



Investec Capital Markets Day
Bank and Wealth

26 February 2019

Today's presenters



Fani Titi
Joint CEO of the Investec Group

Introduction



David van der Walt
Joint Global Head of the Specialist Bank and CEO of Investec Bank plc

UK Specialist Bank



Richard Wainwright
Joint Global Head of the Specialist Bank and CEO of Investec Bank Ltd

SA Specialist Bank



Steve Elliott
Global Head of Wealth & Investment

Wealth & Investment SA & UK



Nishlan Samujh
CFO of the Investec Group

Performance



1	Introduction	4
2	UK Specialist Bank	23
3	SA Specialist Bank	47
4	Wealth & Investment business	64
5	Performance	77
6	Summary and Conclusion	88
7	Appendix	90

Objectives for today's presentation

 Investec



Recap on the demerger rationale



Focus on Investec's strategic positioning



Highlight initiatives to enhance returns



Demonstrate sustainable organic capital generation

Rationale for the demerger

Why we are proposing to demerge Investec Asset Management from Investec Bank and Wealth

Conclusions of strategic review

- Investec Group comprises a number of successful businesses operating across two core geographies, with different capital requirements and growth trajectories
- Clear synergies between the Specialist Bank and Wealth & Investment business
- Group should be simplified to improve resource allocation, performance and growth trajectory
- Limited synergies between Investec Asset Management and the wider Investec Group

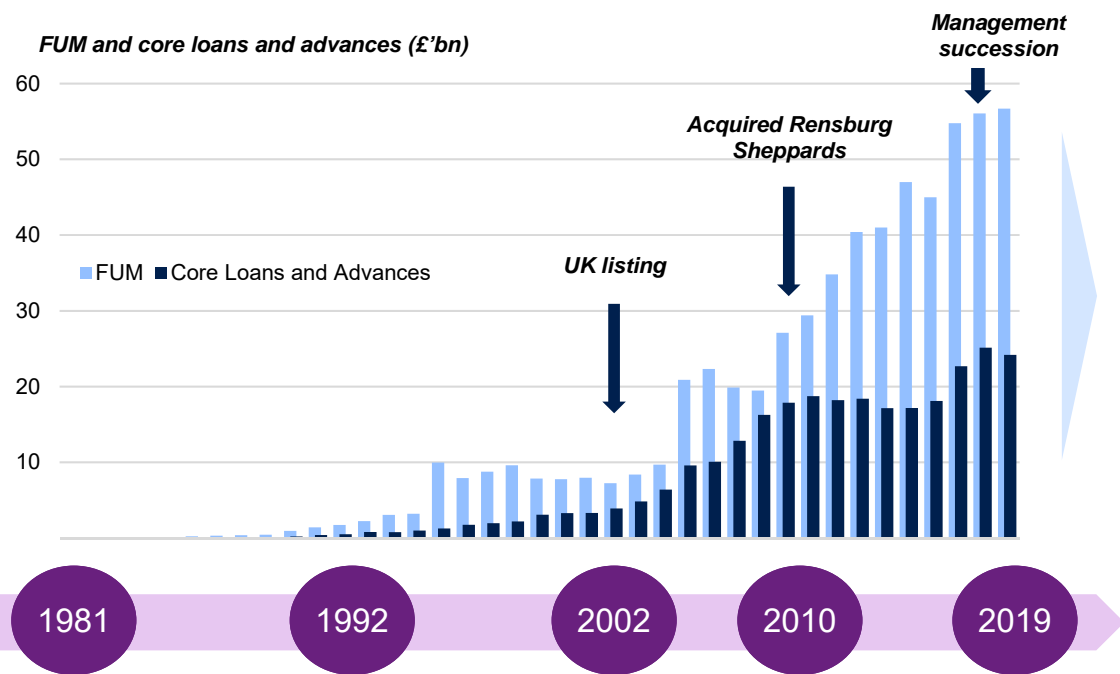
Demerger benefits

- Simplifies the Group, allowing the Specialist Bank and Wealth & Investment businesses to focus on their growth paths
- Opportunity to build on compelling existing linkages between the Specialist Bank and Wealth & Investment businesses
- Heightened focus leading to improved cost discipline
- Allows Investec Asset Management to accelerate its own growth, with enhanced ability to attract and retain talent

Enhance the long-term prospects of both businesses for the benefit of all stakeholders

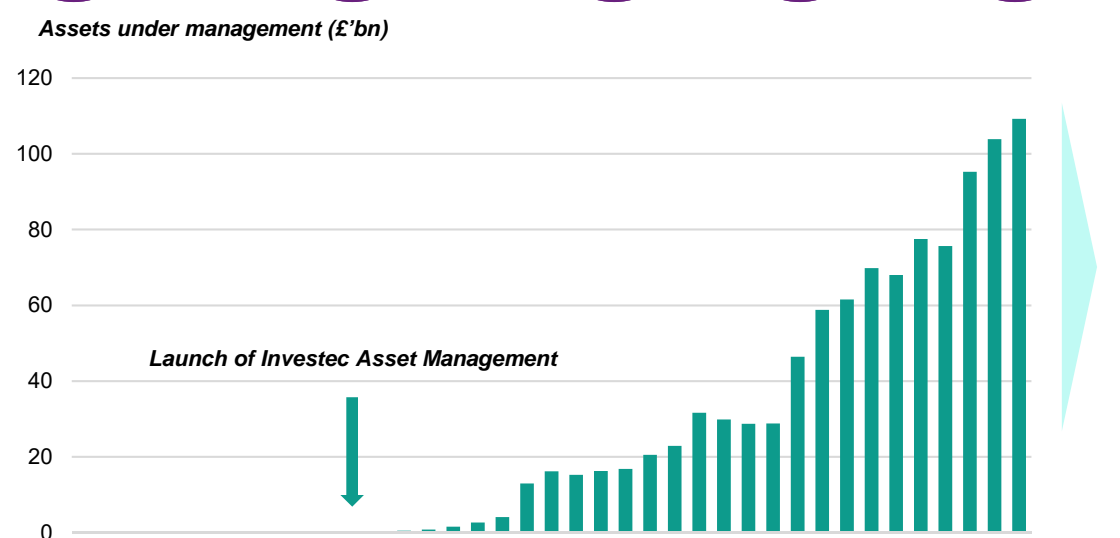
A business with nearly 40 years of heritage

Investec Bank & Wealth



- ✓ Focused on core markets
- ✓ Leading specialist client franchises
- ✓ Growing connectivity between the specialist bank and wealth business
- ✓ Well capitalised, lowly leveraged balance sheet
- ✓ Diversified mix of business by geography, income and business
- ✓ Highly scalable platform

Investec Asset Management



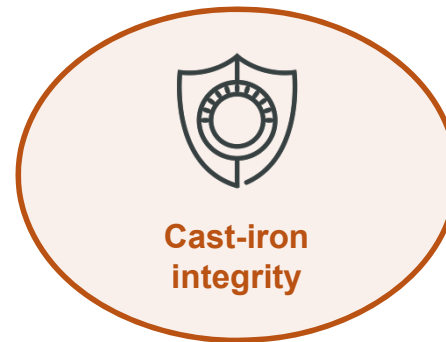
- ✓ Established global asset manager with a unique emerging market heritage
- ✓ Long-term growth track record
- ✓ Well diversified by asset class and region
- ✓ Strong investment performance over prolonged period
- ✓ Few linkages with wider group

Opportune time to consider strategic fit and shape of the Investec Group

A distinctive specialist bank and wealth manager...

...facilitating the creation and management of wealth

We are driven by a commitment to our core values and philosophies



Embodied in our distinctive culture

We have a **client-centric, high-tech, high-touch** approach – distinction in our ability to be **nimble, flexible and innovative**, and to provide a **high level of client service**

We seek to **attract and retain** highly talented professionals by maintaining an environment that **stimulates high performance** and encourages **creativity and entrepreneurship**

The careful selection of **people**, their **ongoing education and uncompromising commitment** to our stated values will continue to be a distinctive characteristic of Investec's culture and drive

Stable senior management team with a **long tenure** at Investec

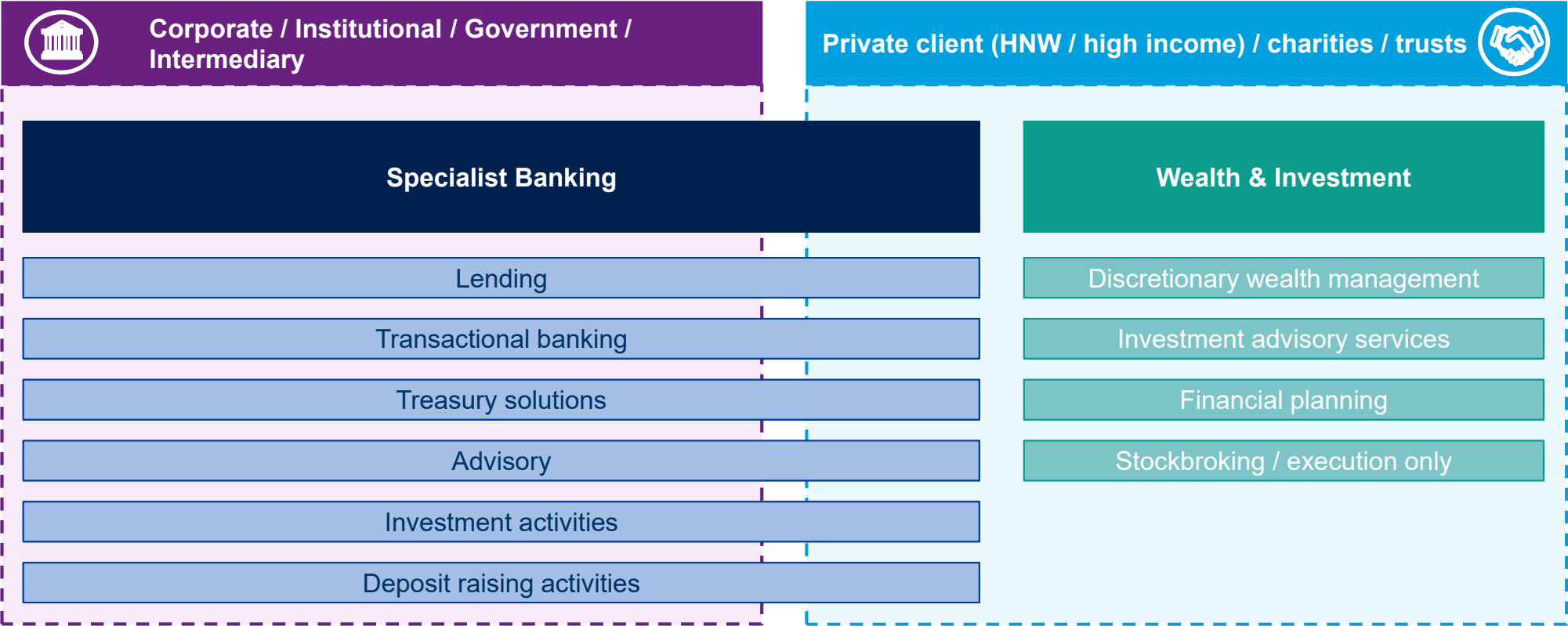
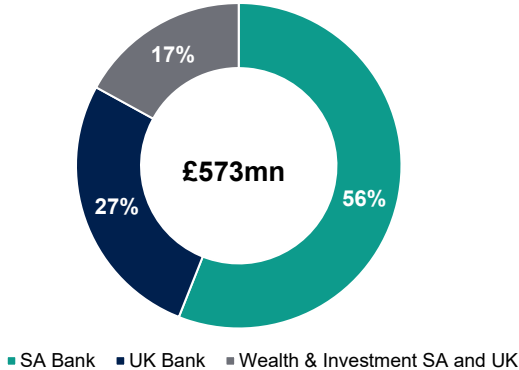
We integrate **social, ethical and environmental** considerations into day-to-day operations and our **sustainability approach** is based on the integration of people, planet and profit

Overview of Investec post demerger

A domestically relevant, internationally connected specialist banking and wealth management group

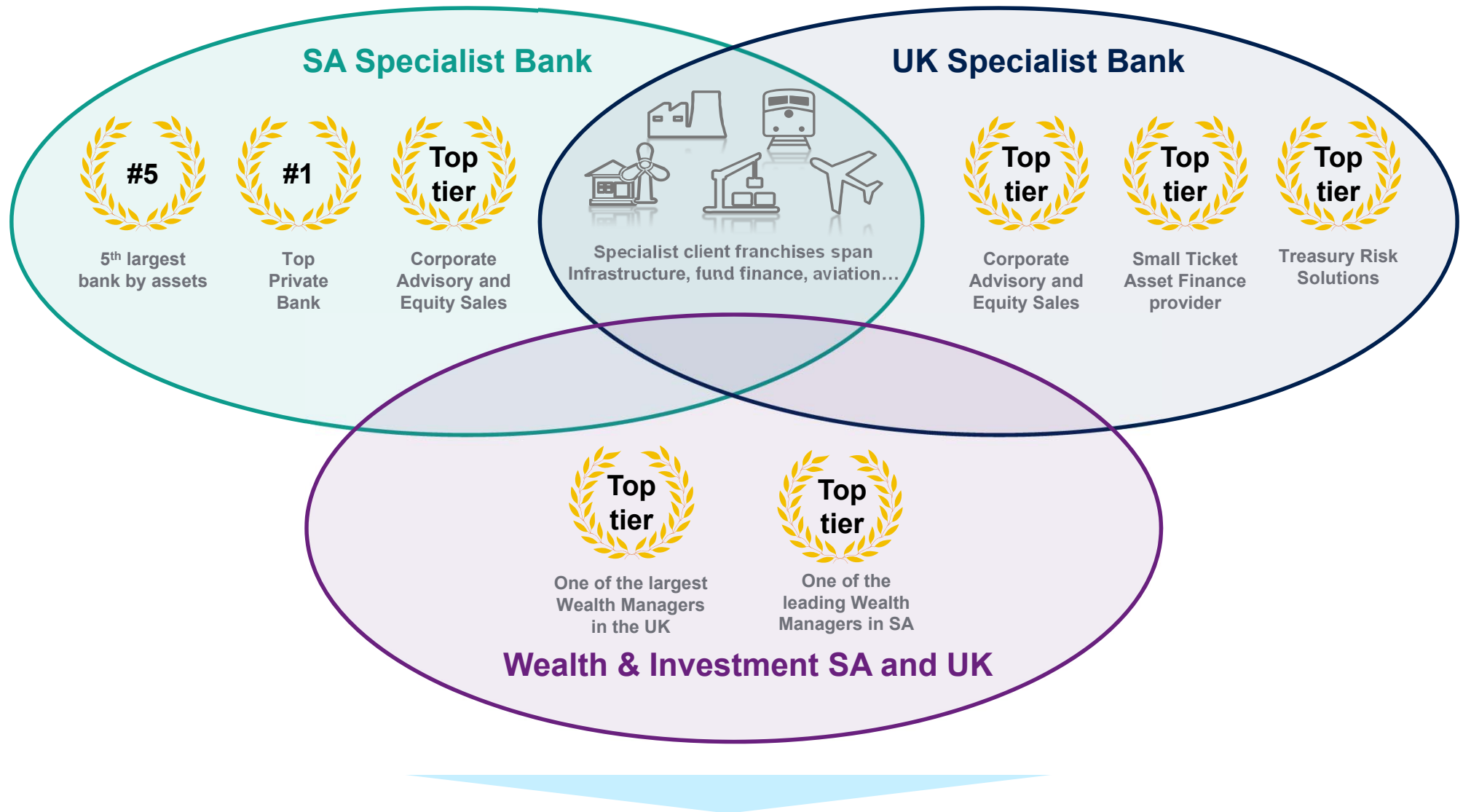
<p>2 Principal geographies</p>	<p>2 Core areas of activity</p>	<p>8,000+ Employees</p>
<p>£24bn Core loans</p>	<p>£30bn Customer deposits</p>	<p>£57bn Third party FUM</p>

March 2018 Group profit*



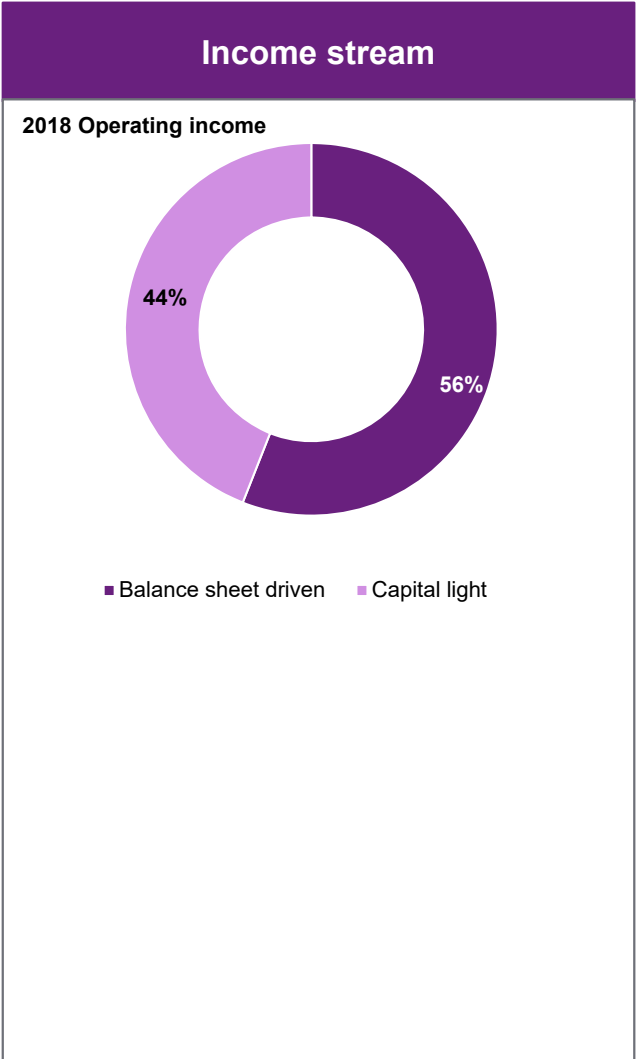
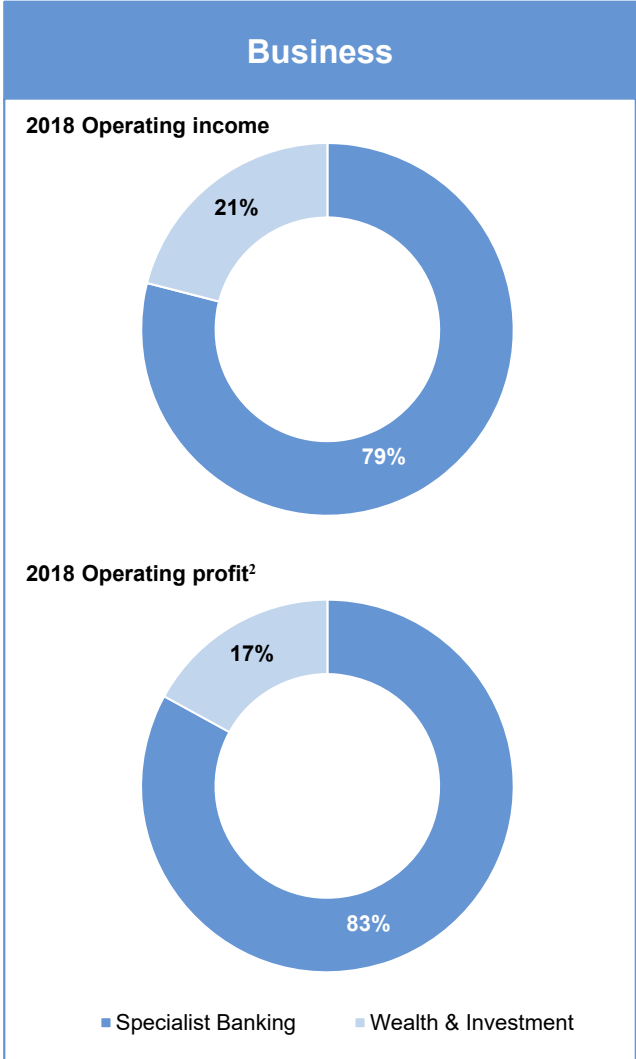
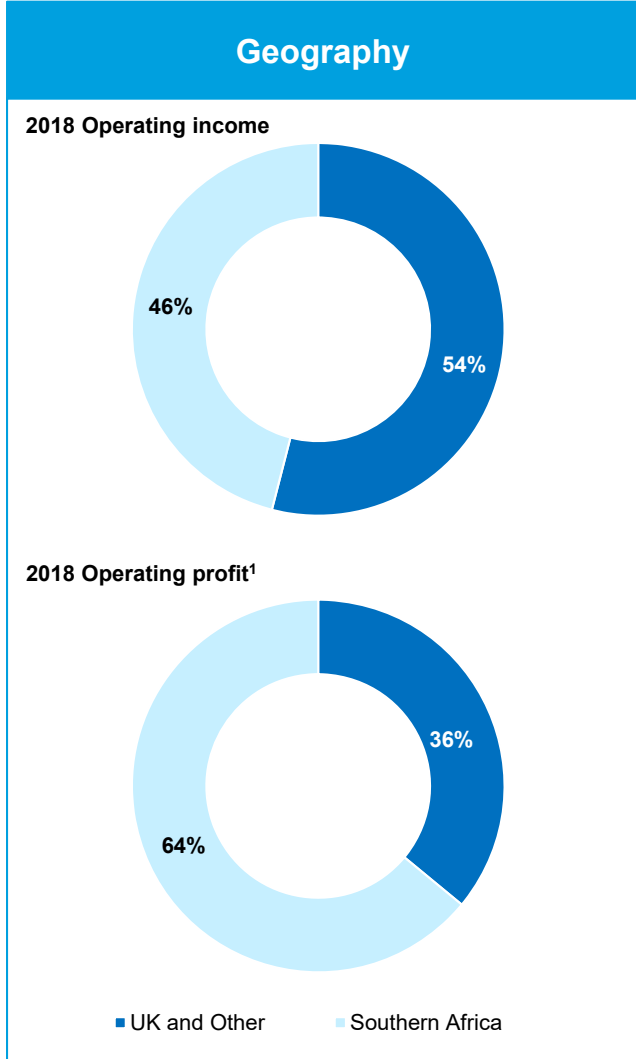
Information on this slide is as at 30 September 2018, unless otherwise indicated. * Before taxation and central costs of £50mn. Based on the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold) and excluding IAM, unless otherwise specified.

We have market-leading specialist client franchises



We are not all things to all people: we serve select niches where we can compete effectively

We have a diversified mix of businesses



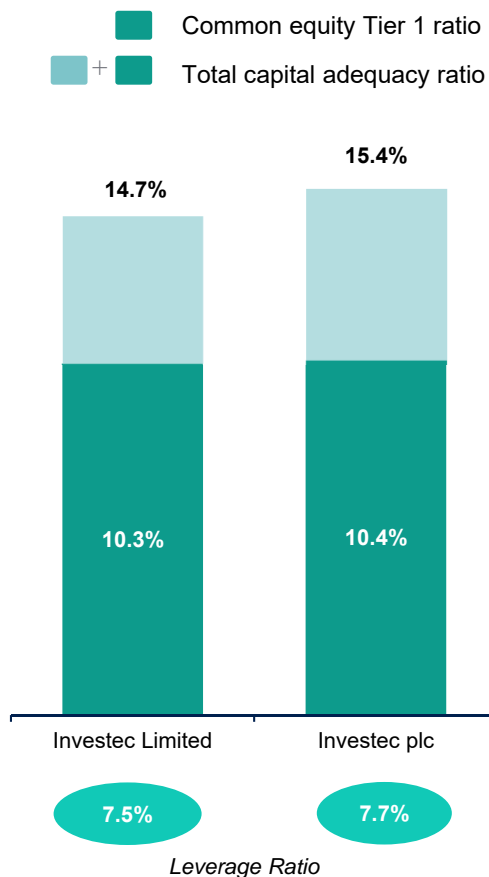
Diversified geographic business model with growing capital light revenues

Information on this slide is based on the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold) and excluding IAM, unless otherwise specified. ¹Before tax, goodwill, acquired intangibles, non-operating items but after adjusting for earnings attributable to other non-controlling interests and central costs. ²Before tax, goodwill, acquired intangibles, non-operating items and central costs but after adjusting for earnings attributable to other non-controlling interests.

We have positive organic capital generation across our business

Healthy capital position

H1 2019 (standardised approach) as reported, including IAM



Existing capital generation supports growth and dividends

Positive capital generation across all three core businesses

- All businesses are capital self-sufficient
- Supports RWA growth of c.8% to 10% p.a.
- Supports proposed dividend policy of 30% to 50%
- Maintain appropriate capital adequacy / buffer across Investec plc and Investec Limited
- Any dividends from the Wealth & Investment business passed through to shareholders

Well capitalised, lowly leveraged balance sheet with improving capital generation

We have successfully transitioned to the next generation of management

✓ Smooth transition of senior leadership

✓ Long history working together at Investec with average tenure of 20 years for executive team

✓ Supported by strong management teams across the business units

✓ Average tenure of 18 years for top 50 senior managers

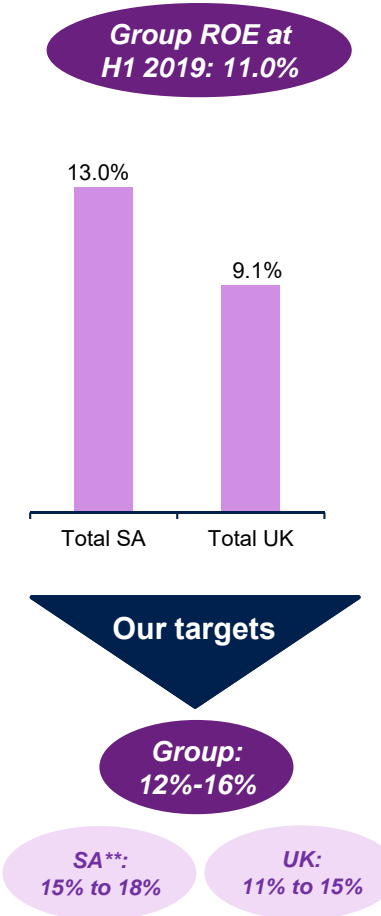
✓ Passionate and entrepreneurial culture

Solid foundations but more to be done

Solid foundations

- Client-centric approach is in our DNA
- Market leading specialist client franchises with an established brand
- Locally responsive and internationally networked
- Addressed legacy / non-core businesses
- Invested in our platforms
- Sustainable organic capital generation to fund growth ambitions and dividends

Current ROE* performance



We are focused on improving ROE

- Our franchise businesses in both SA and UK have ROEs at the lower end of our geographic target ranges
- Our ROE in SA is affected by lower returns on our investment portfolio, which we have plans to address
- Our ROE in the UK reflects significant investment into our business, notably the Private Bank, the benefits of which will emerge in the medium-term
- We aim to deliver on these targets over the next three years

Simplifying and refocusing the Group to improve shareholder returns

*ROE targets take into consideration Group Central Costs and reported information is post the deduction of these Group Central Costs.
 **Target set in Rands.

Our initiatives to enhance shareholder returns

We are focused on five key initiatives to enhance returns for shareholders



Enhancing returns for shareholders

1 More disciplined approach to capital allocation

Focusing on businesses generating below target ROEs

Capital Strategy

Actions taken to date

- Simplified and de-risked our business through:
 - Strategic sales
 - Re-balanced the loan book
 - Run-down the legacy portfolio
- Grown our client franchises
- Invested substantially in our UK Private Banking franchise
- Made substantial investment in digital channels and solutions, including Click & Invest and One Place

Planned actions

- Optimise capital allocation
- Review and address underperforming business units
- Manage down non-core equity investments portfolio in SA
- Focus on co-investment alongside clients to fund investment opportunities
- Leverage third party capital into funds that are relevant to our client base
- Leverage distribution strengths to grow capital light income stream

Maintain self-sustaining capital model in both the UK and SA

2 Pursuing our growth plans

Multiple opportunities to drive further growth



Extend Specialist Banking proposition

- More holistic client-centric offering to mid-sized corporates (SA Investec for Business and UK Corporate Banking)
- Investec Life
- Integrated offering for intermediaries in SA
- Transactional banking offering for corporates
- Expand the Specialist Bank's funds and investment product businesses



Further develop Wealth & Investment offering

- Expand financial planning (UK) and fiduciary capabilities (SA)
- Increase collaboration with Investec Private Bank
- Focus on investing and developing digital channel
- Extend breadth of global investment offering, particularly in alternative asset classes such as private equity



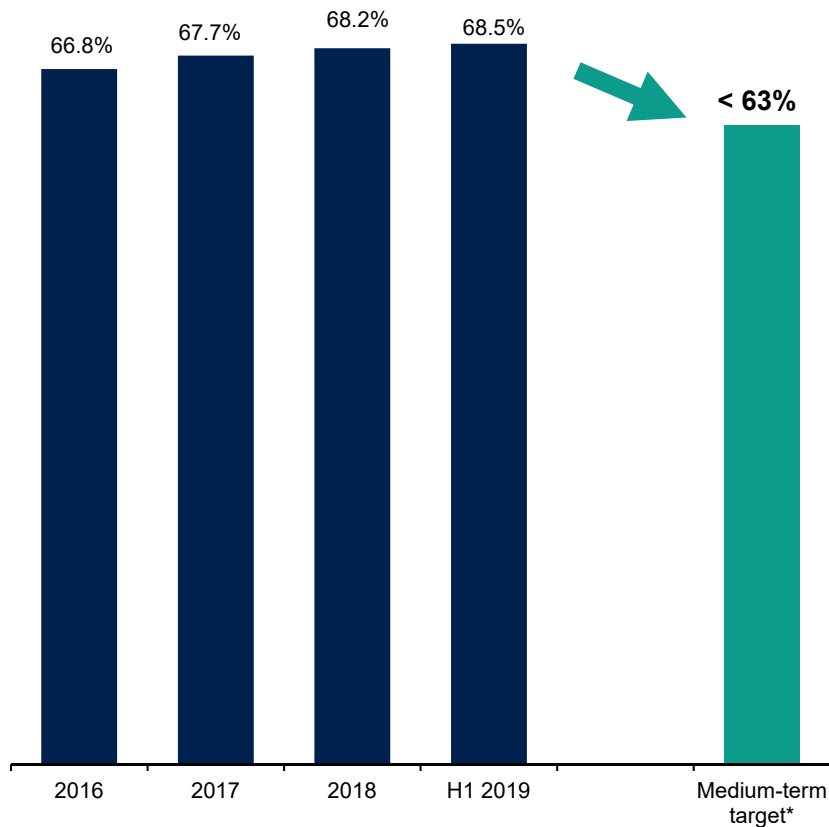
UK Private Bank shift from platform build to client growth

- Focus on client acquisition and retention
- New private client lending platform initially focused on mortgages

3 Increased focus on effective cost management

Historical increases in our cost to income ratio reflect strategic investment in the business

Improving cost to income ratio[^] in the medium-term



Historical cost to income ratio development

- The increase in our cost to income ratio historically reflects a period of strategic investment in the business:
 - Development of scalable UK Private Bank platform
 - Focus on digitalisation and technology development
 - Investment in talent
- Our growth initiatives have been fully expensed

Achieving our medium-term target* of < 63%

- We expect historical investment to accelerate revenue growth as we leverage the investment in our business
- Areas identified for improvement in our cost base:
 - Reduction in Group Costs
 - Greater shared use of technology across the Group, optimising our operational platforms
 - Further utilisation of lower cost operations, including SA

Delivering positive jaws

Meeting the needs of our sophisticated, and internationally orientated clients

	Between SA and the UK	Between Specialist Bank and Wealth & Investment
Existing connectivity	<ul style="list-style-type: none"> • Seamlessly serving SA HNW and corporate clients who have international financial needs • Leveraging expertise in specialist client franchises • Shared use of operations (e.g. SA customer service centre) • Single global investment process for Wealth & Investment 	<ul style="list-style-type: none"> • Private Bank / Wealth offering: One Place • Wealth & Investment access to products (where suitable) originated/sourced/developed in the Bank • Client journeys – interconnections across corporate bank, investment bank, private bank and wealth • Global digital platforms for private clients and IFAs
Opportunities for greater connectivity	<ul style="list-style-type: none"> • Greater cross collaboration between the various banking businesses • Cross border M&A transactions • Providing international investment products to our intermediary client base • Leverage the transactional banking platform between SA and the UK 	<ul style="list-style-type: none"> • Greater cross referrals between the Specialist Bank and Wealth & Investment business particularly in the UK • Further digital platform integration around client type • Potential for further shared operational linkages • Alternative investment products

5 Continuing to invest in Digitalisation

Our digitalisation strategy integrates services across business and geography, to bring to life a high-touch, high-tech experience

Private clients



One Place™

Integrated access to Investec's banking and investment services

Click&Invest

Complete digital offering providing advice online



BEST DIGITAL BANK AWARD 2017 Best Digital Bank in SA
Most Innovative Digital Bank in Africa

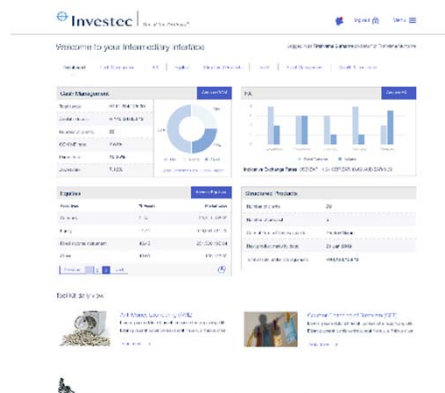
WINNER ONLINE PERSONAL WEALTH AWARDS 2018
 BEST NEWCOMER

GLOBAL FINANCE MyPrivateBanking research

Joint 1st Robo-Advisor for Click & Invest
 Joint 2nd for One Place Mobile App

PWM WEALTH TECH AWARDS 2018
 BEST PRIVATE BANK USE OF TECHNOLOGY, AFRICA

Intermediary clients




Investec | Intermediary

Welcome to your Intermediary interface

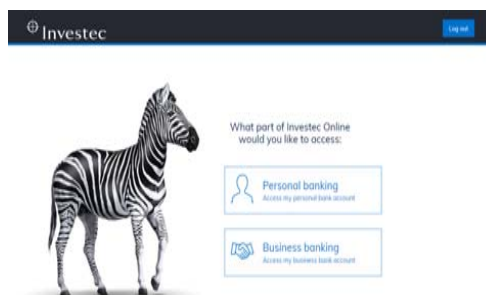
User Management, Portfolio Performance, Transaction History

Unified experience for SA Intermediary clients allowing them to transact, save and trade



Corporate clients

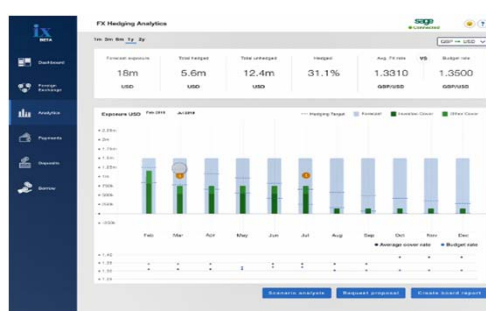
SA Investec for Business



What part of Investec Online would you like to access?

- Personal banking
- Business banking

UK Corporate Banking



FX Hedging Analysis

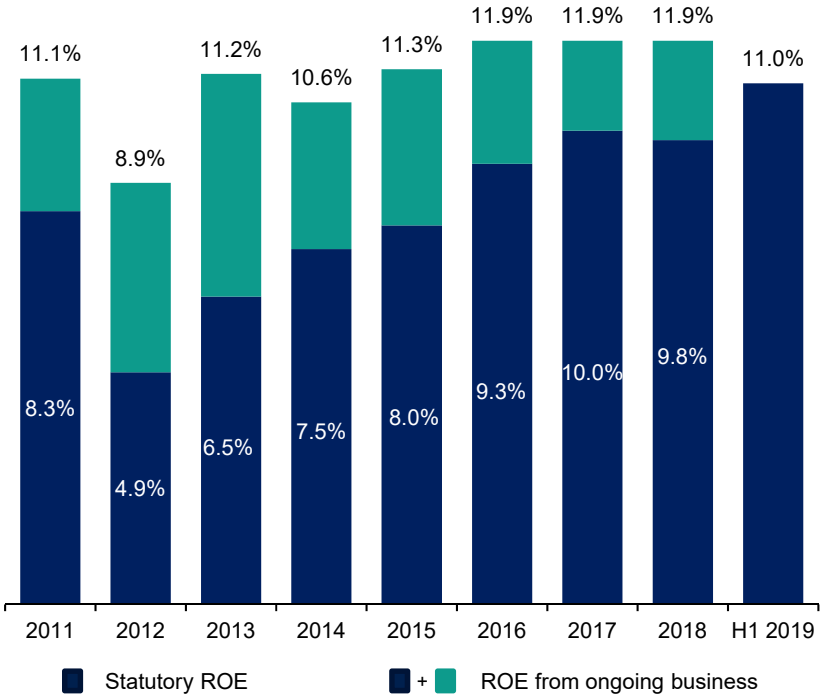
Forward exposure	Total hedged	Total unhedged	Hedge %	Avp FX rate	VS Budget rate
18m USD	5.6m USD	12.4m USD	31.1%	1,3310	1,3500

Technology is not only a business enabler, but also a catalyst for continuous improvement in executing strategy in a digital era

Enhancing shareholder returns over the medium-term

Narrowing gap between statutory and ongoing ROE

ROE evolution since 2011



Group ROE Target*:
12% to 16%

Drivers for ROE enhancement

- > More efficient approach to capital allocation
- > Clear set of strategic initiatives to support income growth
- > Increased focus on delivering cost improvements
- > Drive greater connectivity and linkages across the business
- > Continue to invest in digital capabilities

Enhancing ROE supports investment for growth and attractive returns for shareholders

Information on this slide is based on the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold) and excluding IAM, unless otherwise specified.
*Which we aim to deliver on over the next three years.

Clear set of financial targets underpins our objectives

Which we aim to deliver on over the next three years

Group ROE



12% to 16%*

UK*:
11% to 15%
UK Bank:
10% to 13%

SA*:
15% to 18%
SA Bank:
14% to 16%

Cost to Income Ratio



< 63%

UK Bank:
< 65%
UK Wealth:
73% to 77%

SA Bank:
49% to 52%
SA Wealth:
< 70%

CET1 Ratio



> 10%

Dividend Payout Ratio



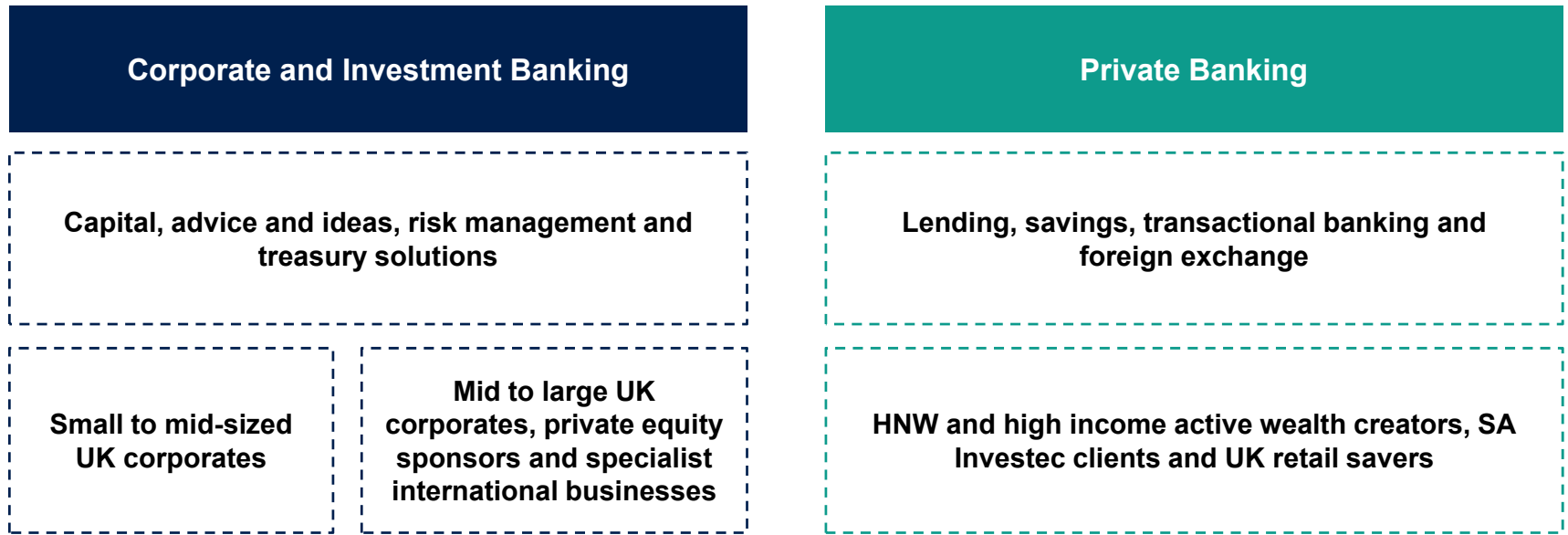
30% to 50%

*Target takes into consideration Group Central Costs.
All SA targets on this page are set in Rands.

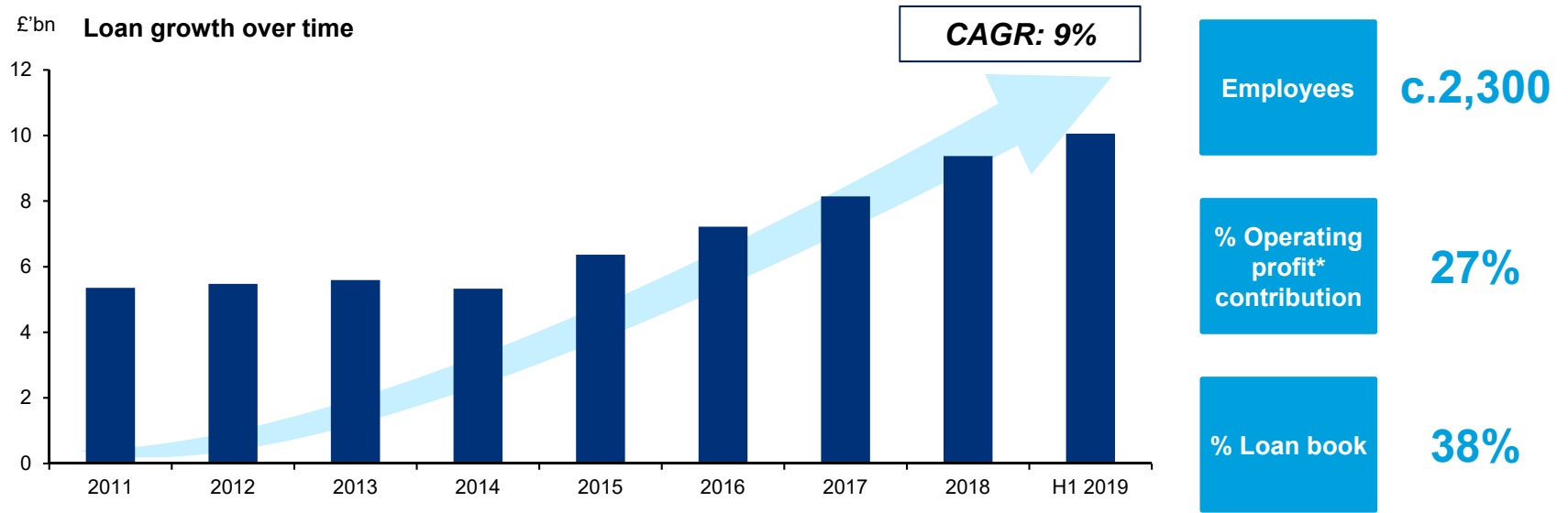


1	Introduction	4
2	UK Specialist Bank	23
3	SA Specialist Bank	47
4	Wealth & Investment business	64
5	Performance	77
6	Summary and Conclusion	88
7	Appendix	90

Strong domestic client franchises complemented by international specialist capabilities



Our growth story

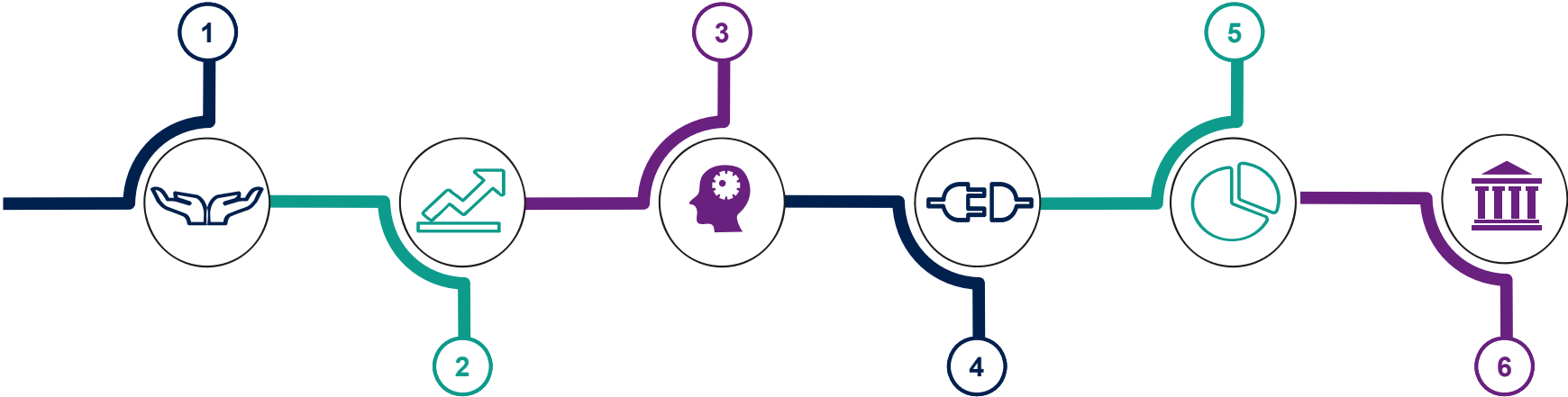


We have evolved our business model and are strategically well positioned

- **Simplified and de-risked** our business as a basis from which to grow

- **Fully invested Private Banking franchise** with a clear market opportunity set to realise benefits of increased scale

- **Improved revenue mix** – client-driven, high annuity and increased capital light



- Achieved **considerable scale in our competitively positioned Corporate and Investment Banking franchises** with sustainable growth opportunities

- **Enhanced connectivity** across the businesses with strong potential for further collaboration

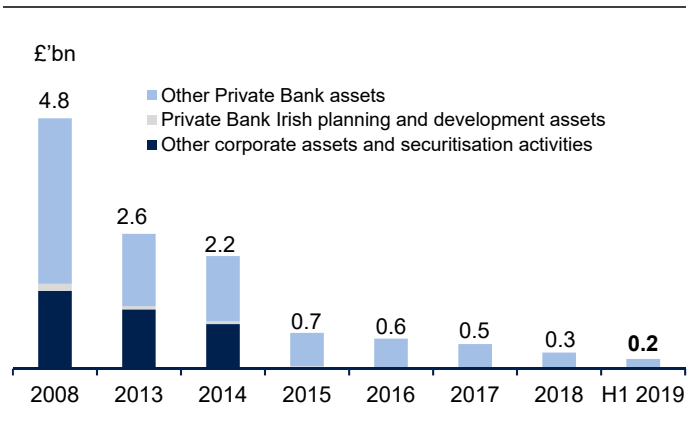
- Going forward:
- Strong **growth strategies**
 - Focusing on **cost discipline**
 - Improving **returns**
 - Delivering sustainable organic **capital generation**

Well positioned for future growth

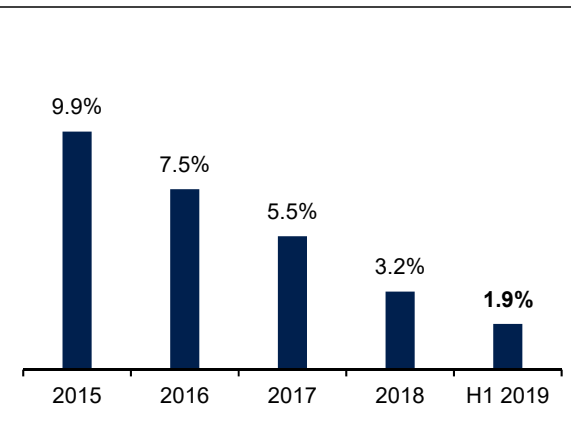
Simplified and de-risked our business

Significantly reduced Legacy portfolio

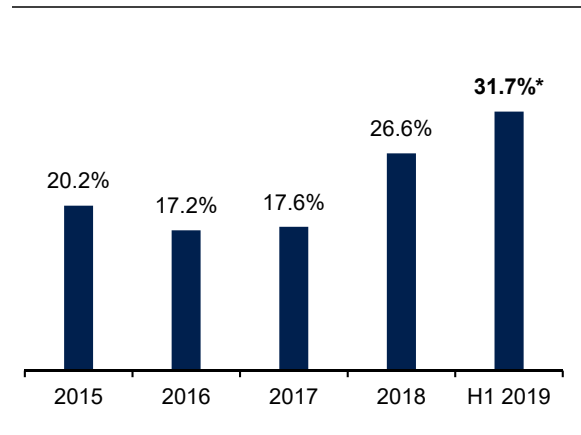
Run-off of Legacy assets



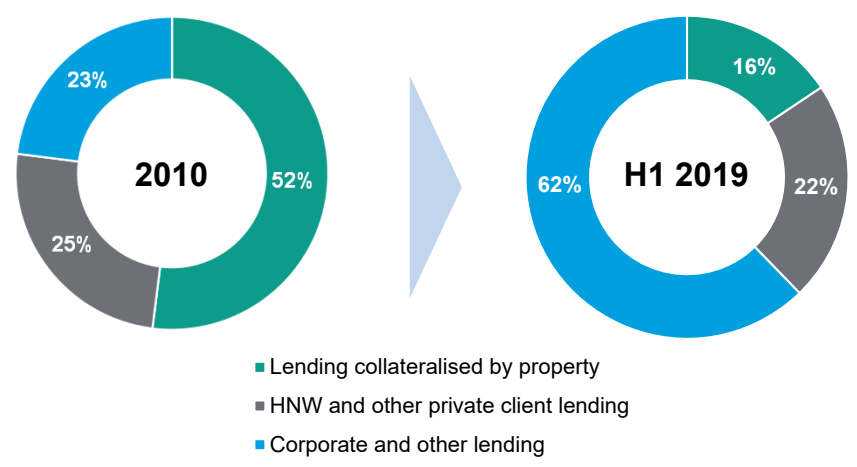
Reduction of Legacy as % of UK loan book



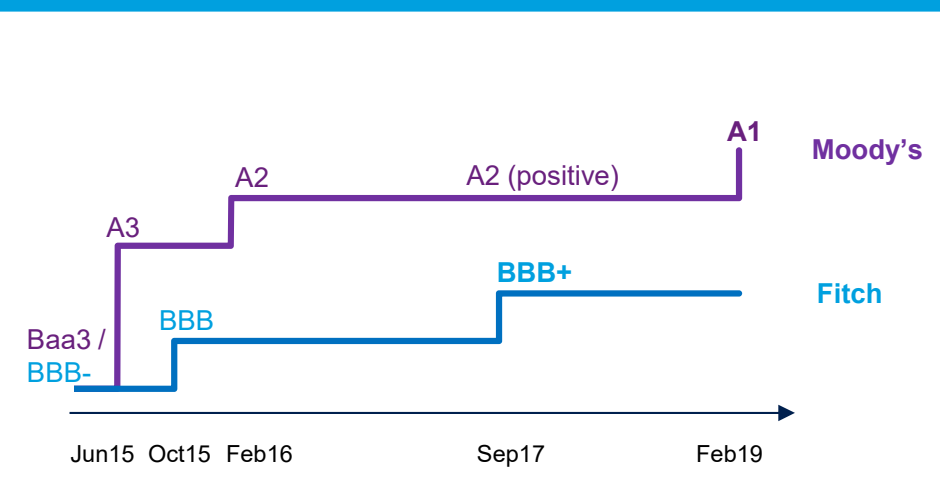
Increase in Legacy coverage



Significantly reduced Property as % of UK loan book



Significantly improved Credit Ratings[^]



Our UK legacy portfolio is pre-2008 business with very low/negative margins, and assets relating to discontinued business.

*Total effective coverage on the overall legacy portfolio (including assets held at fair value through profit and loss), calculated as if fair value adjustments are equivalent to balance sheet impairments).

[^]Credit Ratings shown relate to Investec Bank plc deposit and long-term senior debt ratings.

Our value proposition

- Client-centric, solution-driven offering – opportunity to drive client acquisition and increase market share
- Tailored offering focused on UK mid-market corporates, financial sponsors and specialist international franchises

	Corporate Banking	Investment Banking
Ambition	<ul style="list-style-type: none"> • Delivering a ‘private banking’ experience with investment banking quality of advice and service 	<ul style="list-style-type: none"> • Creating a premier UK mid-market investment bank by offering boutique service and bulge bracket capability to our target clients • Specialist international franchises: building deep relevance in our chosen sectors through our expertise
Clear target market	<ul style="list-style-type: none"> • Small to mid-sized UK corporates (c.£10mn - £100mn revenue) • High probability of corporate activity or growth 	<ul style="list-style-type: none"> • UK Investment Banking: Larger mid-market UK corporates (£100mn - £1bn revenue) and the financial sponsors that operate in that space • Specialist international franchises: aviation, fund finance, power and infrastructure finance and resource finance
Shared infrastructure		

							
2017	2017	2018	2018	2018	2018	2018	2018
Best Commercial Lender – Commercial Finance Awards	Innovation in the SME Finance Sector	Best service from an Asset Finance Provider	Best Asset Finance Provider: Winner	Bank Lender of the Year	Sole Arranged \$2bn of financing for Emirates between 2016 and 2018	<ul style="list-style-type: none"> • Sole Sponsor & Corporate Broker • GVC’s £3.2bn takeover of Ladbrokes Coral 	<ul style="list-style-type: none"> • Sole Corporate Broker & Joint Sponsor • £8.1bn hostile offer for GKN plc

CIB: Creating a leading Corporate Banking offering...

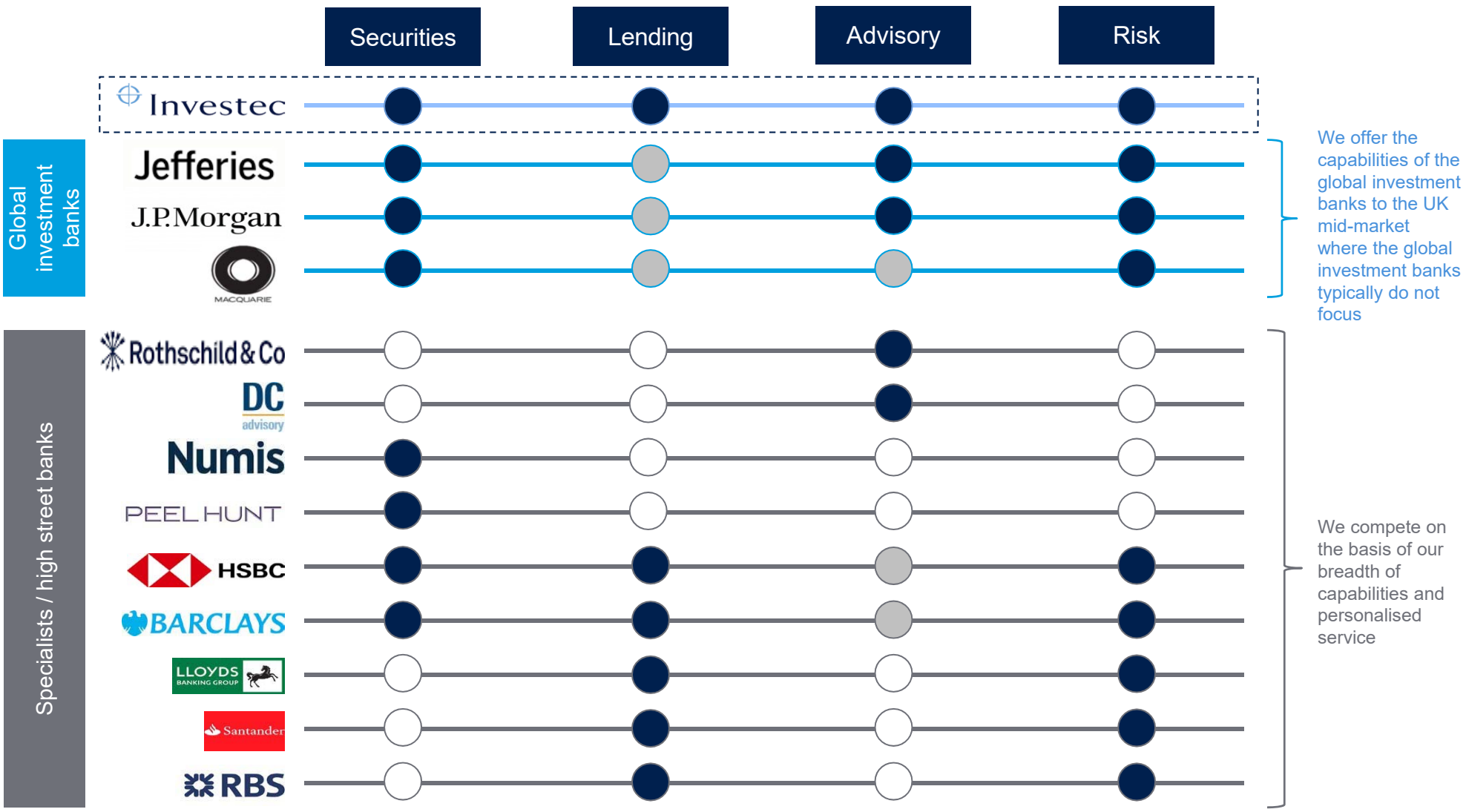
...with a joined up, client-centric approach for our target market (£10mn - £100mn corporates)



CIB: Uniquely positioned Investment Banking with a holistic proposition

Boutique service with 'Bulge Bracket' capability and award winning franchises

- Tailored offering to meet the needs of UK mid-market corporates (£100mn – £1bn revenue) and financial sponsors
- Our specialist international franchises sector businesses are differentiated by our deep expertise and relationships and our ability to innovate alongside our clients

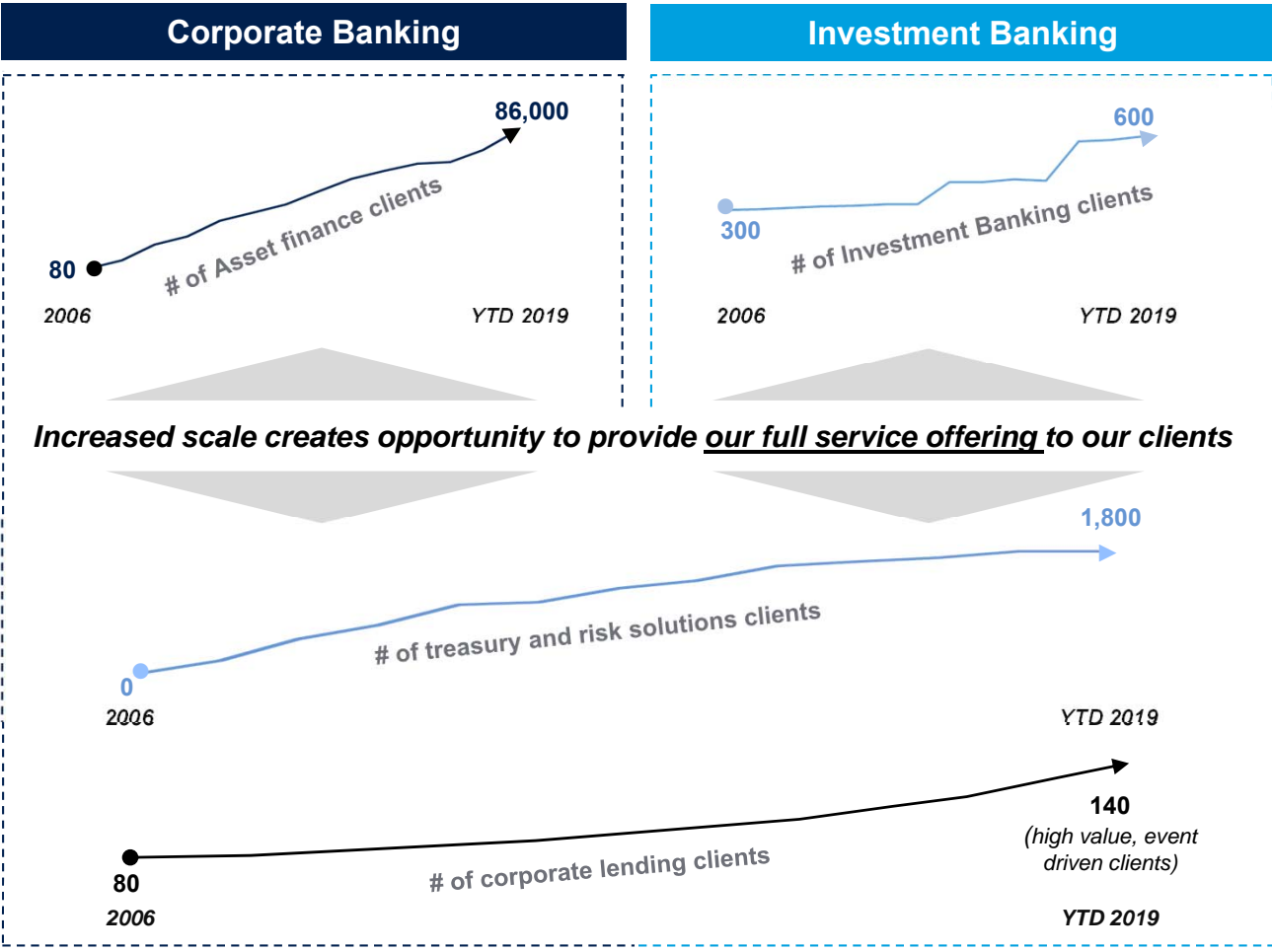


● Core offering ○ Ability/Non-core offering to mid cap market ○ No offering

CIB: Achieved considerable scale in the business

Consistently contributed 35-40% of Global Specialist Bank revenue

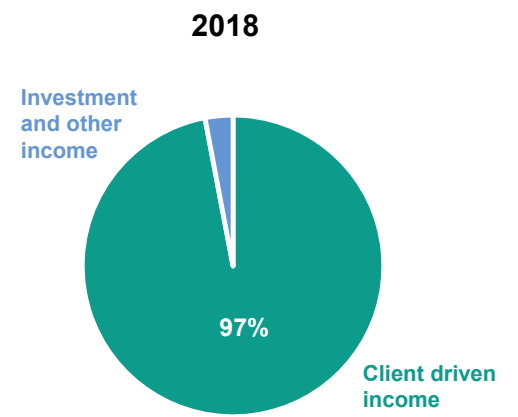
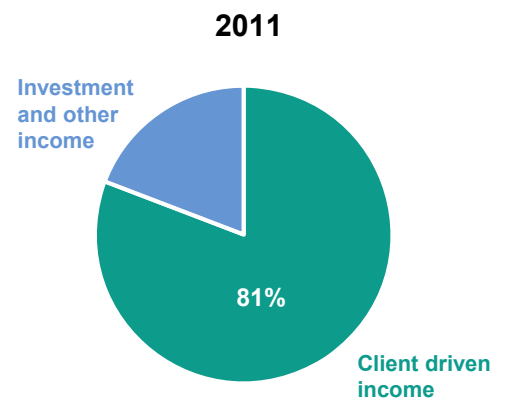
Growth in sustainable core corporate client franchises



Increased scale creates opportunity to provide our full service offering to our clients

- Significant growth since inception to become well-established, award-winning franchises
- Built sustainably through organic growth and diversification into new markets and specialisms
- Differentiated, high calibre offering with strong relationship management and deep expertise

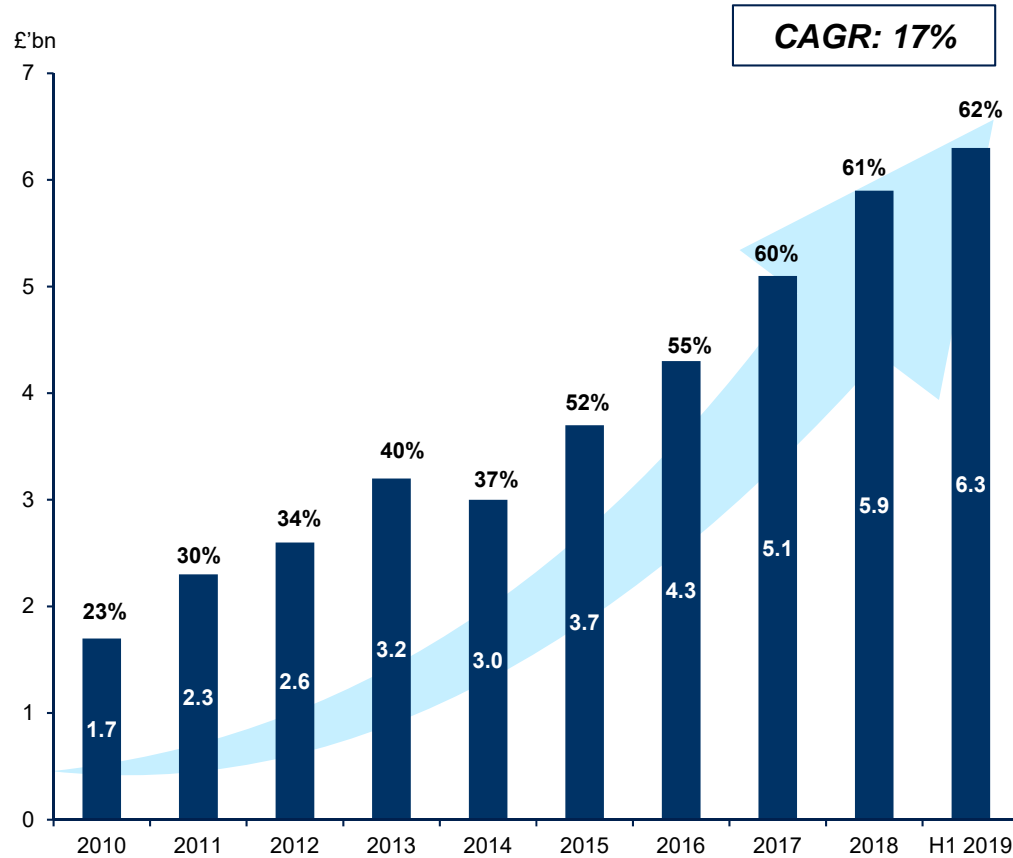
Improved revenue sustainability and mix underpinned by client franchises



CIB: Delivering attractive and sustained growth

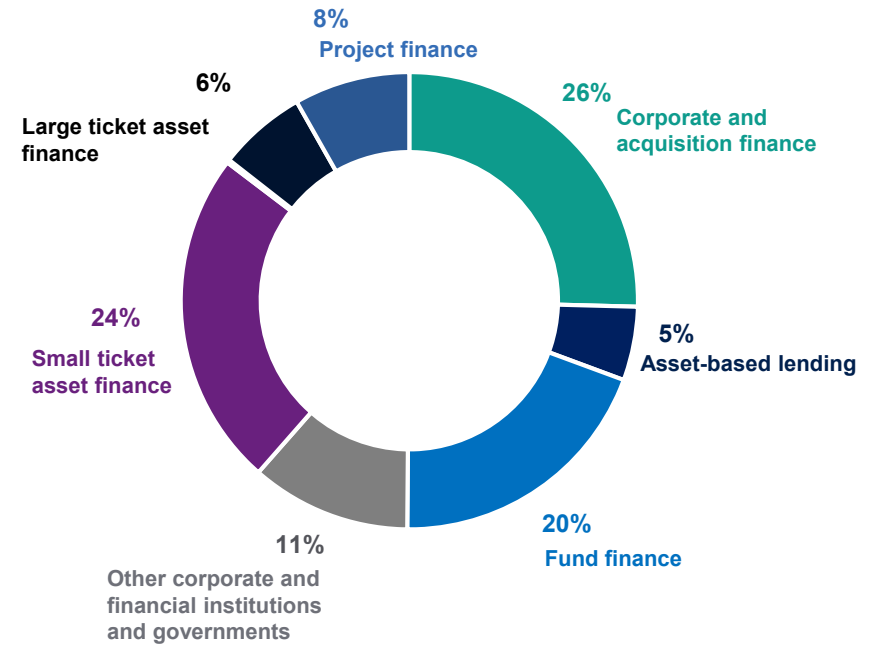
Growth in corporate loan book

Net book size in £'bn and as a % of total UK net core loans



Diversified corporate loan book

Net corporate loan book by risk category*



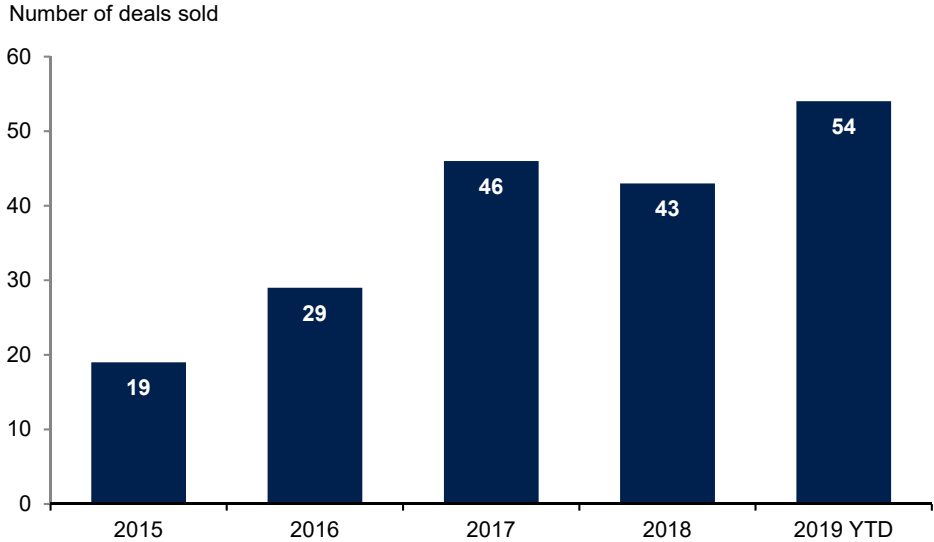
*As at 30 September 2018.

Evolved to build a capital sustaining business model

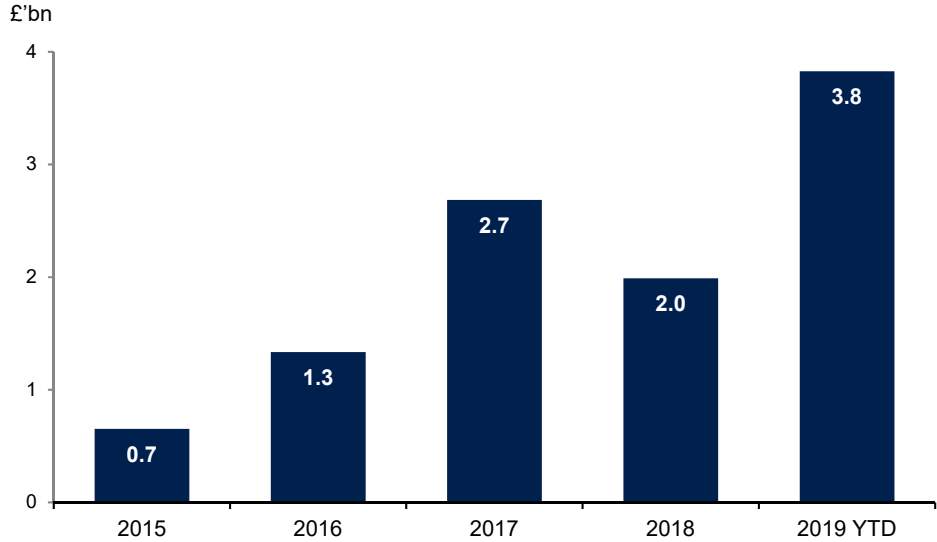
Highly successful origination and distribution capability and growing fund management capability

- Enhances returns by recycling capital
- Generates additional capital light revenue
- Allows us to punch above our benchmark in alternative space
- Increases client relevance off-balance sheet
- Maintains diversity of loan book
- Provides valuable market intel, aiding origination of new deals
- Raises Investec's profile among institutional investors globally

Selling more deals...



...and bigger in size



...and growing our fund management capability, with £1.3bn of third party assets raised year to date

Evolved to build a capital sustaining business model (cont.)

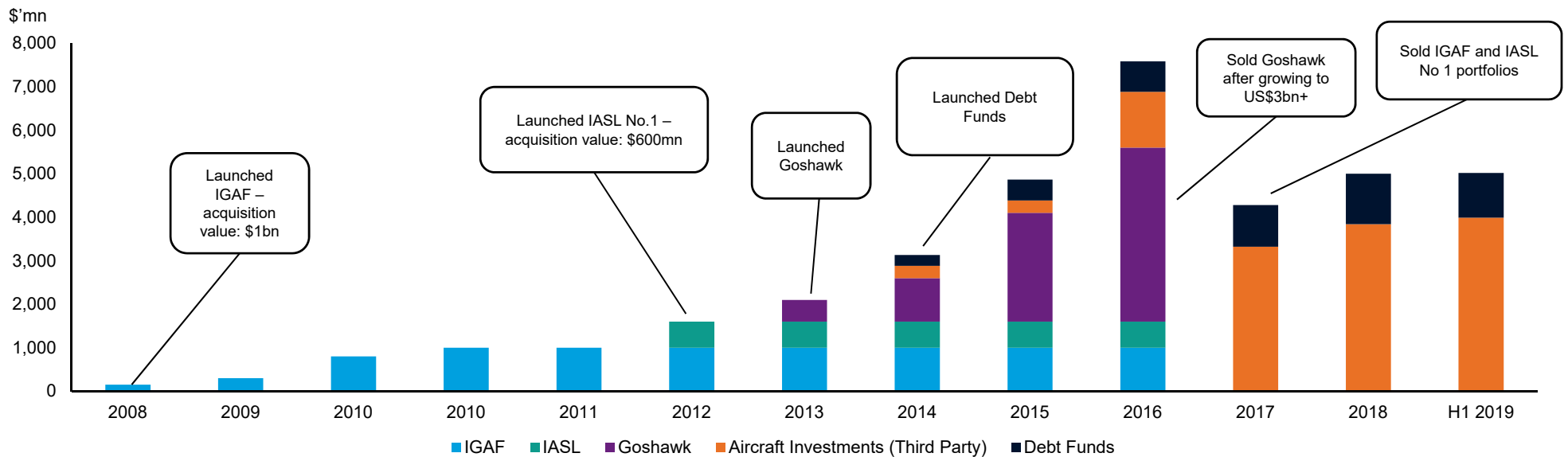
Case study: Building a world-leading Aviation franchise

Client franchise	<ul style="list-style-type: none"> Well-established aviation franchise built on deep sector expertise and client relationships
Innovation and relevance	<ul style="list-style-type: none"> We continually innovate to remain relevant by launching and managing third party aircraft leasing and debt funds
Connectivity	<ul style="list-style-type: none"> Global team leverages experience and relationships across the globe
Fund management track record	<ul style="list-style-type: none"> 10 year fund management track record with over c.\$5bn of third party AUM across debt and equity funds – providing recurring capital light revenue

c.US\$1.1bn debt AuM

c.US\$4.0bn equity AuM

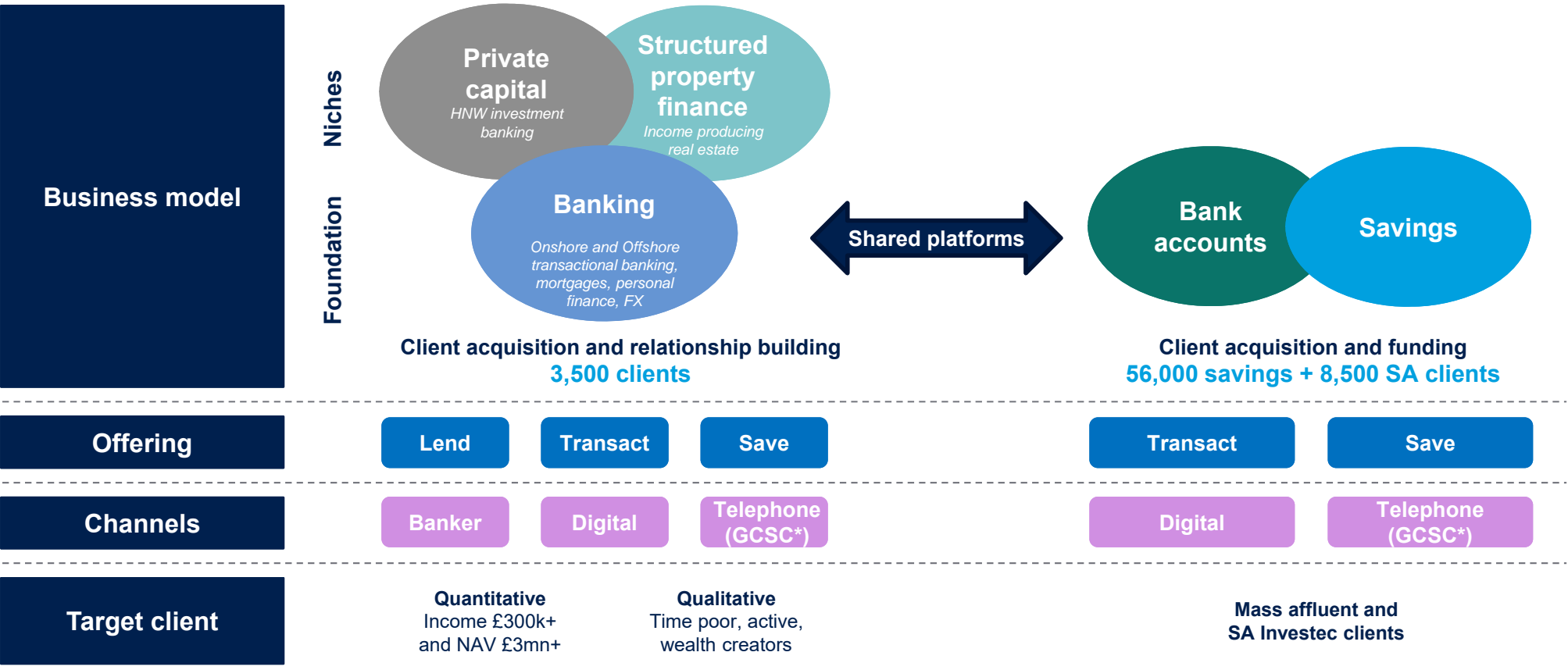
Aviation third party assets under management



Where IGAF is Investec Global Aircraft Fund, IASL is Investec Aircraft Syndicate Limited.

3 UK Private Banking overview

Our value proposition	HNW <ul style="list-style-type: none"> Client led (not product) High touch, relationship based Expertise and speed 	Retail savings and SA clients <ul style="list-style-type: none"> Product led High tech, digital, self service Innovative products
Ambition	<ul style="list-style-type: none"> To build an aspirational HNW private bank which facilitates wealth creation integrated with wealth management 	
Clear target market	<ul style="list-style-type: none"> HNW active wealth creators 	<ul style="list-style-type: none"> SA Investec clients UK retail savers



*Global client service centre.

Private Banking: Clearly defined target market

Our proposition is aligned with a clearly defined target client base

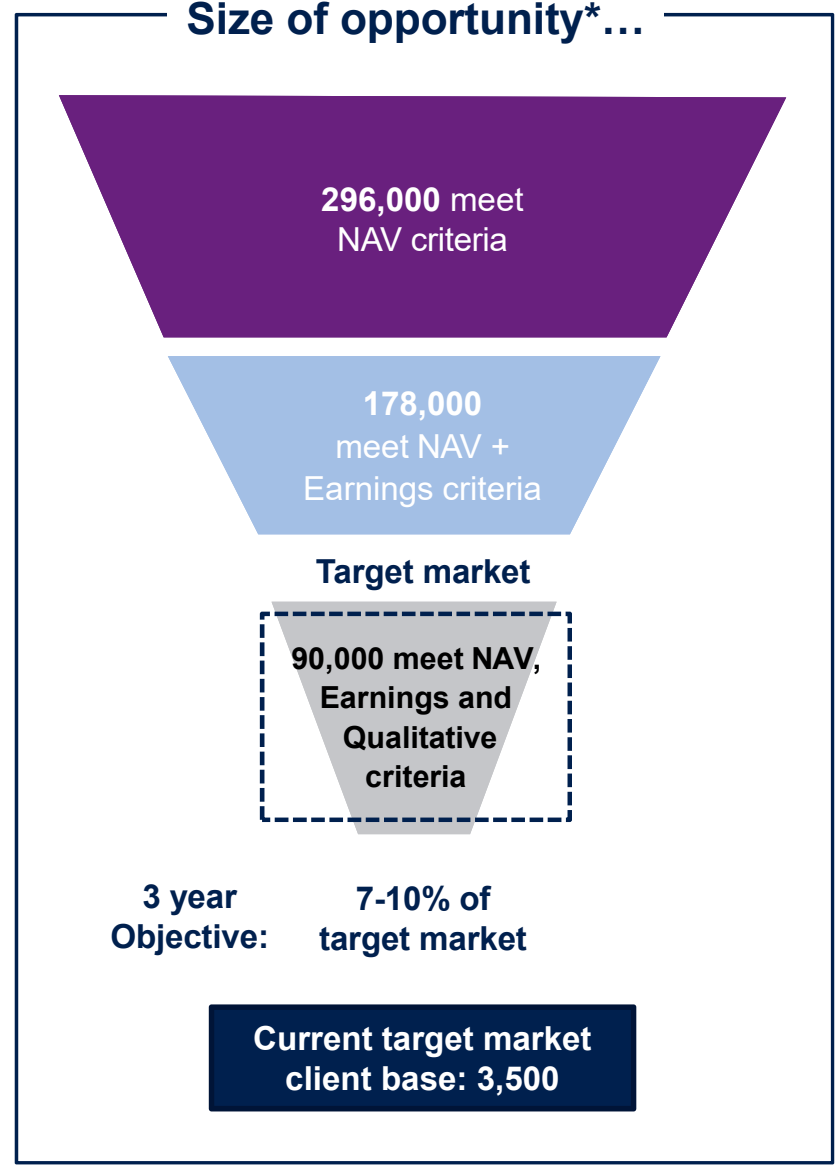
Quantitative criteria

£3mn NAV
+
£300k earnings

Qualitative criteria

- Actively creating wealth
- Entrepreneurially minded
- Time poor

Allows us to deal directly with clients, avoiding restrictive regulations requiring the broader retail market to deal via an IFA



*Source: As per research from Scorpio, Oliver Wyman Ltd and Investec's Private Banking marketing team.

Private Banking: Clear market opportunity

Traditional Retail Banks

For customers that need a homogenous product



- High volume and low price
- Low flexibility
- Impersonal and product-led
- Time consuming and bureaucratic

A different kind of private bank

For clients that need a risk-partner to grow their wealth



- **Primarily capital-led, with transactional banking and savings capability**
- **Flexible but rigorous lending criteria**
- **Not constrained by minimum client AUM**
- **Individual tailored service within a niche market seeking wealth creation**
- **Refreshingly human with high service level – ability to deal with complexity and execute quickly**

Traditional Private Banks

For clients that need wealth preservation

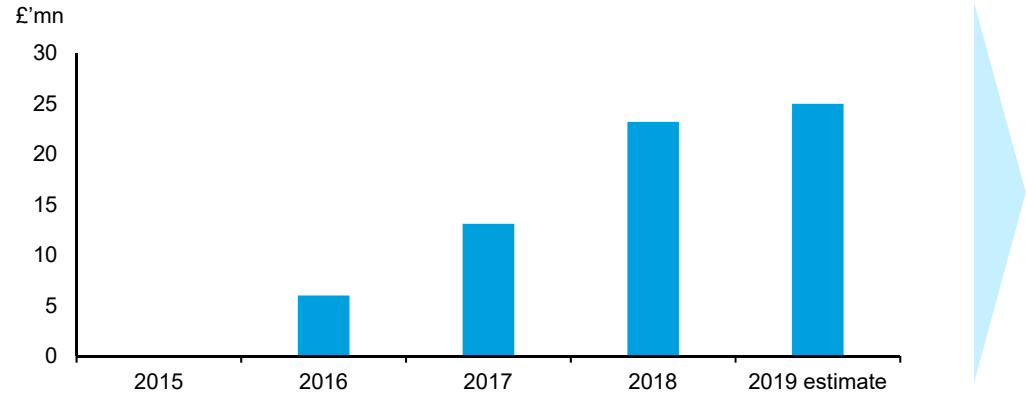


- Primarily investment-led
- Low volume, high price
- Focused on wealth preservation
- High minimum AUM thresholds for clients

Private Banking: Fully invested for the future

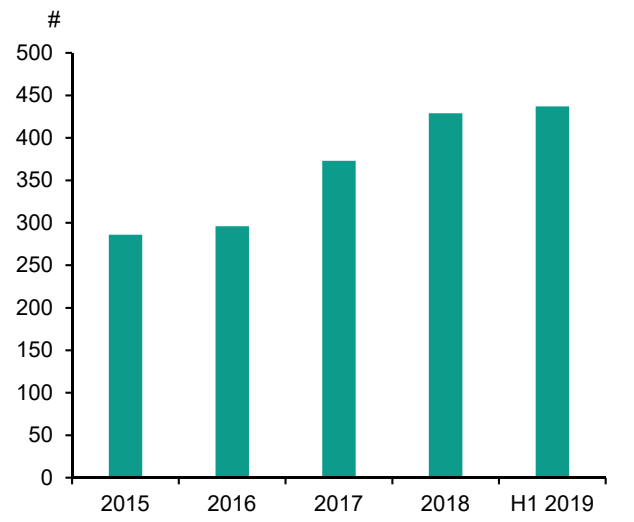
New Banking proposition – invested to achieve a scalable platform

Investment into new Banking proposition

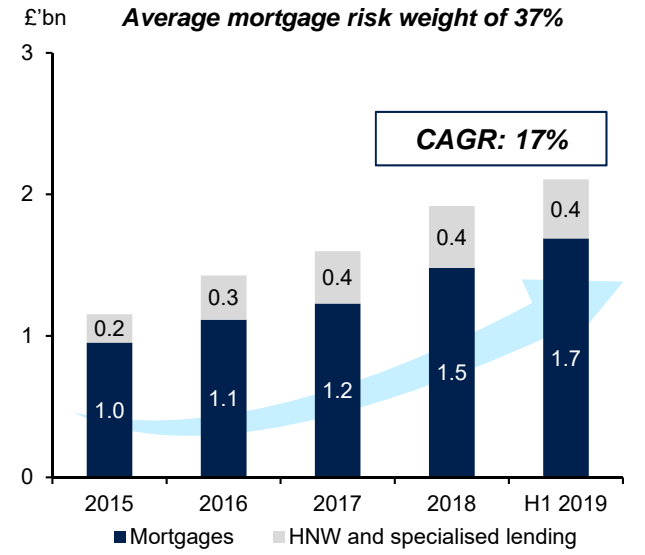


- Investment phase complete - c.£67mn will have been invested by Mar 2019:
 - People
 - Platforms
 - Marketing
 - Digital

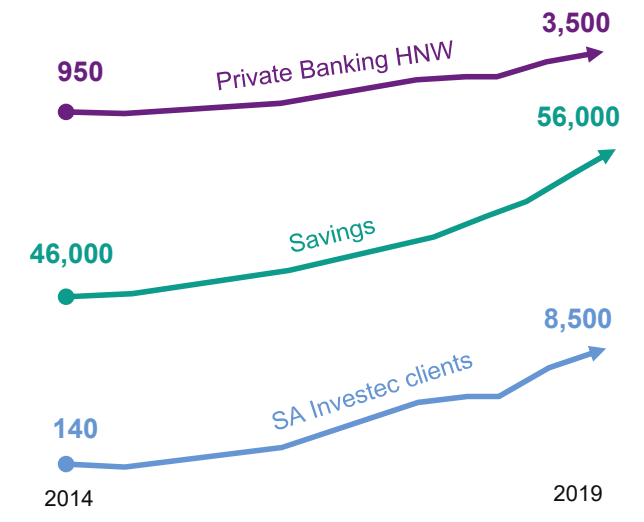
Investment into our people*



Banking loan book



Successful client acquisition

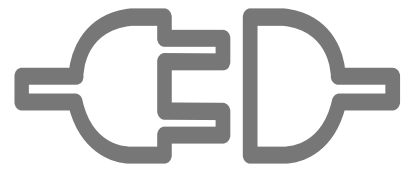


Ambition over 3 years: c.£3bn new mortgages @ £2mn average size = 1,500 mortgages (with c.1% NIM)

*Represents headcount for total Private Banking business (i.e. Structured property finance, Private capital, Banking, Bank accounts and Savings).

Connecting Specialist Banking and Wealth & Investment

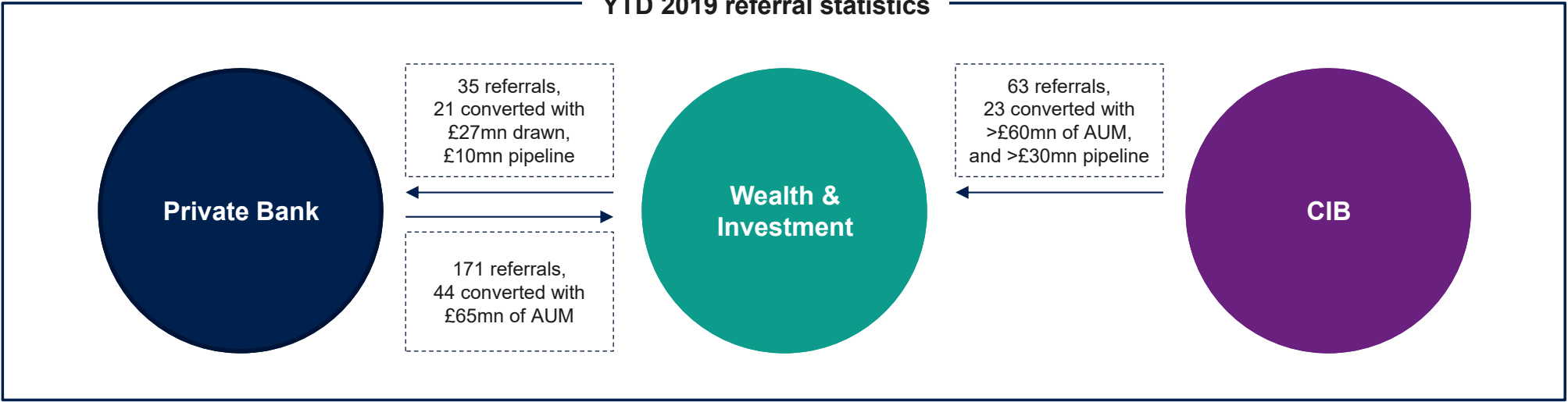
Opportunity to seamlessly service the financial needs of our clients

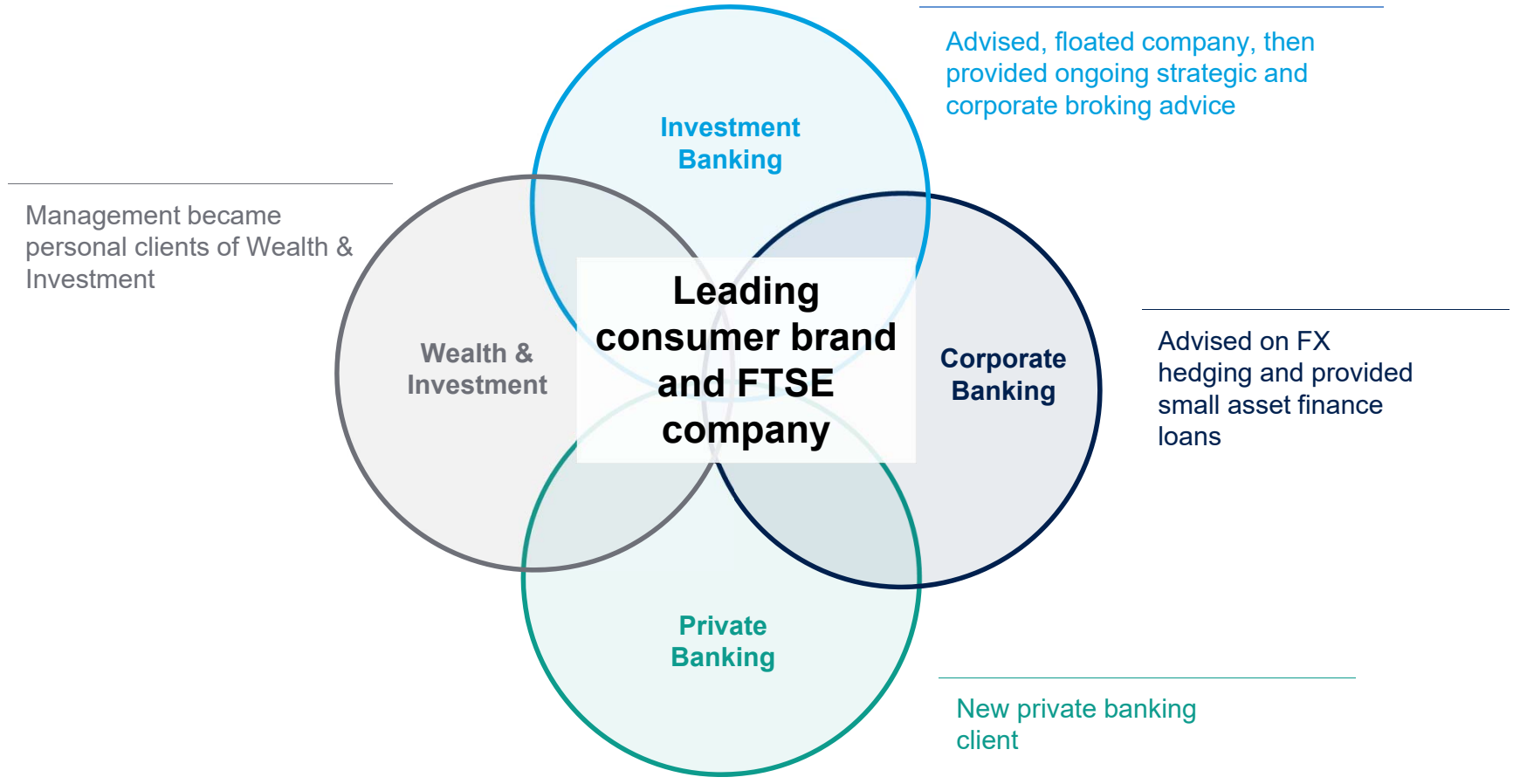


We seek to establish greater connectivity by pursuing:

- Cross referrals between the Private Bank and Wealth & Investment for the HNW and family office client
- Cross referrals from the Corporate and Investment Bank to Wealth & Investment and Private Bank, with respect to directors and shareholders
- Shared brand and infrastructure costs
- Shared digital platform and client access, with potential for single client sign on
- Additional potential for shared operational services

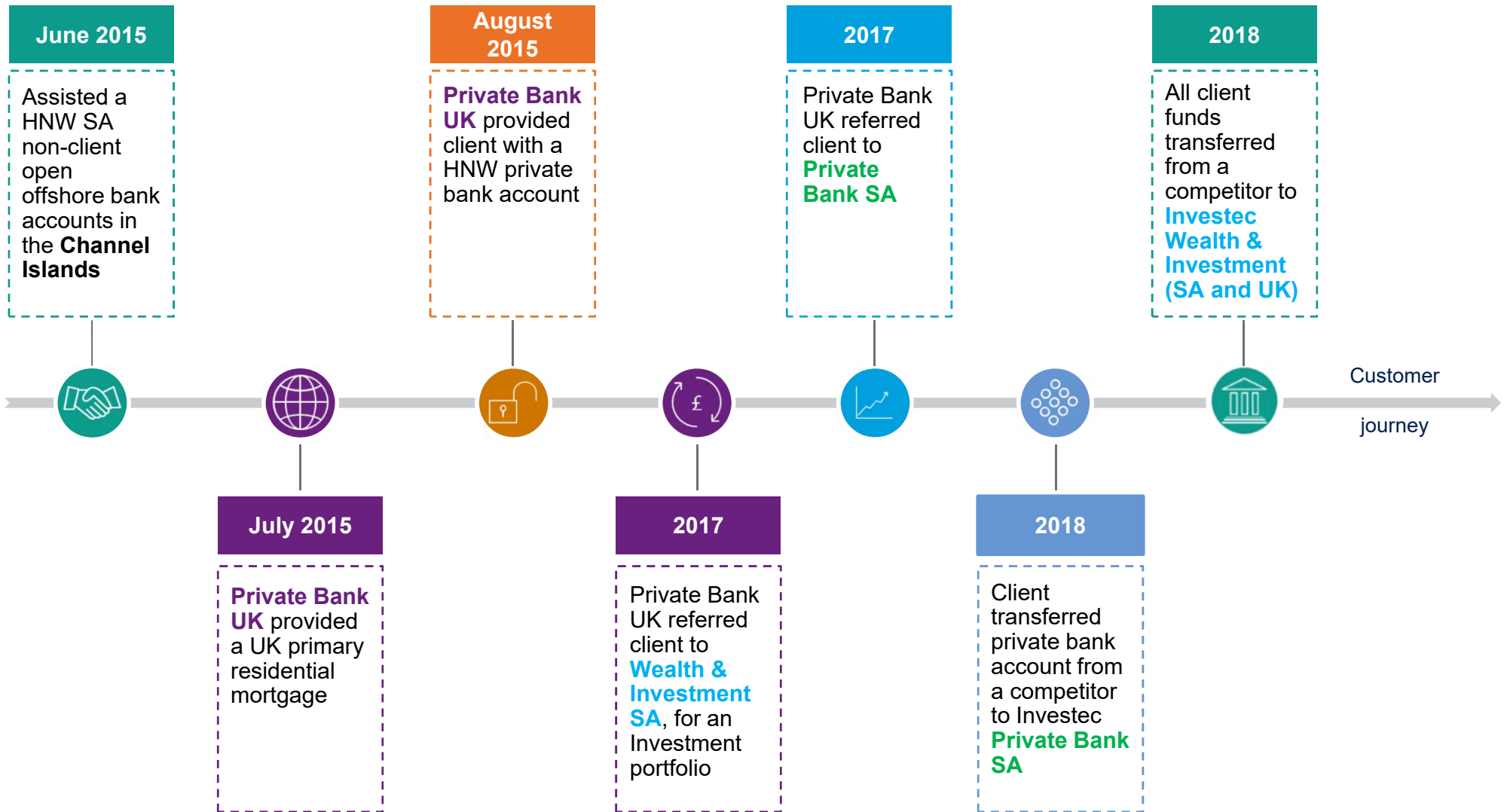
YTD 2019 referral statistics





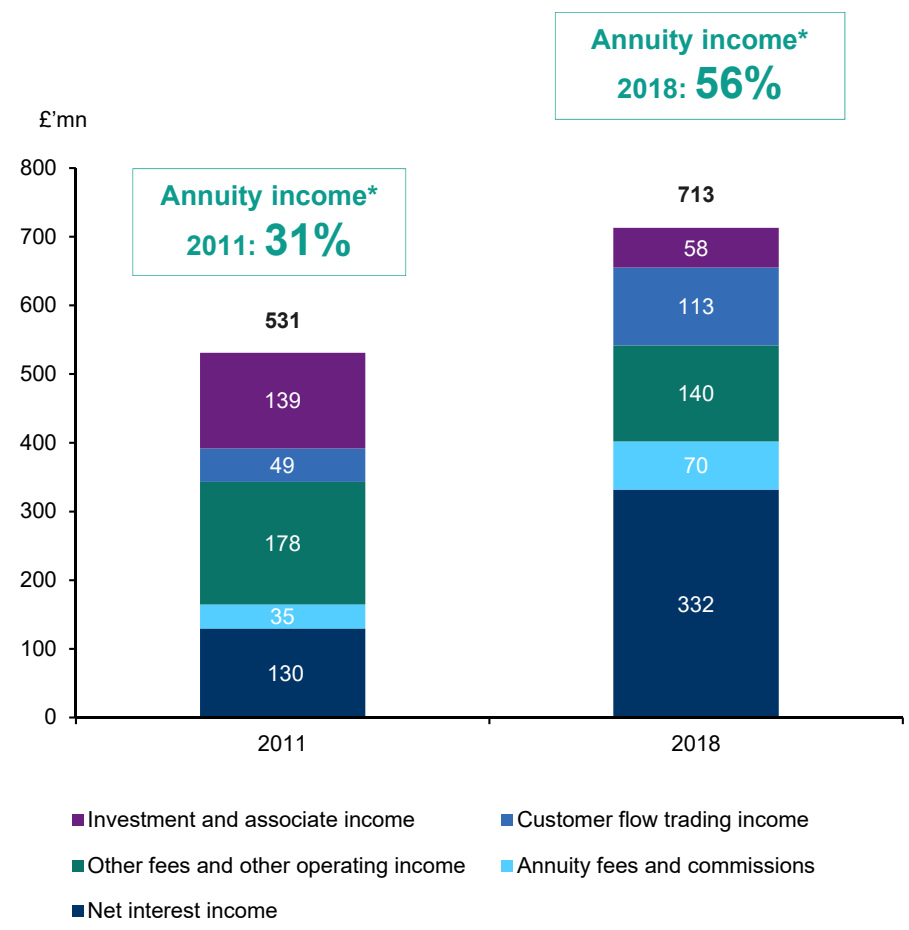
Investec has supported this client since 2013, through IPO in 2014 at a market cap of £154mn, to its current market cap of >£3bn

Case study: Private bank and wealth collaboration across border



Improved revenue sustainability by growing our client franchises

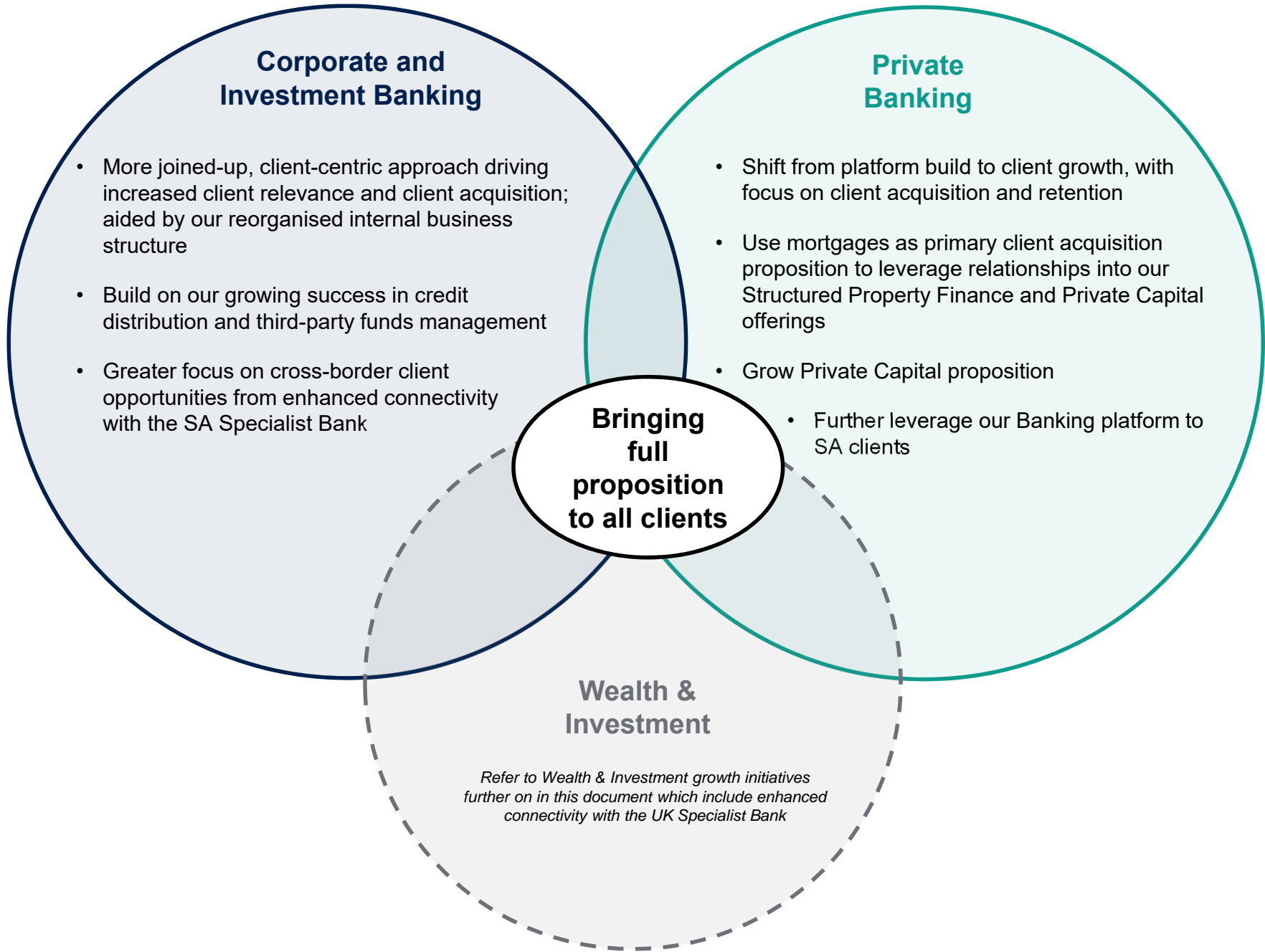
Evolution of revenue mix



- **Increased level of annuity* income**
- **Improved revenue mix** - increase in quality, quantum and sustainability of earnings:
 - Strong lending franchises driving high level of net interest income – c.47% of revenue
 - Strong advisory and corporate franchise generating sound level of fees
 - Strong client treasury franchise resulting in recurring level of client flow
- **Capital light** banking activities = c.30% of revenue
- Net interest margin of 2.19% – increased in recent years largely due to improved cost of funding

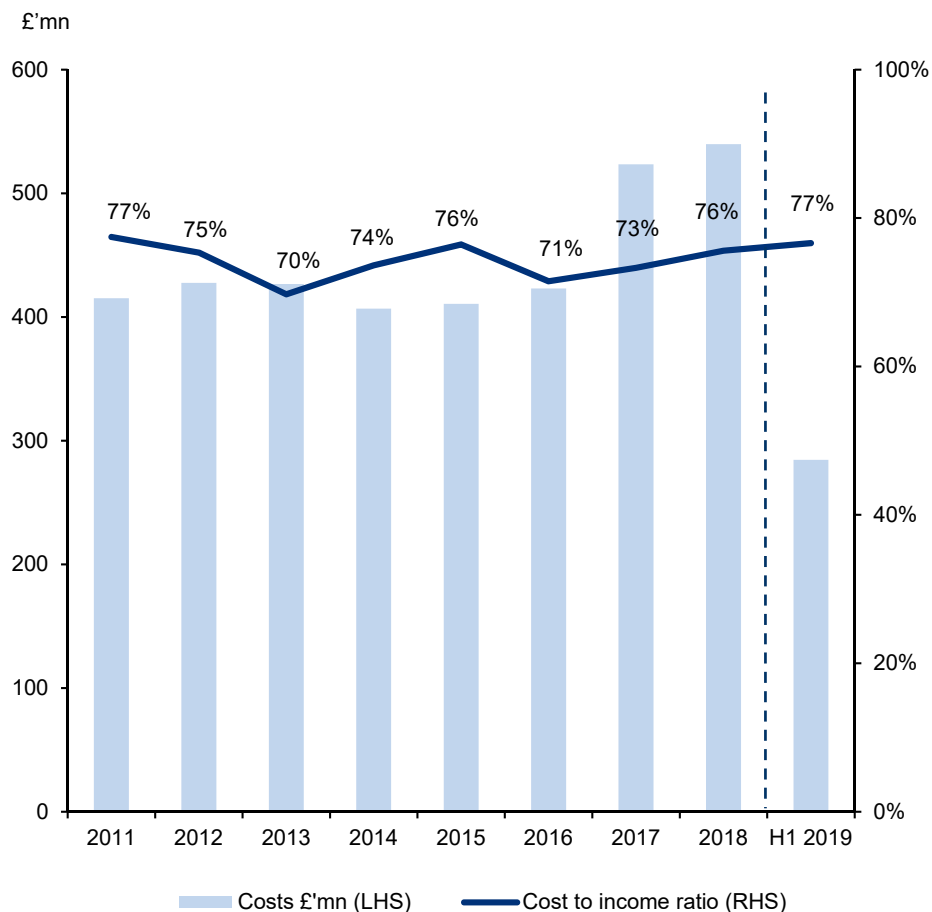
Information on this slide is based on the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold).

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



Going forward: Focused on cost discipline

Costs and cost to income ratio



A clear path for achieving our targets

- > Leverage substantial investment in our Private Banking business which is fully expensed
- > No longer incurring double premises costs
- > Restructured our expensive sub-debt
- > Leverage technology and existing capabilities to improve client experience and reduce cost
- > Strategic review of business model and cost infrastructure to effect cost efficiencies



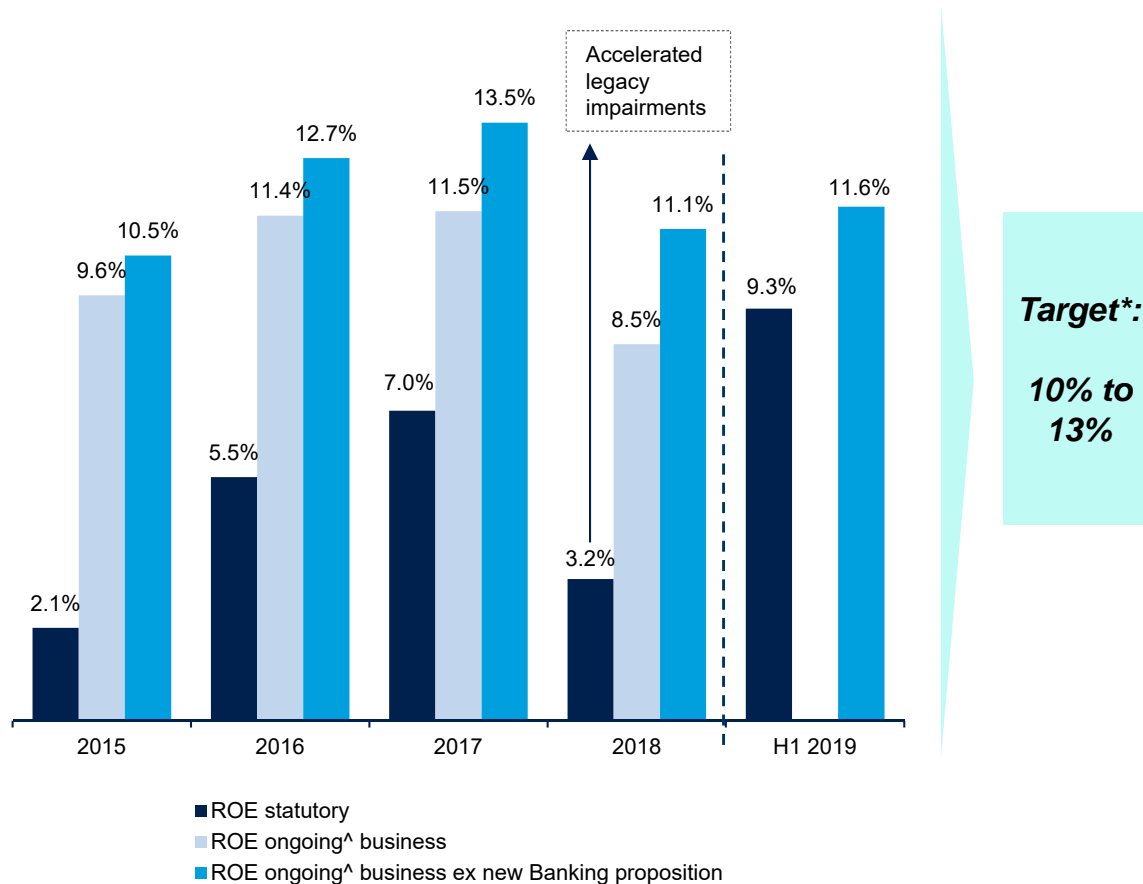
Capital strategy

- Specialist Bank internal capital generation sufficient to sustain growth and achieve target ROE
- Dividend from Wealth & Investment business passed through to shareholders
- Able to self-sustain c.7-8% RWA growth p.a.
- Supported by sound capital position
- Facilitated in the short term by SA dividend cover to Investec plc shareholders registered on the SA branch register
- Strict capital management and allocation to achieve medium-term targets
- Strategic shift away from Private Equity to client led principal investments

6 Going forward: Focused on ROE

UK Specialist Bank ROE** trend

- ROE track record of ongoing business excluding new Banking proposition is within target range



A clear path for achieving our targets

- > RWA growth of c.7%-8% p.a.
- > Growing our client base and revenue
- > Leveraging the investment in the Private Bank
- > Enhanced cost discipline
- > Optimising capital allocation
- > Increasing capital light revenue

**All ROEs are post tax *Which we aim to deliver on over the next three years.
[^]Ongoing business is excluding UK Specialist Bank legacy assets and businesses sold.

Initiatives to enhance shareholder returns: UK Specialist Bank

We are well aligned to the Group's identified five key initiatives to improve returns for shareholders



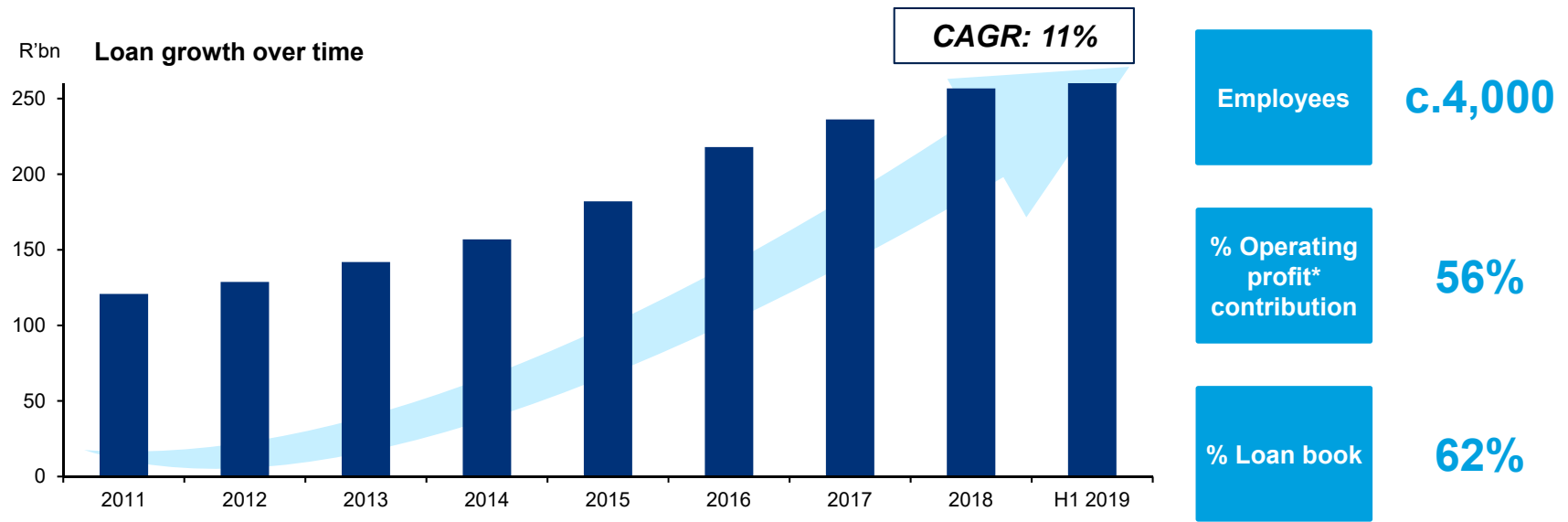


1	Introduction	4
2	UK Specialist Bank	23
3	SA Specialist Bank	47
4	Wealth & Investment business	64
5	Performance	77
6	Summary and Conclusion	88
7	Appendix	90

SA Specialist Bank overview

	Corporate and Institutional Banking	Private Banking	Investec for Business	Investment Banking and Principal Investments
Our offering	Global markets and various specialist lending activities	Lending, transactional banking, property finance, savings	Import and trade finance, borrowing and cash flow lending, asset finance	Advisory, debt, ECM, client led private equity, property development, property fund management
Our clients	Corporates (mid to large size), intermediaries, institutions, government and SOEs	HNW, professionals and emerging entrepreneurs	Smaller and mid-tier corporates	Corporates, institutions, property partners

Our growth story



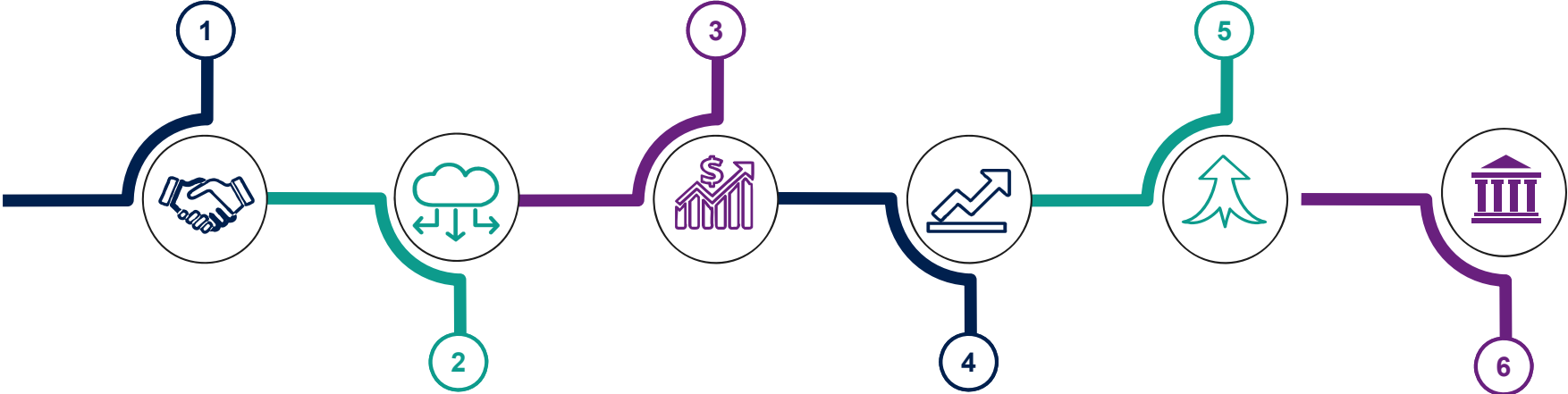
Information on this slide is at 31 March 2018, unless otherwise specified.

*Before tax, goodwill, acquired intangibles, non-operating items and central costs but after adjusting for earnings attributable to other non-controlling interests.

We have a solid franchise and positioning in the market

We have a specialised niche offering to a select target market

- Invested in our business, sustainably growing our client base and franchise
- Deepening our existing client relationships and client acquisition through the collaboration of product offerings
- We have a number of growth initiatives
- Maintaining cost efficiency with low cost to income ratios



- Strong technology and digital platforms underpin our high-tech and high-touch offering
- Continuous investment to maintain leading position (One Place, Investec Life, Transactional Banking)
- Our growth initiatives and strong franchise support our solid revenue base
- Maintaining sound capital ratios and low credit loss ratios through varying market conditions
- Enhancing our capital light revenue base
- Disciplined capital allocation
- We remain focused on improving ROE

Well positioned for future growth

SA Corporate and Institutional Banking overview

Strong franchise value and leading market position in our niche markets

Our value proposition

- Diversified client-centric offering
- Sustainable growth driven through collaboration between business units

Ambition

- To be a top tier corporate and institutional bank

Clear target market

- Corporates (mid to large size), intermediaries, government and SOEs

Global Markets

- Well-established, award-winning franchises across:
 - Trading (FICC, Equities, ECM and DCM)
 - Investment products
 - Treasury solutions and sales
 - Credit investments
- Built sustainably through organic growth and diversification into new markets

Specialised Lending

- Tailored offering and deep relationships with our target markets – large to mid-tier corporates and private equity funds
- Differentiated through deep sector expertise and international reach
 - Leveraged finance
 - Supplier finance
 - Power and infrastructure finance
 - Fund finance
 - Aviation finance
 - Export and agency finance
- Award-winning specialist franchises by innovating alongside our clients

Growth in our corporate client base and franchise

Corporate client positioning

Number of clients:

c.4,950

Loan book:

R80bn

Overall

	Number of clients
Large corporates (NAV>R3bn)	c.150
Mid-tier corporates (NAV: R500mn – R3bn)	c.200
Small to mid-tier corporates	c.4,600

Specialist activities

	Number of clients	Average transaction size	Book size
Fund Finance	c.25	R180mn	R5bn
Power and Infrastructure Finance	c.20	R480mn	R10bn
Aviation Finance	c.18	R271mn	R6bn
Retail Structured Products	c.9,000 investments	R2mn	FUM: R17bn

Recognition



2018

Best Prime Services
Best Capital Introduction
Best Technology



2016-17

Best Performance in SA 2016, 2017
Best Distributor in SA 2016, 2017
Best House Africa 2017
Deal of the Year 2017



2016-17

African Power Deal of the Year 2016
African Transport Deal of the Year 2017



2017

Best African ECA Finance Deal



2016

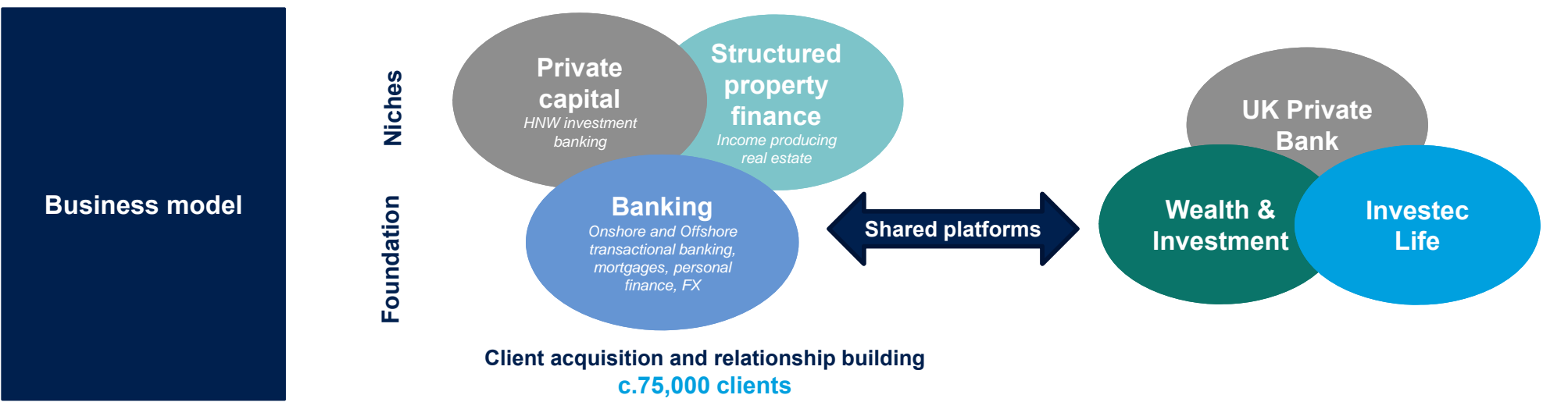
Africa Finance Deal of the Year

Retail Structured Products FUM



SA Private Banking overview

Our value proposition	<ul style="list-style-type: none"> • Bank, borrow, save and invest in One Place
Ambition	<ul style="list-style-type: none"> • To be a leading domestic and international Private Bank
Clear target market	<ul style="list-style-type: none"> • HNW individuals, emerging entrepreneurs, professionals



Offering	Lend	Transact	Save	Protect	Invest
Channels	Banker	Digital	Telephone (GCSC*)		

*Global client service centre.

Growth in our private client base and franchise

Private client positioning

Number of clients:	c.75,000
Loan book:	R180bn

	Number Private Bank clients	Of which are Wealth clients
Private clients	c.75,000 clients c.113,000 accounts	c.9,000 clients
Property clients	c.900	
Private Capital clients	c.200	

Recognition



2013-19
Ranked #1 in Private Banking Survey 7th Year in a row



2018
Best Private Bank and Wealth Manager in SA



Investec Private Bank wins People's Choice award for the 5th time



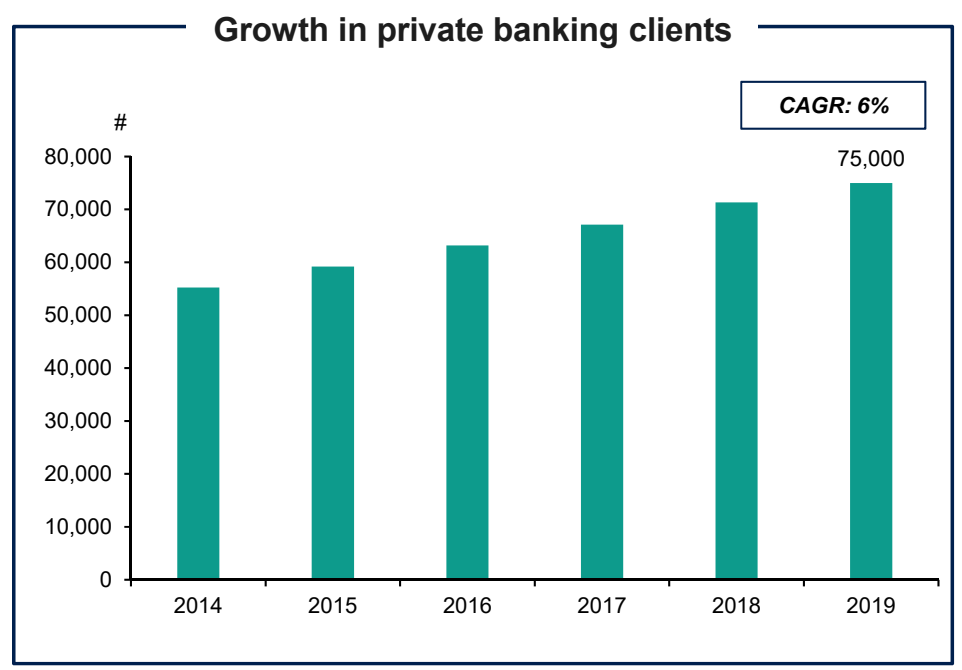
2018



2017



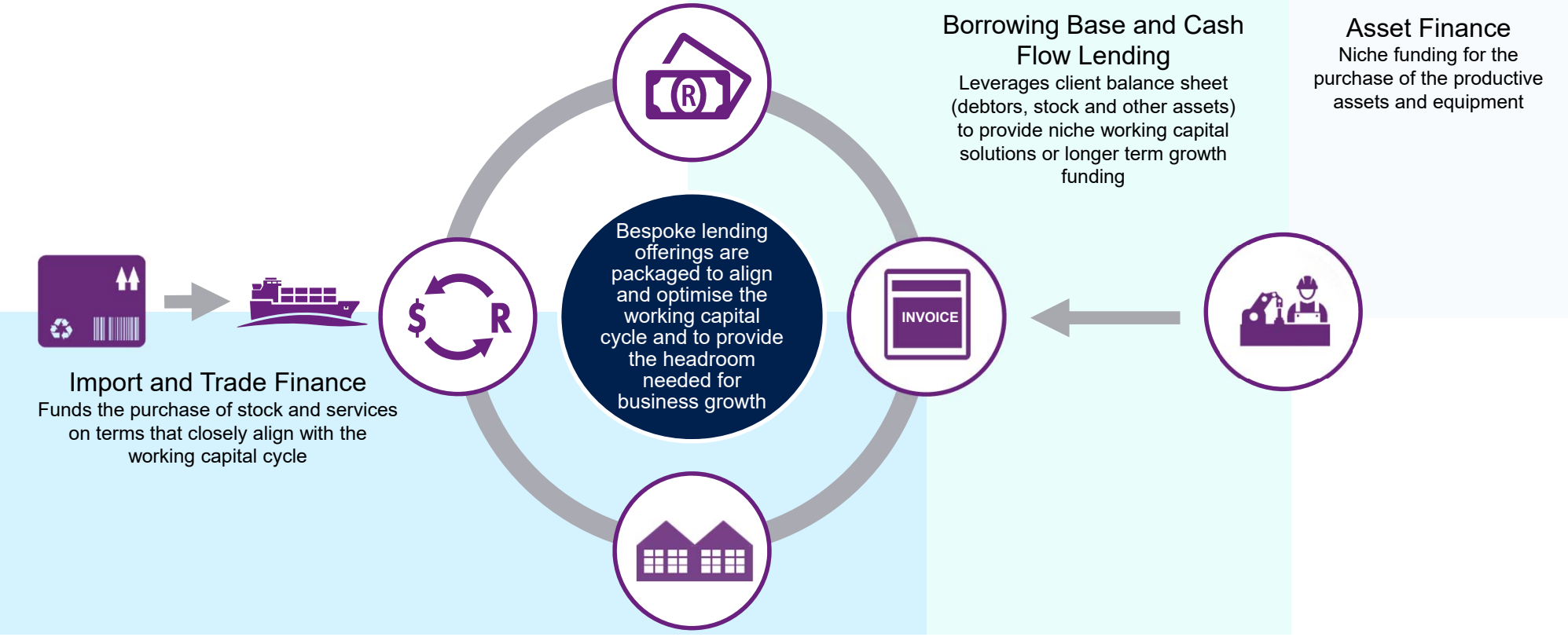
Best Digital Bank in South Africa
Most Innovative Digital Bank in Africa



SA Investec for Business overview

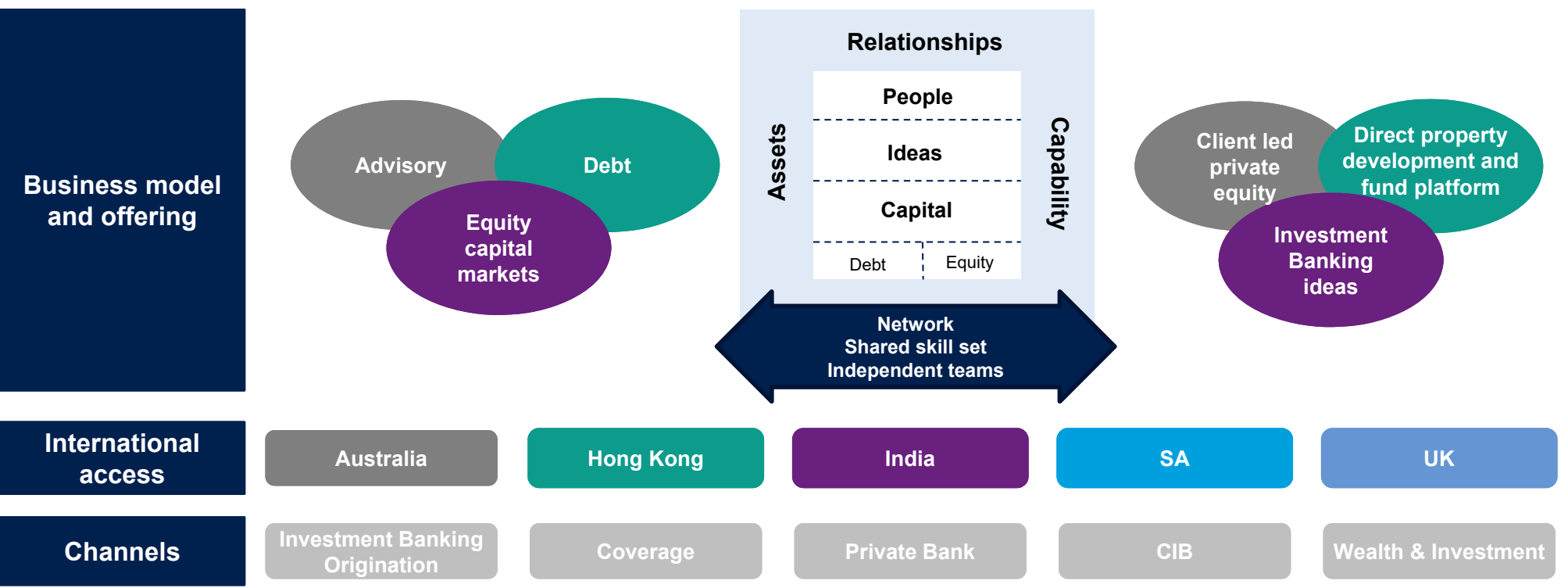
Our value proposition	<ul style="list-style-type: none"> Combining bespoke lending with Investec’s other transactional, advisory and investment offerings High-touch and high-tech tailored offering that affords simplicity to clients
Ambition	<ul style="list-style-type: none"> Develop an integrated niche offering to our target clients
Clear target market	<ul style="list-style-type: none"> Smaller and mid-tier corporates

Bespoke lending offerings for working capital optimisation and business growth



SA Investment Banking and Principal Investments overview

	Investment Banking	Principal Investment activities
Our value proposition	<ul style="list-style-type: none"> To leverage our capabilities, relationships and capital to deliver holistic solutions to our clients 	<ul style="list-style-type: none"> Focus on co-investment alongside clients to fund investment opportunities or leverage third party capital into funds that are relevant to our client base
Ambition	<ul style="list-style-type: none"> To be the leading Investment Bank with an international footprint 	<ul style="list-style-type: none"> Using our collective skill set to optimise capital allocation in principal investments and generate a high IRR on these investments
Clear target market	<ul style="list-style-type: none"> Corporates 	<ul style="list-style-type: none"> Corporates and institutions, property partners



We have a high-tech and high-touch specialised offering

Technological and digital leadership are real differentiators for our clients...
 ...Our One Place offering is one such example

High-tech | High-touch

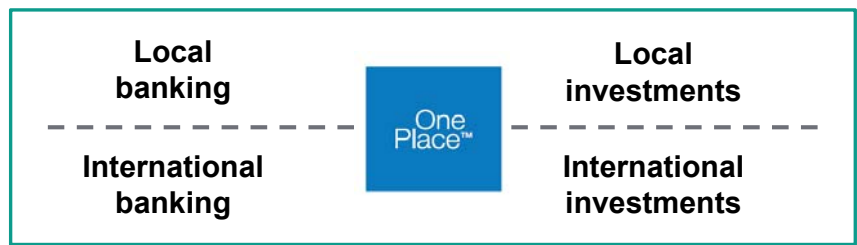
How we engage

Private Bankers and Wealth managers, Private Capital team, Property Finance team, Global CSC, digital

Client experience

Investec sees, treats, protects, advises and rewards each client as an individual. "It feels like it's about me, my family and business, now and in the future."

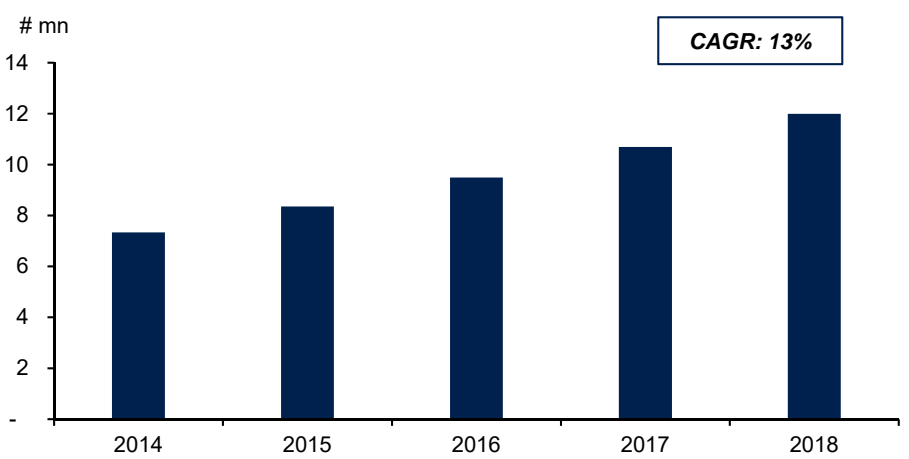
We solve their needs through compelling segmented propositions



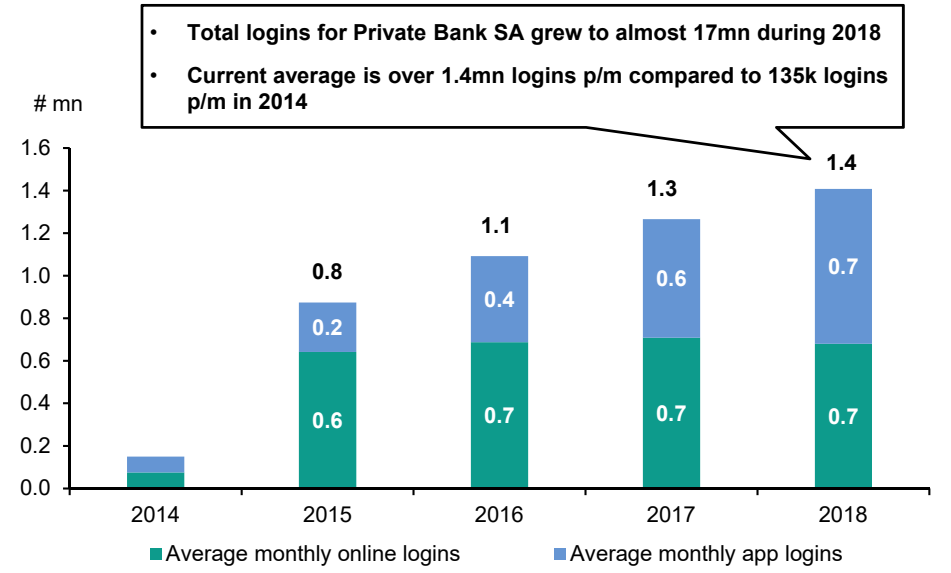
In partnership with like-minded individuals, we turn entrepreneurial vision and aspiration into commercial reality

Structured property finance, local and international

Growth in online transactions



Client engagement



Deepening our client relationships and focused on our growth initiatives

Corporate and Institutional Banking

- Investec Specialist Investments business
- Investec Life*
- One Place for intermediaries: creating a digital product that is seamless
- Transactional business banking to reduce cost of funds

Private Banking

- Further expansion of our One Place offering and collaboration with Wealth & Investment
 - Fiduciary offering
 - My Investments
- Leverage our Young Professionals strategy
- Private Capital – partnering with start up Fintech opportunities

Investment Banking and Principal Investments

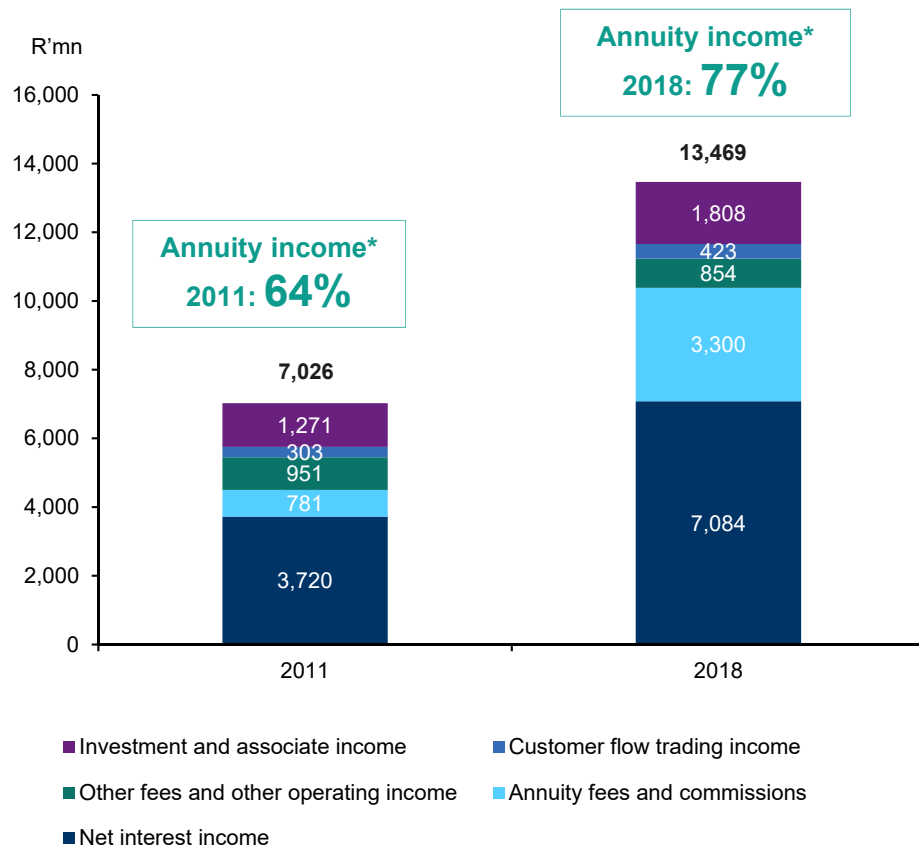
- Focus on a client centric approach to equity investments
- Grow our property fund management business

Investec For Business

- Effectively leveraging the Group's current client base
- Launch of digital transactional banking
- Transactional business banking solution: positioning ourselves as a specialist business bank

Solid growth in revenue with a high annuity income base

Growth in revenue over time

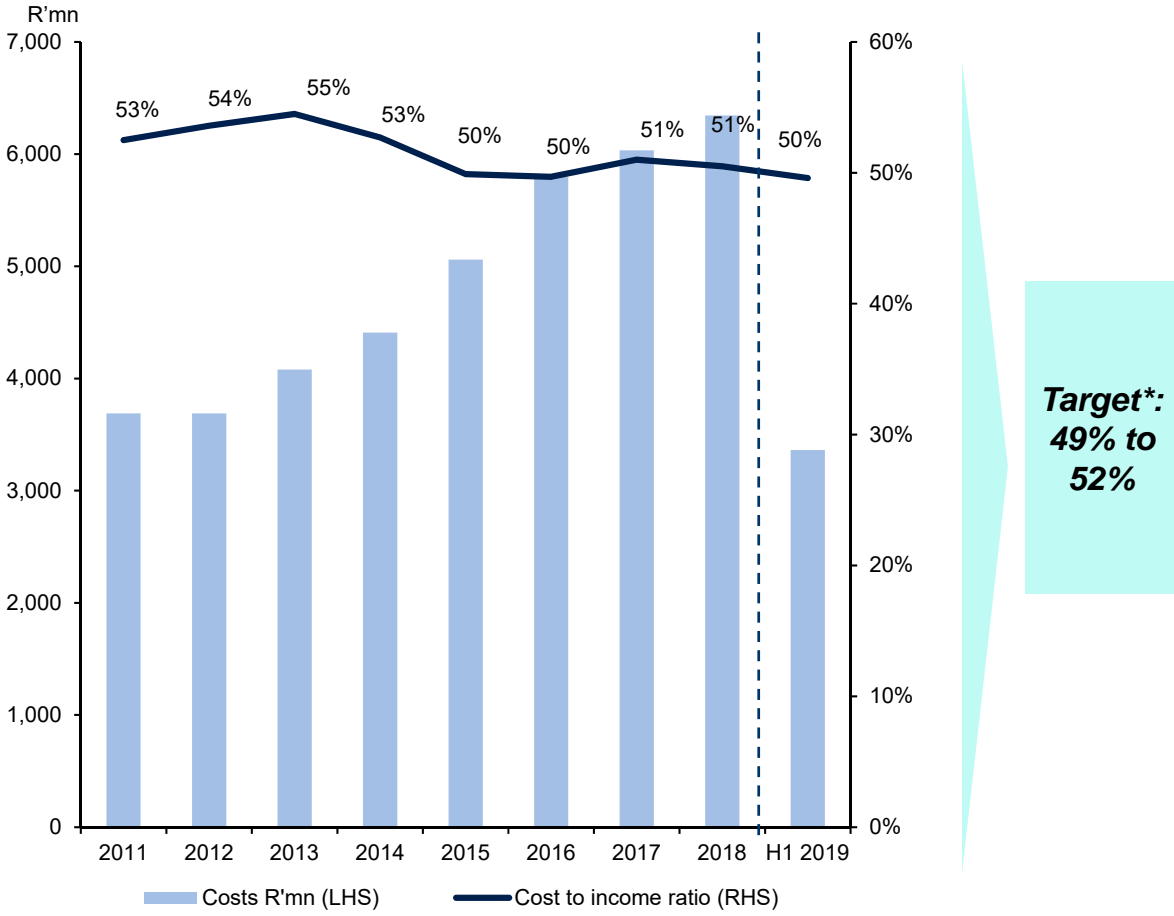


- CAGR in revenue since 2011 of c.10%
- **Increased level of annuity* income**
- Strong lending franchises driving **high level of net interest income** – c.53% of revenue
- Net interest margins stable at c.2%
- **Strong advisory and corporate franchise** generating sound level of fees
- Strong client treasury franchise resulting in recurring level of client flow

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

We are maintaining efficiency in our cost base

Costs and cost to income ratio^



Overview and objectives

- Invested in the business while maintaining the cost to income ratio
- Going forward: aim to create positive jaws
- Optimise our operational platforms
- We have no capitalised costs

^Calculation adjusts for the Group's 26.57% interest held in the Investec Property Fund (IPF), by deducting the IPF minority interests from income.

*Which we aim to deliver on over the next three years. Target set in Rands.

What are we seeking to do

- **Focus on co-investment alongside clients** to fund investment opportunities or leverage third party capital into funds that are relevant to our client base
- Create **flow** for and **partner** with **other bank divisions**
- Part of the bank's wider offering to provide a full service to clients across the entire capital structure
- Leverage fund activity more broadly across the business / create broader fund franchise

SA investment portfolio* excluding investments in franchise businesses (H1 2019)

	Book size R'bn	Ave capital allocated R'bn	Post-tax ROE
Investment held in IEP group	6.4	4.3	13.9%
Investment held in property investments	4.4	1.3	30.2%
Other principal investments^	2.0	1.2	-44.7%
Total SA investment portfolio	12.8	6.7	6.9%

- ✓ **Manage down our non core equity investments portfolio**
- ✓ **We will manage down our investments whilst recognising our responsibilities as a shareholder**
- ✓ **Will release material capital which offers optionality**
- ✓ **Reduce volatility in ROE**

*Comprising listed and unlisted investments; warrants, profit shares and embedded derivatives; the Group's 45% interest held in the IEP Group; the Group's 26.57% interest held in the Investec Property Fund (IPF) and the Group's 15.0% investment in the Investec Australian Property Fund (IAPF). ^Other equity and related loan exposures, not including investment activities arising from the franchise businesses.

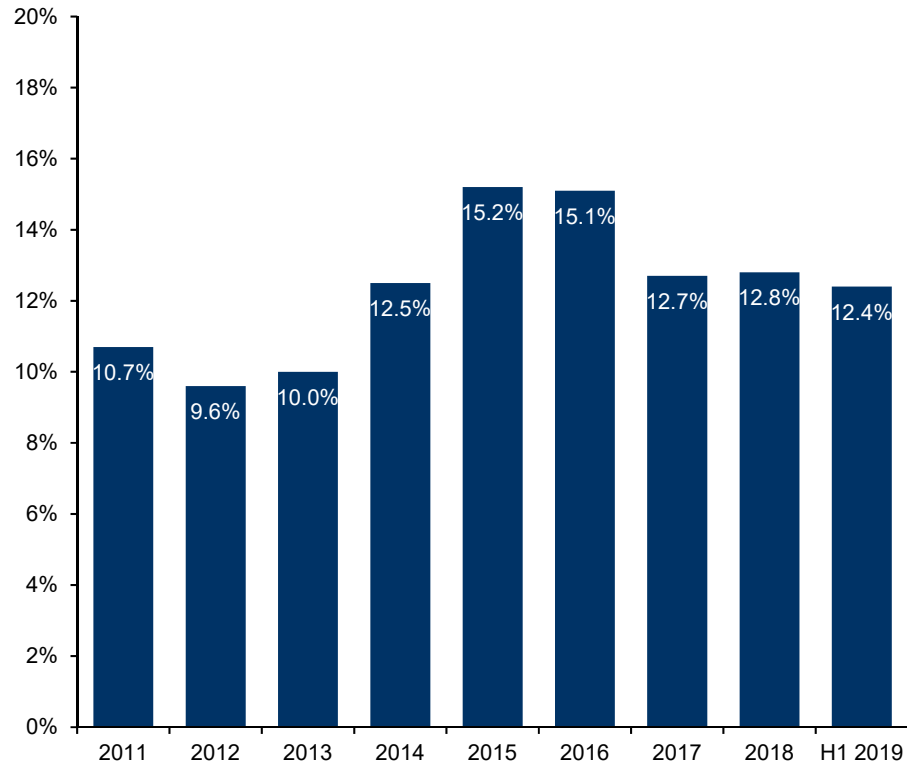


Capital strategy

- Supported by sound capital position and strong capital generation
- Able to self-sustain 8%-10% RWA growth p.a.
- Capital resources are allocated based on our internal capital generation and maintenance targets
- We will manage down our non core equity investments portfolio, releasing material capital and offering optionality

SA Specialist Bank ROE trend

- Underlying franchise businesses have an ROE in excess of 14%
- ROE drag from SA investment portfolio[^], where the ROE is less than 7%



A clear path for achieving our targets

- > Growing our client base and franchise
- > Continued cost discipline
- > Investment in new growth initiatives
- > Optimising capital allocation
- > Managing down our non core equity investments portfolio

[^]Comprising the Group's 45% interest held in the IEP Group; the Group's 26.57% interest held in the Investec Property Fund (IPF) and the Group's 15.0% investment in the Investec Australian Property Fund (IAPF); and other equity and related loan exposures, not including investment activities arising from the franchise businesses. *Which we aim to deliver on over the next three years. Target set in Rands.

Initiatives to enhance shareholder returns: SA Specialist Bank

We are well aligned to the Group's identified five key initiatives to improve returns for shareholders

1



**Capital
Discipline**

2



**Growth
initiatives**

3



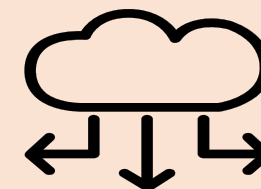
**Cost
Management**

4



Connectivity

5



Digitalisation

*Management of
our capital allocation to
optimise returns*

*Build new
sources of
revenue across
our client
base e.g. Investec Life,
Investec for Business*

*Maintain a
disciplined client
centric approach
to our
investments
whilst investing in
areas of
specialisation*

*Ensuring we remain at
the frontier of
technological
innovation, and
develop new integrated
initiatives beyond One
Place*

*Continue to invest
in our digital and
technology
platforms in order
to remain
competitive*



1	Introduction	4
2	UK Specialist Bank	23
3	SA Specialist Bank	47
4	Wealth & Investment business	64
5	Performance	77
6	Summary and Conclusion	88
7	Appendix	90

Our offering

- Wealth management
- Discretionary investment management
- Stockbroking

Our clients

- Private clients
- Charities
- Trusts

Our distribution channels

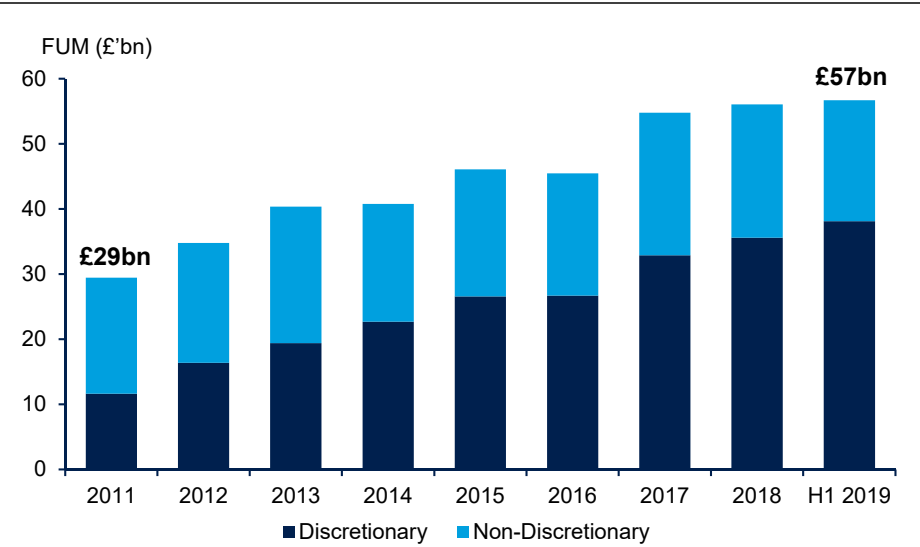
- Direct
- Intermediaries
- Investec Private Bank
- International
- Digital

International recognition

UK and Other

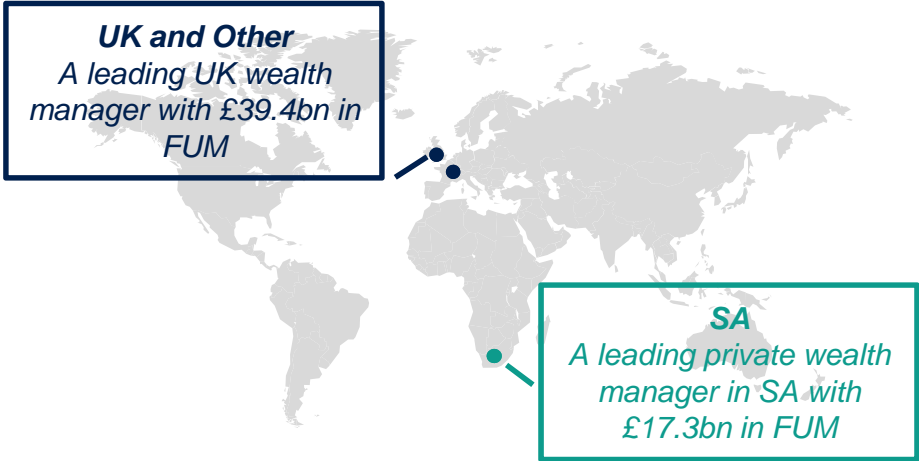
SA

FUM development



International presence

IW&I manages c.£57bn of FUM globally



What differentiates IW&I?



Single consistent global investment process, delivering tailor-made and innovative solutions across jurisdictions



Domestically relevant with international offering, including offshore capabilities and providing access to clients to leading global financial centre in London



Recognised international 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



Relationship-driven approach to serving private clients in partnership with Investec Private Bank



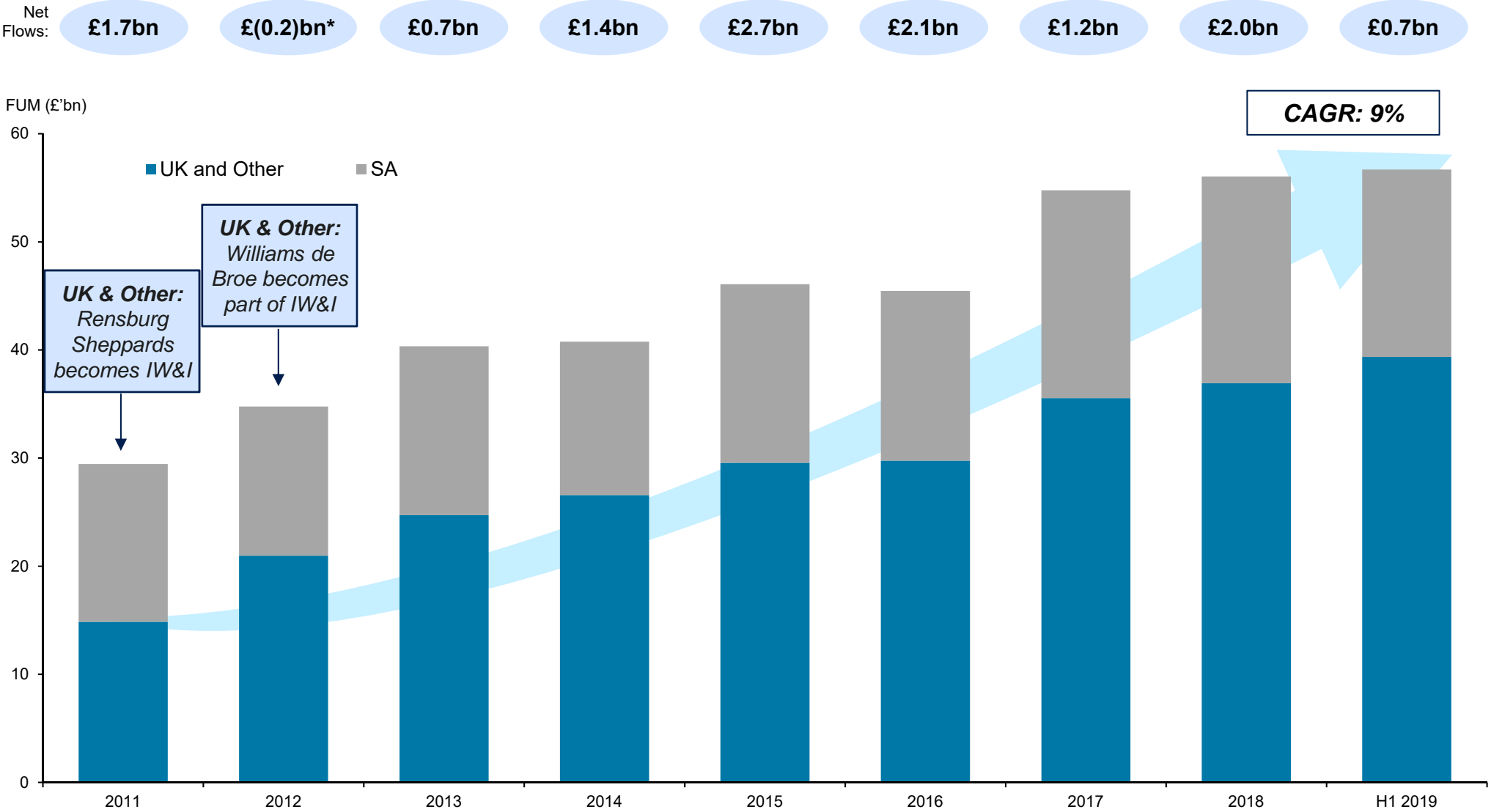
Experienced leadership team with proven ability to execute M&A successfully, ensuring IW&I is well placed for expected industry consolidation



Well-positioned for evolving domestic market trends (e.g. financial planning, digital)

Our growth story

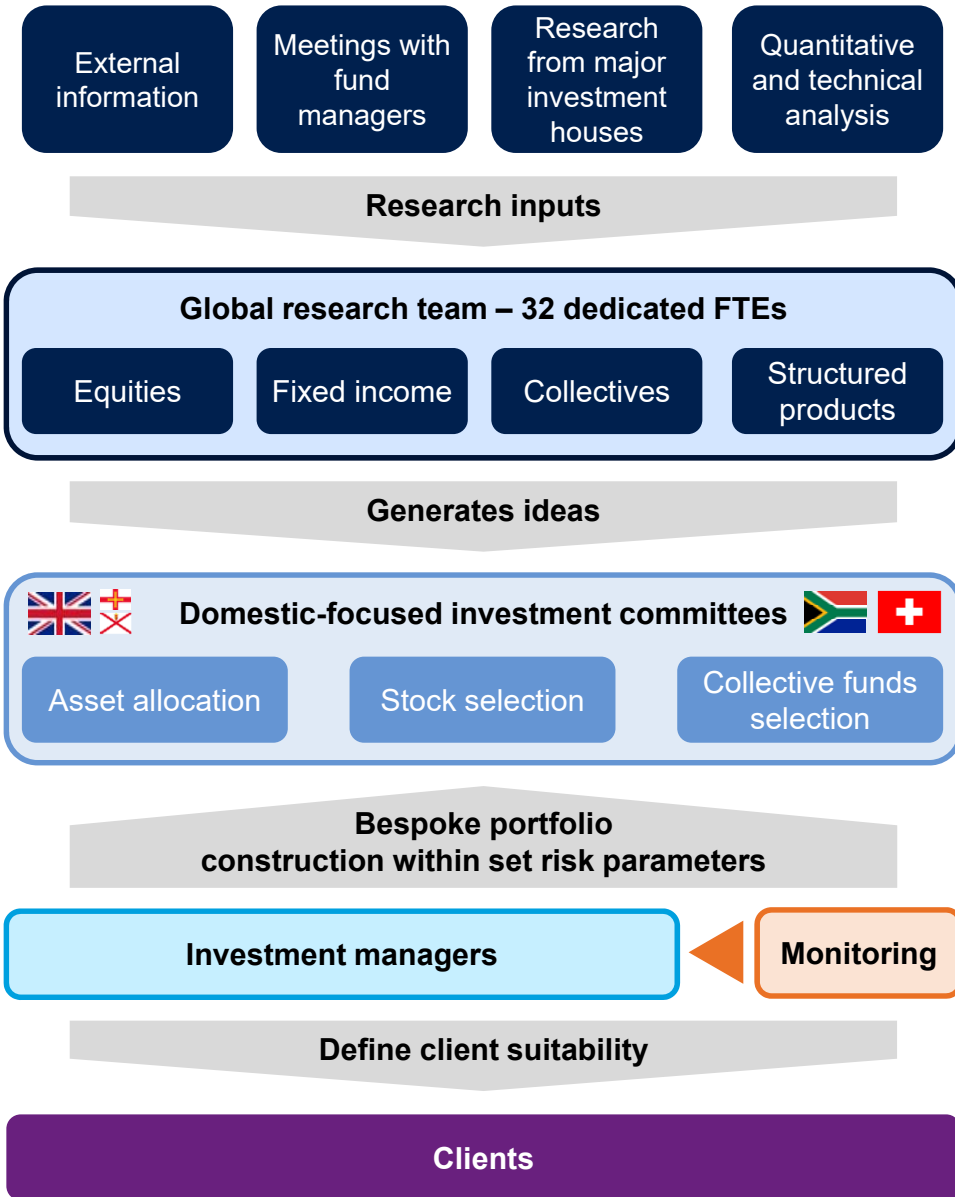
IW&I has a strong track record of consistent growth, with over 40% of the increase in FUM since 2011 driven by net inflows



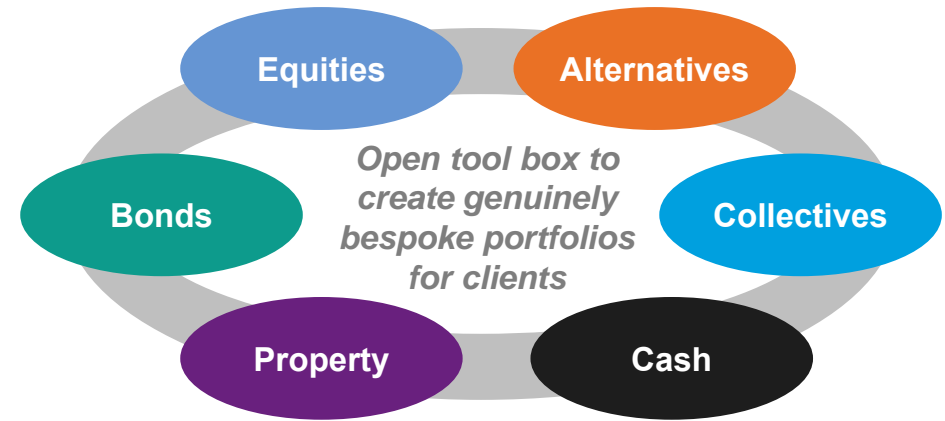
*Largely related to one client who moved their portfolio to another institution to serve as collateral in a transaction they were concluding. Excludes sale of unit trust business in the UK.

A single global investment process

Exceptional global research capabilities



Access to broad investment universe



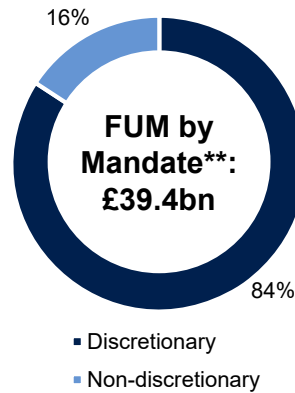
Key characteristics

- Global reach with truly international perspective
- Sole focus on supporting IW&I's investment managers with no external clients
- Well-resourced with 32 individuals dedicated to investment research - independent team with no dependencies or cross-over with Investec Asset Management
- Able to offer global access to distinctive investment opportunities for clients
 - Includes access to alternative assets through collectives
- Consistently delivering product innovation, leveraging the breadth of direct access (e.g. Global Leaders Portfolio)

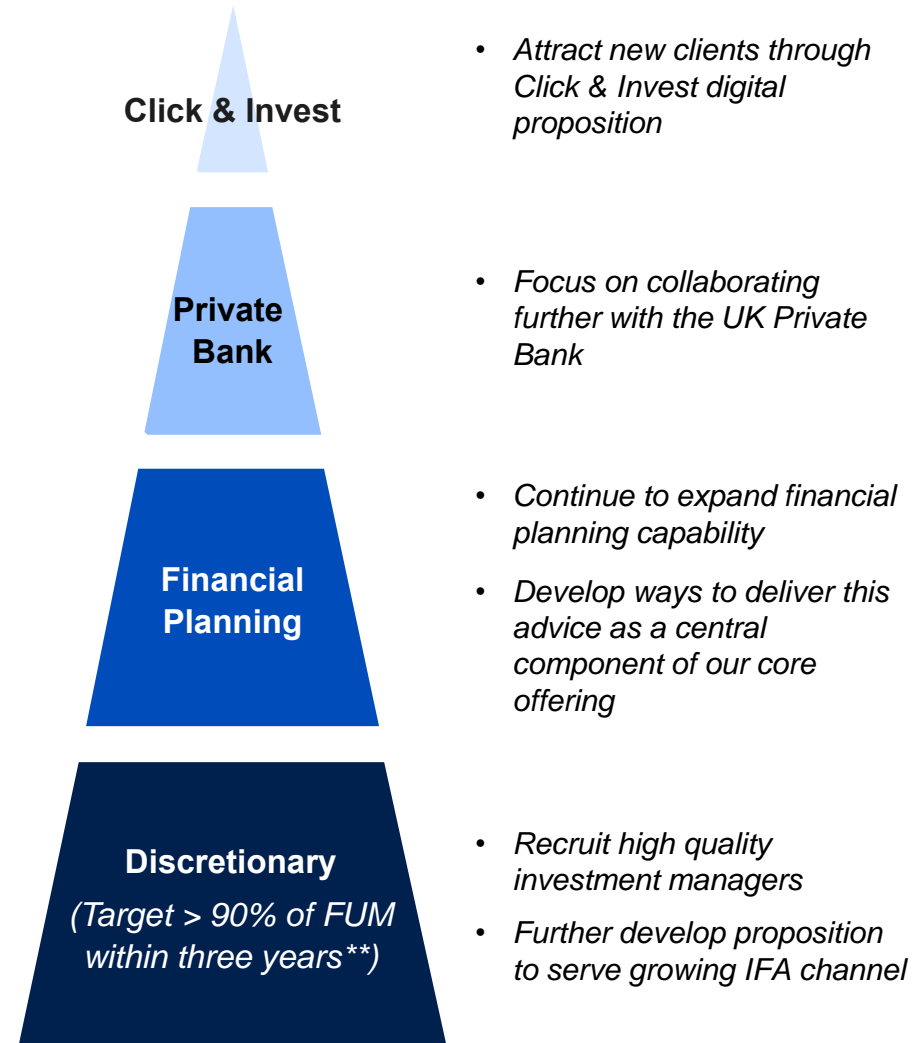
A leading UK private client manager, offering bespoke discretionary investment management services to a higher-end mass affluent and increasing high-net-worth client base

Key facts*

Total FUM	£39.4bn [^]
% UK Discretionary	84%
% UK Direct	84%
Target Client	> £250k
# of UK Clients	c.60,000
# of UK Offices	15
# of UK IMs	378
# of UK FPs	31



Future growth drivers



Well placed to benefit from evolving UK market

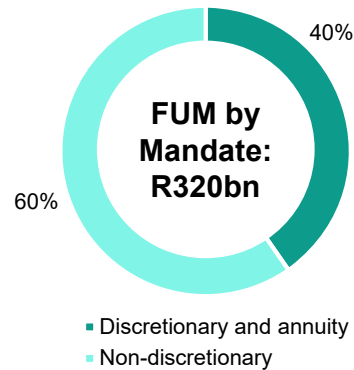
- Supportive demographic factors with continued growth in household wealth
- “Advice gap” post RDR and Pension Freedoms underpinning strong demand for financial advice and long-term savings solutions
- Competitive market remains relatively fragmented, providing opportunities for potential consolidation
- Trend towards integrating technology-led solutions

*Information as at 30 September 2018. **Split / target based on UK business only. [^]Comprises UK, Guernsey, Switzerland, Ireland and Hong Kong. UK comprises c.90% of total FUM. Where IMs is investment managers and FPs is financial planners.

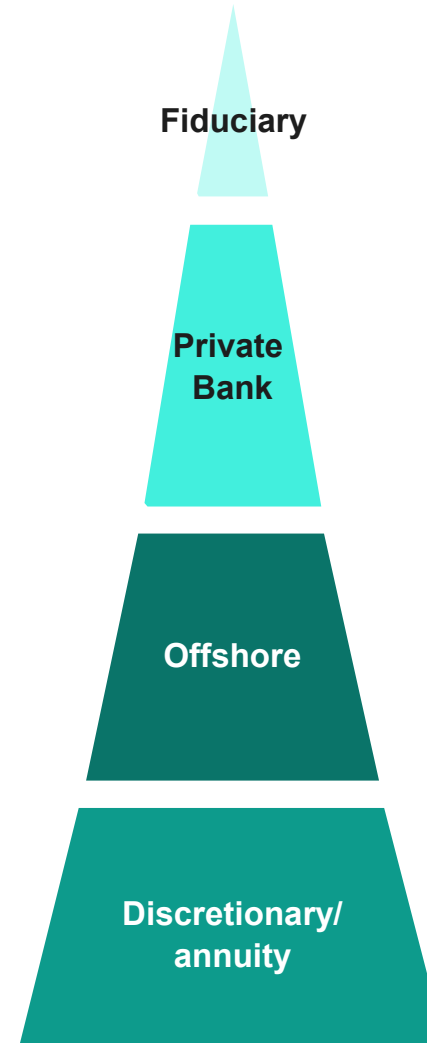
A leading private client manager in SA, providing domestic and offshore wealth management to an international-minded client base

Key facts*

Total FUM	R320bn
% Discretionary and annuity	40%
% of which is offshore	51%
% Direct	91%
Target Client	> R5mn
# of Clients	c.27,000
# of Offices	10
# of IMs	100



Future growth drivers



- Our wealth managers, working with our fiduciary and tax teams, are playing key roles in assisting clients with retirement and estate planning
- Increase collaboration with Private Bank which has a very similar target client base
- Developing single operating platform for SA and Swiss businesses to combine offshore proposition
- We continue to enhance all levels of access for our clients, augmenting our digital access and reporting, while retaining the increasingly important human touch

Well positioned to capitalise on market changes

- Increasing demand for “financial emigration” to offshore jurisdictions (e.g. Switzerland and UK markets)
- Growing appetite for non-domestic investment opportunities (e.g. global equities)
- Increasing demand for advisory mandates – significant shift in market landscape from stockbroking to discretionary fund management
- HNW investors focused on further diversifying portfolios, particularly in alternatives

Enhancing connectivity across the Group

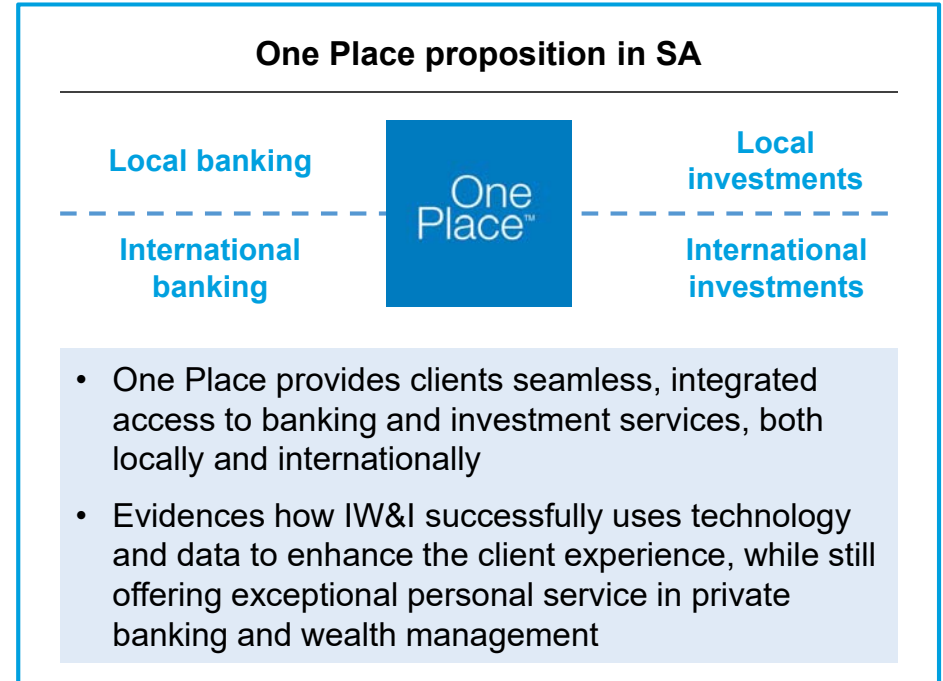
IW&I has a collaborative approach with the Specialist Bank to serving private clients and is widely recognised as one of the top international private bank and wealth managers

Benefits for clients

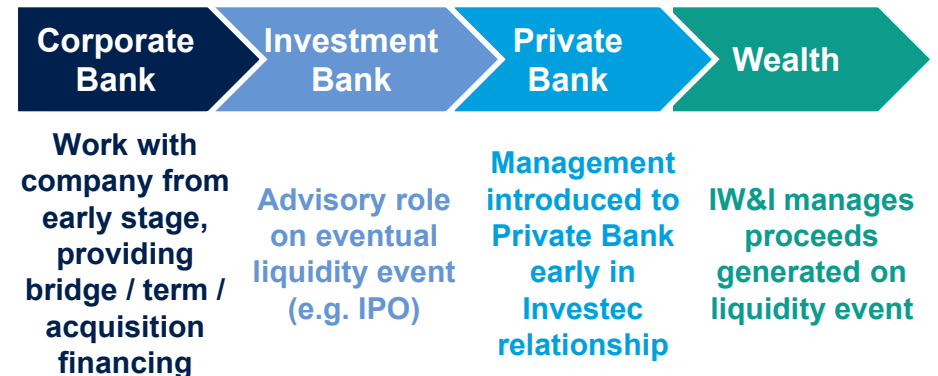
- Access to IW&I's **leading wealth management services**, backed by the **security of Investec's balance sheet**
- **Improved client experience** with more integrated approach to wealth management / private banking
- **Market-leading digital proposition**, with access to full suite of banking and investment services (e.g. One Place)
- **Access to lending products** (e.g. Lombard lending for private clients)

Benefits for Investec

- Provides **significant competitive advantage** in client acquisition
- Allows IW&I and Investec Private Bank to remain **focused on core competencies**
- **More embedded with clients** if providing both wealth management and private banking, benefitting **client retention**
- Beneficial in **attracting and recruiting top investment managers / financial planners** from competitors (particularly global banks)



Illustrative client journey



Click & Invest proposition

- “Robo-advice” – automated simplified advice service for UK clients who fall below the threshold for core discretionary services
- Target client: Minimum of £2,500 of investable assets
- Product offering: Five actively-managed, risk-rated portfolios across a range of wrappers
- Leverages IW&I’s established global investment process
- Exceptional service-led proposition, with 24/7/365 customer service complementing the automated advice process

Award-winning content

Service-led proposition

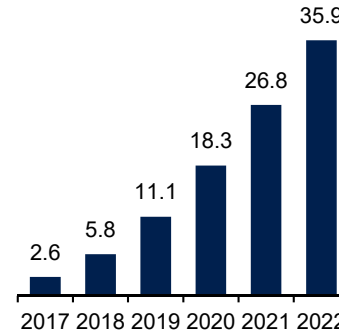
Active investment management

Why Click & Invest is important for Investec

- Diversifies IW&I’s distribution capabilities, recognising demand for low-cost digital savings and investment solutions
- Natural feeder into core discretionary business as Click & Invest clients accumulate wealth
- Potential to service smaller accounts better and more efficiently, enhancing retention of existing core clients
- Leverage Click & Invest technology to support digitalisation strategy in wider Investec Group
- Potential to extend proposition as a solution for IFAs and third party wealth managers

Presents significant market opportunity

Forecast Robo-Advice Market Growth (FUM, £’bn)¹



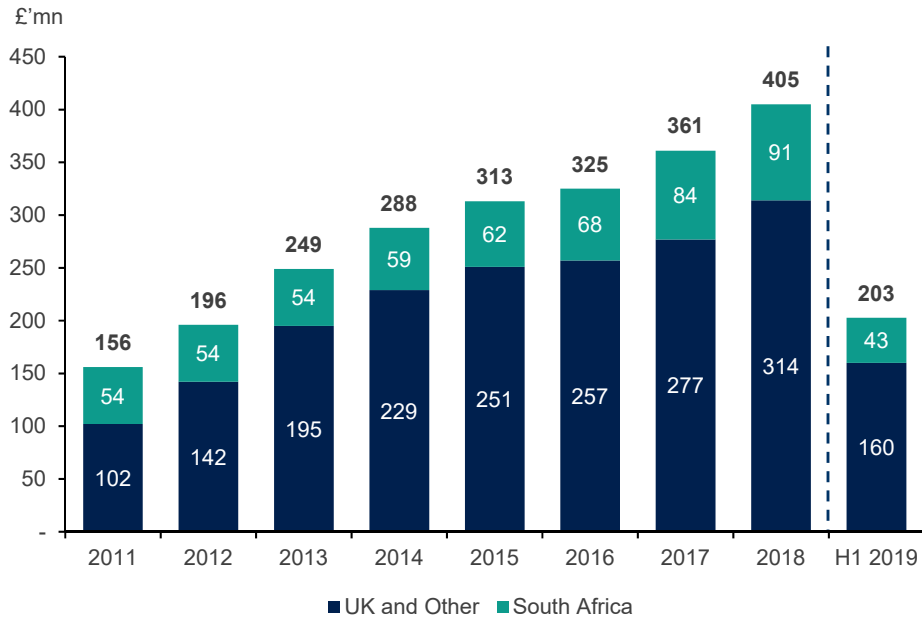
- “Robo-advice” market already well established in the US and UK
 - UK market forecast to grow to c.£36bn of FUM by 2022¹
- Growth driven by demand for low-cost, digital savings and investments solution
- Institutions actively investing in robo-advice start-ups

Click & Invest’s strategy for growth

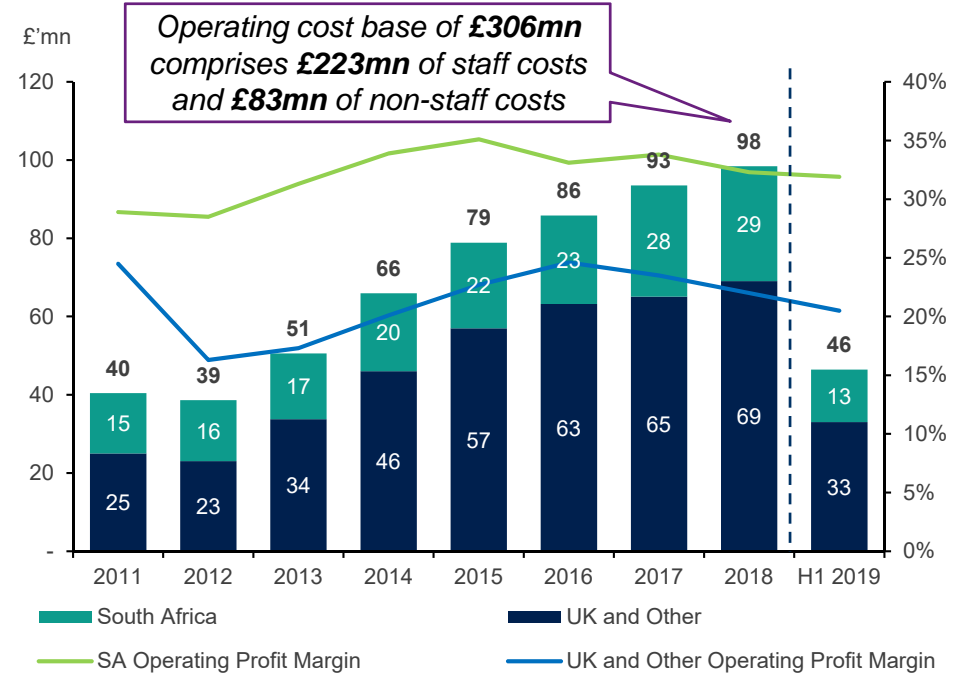


1. Statista, July 2018.

Operating income



Operating profit before tax



- Track record of increasing AUM, driving consistent operating income growth
 - 87% of operating income in H1 2019 was annuity income
 - Operating income linked to market movements
- Income margin in the UK & Other has remained relatively constant in recent years at 84bps for H1 2019
 - Reflects increase in UK discretionary FUM, which generates higher fee margins
- Income margin in SA has increased, reflecting the growth in the discretionary business
 - Reached 48bps for H1 2019

- Consistent profit growth with high cash conversion
- UK & Other operating profit margin decrease in recent years reflects investment in:
 - Headcount to support investment in technology development (both the core business and Click & Invest)
 - New business growth with recruitment of experienced investment managers and financial planners
 - Headcount and systems to ensure compliance with recent regulatory changes (e.g. MiFID II, GDPR etc.)
- SA operating margin has remained relatively stable

We will continue to invest in our franchise...

- **Recruitment:** We continue to invest in hiring experienced investment managers and financial planners to drive client acquisition
- **Digitalisation:** Further development of client platforms (e.g. One Place and Click & Invest)
 - The development of Click & Invest has driven innovative change across other areas of the business (e.g. online valuations)
- **Scalability:** Focused approach to investment in technology to drive growth (e.g. new operating platform being implemented across SA and Switzerland)
- **Consolidation:** We will selectively consider acquisition opportunities (including investment teams) where additive to our existing capabilities

...while maintaining our cost discipline

- Experienced management team across the UK and SA that will act accordingly depending on market conditions
 - Range of management actions available to mitigate impact of market volatility
- Leverage existing operating platform to realise scale benefits from organic and inorganic growth
- Disciplined approach to capital spend and ongoing maintenance costs
- Seek to leverage lower cost SA operational capacity where possible (e.g. customer service centre)

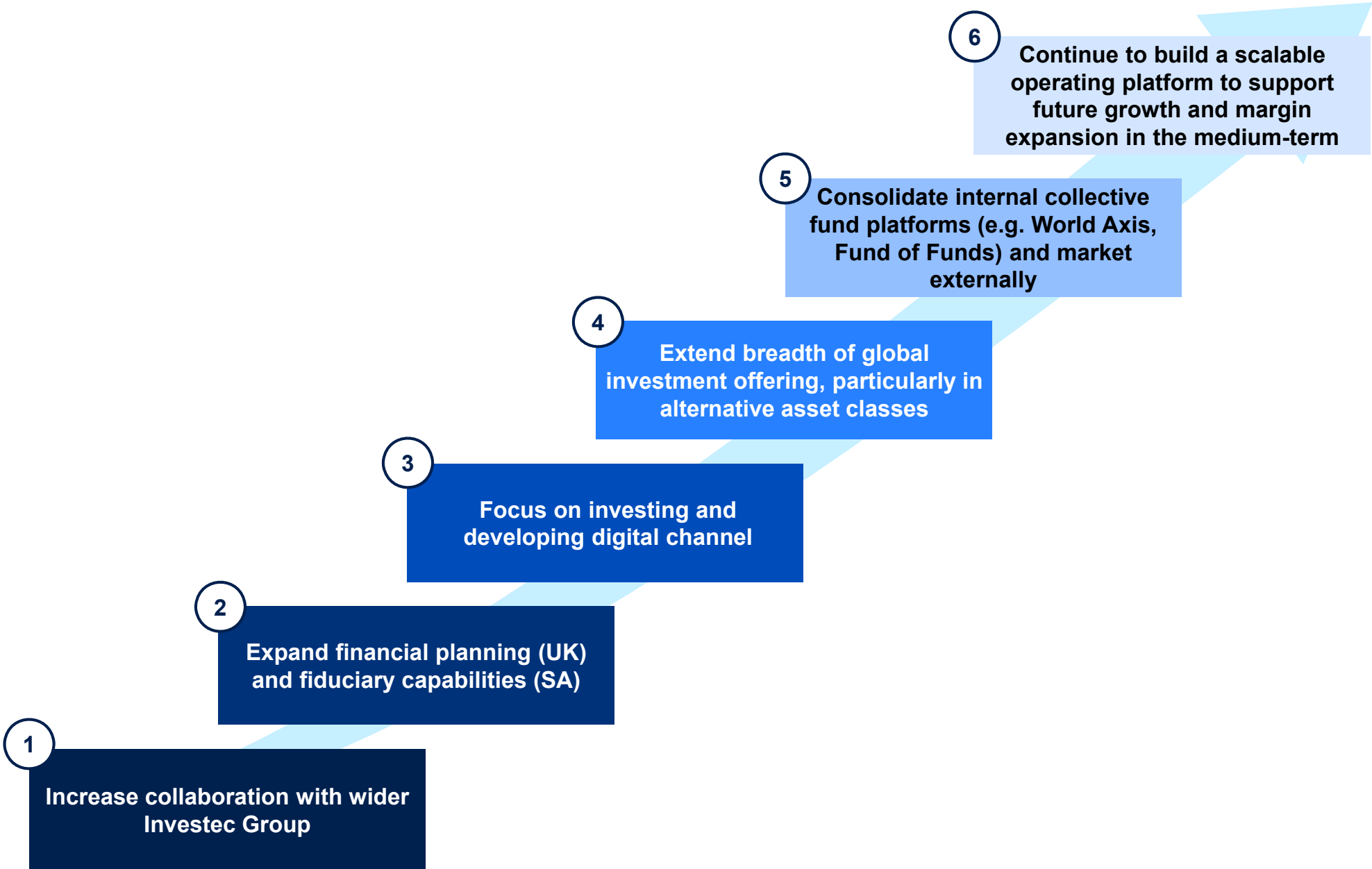
UK & Other cost to
income target*

73% - 77%

SA cost to income target*

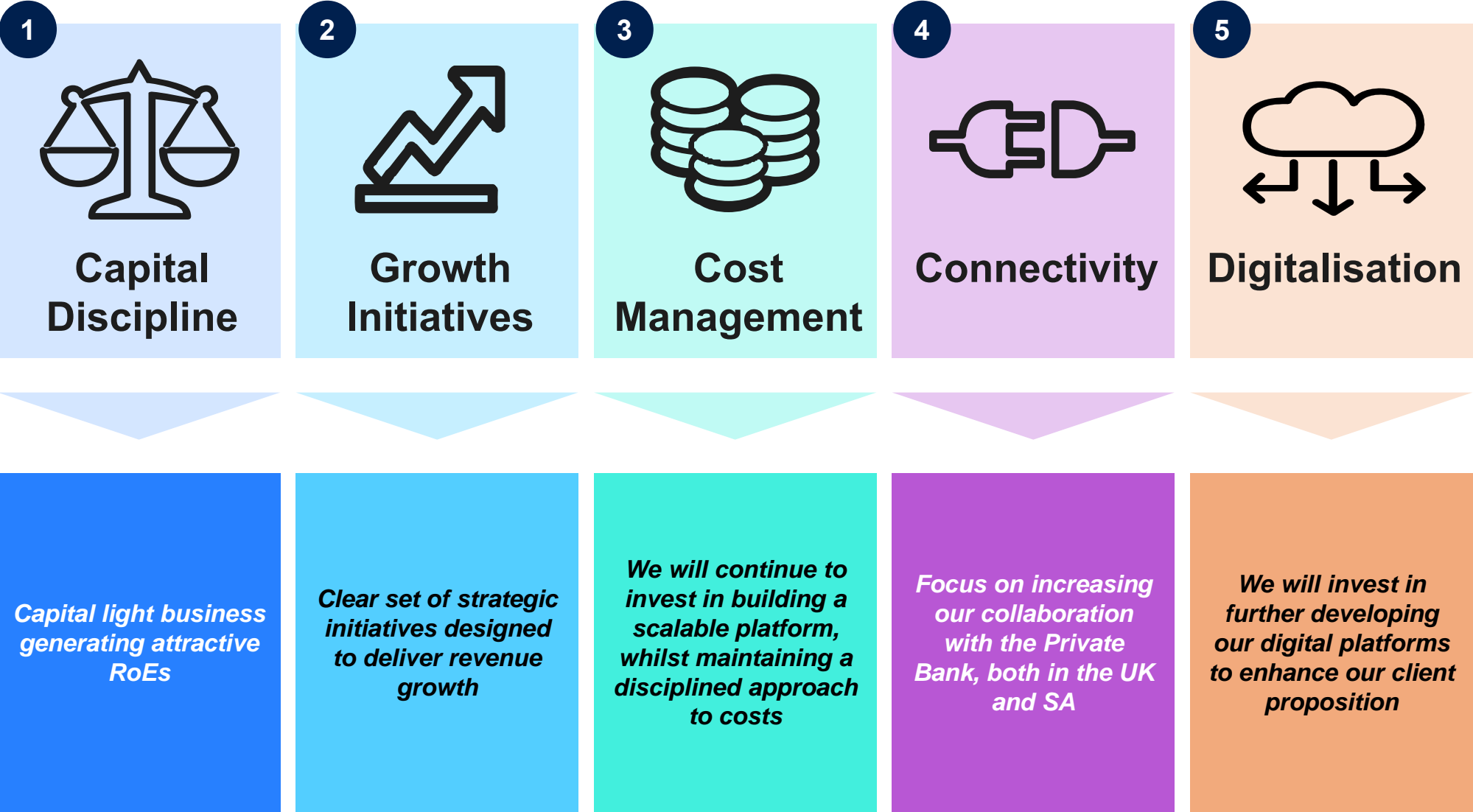
< 70%

We will continue to invest in building a scalable platform for the benefit of all our stakeholders



Initiatives to enhance shareholder returns: Wealth & Investment

We are well aligned to the Group's identified five key initiatives to improve returns for shareholders



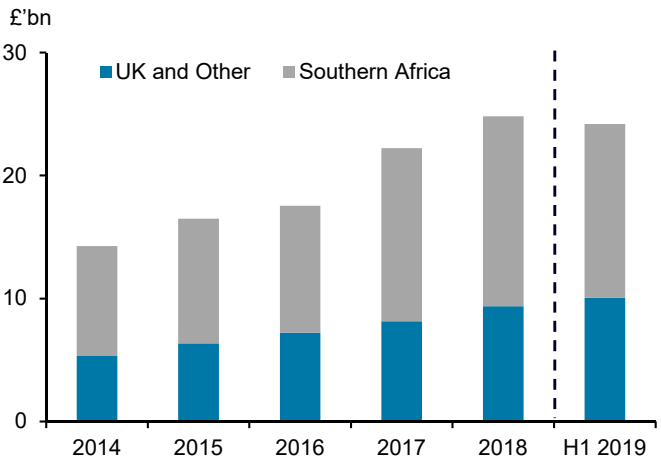


1	Introduction	4
2	UK Specialist Bank	23
3	SA Specialist Bank	47
4	Wealth & Investment business	64
5	Performance	77
6	Summary and Conclusion	88
7	Appendix	90

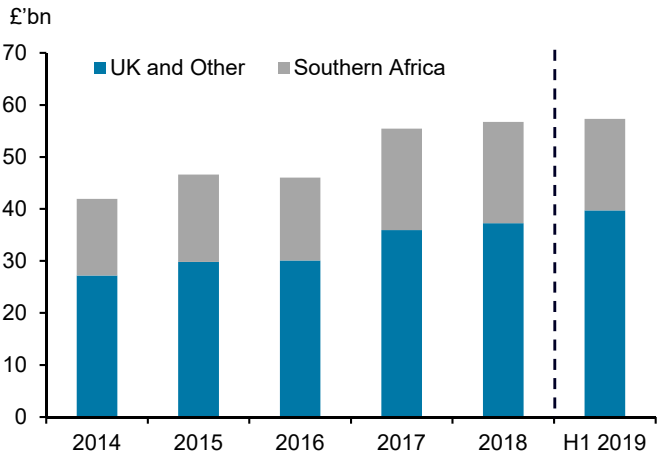
Summary of key financials

Strong growth in key earnings drivers...

Net core loans and advances

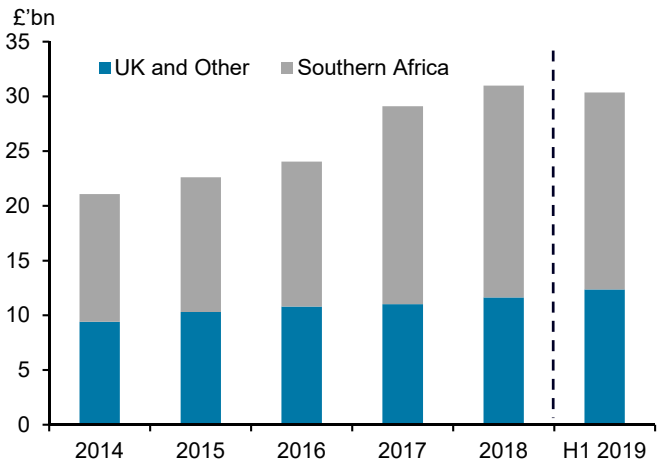


FUM

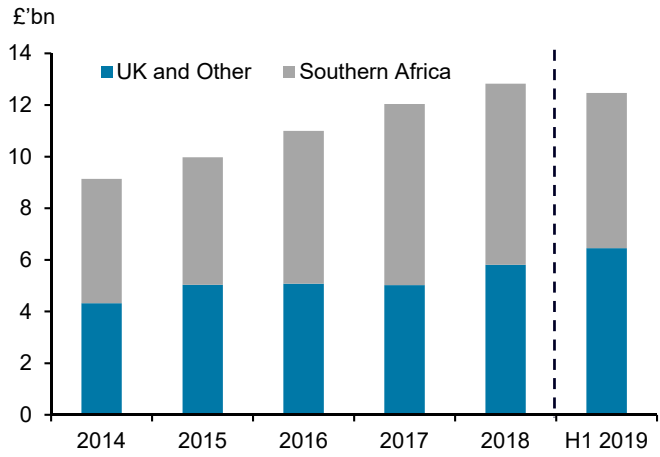


...supported by robust balance sheet

Customer deposits



Cash and near cash balances

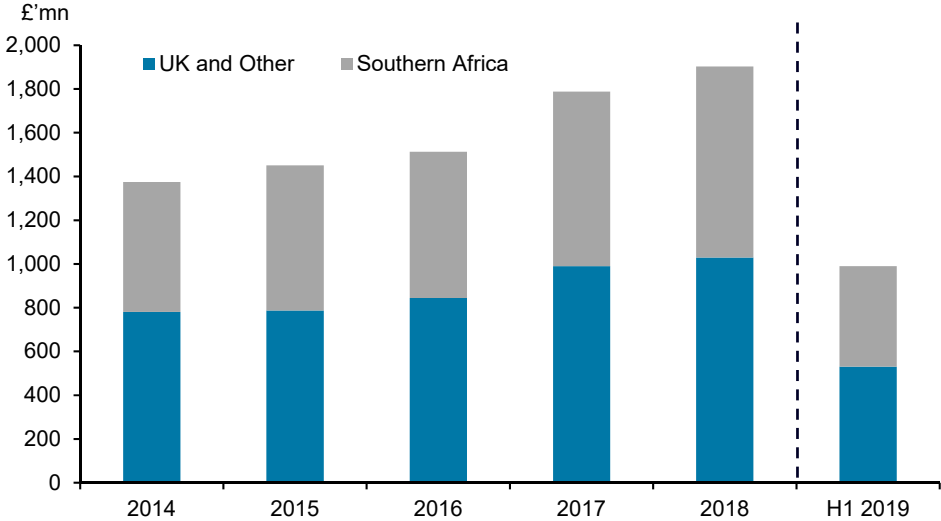


- We have **strong momentum** across our businesses, underpinned by our high-quality client franchises
- Net core loans and advances have grown from **£14.3bn** in 2014 to **£24.2bn** in H1 2019, a **CAGR of 12%**
- FUM has increased from **£41.9bn** in 2014 to **£57.3bn** in H1 2019, a **CAGR of 7%**
- **Robust balance sheet**, with significant portion of cash and near cash balances

Information on this slide is based on the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold) and excluding IAM, unless otherwise specified.

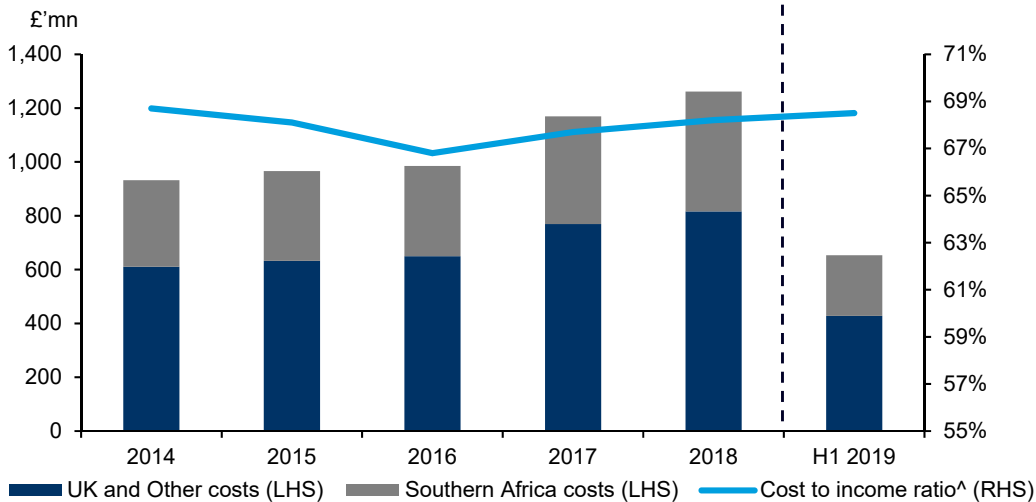
Summary of key financials (cont.)

Resulting in a growing revenue base



We have **delivered strong growth** in our revenue base, with over **50%** generated in the UK

Our cost to income reflects investment

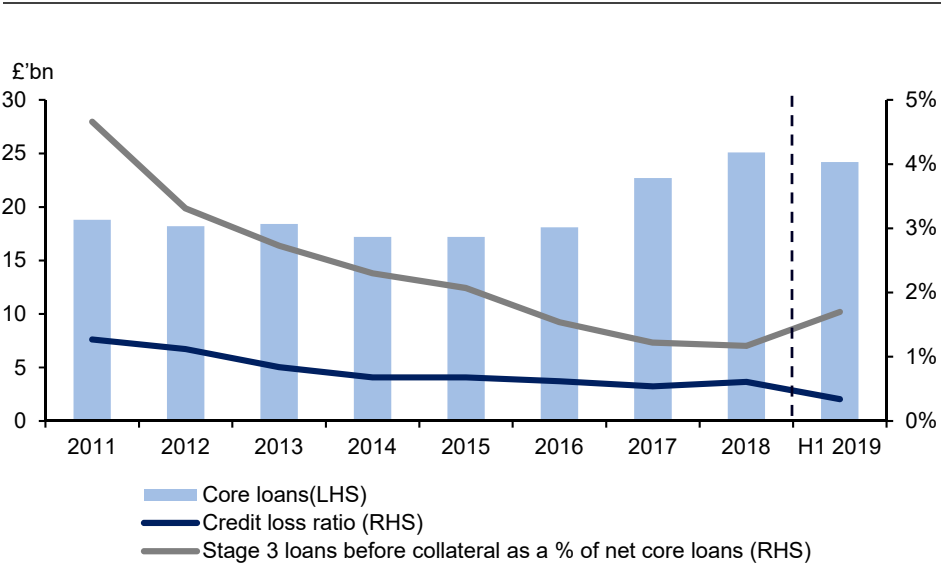


We have made **strategic investments** across our core businesses to build a **highly scalable platform** capable of supporting our **growth ambitions**

Information on this slide is based on the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold) and excluding IAM, unless otherwise specified.
 ^Calculation adjusts for the Group's 26.57% interest held in the Investec Property Fund (IPF), by deducting the IPF minority interests from income.

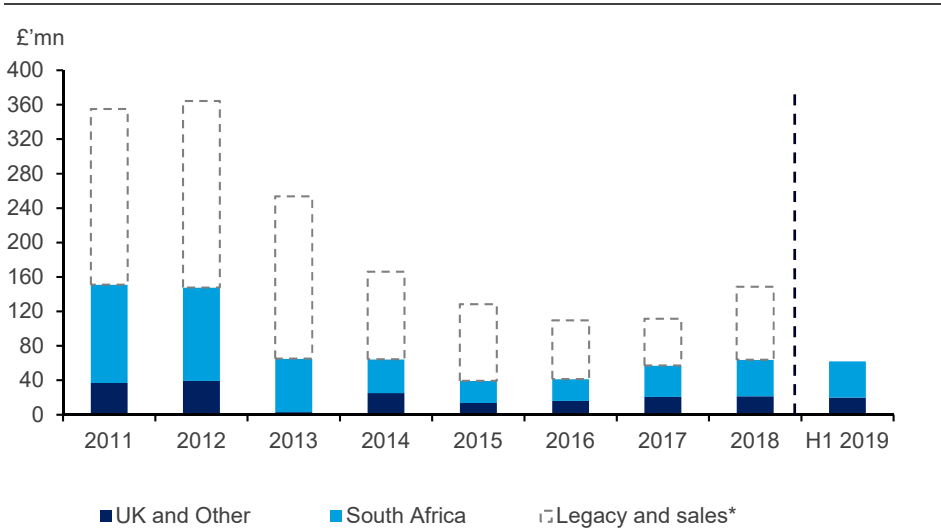
Impairments have reduced in recent years

Core loans and credit loss ratio

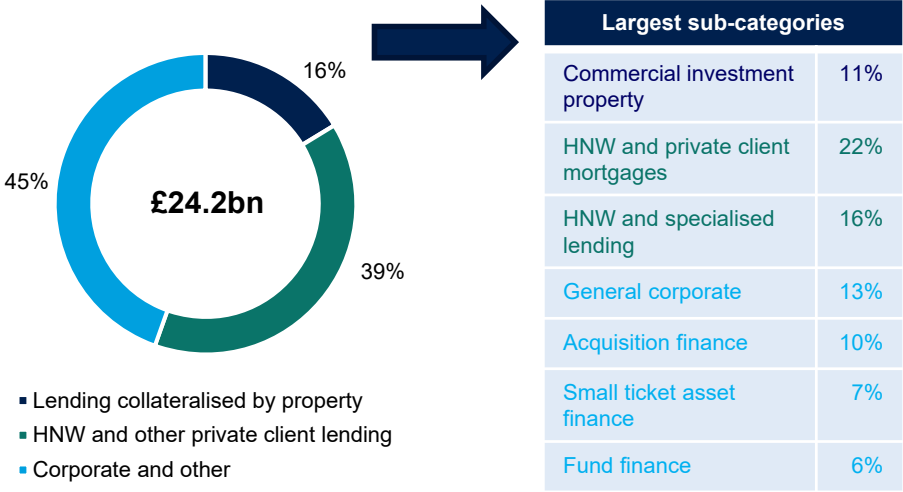


- **Asset quality has improved** as the legacy portfolio has been managed down (less than 0.8% of global loan book)
- Ongoing portfolio continues to have **low levels of impairments and defaults**
 - **Credit loss charge of 0.34%** in H1 2019
 - Stage 3 loans net of ECL as a percentage of net core loans of **1.7%** in H1 2019

Impairments



Core loan analysis (H1 2019)

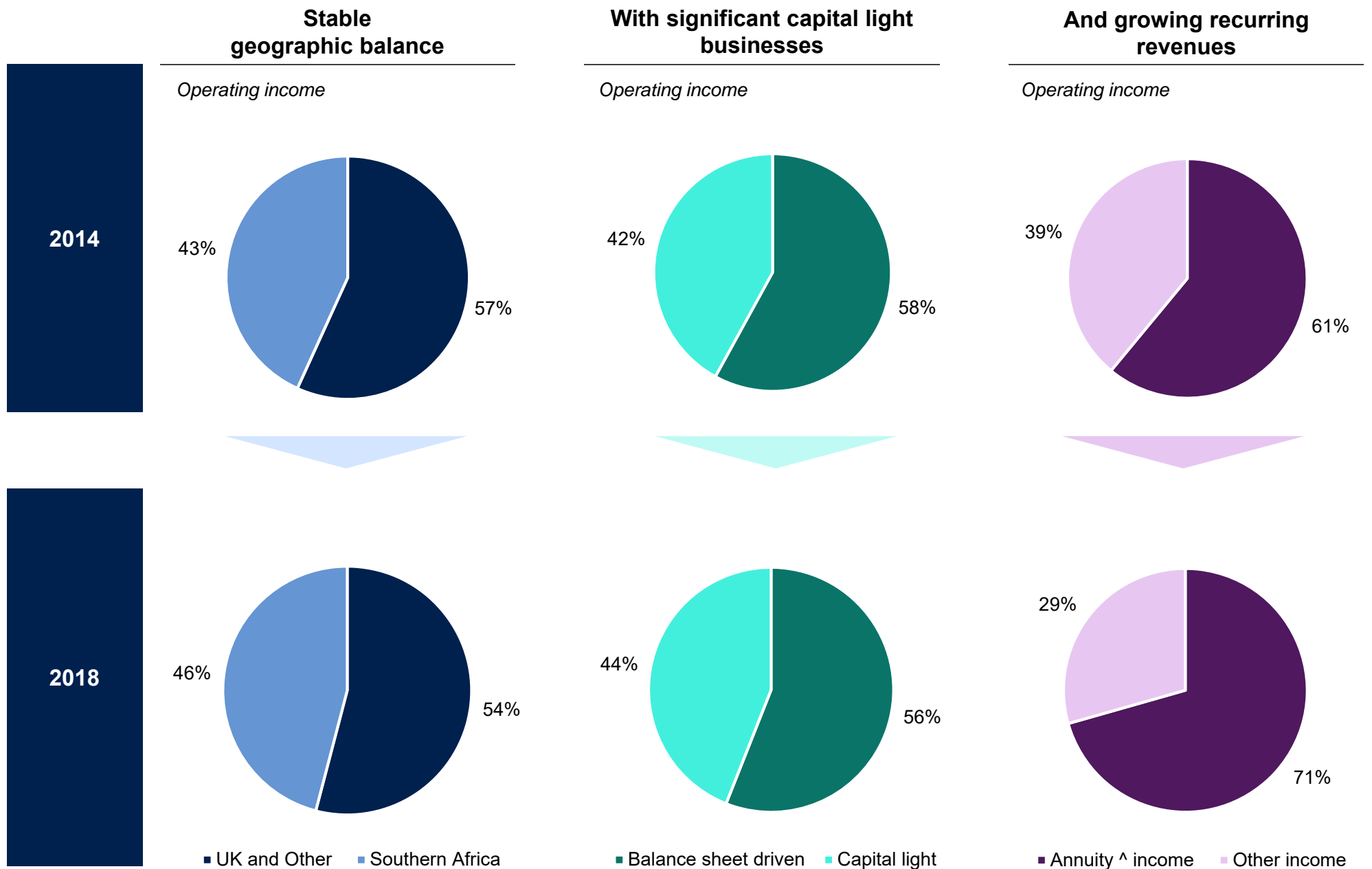


Largest sub-categories	
Commercial investment property	11%
HNW and private client mortgages	22%
HNW and specialised lending	16%
General corporate	13%
Acquisition finance	10%
Small ticket asset finance	7%
Fund finance	6%

Information on this slide is based on the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold) and excluding IAM, unless otherwise specified.

* Refers to the remaining UK legacy business and Group assets that were sold in the 2015 financial year.

We have a balanced portfolio of businesses with a solid capital light revenue base

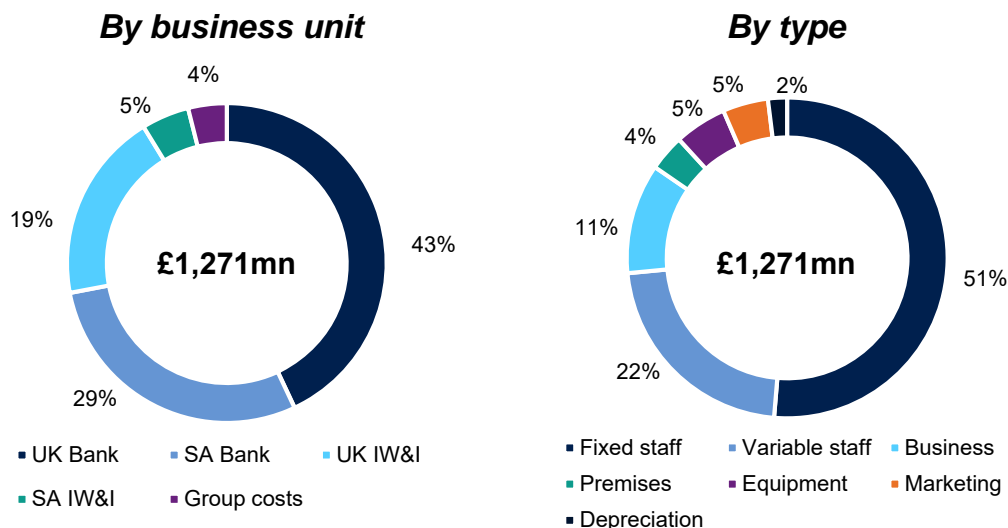


Information on this slide is based on the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold) and excluding IAM, unless otherwise specified.

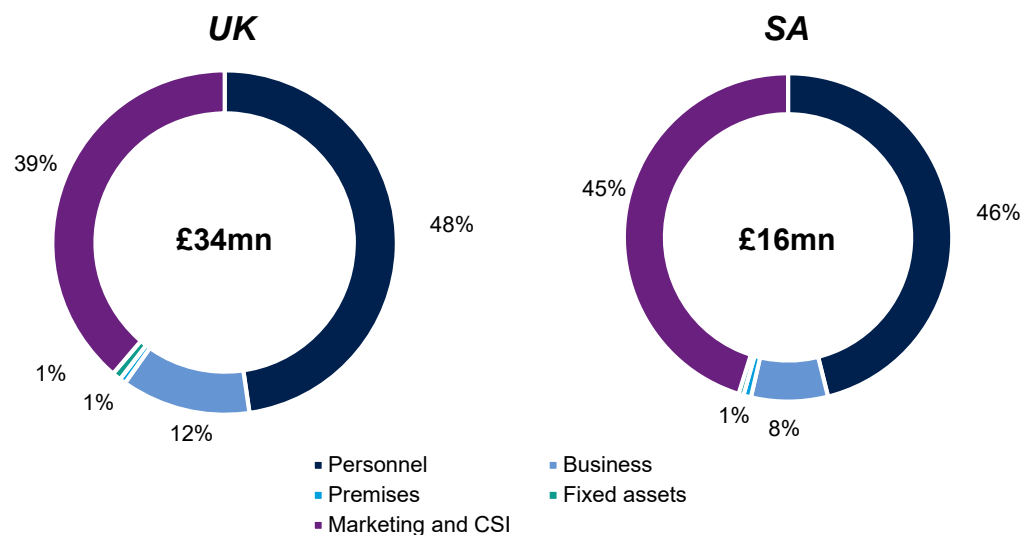
^Where annuity income is net interest income and annuity fees.

We are focused on cost discipline

Breakdown of costs (2018)



Analysis of Group Costs (2018)

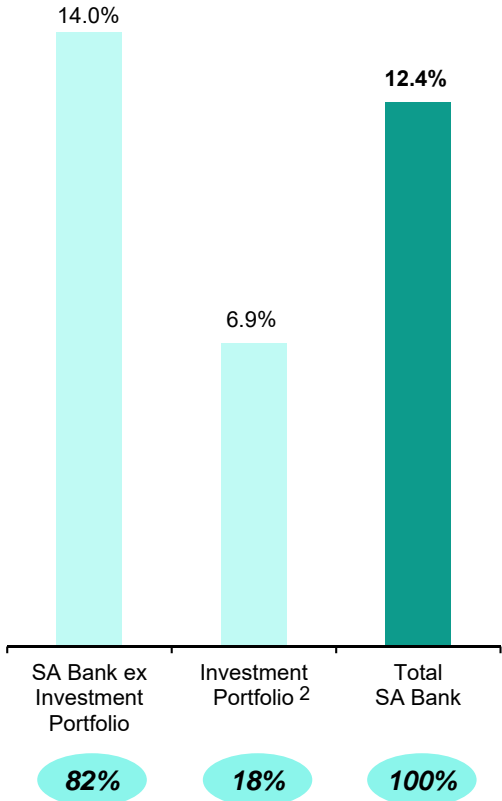


- We are focused on cost discipline
 - Targeting a Group cost to income ratio of less than 63% in the medium-term
- We have set clear divisional cost to income targets:
 - UK Bank: < 65%
 - UK Wealth: 73% -77%
 - SA Bank: 49% - 52%
 - SA Wealth: < 70%
- We have already taken action to reduce Group Costs with opportunities to do more in the medium-term

Contribution to Group ROE by business

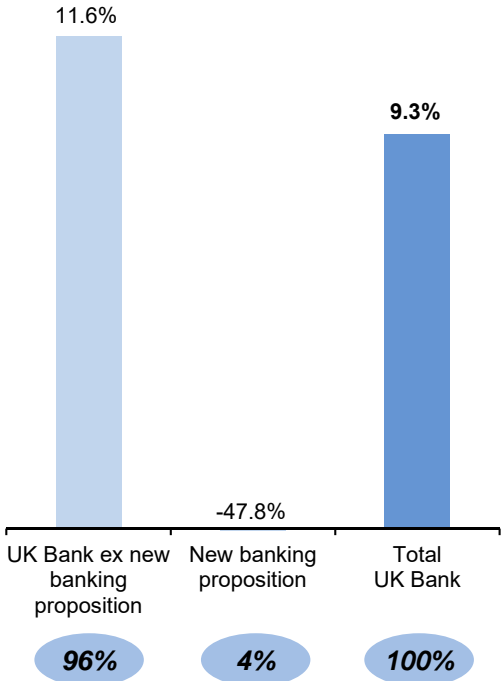
SA Specialist Bank¹

H1 2019 ROE, in £'s unless otherwise stated



SA Bank Capital allocation (Sep-18)
£1,965mn

UK Specialist Bank³



UK Bank Capital allocation (Sep-18)
£1,413mn

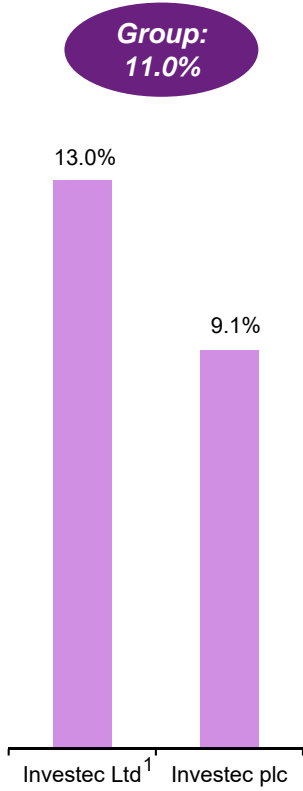
IWI SA and UK



Group Costs

n.m.

Investec Group



Information on this slide is based on the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold) and excluding IAM, unless otherwise specified; 1. Shown on Rand currency basis; 2. Does not include equity investments residing in our franchise client businesses; 3. Using a normalised tax rate of 18%; 4. Excludes goodwill associated with Rensburg Sheppards acquisition. Including goodwill on Rensburg Sheppards acquisition, Wealth & Investment generated an ROE of 16.0% in H1 2019.

Simplifying and refocusing the Group to improve ROE in the medium-term

A number of our specialist businesses are already operating at attractive ROEs, however, we recognise that we need to address a number of areas to improve ROE

Investment Portfolio* in SA

- We are focused on **managing down our non-core equity investments portfolio**
- Made up of **attractive assets**, however from an income perspective these assets derive revenue which is very **lumpy in nature**
- **Releases material capital** which can be re-deployed in our higher ROE businesses or returned to shareholders



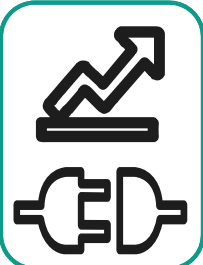
Optimise Capital Allocation in SA

- We are focused on optimising the capital allocation in our core businesses
- We are buying back shares from the market to meet long term share awards and variable remuneration in the form of shares



UK Private Bank

- The business has undergone a **period of investment to build out the platform** which has impacted returns
 - The legacy portfolio was also a drag on the Private Bank historically
- Strategy has now shifted from **platform build to client growth** and we are already seeing good traction



Cost Management

- **More disciplined approach to cost management**, particularly within our central functions
- We have also set **clear targets** within our business units, and there will be much **greater accountability** to ensure we achieve these



*Comprising the Group's 45% interest held in the IEP Group; the Group's 26.57% interest held in the Investec Property Fund (IPF) and the Group's 15.0% investment in the Investec Australian Property Fund (IAPF); and other equity and related loan exposures, not including investment activities arising from the franchise businesses.

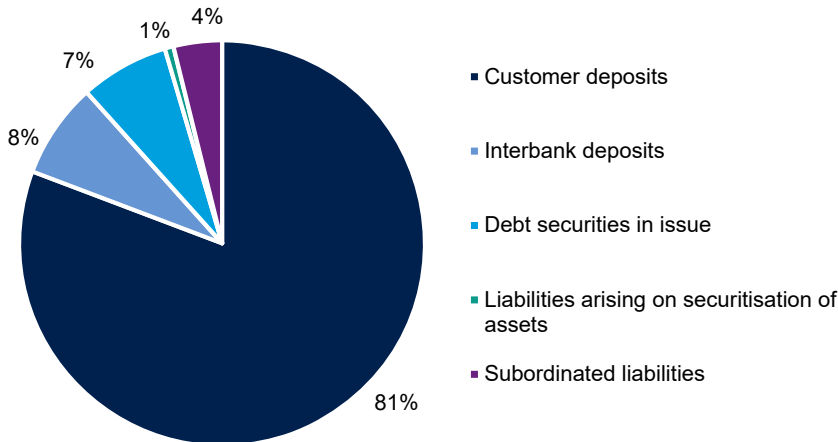
Diversified funding strategy

Conservative and prudent funding strategy

- 1 Maintaining a base of high quality liquid assets
- 2 Diversifying funding sources to enhance net interest margin
- 3 Limited concentration risk
- 4 Low reliance on interbank funding
- 5 Maintaining a stable retail deposit franchise

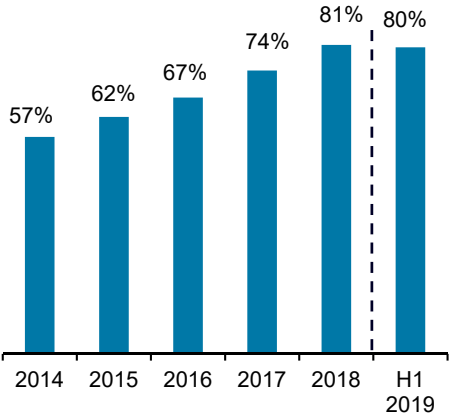
Funding primarily consists of customer deposits

Global – March 2018. Total funding £38.4bn

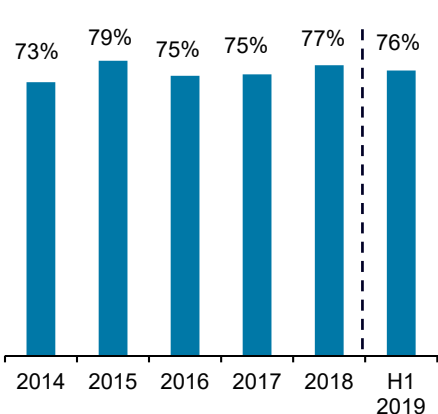


Fully self-funded: healthy loan to deposit ratio

UK and Other



SA



Underlying capital generation supports future growth and dividends

Target Group RoE*:

12%-16%

Supports RWA Growth:

c.8%-10%

Supports Dividend Payout:

30%-50%

- There is positive capital generation across all our core businesses, with all businesses self-sufficient
- UK Bank has sufficient capital to grow the Private Bank to scale, while also supporting c.7%-8% growth in RWA p.a.
- Dividends from the Wealth & Investment business passed straight through to shareholders
- The SA Bank has a long history of strong capital generation
 - Generate sufficient capital, post dividends to support c.8%-10% growth in RWA p.a.
 - Will release material capital through managing down our non-core equity investments portfolio in SA
 - SA has covered the dividend for those Investec plc shareholders on the SA branch register

Clear set of financial targets underpins our objectives

Which we aim to deliver on over the next three years

Metric:	FY 2018	H1 2019	Medium-term target	Commentary**
Group ROE	9.8%	11.0%	12% to 16%*	UK Combined Target: 11% to 15%* UK Bank Target: 10% to 13% SA Combined Target: 15% to 18%* SA Bank Target: 14% to 16%
Cost to Income Ratio^^	68.2%	68.5%	< 63%	UK Bank Target: < 65% UK Wealth Target: 73% to 77% SA Bank Target^^: 49% to 52% SA Wealth Target: < 70%
Investec Limited CET1	10.2%^	10.3%^	> 10%	<i>Will also benefit from the implementation of FIRB which is not reflected in ratios presented</i>
Investec plc CET1	11.0%^	10.4%^	> 10%	<i>Capital adequacy target range of between 14% and 17% on a consolidated basis for Investec plc and Investec Limited</i>
Dividend Payout Ratio	<i>n.a.</i>	<i>n.a.</i>	30% to 50%	

*Target takes into consideration Group Central Costs. **All SA targets are set in Rands. ^As reported including IAM.

^^Calculation adjusts for the Group's 26.57% interest held in the Investec Property Fund (IPF), by deducting the IPF minority interests from income.



1	Introduction	4
2	UK Specialist Bank	23
3	SA Specialist Bank	47
4	Wealth & Investment business	64
5	Performance	77
6	Summary and Conclusion	88
7	Appendix	90

Objectives for today's presentation

Recap on demerger rationale

- **Simplification and greater focus to enhance the long-term prospects** of both businesses
- **Opportunity to build on linkages** between the Specialist Bank and Wealth & Investment businesses

Focus on Investec's strategic positioning

- **International specialist bank with leading market positions** in select niches
- One of the **leading private client wealth managers** in the UK and SA
- Ability to leverage cross-border platforms – **domestically relevant and international networked**

Highlight initiatives to enhance returns

- More disciplined approach to **capital allocation**
- **Clear set of growth and cost initiatives**
- Drive greater **connectivity** and continue to **invest in digital capabilities**

Demonstrate sustainable organic capital generation

- All businesses are **self-sufficient**
- **Existing capital generation supports growth and dividends**
- **Maintain appropriate capital adequacy / buffer** across Investec plc and Investec Limited



1	Introduction	4
2	UK Specialist Bank	23
3	SA Specialist Bank	47
4	Wealth & Investment business	64
5	Performance	77
6	Summary and Conclusion	88
7	Appendix	90

Our commitment to sustainability

At Investec, sustainability is about building resilient profitable businesses that are focused on growing and preserving stakeholders long-term wealth, whilst contributing in a responsible way to the health of our economy, our people, our communities and the environment for a prosperous, sustainable future for all.

We integrate social, ethical and environmental considerations into day-to-day operations and our sustainability approach is based on the integration of people, planet and profit

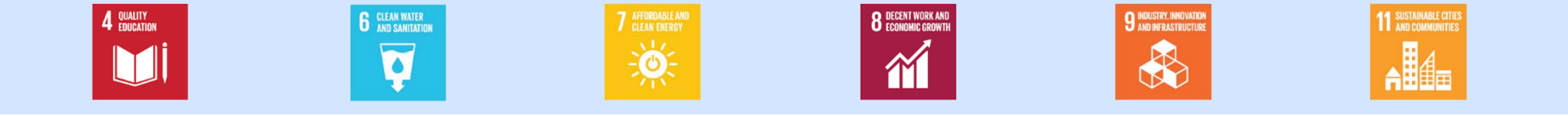
<p>People</p>	<ul style="list-style-type: none"> We depend on the experience and proficiency of our people to perform and deliver superior client services We use our specialist financial skills and expertise to provide efficient solutions for clients We leverage key stakeholder relationships to enhance our impact on society and the macro-economy
<p>Planet</p>	<ul style="list-style-type: none"> We play a critical role in funding a stable and sustainable economy that is cognisant of the world's limited natural resources We support the transition to a low-carbon economy and believe we can make a meaningful impact in addressing climate change We consider any meaningful activity that either reduces the negative impact on, or prolongs the life of, our planet
<p>Profit (Prosperity)</p>	<ul style="list-style-type: none"> We create sustained long-term wealth by organically growing our core businesses and maintaining a balanced and resilient business model We aim to improve returns and operational efficiency while maintaining a sound capital base and strong liquidity We are entrepreneurial and focus on creating value for shareholders

Recognition



- Voted third most attractive employer in SA in the 2018 Universum awards in the business/commerce sector
- Ranked 27th in the world and 4th in the UK for progress in gender equality and reporting by Equileap in 2018
- Investec Group was awarded a B rating for the Carbon Disclosure Project (CDP)
- Finalist in the 2018 Thomson Reuters Southern Africa Excellence Awards in the Most Impactful Business: Doing Good and Doing Well Award category
- Winner of the Business of the Year Award by Business Charity Awards 2017 (for Beyond Business programme) in the UK
- Winner of the National CSR Awards in the individual Community (Legacy) Project Award category (for Beyond Business)
- Winner of the Community Partners award in the Lord Mayor's Dragon Awards (for Beyond Business)

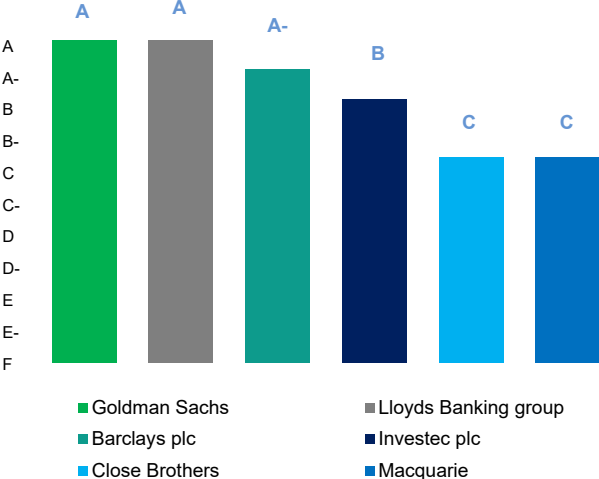
We recognise the role that the private sector can play in advancing the Sustainable Development Goals to build a more resilient and inclusive world. Investec has committed to participate and collaborate with clients and stakeholders to support delivery of the goals.



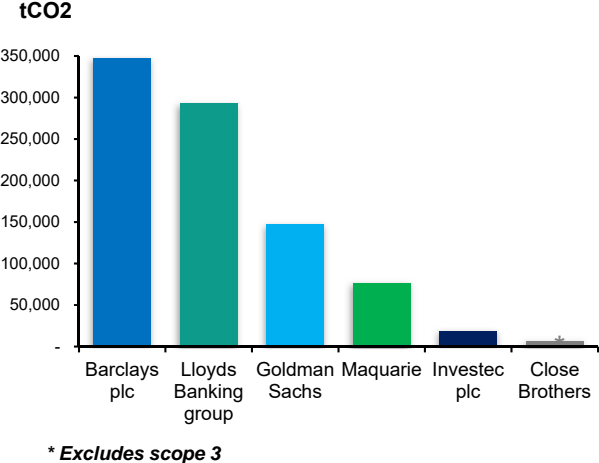
Our environmental, social and governance (ESG) performance

UK Banking peer group

CDP (Carbon disclosure project)



Carbon footprint



Included in the following sustainability indices:

Investec plc ranked in the **Dow Jones Sustainability Investment (DJSI) Index** as one of 15 industry leaders on the DJSI World and one of nine in the DJSI Europe indices

Investec Limited ranked in **Dow Jones Sustainability Investment (DJSI) Index** as one of four industry leaders on the DJSI Emerging Markets Index

Included in the **FTSE4Good Index**

Constituent of the **ECPI Index**

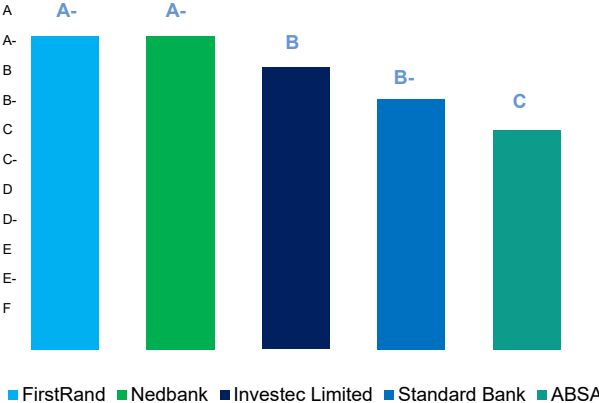
Constituent of the **FTSE/JSE Responsible Investment Index Series**

Rated as AAA on the **MSCI Global Sustainability Index Series**

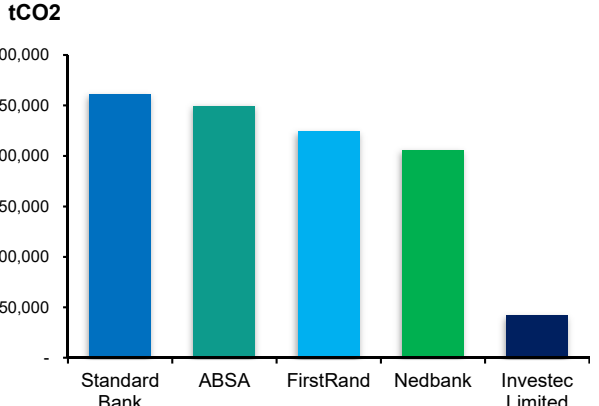
Member of the **STOXX Global ESG Leaders Indices**

SA Banking peer group

CDP (Carbon disclosure project)



Carbon footprint



Driving ESG impact

Examples of how we are deploying our balance sheet to maximise social and environmental impact

Power and infrastructure finance

Committed to supporting the transition to a clean and energy-efficient global economy

- Participated in **£1.2bn** of renewable energy projects
 - Clean energy makes up **88%** of our total energy lending portfolio
 - Investec and UK Climate Investments **committed R1bn to a dedicated renewable energy investment** (Revego Africa Energy)
 - Eight Investec funded projects have an installed capacity of approximately **1 450MW of clean energy**
 - **£200mn** funding arranged, acting as joint arranger and underwriter for the acquisition of six UK operational **photovoltaic plants**
-

Investec Property Fund

Exploring alternate renewable energy sources and energy efficiency opportunities

- Implementation of Solar rooftops in commercial properties providing approximately **¼ of their monthly energy consumption**
-

Wealth & Investment and Private Client activities

Supporting our clients and stakeholders in attaining their social and environmental aspirations

- **50%** of charitable investments go to **education initiatives**
 - Creating opportunities for clients to invest in funds that **grow qualifying privately-owned SMMEs**
-

Corporate

Providing equity / capital investment for innovation in sustainable water supply and electric vehicles

- Investec has taken an £8mn equity stake in UK based company that uses innovation to **reduce water consumption** from cistern flushing by up to 84%
 - Provided capital investment to a London-based company specialising in **electric vehicle rapid charging**, which will allow 1500 rapid chargers across the UK, improving pollution in the city of London
-

Embedding ESG into daily operations

Climate change statement	Investec supports the transition to a low carbon economy and believe we can make a meaningful impact in addressing climate change
Lending policy	Our ESG Lending policy requires an evaluation of lending exposures to manage potential adverse impacts to the environment and to human rights
Investing policy	Our ESG Investing policy includes consideration of our responsibility in managing potential adverse impacts to the environment and to human rights
ESG Guidelines	We have established ESG guidelines for our lending and investing businesses based on the IFC definitions of high and medium risk industries
Gender equality	Signatory - 30% Club in both SA and the UK Investec Signatory - HM Treasury Women in Finance Charter (Investec Bank plc and Investec Wealth & Investment UK)
Human rights	Participant - 10 principles United Nations Global Compact Support the international agenda to abolish human trafficking, slavery, forced and child labour including the legislated UK Modern Slavery Act 2015
Economic growth and decent jobs	One of the first signatories to the Youth Employment Service (YES) initiative in SA, committing to finding employment for approximately 1 200 youth annually for the next three year

Uncertainty with respect to Brexit, but our business remains resilient



Key points

- We have limited European business outside of Ireland and so the overall impact of Brexit on our client franchise will be limited
- Brexit will result in a restructure and downscaling of our Irish operations, giving rise to some one off restructuring costs
- The giving up of the Irish branch license would mean repaying c.€1.3bn of deposits as a one off cost
- Should there be a significant slowdown in economic activity due to Brexit developments and subsequent reduced client activity or deferral of investment decisions, this could impact revenue and impairments

EU access via Irish business

- Restructure of Irish branch into MiFID licensed entity
- Costs related to the consequential unwinding of Irish deposits and other restructuring costs are anticipated in the coming months
- Significant additional liquidity raised in anticipation of this

High cash balances at £6.5bn

Asset quality remains sound

- Low levels of impairments
- Credit loss ratio long term trend: 30bps to 40bps (current: 41bps)

HNW and high income residential mortgages

- Focused on target clients with lending in established areas (London and the South East)
- Average loan to value c.50-60%
- Recourse to principal and high level of cash equity contributions into transactions

Good quality commercial property portfolio that has held up in times of stress

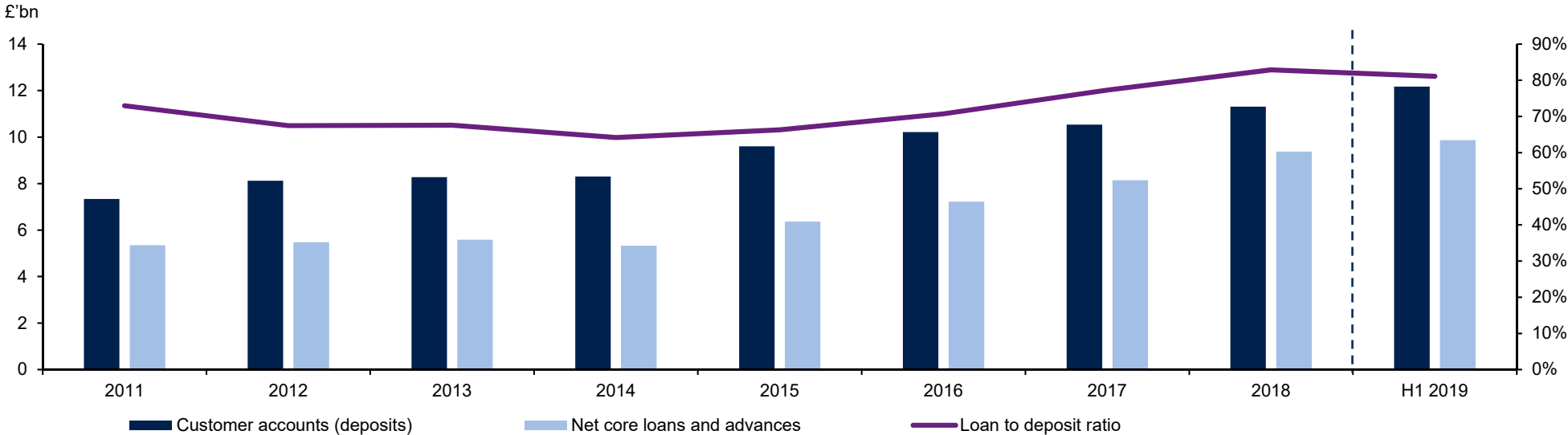
- c.77% of the portfolio is in the UK (largely London and Home Counties). Of the non-UK portion the majority of the exposure is in Germany
- The book is income producing supported by leases with good quality tenants that provide consistent cash flows
- Average loan to value c.60-70%. Average loan size generally <£10mn
- In addition to the property security value and lease cash flow streams, personal guarantees from principals are held

Legacy book has been managed down

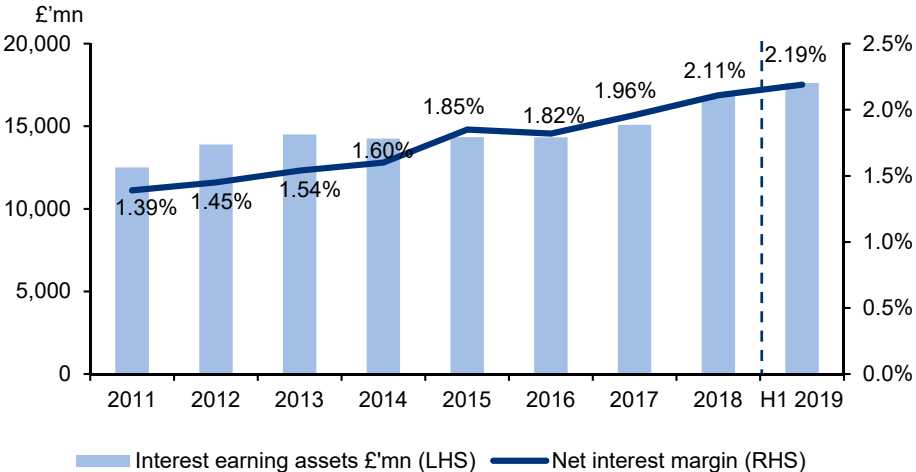
- Net loan book: £189mn at 30 September 2018 (1.9% of total UK net core loans)
- No repeat of substantial impairments expected

UK Specialist Bank: Key metrics

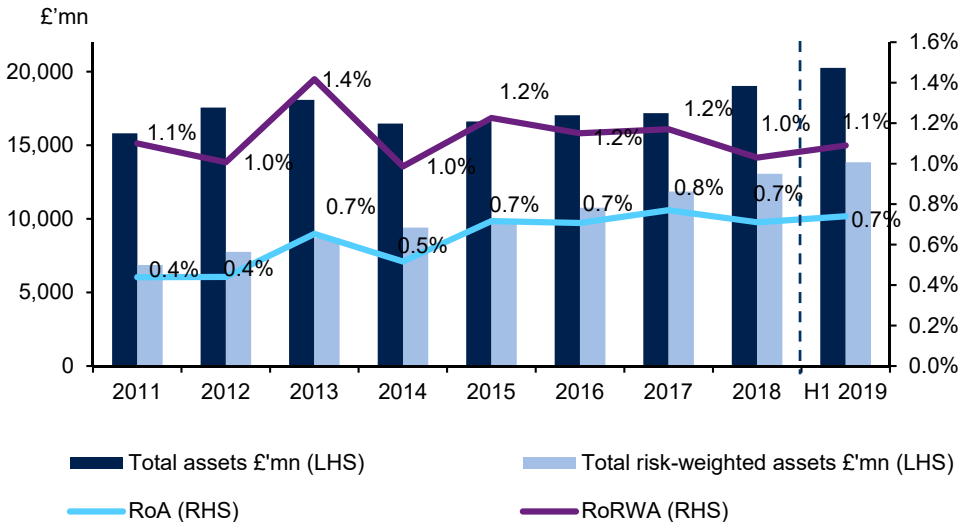
Customer loans and deposits



Net interest margin



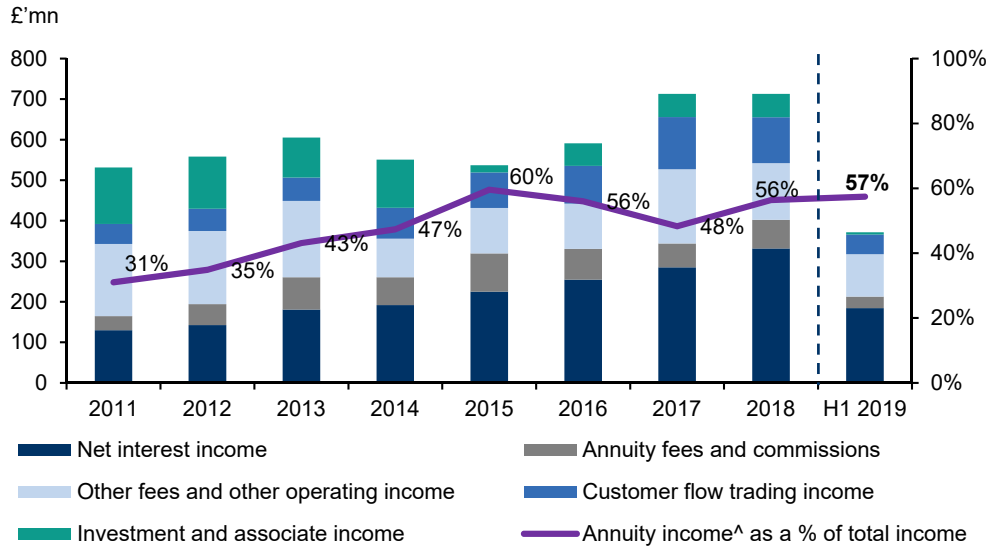
RoA and RoRWA



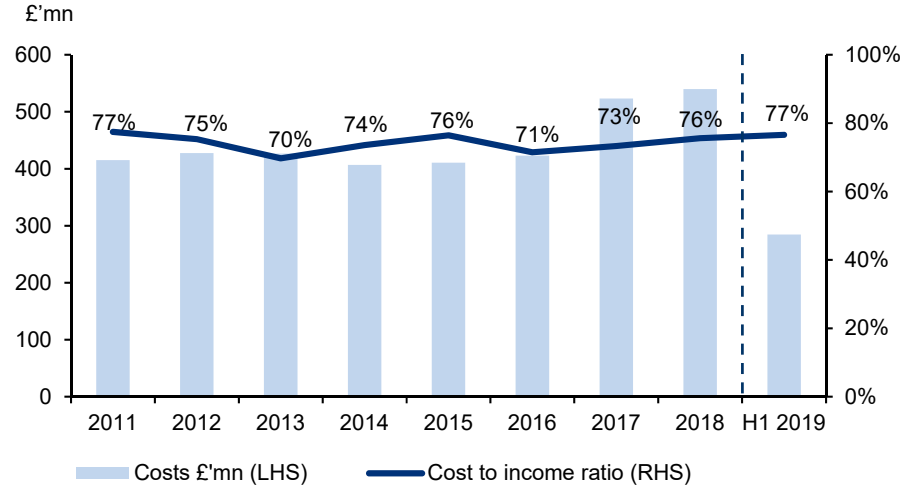
Information on this slide is based on the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold), unless otherwise specified.

UK Specialist Bank: Key metrics (cont.)

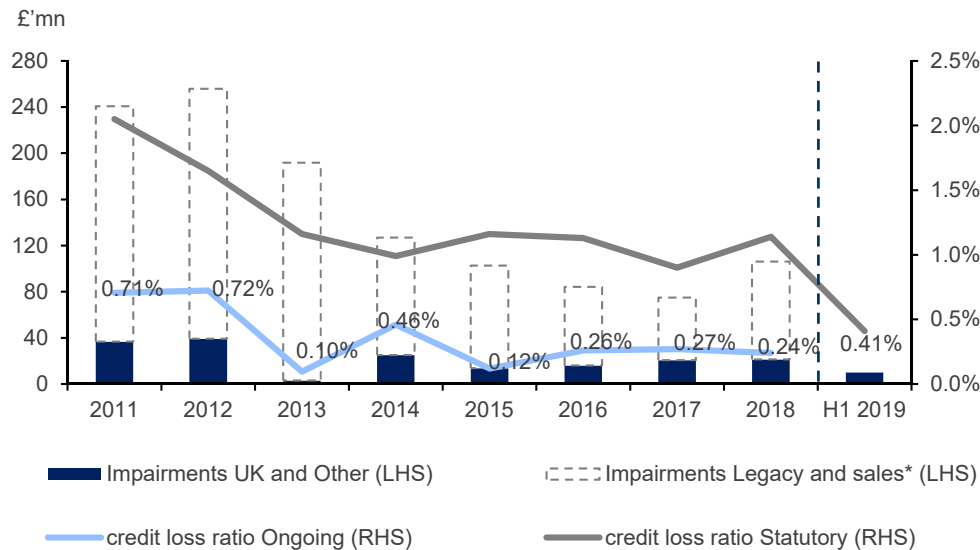
Revenue



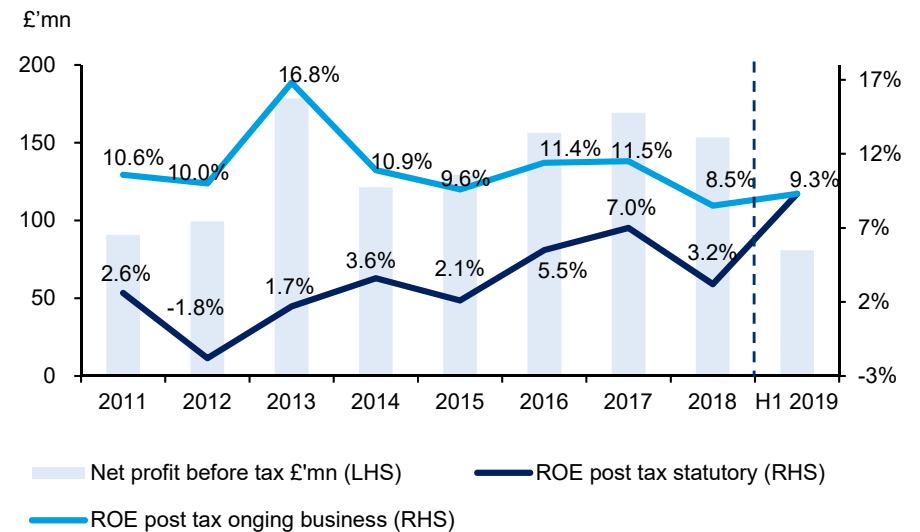
Costs



Impairments and credit loss ratio



Profit and returns

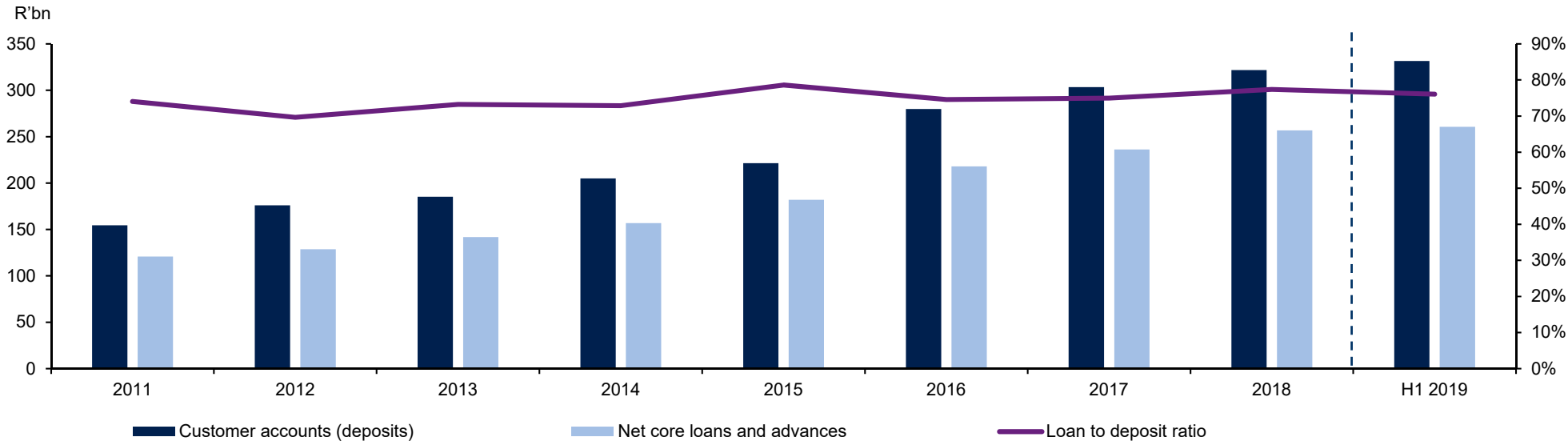


Information on this slide is based on the results of the ongoing business (excluding UK Specialist Bank legacy assets and businesses sold), unless otherwise specified.

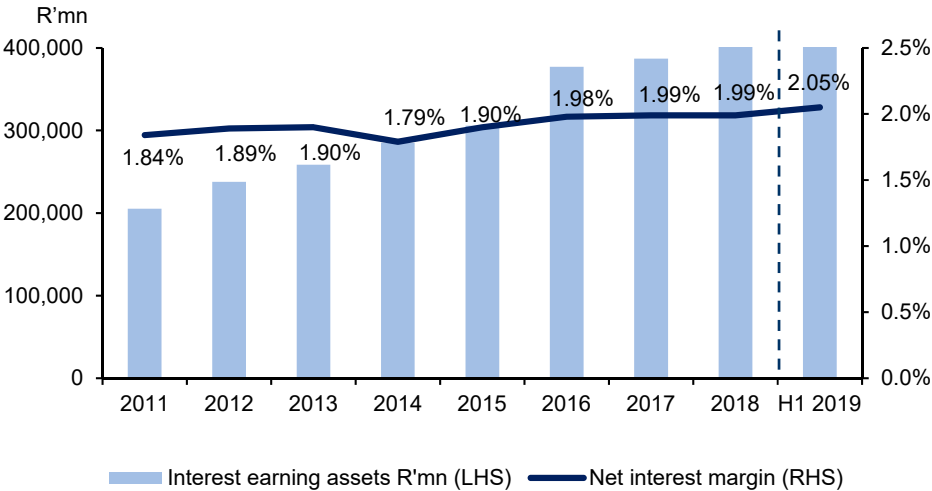
^Where annuity income is net interest income and annuity fees. *Refers to the remaining UK legacy business and Group assets that were sold in the 2015 financial year.

SA Specialist Bank: Key metrics

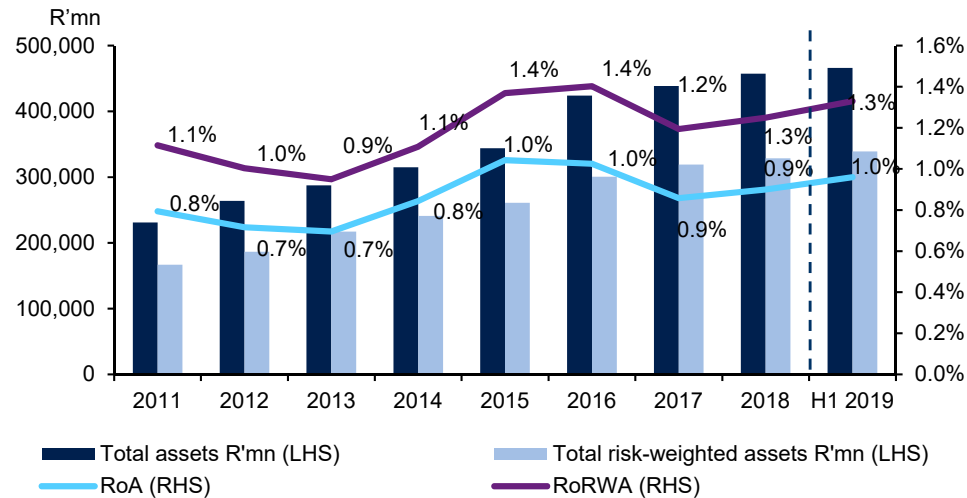
Customer loans and deposits



Net interest margin*



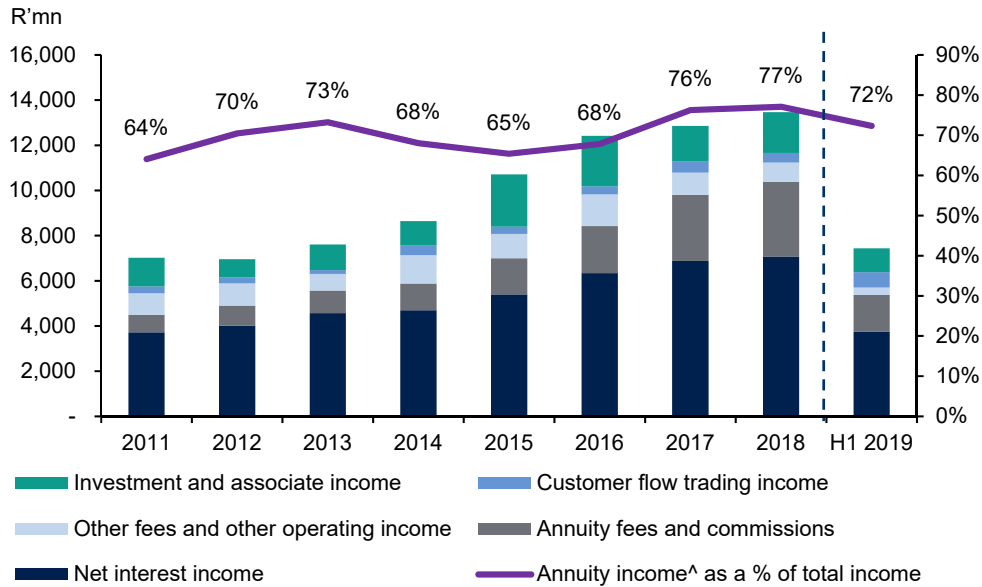
RoA and RoRWA



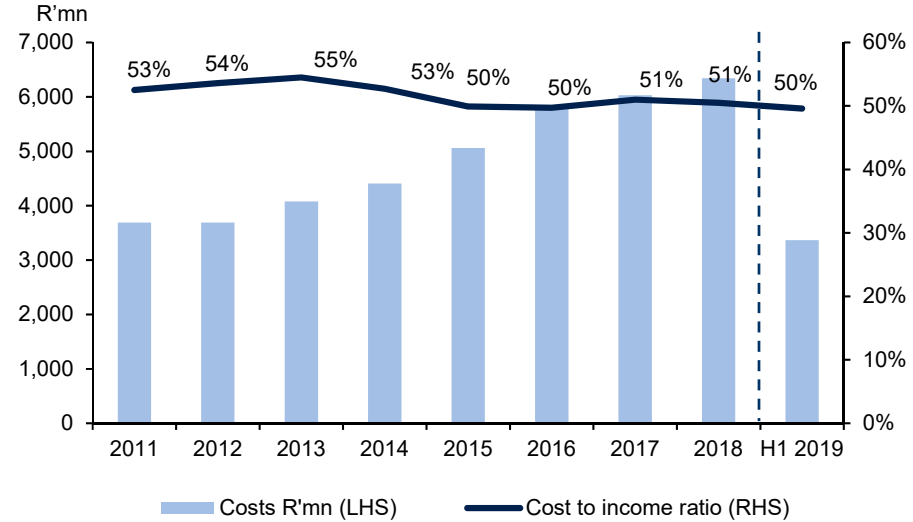
*Excluding funding issued by the Investec Property Fund (IPF) in which the Group has a 26.57% interest.

SA Specialist Bank: Key metrics (cont.)

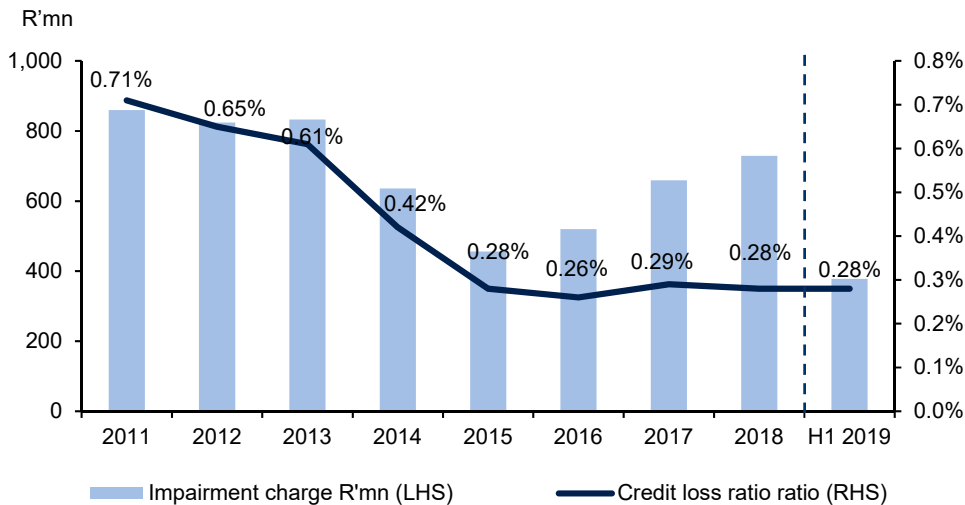
Revenue



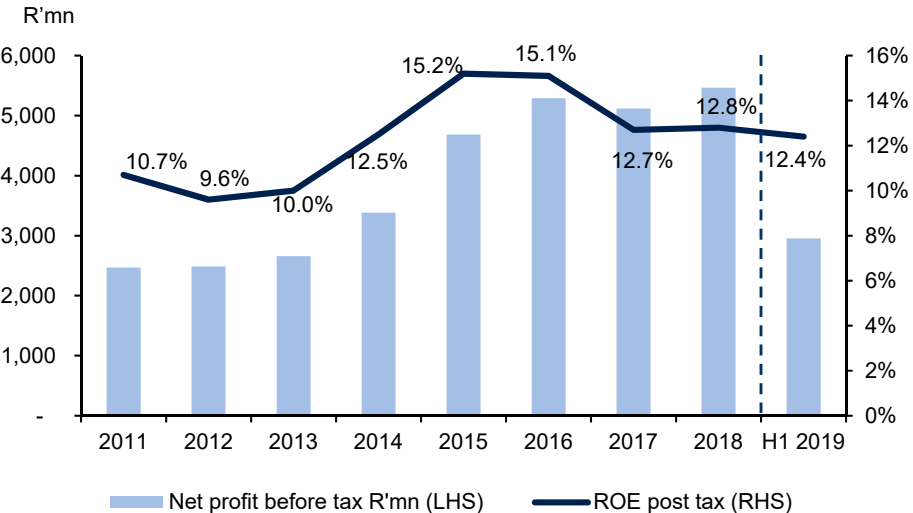
Costs*



Impairments and credit loss ratio



Profit and returns



^AWhere annuity income is net interest income and annuity fees; ^{*}Cost to income calculation adjusts for the Group's 26.57% interest held in the Investec Property Fund (IPF), by deducting the IPF minority interests from income.