the period to 30 September 2021 focused on target clients with lending in established areas (London and the South East) with recourse to principal and high level of cash equity contributions into transactions. Average loan to value c.60%

Since 2009, the residential mortgage book has incurred overall specific impairment charges of c.£6mn in total attributable to 16 mortgages. The credit loss ratio for this portfolio has averaged c.5bps over the last 10 years, indicative of the quality of the underlying franchise.

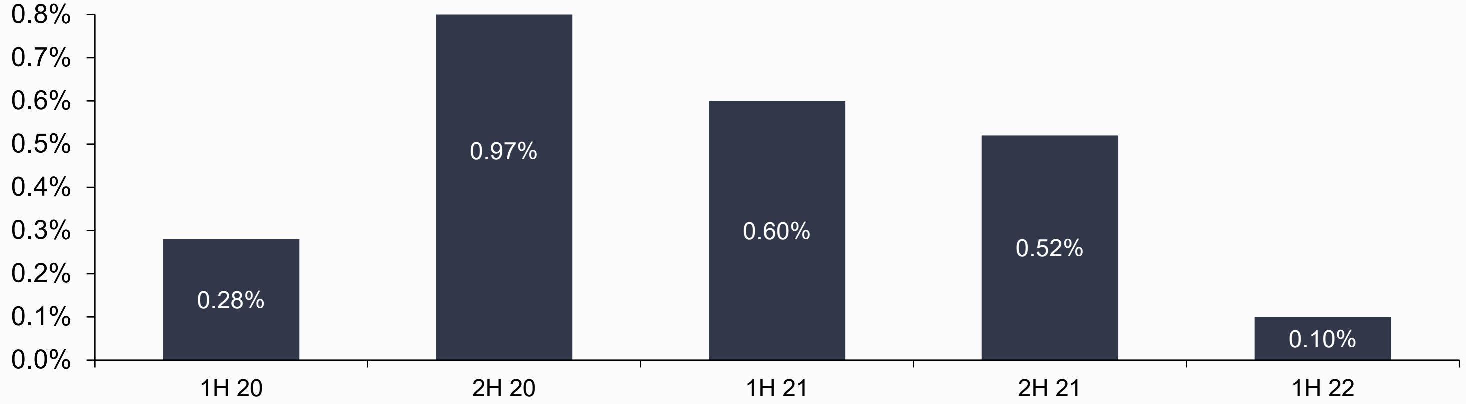
The Corporate & Other Lending book grew by 7.8% since 31 March 2021 to £9.7 billion, or 9.5% excluding the Australian business. Lending activity increased across portfolios, supported by new client acquisition as we continue to build scale and relevance in our client franchises. Higher turnover was achieved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

[1] Other corporate & other lending includes: Other corporates and financial institutions and governments (and Resource finance in Mar-21).

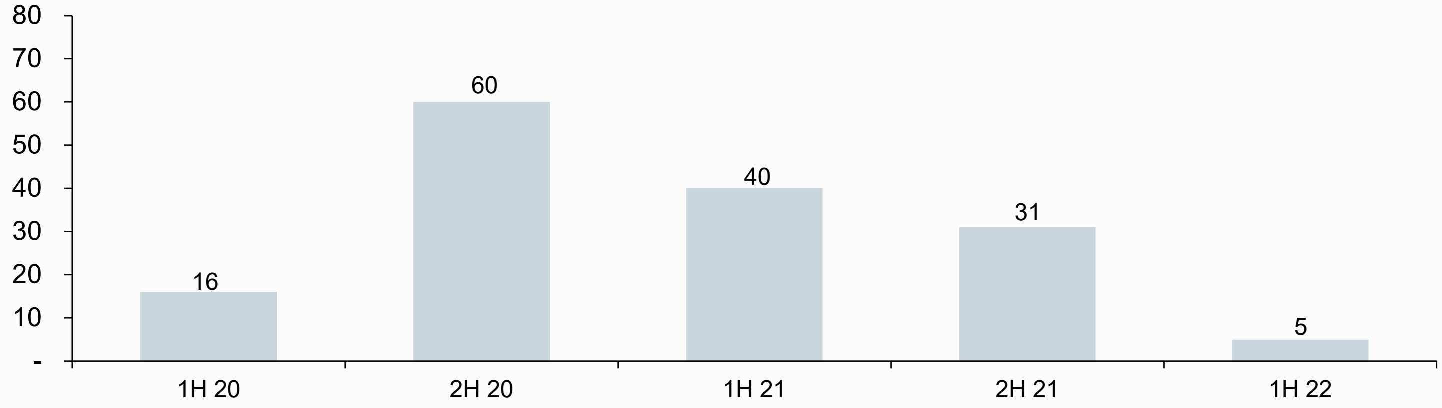
Sound asset quality

- Annualised credit loss ratio reduced to 10bps from 60bps at Sept 2020 (Mar 2020: 56bps)
- Total income statement ECL impairment charges amounted to £5.0mn (Sept 2020: £39.7mn)
- The decrease was mainly driven by:
    - Lower specific impairments
    - Net model releases due to updated macro-economic scenarios
    - Post model overlays increased to account for continued economic uncertainty

Credit loss ratio trend



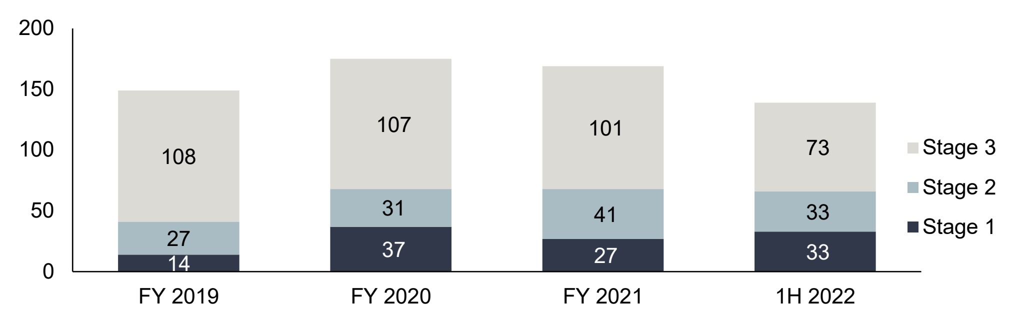
ECL charge breakdown



Asset quality metrics

Asset quality metrics reflect the solid performance of core loans to date

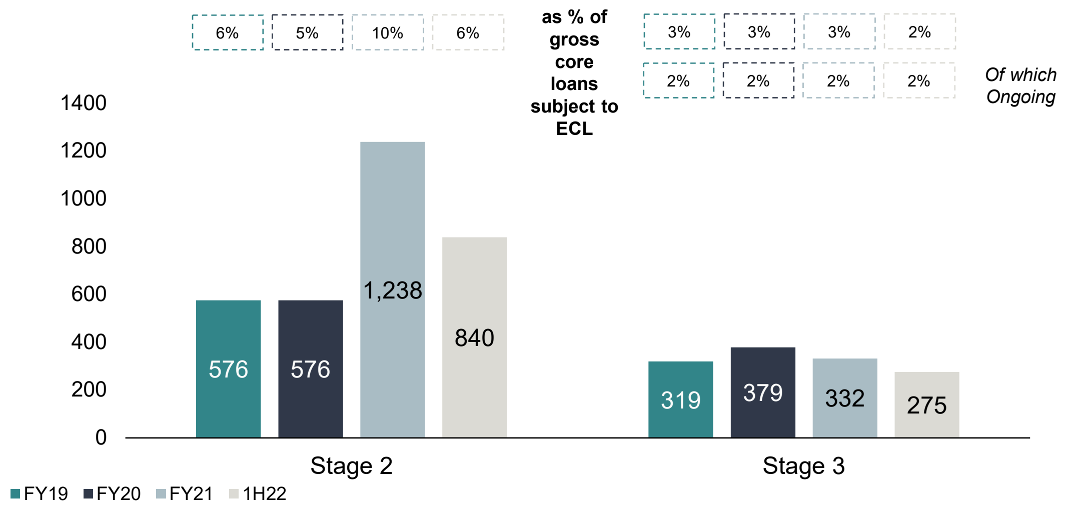
Balance sheet ECL provisions (£'mn)



ECL coverage ratio	FY 2019	FY 2020	FY 2021	1H 2022
Stage 1	0.2%	0.4%	0.3%	0.3%
Stage 2	4.7%	5.4%	3.3%	3.9%
Stage 3	33.9%	28.2%	30.4%	26.5%
of which Ongoing Stage 3	23.5%	24.9%	26.8%	19.1%

- Overall coverage for Stage 1 and Stage 2 remains elevated at 30 September 2021, reflecting the ongoing uncertainty arising from the COVID-19 pandemic. A slight reduction in coverage reflects the transfer of loans back to Stage 1 from Stage 2 resulting from the updated forward-looking macro-economic scenarios
- At 31 March 2021, an ECL overlay amounting to £16 million was considered appropriate to account for latent risk in the performing portfolio as well as to capture the significant level of judgement required in the application of the macro-economic scenarios. At 30 September 2021, the updated macro-economic scenarios resulted in a material release of ECL on the performing book as a result of the improved actual macro-economic factors and despite an increased weighting to the downside of the economists' updated scenarios. As such, the existing ECL overlay has been maintained at £16 million and a new management overlay of £5 million has been introduced to capture the ongoing uncertainty in the UK operating environment and to offset modelled releases that aren't deemed fully reflective of the unchartered territory currently being navigated.

Gross core loans by Stage (£'mn)



- Overall asset quality improved due to a 17.2% reduction in Stage 3 gross core loan exposure from £332 million at 31 March 2021 to £275 million or 2.1% of gross core loans subject to ECL at 30 September 2021
- The decrease in Stage 2 loans was driven by the transfer of loans back to Stage 1 resulting from the updated forward-looking 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
- At 30 September 2021, 1.0% of gross core loans exposure was under some form of COVID-19 relief, compared to the peak of 13.7% in June 2020.

Diversified funding strategy

- Investec Bank plc's **funding consists primarily of customer deposits**
- The bank adopts a conservative and prudent funding strategy
- Investec Bank plc is not subject to the Banking Reform Act ring-fencing requirements which are applicable to all large UK deposit takers, as it falls below the £25bn of core deposits de minimis threshold
- Investec Bank plc has **no MREL requirement in excess of its minimum capital requirements**

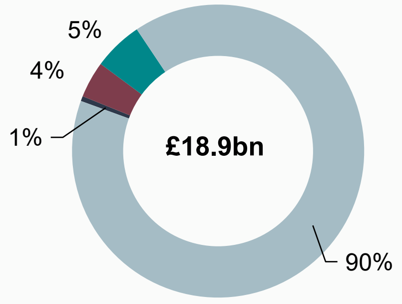
Conservative and prudent funding strategy

1. Maintaining a high base of high-quality liquid assets
2. Diversifying funding sources
3. Limiting concentration risk
4. Low reliance on wholesale funding
5. Maintaining a stable retail deposit franchise

Credit Ratings

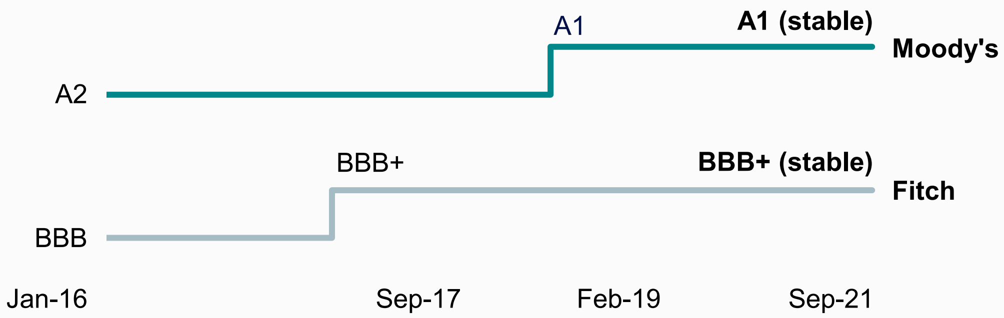
- On 19 October 2021, Moody's affirmed IBP's long-term deposit rating at A1 (stable outlook).
- On 14 July 2021, Fitch affirmed IBP’s long-term Issuer Default Rating (IDR) at BBB+ and revised the outlook to stable (from negative). This rating was affirmed on 12 August 2021.
- Through the previous financial crisis, Investec plc and IBP retained an investment grade rating.

Select funding sources



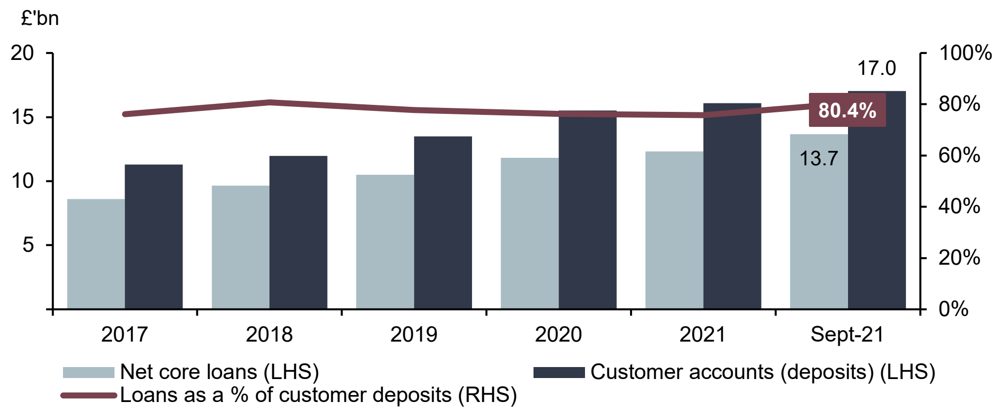
£'mn	30 Sept 2021
Customer deposits	17 024
Debt securities in issue	1 035
Subordinated Liabilities	763
Liabilities arising on securitisation of other assets	104
Total	**18 926**

Outstanding Investec Bank plc Debt Capital Markets Issuance

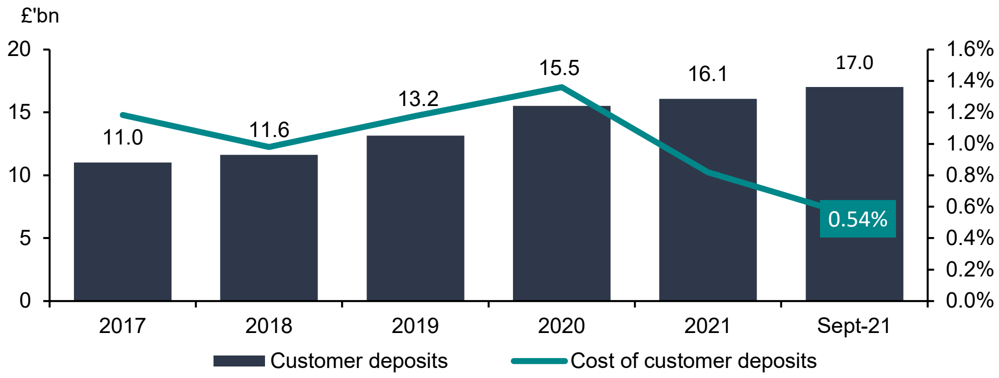


Primarily customer deposit funded with low loan to deposit ratio

Fully self funded: conservative loan to deposit ratio



Increase in customer deposits over time despite reduction in cost of customer deposits



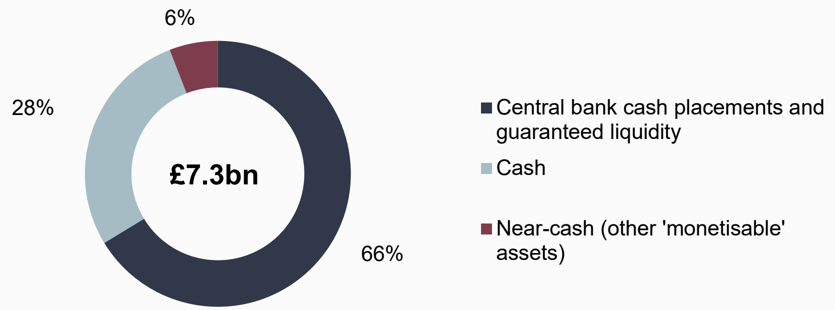
- Loans as a percentage of customer deposits remains conservative at 80.4%
- Customer deposits have grown by 50.8% (9.6% CAGR) since 2017 to £17.0bn at 30 September 2021
- **Low usage of central bank funding schemes** as a proportion of funding mix. Current TFSME drawings are **£1,200mn** which we expect to refinance well in advance of maturity in September/October 2025
- Increase in retail deposits and very **little reliance on wholesale funding**. Significant portion of UK customer deposits form part of the FSCS eligibility framework
- Fixed and notice deposits make up majority of customer deposits and our customers display a strong 'stickiness' and willingness to reinvest in our suite of term and notice products
- Investec Bank plc's **customer deposits have consistently increased over many years and remain resilient** in spite of an **overall reduction of cost of customer deposits**
- Customer deposits are dynamically raised through diversified, well established channels
- During 1H2022, the cost of raising customer deposits has considerably decreased in line with trends in the market in the months following the cut in bank rate by the BoE in March 2020. We have also remained focused on reducing the operational cost of raising those customer deposits by migrating to a lower cost digital product base

Maintaining robust surplus liquidity

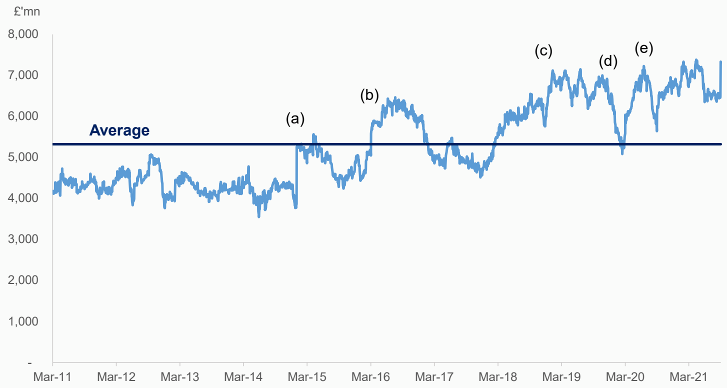
- We **maintain** a high level of readily available, high-quality **liquid assets** – targeting a minimum cash to customer deposit ratio of 25%. These balances have increased since 2011 (£4.4bn) to £7.3bn at 30 September 2021 **(representing 43.0% of customer deposits)**

- At 30 September 2021, the **Liquidity Coverage Ratio** reported to the Prudential Regulatory Authority for Investec Bank plc (solo basis) was **280%** and the **Net Stable Funding Ratio[1] was 123%** – both metrics well ahead of current minimum regulatory requirements

Cash and near cash composition



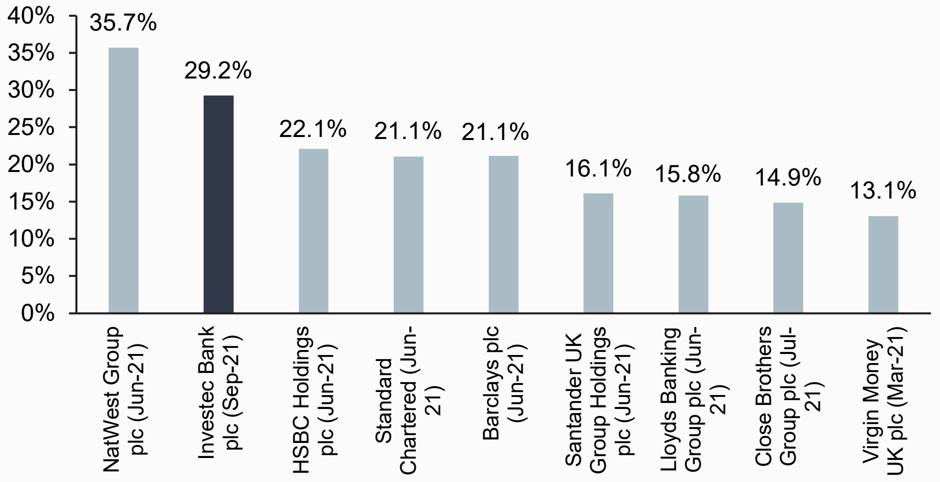
High level of cash and near cash balances



Since 2011	£'mn
Ave	5 320
Min	3 634
Max	7 358
Sept 2021	**7 315**

(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

Liquidity buffer: Cash and near cash as a proportion of total assets



[1] The LCR is calculated following the EU Delegated Act and our own interpretations where the regulation calls for it. Banks are required to maintain a minimum LCR of 100%. In the UK, the NSFR will be implemented by the PRA and expected to become a binding requirement for banks in January 2022. Banks will be required to maintain a minimum NSFR of 100%. In the meantime, our internally calculated NSFR is based on the version published in the EU Official Journal in June 2019, and our own interpretations where required.

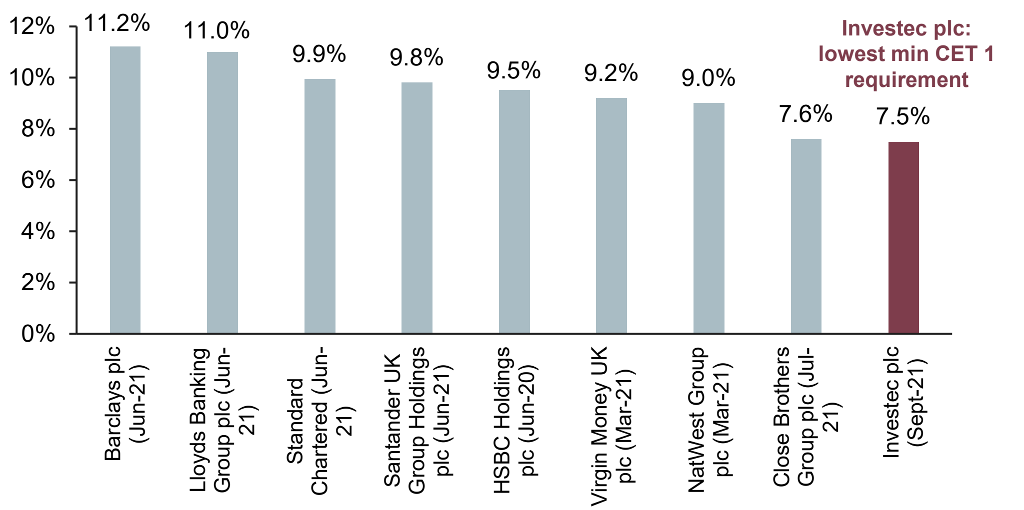
Sound capital ratios in excess of internal and regulatory minimums

Robust headroom of 3.4% above the MDA threshold as at 30 September 2021 (Investec plc[5])

Capital ratios: Investec Bank plc	30 Sept 2021	31 Mar 2021	Target
Common equity tier 1 (as reported)	11.7%	11.0%	>10%
Common equity tier 1 ('fully loaded')[1]	11.3%	10.5%	
Tier 1 (as reported)	13.3%	12.7%	>11%
Total capital ratio (as reported/pro-forma[6])	16.0%/18.1%	14.9%	14% to 17%
Leverage ratio[2] – current	7.9%	7.8%	>6%
Leverage ratio[2] – 'fully loaded'[1]	7.7%	7.4%	
Leverage ratio[2] – current UK leverage ratio framework[3]	9.0%	9.0%	

- Investec holds capital in excess of regulatory requirements and internal capital targets and intends to perpetuate this philosophy and ensure that it remains well capitalised
- The bank has never required shareholder or government support and we have never missed a preference share or AT1 instrument coupon payment
- In March 2021, the Bank of England confirmed the preferred resolution strategy for IBP remains 'modified insolvency'. As a result, the Bank of England has set IBP's MREL requirement as equal to its Total Capital Requirement (Pillar 1 + Pillar 2A)

Minimum CET 1 requirement % [4]



- Under our current capital requirements, Investec plc CET 1 regulatory minimum is 7.5%[5] while Investec plc's reported ratio was 10.9% at 30 September 2021, providing a 3.4% surplus relative to the regulatory minimum before buffers (which are also allowed to be used in times of stress)
- Investec plc's minimum CET1 requirement at 30 September 2021, calculated using the same methodology as at 31 March 2021, is 7.5% comprising a 4.5% Pillar 1 minimum requirement, a 0.46% Pillar 2A requirement, a 2.5% Capital Conservation Buffer (CCB) and a 0.03% Countercyclical Capital Buffer (CCyB)
- Investec plc continues to have the lowest PRA prescribed Pillar 2A capital requirement of all UK holding companies shown above

[1] Based on the group's understanding of current regulations, "fully loaded" is based on CRR requirements as fully phased in by 2022, including full adoption of IFRS 9. [2] The leverage ratios are calculated on an end-quarter basis. [3] 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. [4] Information sourced from financial reports. [5] Investec Bank plc CET 1 minimum is not publicly disclosed, therefore Investec plc CET 1 minimum has been disclosed. [6] Pro-forma 30 September 2021 total capital ratio includes the proceeds of IBP's internal £350 million tier 2 subordinated loan issuance, dated 4 October 2021.

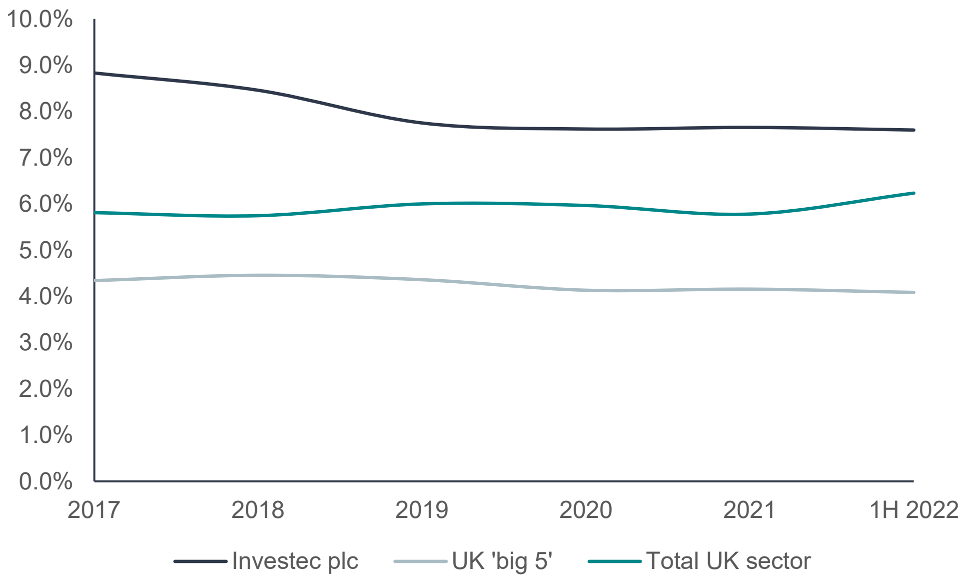
We inherently hold more capital per unit of risk

As we use the standardised approach for RWA calculations, our capital ratios are not directly comparable with peers

RWA density – Total RWA / Total Assets

- We use the **standardised approach** for our RWA calculations – while peers are largely on the advanced approach
- The result is that our **RWA density at 64.6% is above** the sector average of 38.1%
- Our **RWA density is more than 2x higher** than the 'big 5' UK peers

CET 1 / Total Assets (%)

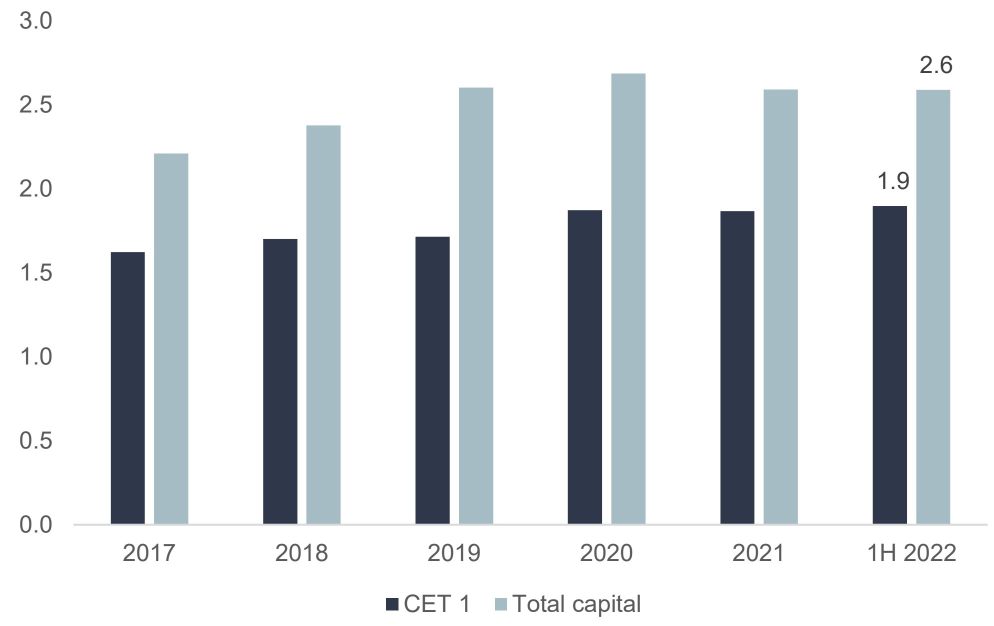


- We **hold more CET 1 to our total assets than our peer group** – primarily as a result of higher RWA density from using the standardised approach
- Our **CET 1 / Total assets is 7.6%** - which is 140bps higher than the UK sector on a similar measure

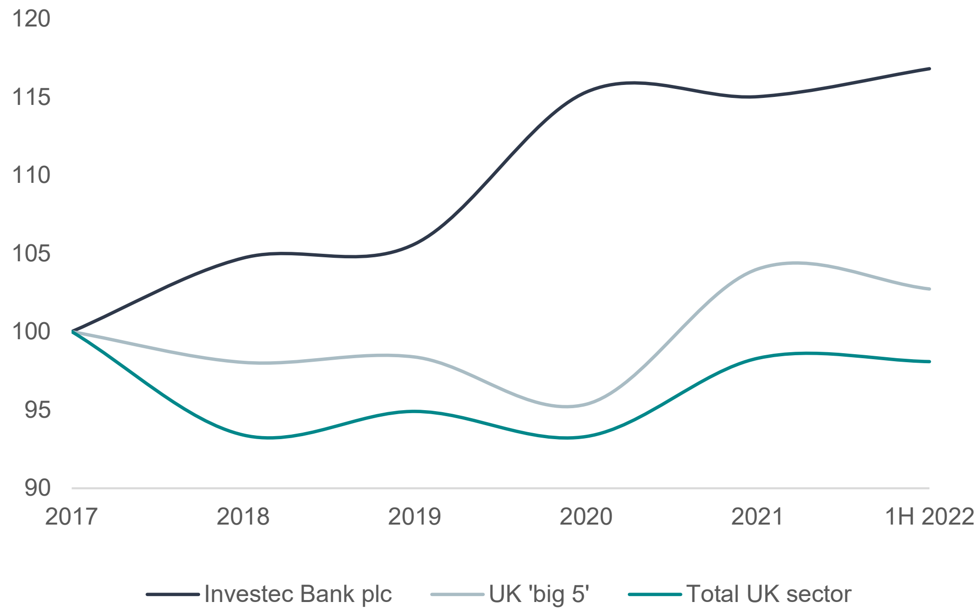
Where the UK 'big 5' banks include HSBC, RBS, Lloyds, Barclays and Standard Chartered (source: Thomson Reuters - All adjusted to GBP) and the Total UK sector is per the Bank of England (source: https://www.bankofengland.co.uk/statistics/banking-sector-regulatory-capital/2020/2020-q2). Peers are shown at the June 2021 period as this is the closest match to the period under review (Investec Bank plc's 30 September half year-end).

Strong internal capital generation

Total capital (£'bn)



Common equity tier 1 – rebased to 100



- Investec has **strong organic capital generation** and has not required recourse to government or shareholders
- **CET 1 and total capital levels have both grown robustly** at c.4% CAGR each since 2017

- **Investec Bank plc's CET 1 has grown faster** (c.4% CAGR) than both the sector (flat) and the UK 'big 5' (c.1% CAGR) since 2017

Where the UK 'big 5' banks include HSBC, RBS, Lloyds, Barclays and Standard Chartered (source: Thomson Reuters - All adjusted to GBP) and the Total UK sector is per the Bank of England (source: https://www.bankofengland.co.uk/statistics/banking-sector-regulatory-capital/2020/2020-q2). Peers are shown at the June 2021 period as this is the closest match to the period under review (Investec Bank plc's 30 September half year-end).

Investec

OUT OF THE ORDINARY

Further information and peer analysis

UK Sustainability highlights

Ensuring that we do no harm, contribute positively, lend and invest responsibly and maintain our competitive ESG position

PROGRESS MADE ON OUR CORE SDGS

Climate Action

99.9% **Shareholders** Scope 3 financed emissions resolution

Joined **UN-Convened Net-Zero Banking Alliance**

Reduced Inequalities

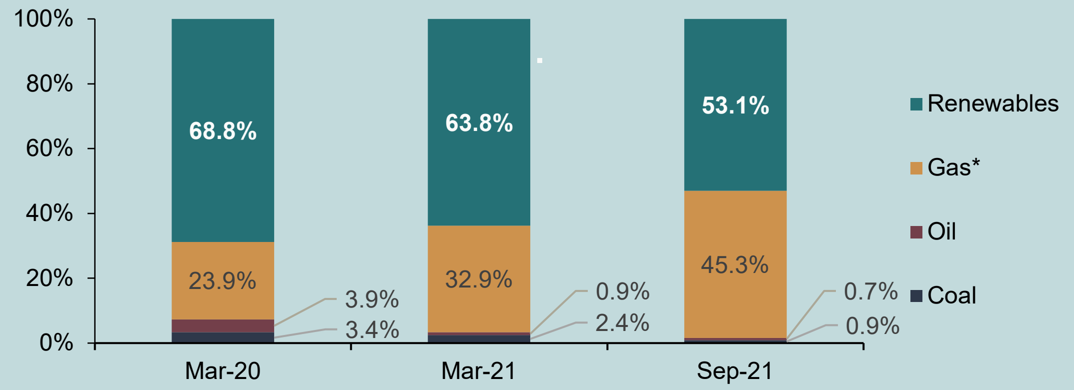
50% **Women on the IBP board**

Support the 10 000 Black Interns program

MINIMAL LENDING TO COAL

0.05% **Coal exposure** as a percentage of gross core loans (Mar-21: 0.13%).

IBP energy exposure



SUSTAINABLE FINANCE AND RATINGS

$600mn Raised for Investec Bank plc through **Sustainability linked Loan.** (3x oversubscribed).

$30.6mn Raised by Investec Wealth & Investment as at 30-Sept 2021 through the launch of a **Global Sustainable Equity Fund**.

16.6 **Low-risk Sustainalytics** rating. Placing us in the Top 16% of the banking industry

Providing profitable, impactful and sustainable products and services | Incorporating sustainability in the way we do business and creating innovative solutions

* Majority is natural gas

UK Specialist Banking: private clients

Now positioned for accelerated growth

Franchise

Large addressable market

90,000 UK individuals meet the target criteria*

Fully invested

Invested in talent, platforms, marketing and digital

Growing to plan

Book growth | 35.2% 4yr CAGR

Private client growth | 26.9% 4yr CAGR

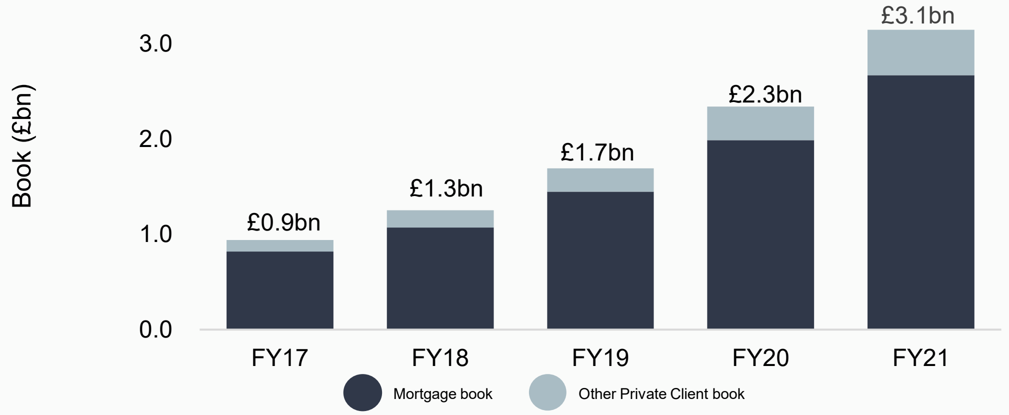
Award winning products

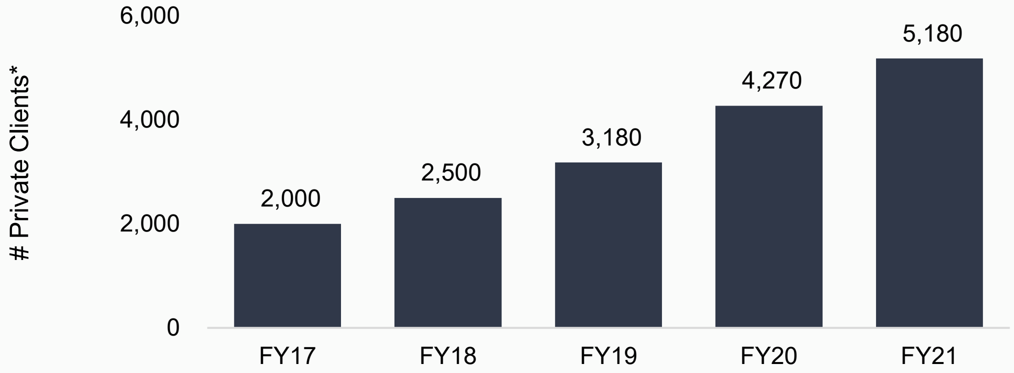
The Mortgage Awards 2019 WINNER Large Loans Mortgage Lender of the Year

Winner MI Awards

2019
Private bank of the year

Growth





Note: * Entrepreneurially minded, active wealth creators, who are time poor and have at least £300k per annum in income and £3 million in NAV

UK Specialist Banking: private companies

Scale of this underserviced market represents significant opportunity for growth

Franchise

Scale of UK private companies market

20,000 UK private companies identified as potential new corporate clients

Breadth of solutions

Full suite of banking products for this significant underserved community

Growing to plan

Book growth | 20.7% 4yr CAGR

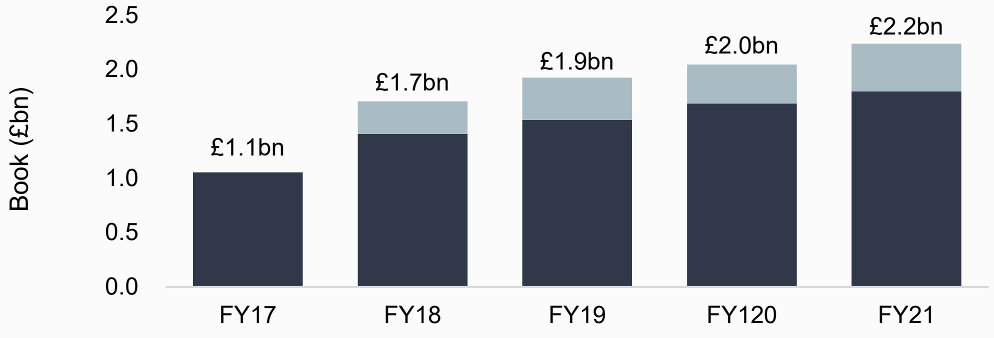
Asset Finance client growth | 9.8% 4yr CAGR

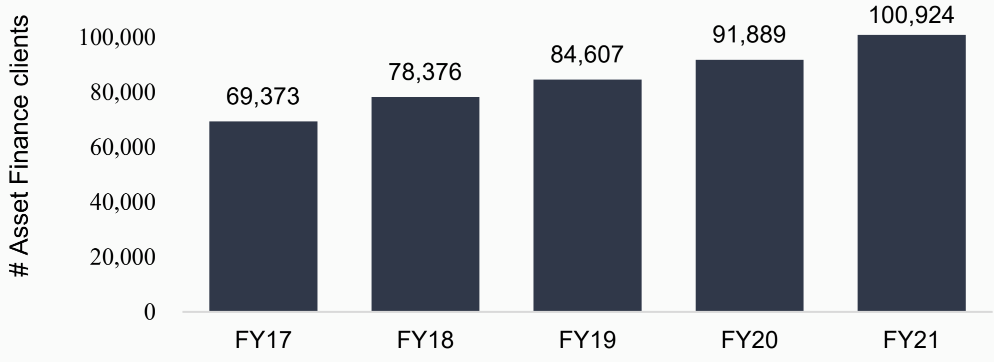
Award winning products

Winner - Best Leasing & Asset Finance Provider ('19 - '21)

Winner - Best Business FX Provider ('21)

Growth





UK Specialist Banking: private equity

Low capital, low cost intensity model for growth

Franchise

Large addressable market

c. 200 Funds active across the UK, Benelux and DACH regions

Fully integrated

Scale & diversified client proposition – capital & advice

Growing to plan

Book growth | 4.9% 4yr CAGR

Average revenue per client & average # products per client growing

Award winning products

Investec named ‘Bank of the Year’ at the 2020 & 2019 Real Deals Private Equity Awards.

Growth

Note: * Book refers to Growth & Leveraged Finance + Fund Solutions UK

UK Specialist Banking: listed companies

Market leading broker poised for further growth

Franchise

Top ranked UK Broker

Raised £3.5bn in equity fundraisings across 30 corporate clients in FY21

Breadth of capabilities

‘Not just a broker’ – 39% multi-product clients

Growing to plan

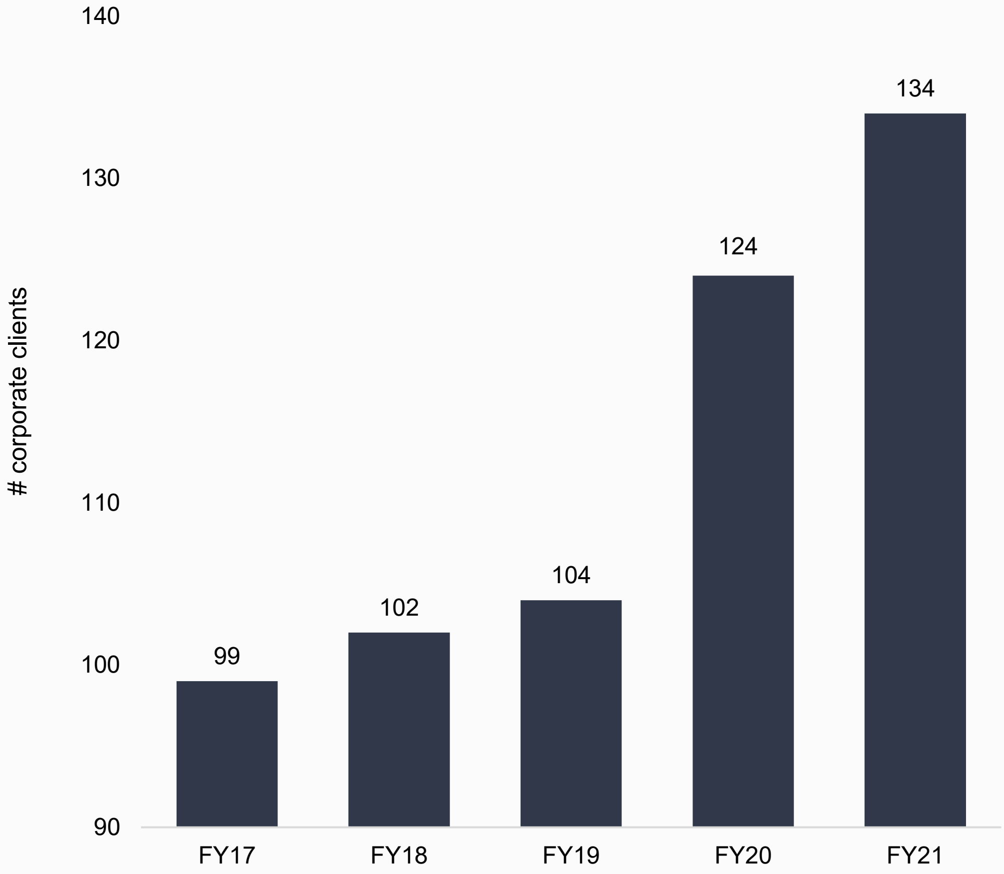
Corporate client growth | 7.9% 4yr CAGR

Award winning products

Institutional Investor 2020

1st Corporate Broking team (2019: 4th)	1st 6 top-ranked analysts More than any other Broker
1st Research team in 7 sectors (2019: 1st in 2 sectors)	2nd Equity Sales team (2019: 3rd)

Growth



UK Specialist Banking: specialist industry groups

Deep sector expertise in our award-winning specialist areas

Aviation

Recognised international leader

Market recovery opportunity

Global airlines & lessors

Current book size	£390mn
Debt Fund AUM	£417mn
Equity Fund AUM	£108mn
Client numbers	31

Power & Infrastructure Finance

US & UK strength

Strong thematic growth

Corporates & funds

Current book size*	£759mn
Client numbers*	100

Real Estate

UK-focused

Resilient target market

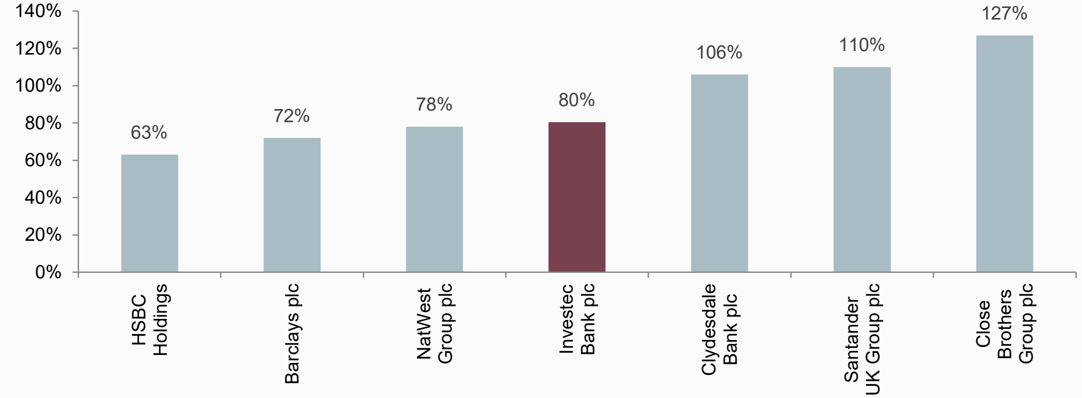
Individuals, corporates & funds

Current book size**	£2.1bn
Client numbers**	93

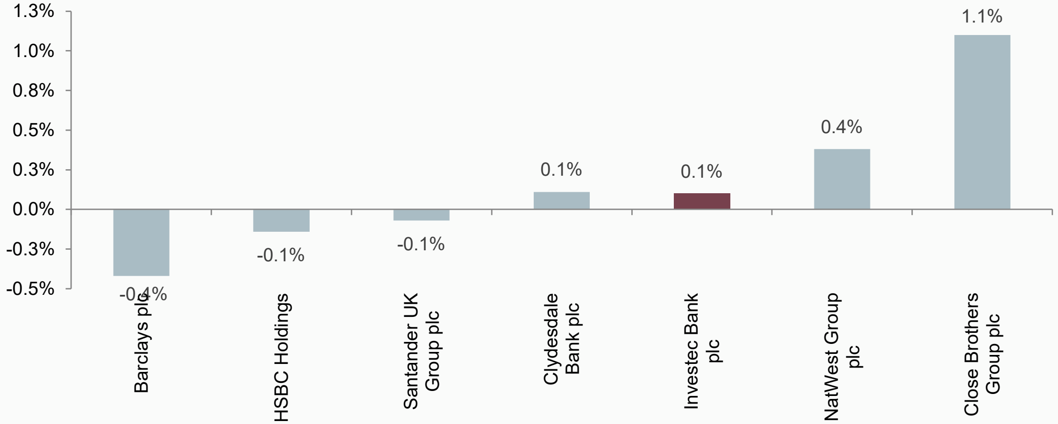
Note: * UK + US; ** London + Channel Islands

Investec Bank plc: peer group comparisons

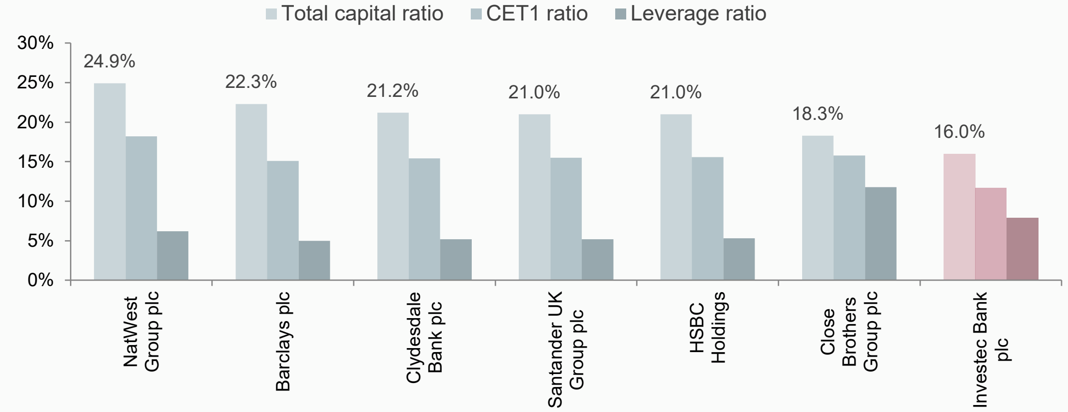
Funding: Loans and advances to customers as a % of customer deposits (smaller number is better)



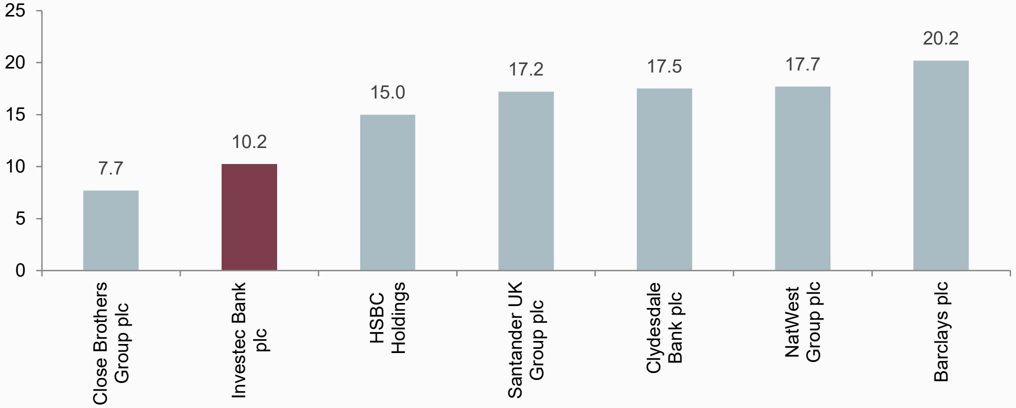
Credit loss ratio: ECL impairment charges as a % of average core loans and advances (smaller number is better)



Capital ratios[1] (larger number is better)



Gearing ratio: Assets/Equity (smaller number is better)



Source: Company year end/interim financial results as at 17 November 2021. [1]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 30 September 2021, which is substantially higher than some other UK banks which have an average RWA density of c.30%.

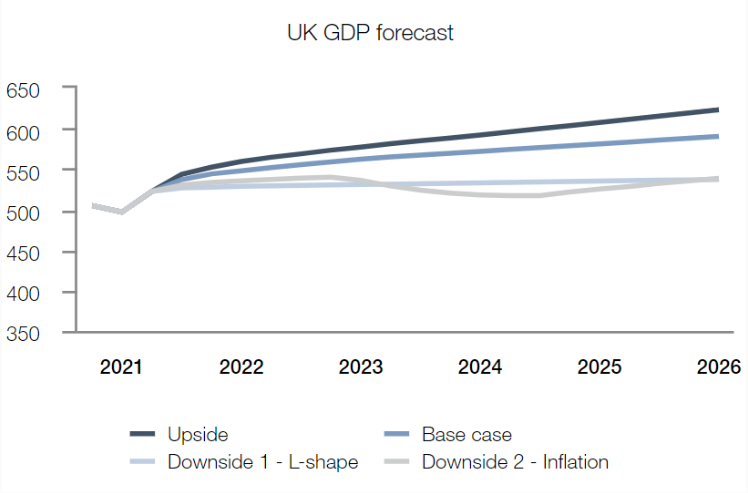
Investec

Appendix

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.
- As at 30 September 2021 the base case was updated to represent the latest economic outlook that envisaged the continued recovery from the COVID-19 pandemic. In light of the latest global developments, an adjustment was made to the composition of the downside scenarios. An inflation scenario was introduced to capture the emergence of risks related to rising prices which anticipates UK CPI inflation peaking at 4.2% in the second quarter of 2022 and remaining around those levels throughout the calendar year. This scenario replaced the Fiscal crisis scenario which was used at 31 March 2021, whilst the L-shape scenario remains in place, albeit updated for the latest economic data.
- In addition to a reassessment of the macro-economic scenarios, a review of the scenario weightings also took place to take into account the latest economic developments and the changes to the scenarios. On this basis, the scenario weightings stood at 10% upside, 50% base case, 20% L-shape and 20% inflation. On balance, the skew of risks remained to the downside.

UK GDP forecast under COVID assumptions
£'bn



Macro-economic scenarios	Upside %	Base case %	Downside 1 L-shape %	Downside 2 Inflation %
UK				
GDP growth	5.2	4.1	2.2	2.2
Unemployment rate	3.7	4.4	6.7	6.7
House price growth	6.7	4.2	2.3	(3.9)
BoE – bank rate (end year)	1.3	0.8	(0.4)	1.8
Euro area				
GDP growth	4.2	3.2	1.1	1.1
US				
GDP growth	5.0	3.7	2.4	1.9
Scenario weightings	10	50	20	20

IBP: salient financial features

Key financial statistics	30 Sept 2021	31 Sept 2020	% Change	31 March 2021
Total operating income before expected credit loss impairment charges (£'000)	504 299	432 761	16.5%	936 332
Operating costs (£'000)	370 843	346 895	6.9%	757 758
Adjusted operating profit (£'000)	128 473	46 716	>100.0%	108 301
Earnings attributable to ordinary shareholder (£'000)	105 365	31 188	>100.0%	63 809
Cost to income ratio (%)	73.5%	80.1%		80.9%
Total capital resources (including subordinated liabilities) (£'000)	3 209 534	3 151 081	1.9%	3 136 401
Total equity (£'000)	2 447 029	2 360 776	3.7%	2 364 920
Total assets (£'000)[1]	25 071 951	24 158 121	3.8%	24 395 538
Net core loans (£'000)	13 678 812	11 952 722	14.4%	12 311 104
Customer accounts (deposits) (£'000)	17 023 760	15 835 090	7.5%	16 240 634
Loans and advances to customers as a % of customer deposits	80.4%	75.5%		75.8%
Cash and near cash balances (£‘mn)	7 315	6 222	17.6%	6 857
Funds under management (£'mn)	44 704	38 018	17.6%	41 708
Total gearing ratio (i.e. total assets to equity)	10.2x	10.2x		10.3x
Total capital ratio	16.0%	16.2%		16.4%
Tier 1 ratio	13.3%	13.1%		13.4%
CET 1 ratio	11.7%	11.5%		11.8%
Leverage ratio	7.9%	8.0%		8.0%
Leverage ratio – ‘fully loaded’	7.7%	7.7%		7.7%
Stage 3 exposure as a % of gross core loans subject to ECL	2.1%	3.0%		2.8%
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	1.6%	2.2%		2.0%
Credit loss ratio	0.10%[2]	0.60%[2]		0.56%

[1] Restated as detailed in the IBP interim website booklet available on our website. [2] Annualised

IBP: income statement

£'000	30 Sept 2021	31 Sept 2020	% Change	31 March 2021
Interest income	344 652	356 156	-3.2%	702 126
Interest expense	(109 129)	(164 316)	-33.6%	(288 035)
Net interest income	**235 523**	**191 840**	22.8%	**414 091**
Fee and commission income	237 562	226 322	5.0%	499 671
Fee and commission expense	(7 245)	(6 478)	11.8%	(13 201)
Investment income	4 962	26 246	-81.1%	23 820
Share of post taxation profit of associates and joint venture holdings	334	1 356	-75.4%	1 768
Trading income arising from				
- customer flow	32 715	(20 081)	>(100%)	(11 025)
- balance sheet management and other trading activities	(4 051)	9 341	>(100%)	11 206
Other operating income	4 499	4 215	6.7%	10 002
Total operating income before expected credit loss impairment charges	**504 299**	**432 761**	16.5%	**936 332**
Expected credit loss impairment charges	(4 983)	(39 680)	-87.4%	(71 134)
Operating income	**499 316**	**393 081**	27.0%	**865 198**
Operating costs	(370 843)	(346 895)	6.9%	(757 758)
Operating profit before acquired intangibles and strategic actions	**128 473**	**46 186**	>100%	**107 440**
Impairment of goodwill	-	-		(8 787)
Amortisation of acquired intangibles	(6 482)	(6 414)	1.1%	(12 851)
Closure and rundown of the Hong Kong direct investments business	(597)	(2 158)	-72.4%	7 387
Operating profit	**121 394**	**37 614**	>100%	**93 189**
Profit before taxation	**121 394**	**37 614**	**>100%**	**93 189**
Taxation on operating profit before acquired intangibles and strategic actions	(16 287)	(8 181)	99.1%	(31 270)
Taxation on acquired intangibles and strategic actions	258	1 225	-78.9%	1 029
Profit after taxation	**105 365**	**30 658**	>100%	**62 948**
Profit / Loss attributable to non-controlling interests	-	530	-100.0%	861
Earnings attributable to shareholder	**105 365**	**31 188**	>100%	**63 809**

IBP: balance sheet

£'000	30 Sept 2021	31 March 2021
Assets		
Cash and balances at central banks	3 332 458	3 043 034
Loans and advances to banks	1 525 367	1 383 602
Reverse repurchase agreements and cash collateral on securities borrowed	1 486 577	2 065 232
Sovereign debt securities	1 086 517	1 108 253
Bank debt securities	50 699	48 044
Other debt securities	503 353	708 845
Derivative financial instruments	634 892	773 334
Securities arising from trading activities	457 478	281 645
Investment portfolio	358 737	350 941
Loans and advances to customers	13 681 707	12 316 313
Other loans and advances	138 934	162 456
Other securitised assets	101 851	107 259
Interests in associated undertakings and joint venture holdings	10 925	4 213
Deferred taxation assets	89 240	109 849
Other assets	1 124 205	1 395 915
Property and equipment	170 369	185 502
Goodwill	244 072	244 072
Software	7 892	7 791
Other acquired intangible assets	50 599	56 618
Total assets	**25 071 951**	**24 395 538**

IBP: balance sheet (continued)

£'000	30 Sept 2021	31 March 2021
Liabilities		
Deposits by banks	1 420 178	1 352 279
Derivative financial instruments	750 953	916 352
Other trading liabilities	42 364	49 055
Repurchase agreements and cash collateral on securities lent	158 810	157 357
Customer accounts (deposits)	17 023 760	16 240 634
Debt securities in issue	1 034 974	1 193 378
Liabilities arising on securitisation of other assets	104 215	108 281
Current taxation liabilities	17 528	37 287
Deferred taxation liabilities	-	20 652
Other liabilities	1 309 635	1 183 862
	21 862 417	**21 259 137**
Subordinated liabilities	762 505	771 481
	22 624 922	**22 030 618**
Equity		
Ordinary share capital	1 280 550	1 280 550
Share premium	199 538	199 538
Capital reserve	153 177	153 177
Other reserves	(5 710)	(12 827)
Retained income	569 084	494 092
Shareholder's equity excluding non-controlling interests	**2 196 639**	**2 114 530**
Additional Tier 1 securities in issue	250 000	250 000
Non-controlling interests in partially held subsidiaries	390	390
Total equity	**2 447 029**	**2 364 920**
Total liabilities and equity	**25 071 951**	**24 395 538**

IBP: segmental analysis of operating profit

For the six months ended 30 September 2021 £'000	Wealth & Investment	Specialist Banking Private Banking	Specialist Banking Corporate, Investment Banking & Other	Total group
Net interest income	436	30 546	204 541	235 523
Fee and commission income	173 390	404	63 768	237 562
Fee and commission expense	(345)	(14)	(6 886)	(7 245)
Investment income	5	(12)	4 969	4 962
Share of post taxation profit of associates and joint venture holdings	-	-	334	334
Trading income arising from				
- customer flow	534	767	31 414	32 715
- balance sheet management and other trading activities	(115)	1	(3 937)	(4 051)
Other operating income	-	-	4 499	4 499
Total operating income before expected credit loss impairment charges	**173 905**	**31 692**	**298 702**	**504 299**
Expected credit loss impairment releases/(charges)	(2)	(560)	(4 421)	(4 983)
Operating income	**173 903**	**31 132**	**294 281**	**499 316**
Operating costs	(131 728)	(19 842)	(219 273)	(370 843)
Operating profit before acquired intangibles and strategic actions	**42 175**	**11 290**	**75 008**	**128 473**
Profit attributable to non-controlling interests	-	-	-	-
Adjusted operating profit	**42 175**	**11 290**	**75 008**	**128 473**
Selected returns and key statistics				
Cost to income ratio	75.7%	62.6%	73.4%	73.5%
Total assets (£'million)	1 056	3 993	20 023	25 072

IBP: segmental analysis of operating profit

For the six months ended 30 September 2020[1] £'000	Specialist Banking: Wealth & Investment	Specialist Banking: Private Banking	Specialist Banking: Corporate, Investment Banking & Other	Total group
Net interest income	1 597	14 013	176 230	191 840
Fee and commission income	153 389	327	72 606	226 322
Fee and commission expense	(385)	(58)	(6 035)	(6 478)
Investment income	47	-	26 199	26 246
Share of post taxation profit of associates and joint venture holdings	-	-	1 356	1 356
Trading income arising from				
- customer flow	323	538	(20 942)	(20 081)
- balance sheet management and other trading activities	102	2	9 237	9 341
Other operating income	-	-	4 215	4 215
Total operating income before expected credit loss impairment charges	**155 073**	**14 822**	**262 866**	**432 761**
Expected credit loss impairment releases/(charges)	(6)	(981)	(38 693)	(39 680)
Operating income	**155 067**	**13 841**	**224 173**	**393 081**
Operating costs	(126 190)	(16 989)	(203 716)	(346 895)
Operating profit before acquired intangibles and strategic actions	**28 877**	**(3 148)**	**20 457**	**46 186**
Profit attributable to non-controlling interests	-	-	530	530
Adjusted operating profit	**28 877**	**(3 148)**	**20 987**	**46 716**
Selected returns and key statistics				
Cost to income ratio	81.4%	114.6%	77.3%	80.1%
Total assets (£'million)	995	2 783	20 380	24 158

[1] Restated as detailed in the IBP interim website booklet available on our website.

IBP: asset quality under IFRS 9

£'million	30 Sept 2021	31 March 2021
Gross core loans	**13 818**	**12 480**
Gross core loans at FVPL	684	512
Gross core loans subject to ECL[1]	**13 134**	**11 968**
Stage 1	12 019	10 398
Stage 2	840	1 238
of which past due greater than 30 days	30	90
Stage 3	275	332
of which Ongoing (excluding Legacy) Stage 3[1]	215	231
ECL	**(139)**	**(169)**
Stage 1	(33)	(27)
Stage 2	(33)	(41)
Stage 3	(73)	(101)
of which Ongoing (excluding Legacy) Stage 3[1]	(41)	(62)
Coverage ratio		
Stage 1	0.3%	0.3%
Stage 2	3.9%	3.3%
Stage 3	26.5%	30.4%
of which Ongoing (excluding Legacy) Stage 3[1]	19.1%	26.8%
Annualised credit loss ratio	**0.1%**	**0.6%**
ECL impairment charges on core loans	(6)	(65)
Average gross core loans subject to ECL	12 551	11 662
An analysis of Stage 3 gross core loans subject to ECL		
Stage 3 net of ECL	202	231
of which Ongoing (excluding Legacy) Stage 3[1]	174	169
Aggregate collateral and other credit enhancements on Stage 3	208	235
Stage 3 as a % of gross core loans subject to ECL	2.1%	2.8%
of which Ongoing (excluding Legacy) Stage 3[1]	1.6%	1.9%
Stage 3 net of ECL as a % of net core loans subject to ECL	1.6%	2.0%
of which Ongoing (excluding Legacy) Stage 3[1]	1.3%	1.4%

[1] Our exposure (net of ECL) to the Legacy portfolio has reduced from £84 million at 31 March 2021 to £49 million at 30 September 2021. These assets are largely reported under Stage 3 and make up 21.8% of Stage 3 gross core loans. These assets have been significantly provided for and Stage 3 coverage for these Legacy assets remains high at 53.3%.:

IBP: capital adequacy

£'million	30 Sept 2021[1]	31 March 2021[1]
Tier 1 capital		
Shareholders' equity	2 134	2 081
Non-controlling interests	-	-
Regulatory adjustments to the accounting basis	76	99
Deductions	(313)	(312)
Common equity tier 1 capital	**1 897**	**1 868**
Additional Tier 1 instruments	250	250
Tier 1 capital	**2 147**	**2 118**
Tier 2 capital	**442**	**473**
Total regulatory capital	**2 589**	**2 591**
Risk-weighted assets[2]	**16 189**	**15 789**
Capital ratios		
Common equity tier 1 ratio[2]	11.7%	11.8%
Tier 1 ratio[2]	13.3%	13.4%
Total capital ratio[2]/Pro-forma[3]	16.0%	16.4%

[1] The capital adequacy disclosures for IBP include the deduction of foreseeable charges and dividends when calculating CET1 capital. These disclosures are different to the capital adequacy disclosures included in the Interim Report, which follow our normal basis of presentation and do not include this deduction when calculating CET1 capital. IBP's CET1 ratios would be 21bps (31 March 2021: 16bps) higher, on this basis. [2] The CET1, Tier 1, total capital ratios and RWAs are calculated applying the IFRS 9 transitional arrangements (including the changes introduced by the 'quick fix' regulation adopted in June 2020). [3] The Pro-forma 30 September 2021 total capital ratio includes the proceeds of IBP's internal £350 million tier 2 subordinated loan issuance, dated 4 October 2021.