

Out of the Ordinary®



Results Presentation

For the six months ended 30 | 09 | 2013



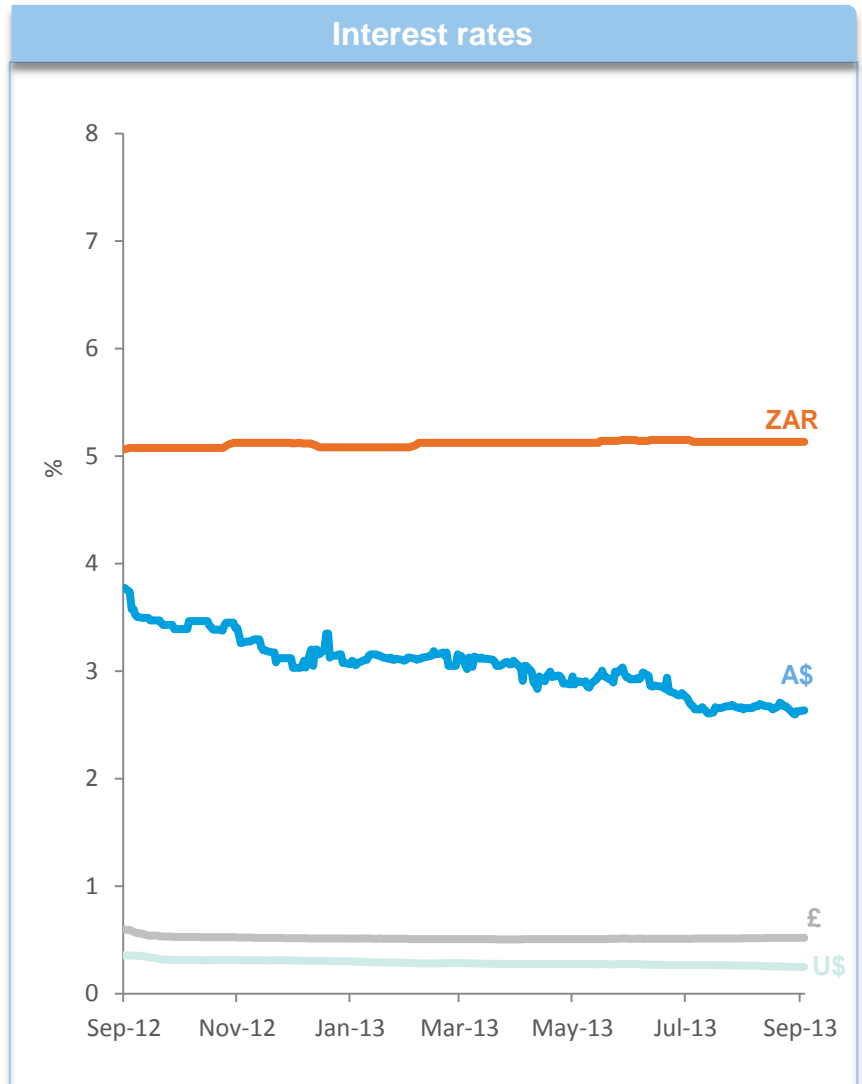
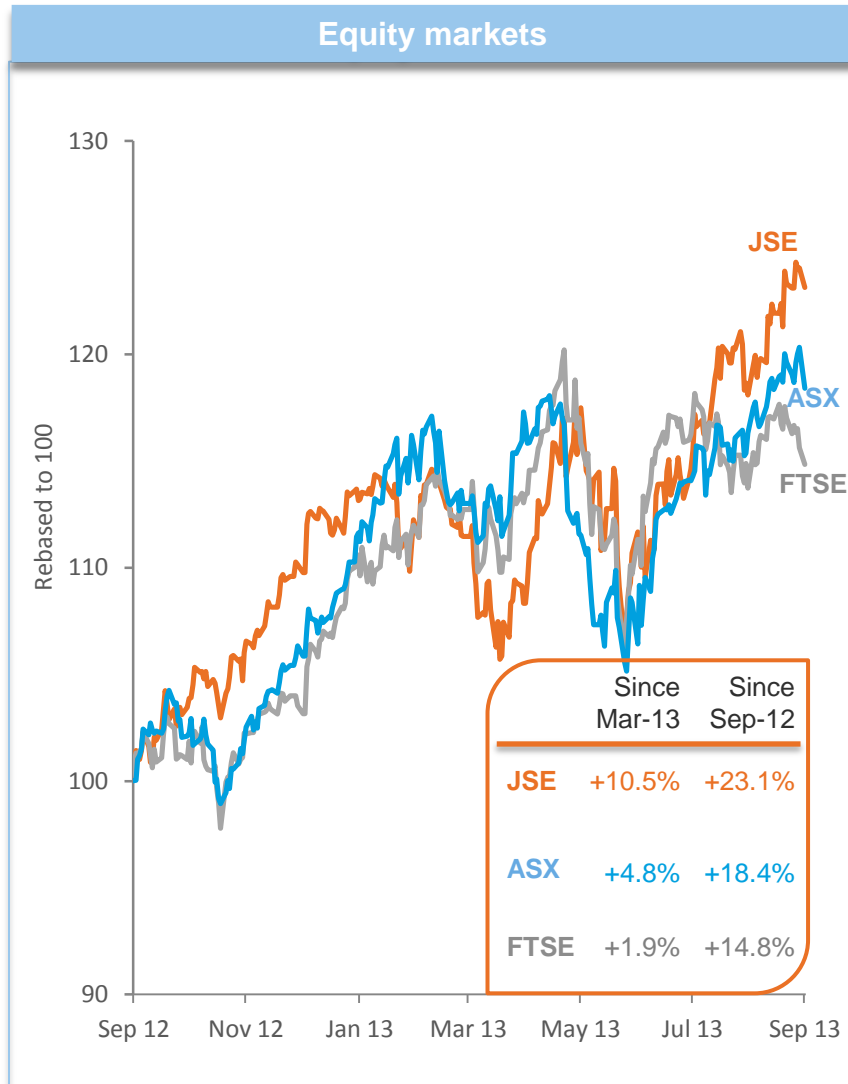
- Please note that matters discussed in today's presentation may contain forward looking statements which are subject to various risks and uncertainties and other factors including, but not limited to:
 - the further development of standards and interpretations under IFRS applicable to past, current and future periods
 - evolving practices with regard to the interpretation and application of standards under IFRS
 - domestic and global economic and business conditions
 - market related trends
- A number of these factors are beyond the group's control
- These factors may cause the group's actual future results, performance or achievements in markets in which it operates to differ from those expressed or implied
- Any forward looking statements made are based on knowledge of the group at 21 November 2013

Out of the Ordinary®



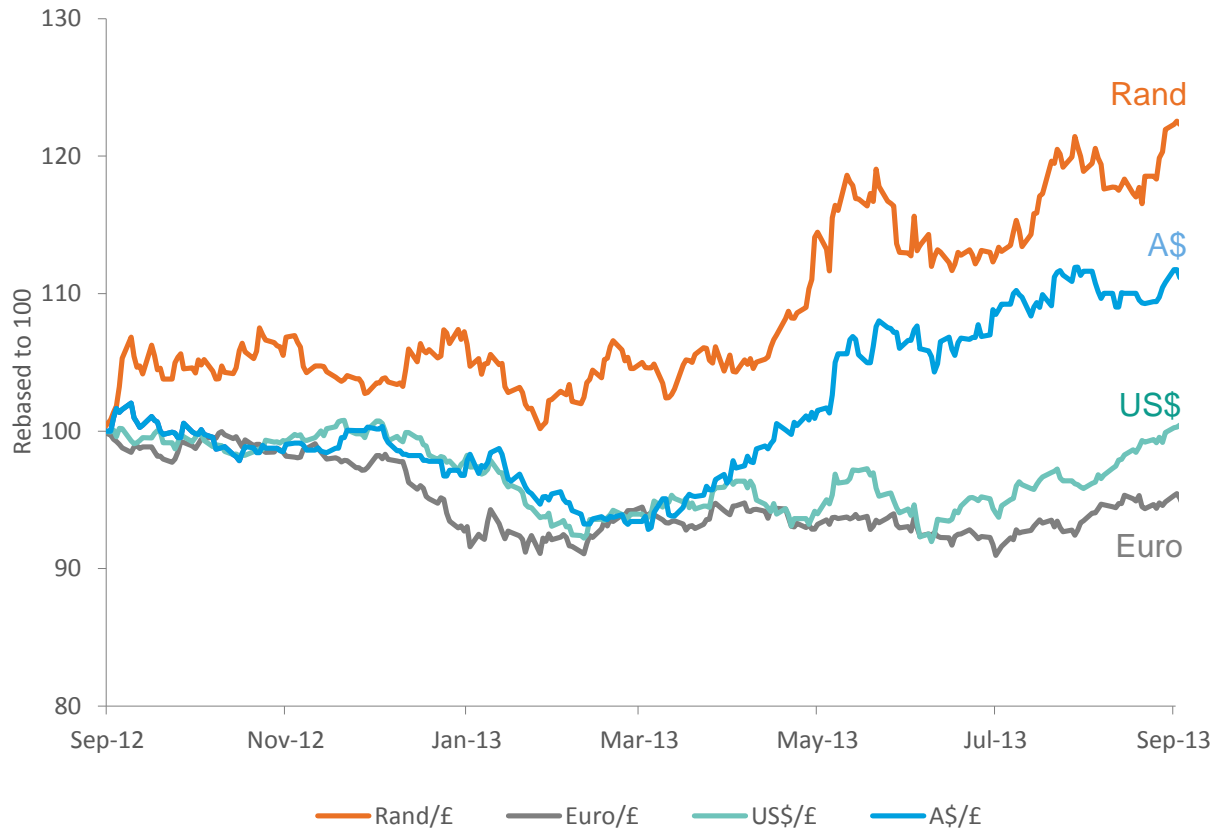
The six months in review

Improving operating environment ...



... but group results impacted by the Rand depreciation

Exchange rates

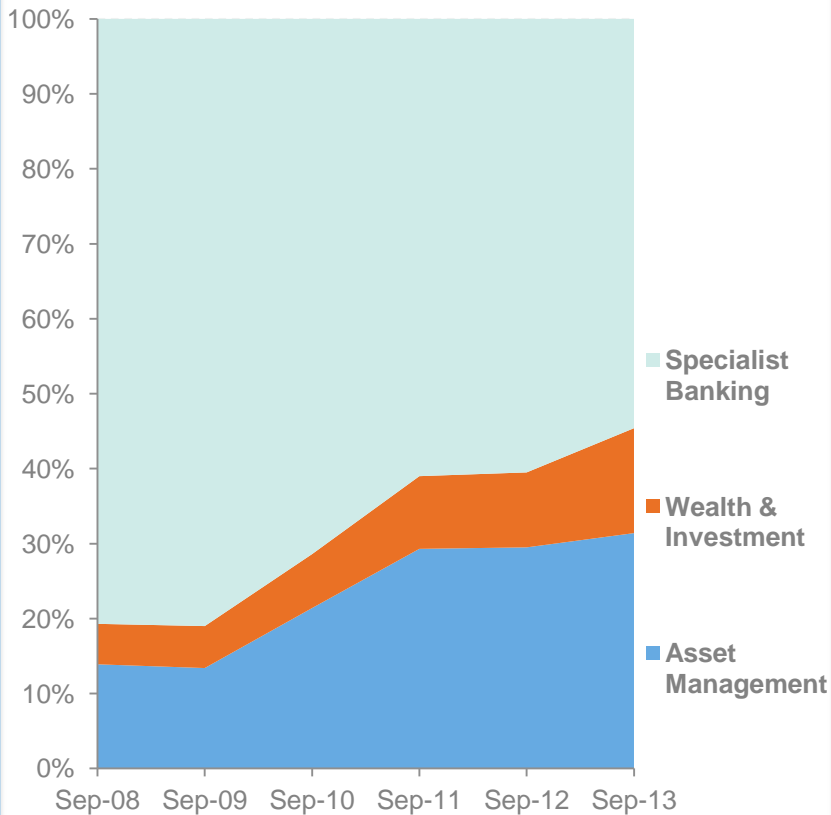




Overall, diversified business model supported performance

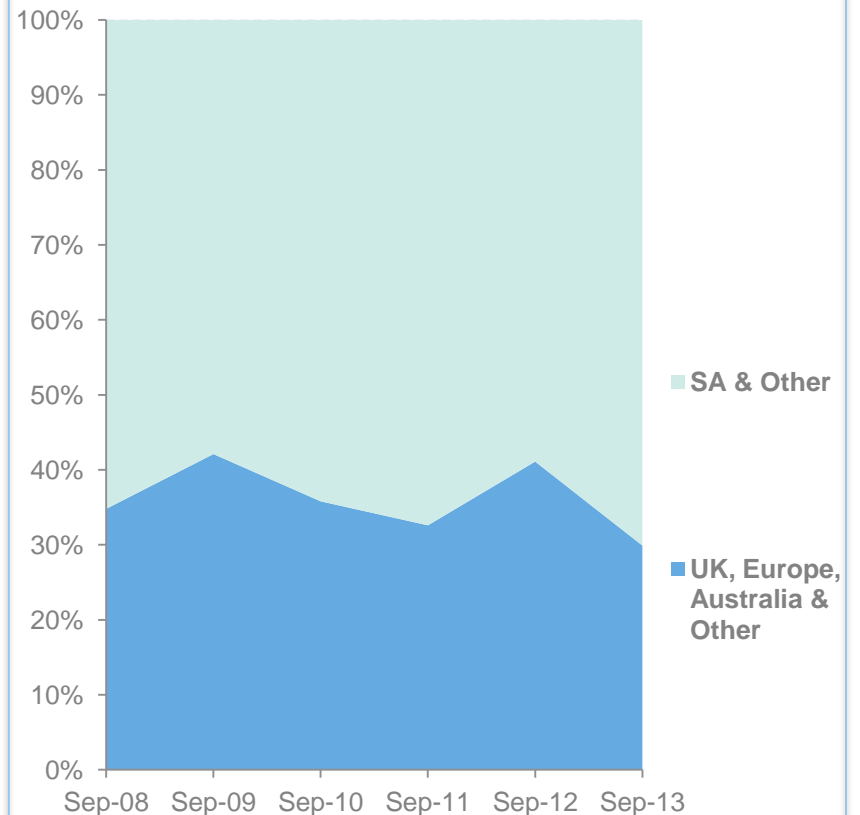
Operating profit* by Business

- Asset Management Δ 6.8%
- Wealth & Investment Δ 35.0%
- Specialist Banking ∇ 12.9%



Operating profit* by Geography

- Strong performance from SA, Δ 35.6% in Rands
- UK behind prior year but significantly ahead of second half of 2013
- Australia simplified and restructured

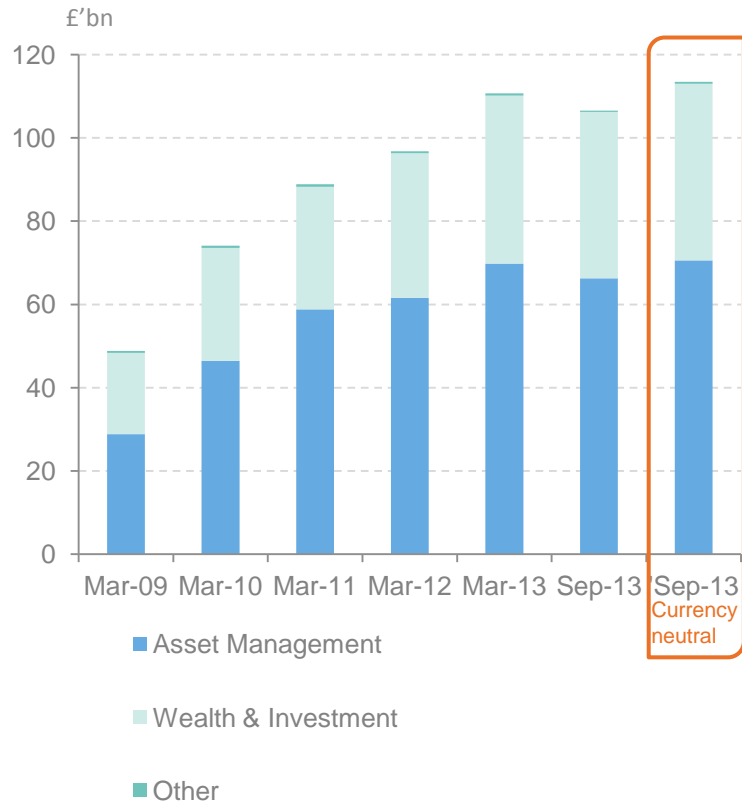


*Before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests

Key earnings drivers up on currency neutral basis

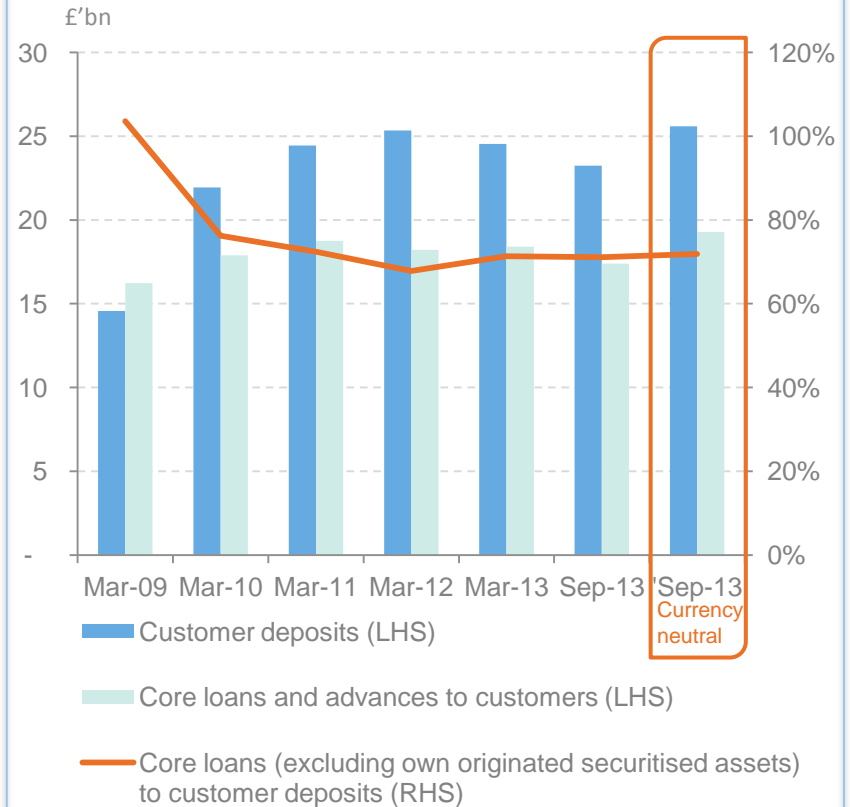
Third party assets under management

FUM down **3.6%** to £106.7bn
(up **2.6%** currency neutral)



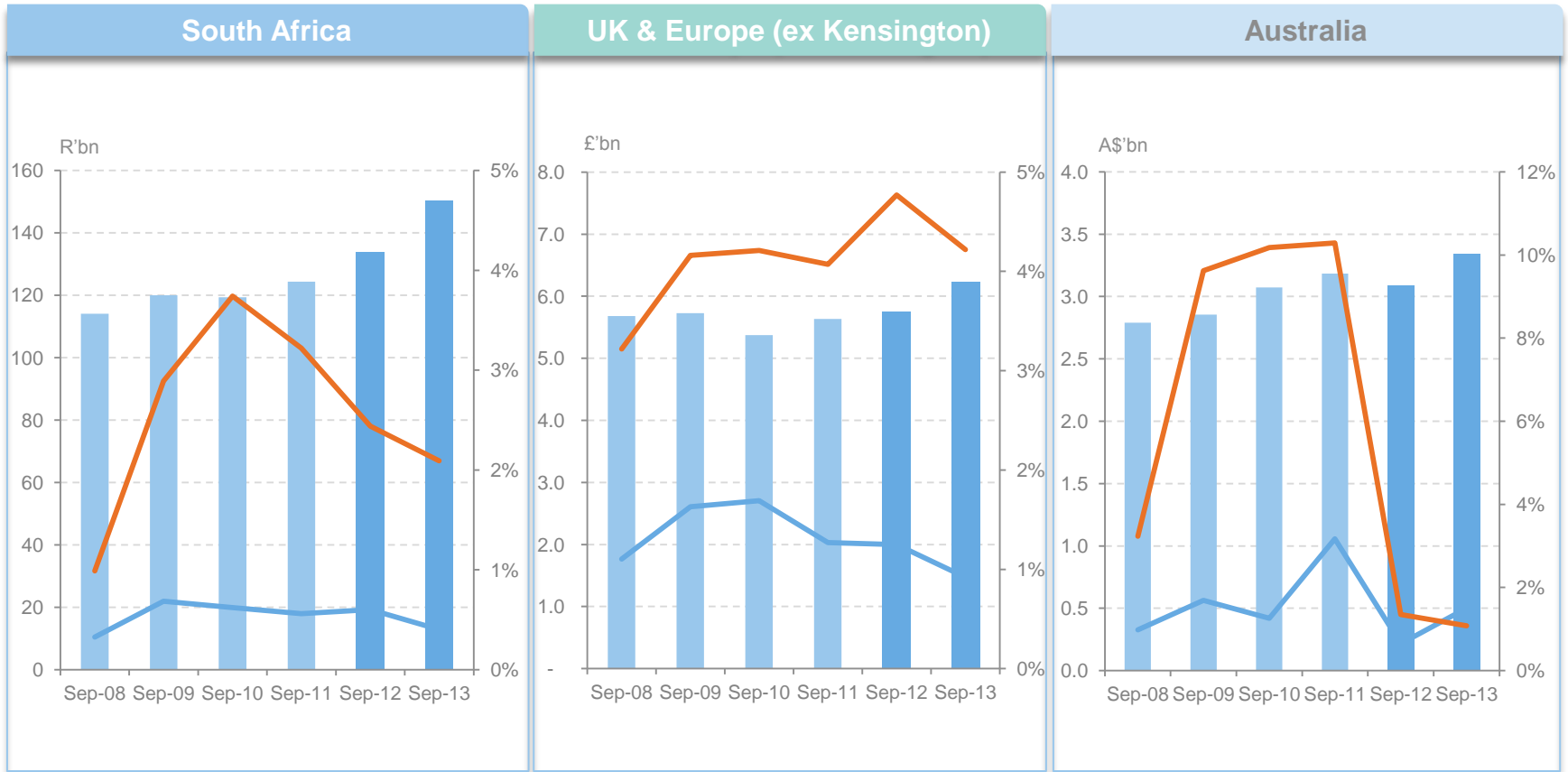
Customer accounts(deposits) and loans

Customer accounts down **5.3%**
(up **4.3%** currency neutral)
Core loans and advances down **5.6%**
(up **4.7%** currency neutral)



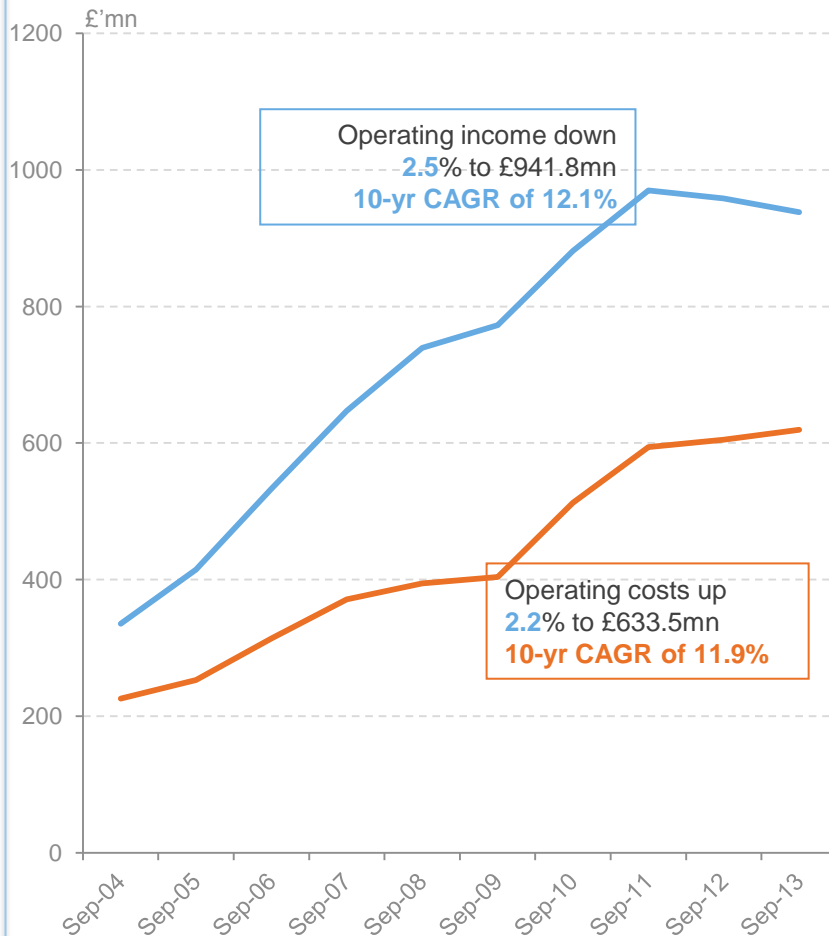


Impairments down 28%



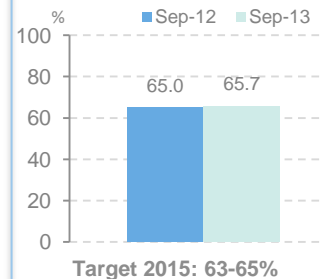
— Credit loss ratio (RHS) Net core loans (LHS)
— Net defaults as a % of core advances (RHS)

Narrowing jaws ratio



Cost to income

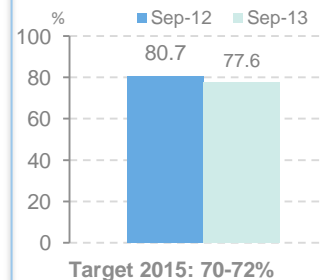
Asset Management



Operating costs **▲ 10%**
Operating income **▲ 9%**

- Headcount up about 80 people to support growth
- Investment in distribution platforms

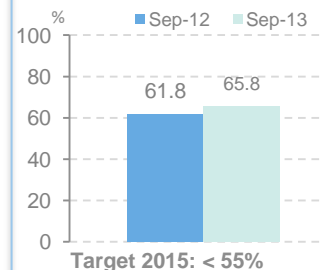
Wealth & Investment



Operating costs **▲ 12%**
Operating income **▲ 16%**

- Headcount flat
- Investment in IT, online infrastructure and experienced portfolio managers

Specialist Bank



Operating costs **▼ 4%**
Operating income **▼ 9%**

- Headcount down 27 people
- Single Bank synergies keeping costs flat

Good Rand performance

	Sep-13	Sep-12	% change
Operating profit* before tax (R'mn)	3 394	2 982	13.8%
Adjusted earnings^ (R'mn)	2 499	2 210	13.1%
Adjusted EPS* (cents)	291	258	12.8%
DPS (cents)	131	112	17.0%
Net asset value per share (cents)	6 091	5 079	19.9%
Net tangible asset value per share (cents)	4 952	4 086	21.2%
Total funds under management (R'bn)	1 735	1 332	30.3%
Core loans and advances (R'bn)	283.2	237.6	19.2%

*Before goodwill, acquired intangibles, non-operating items and after other non-controlling interests

^ Before goodwill, acquired intangibles, non-operating items and after total non-controlling interests and after deducting preference dividends

Sterling performance negatively impacted by the weak Rand

	Sep-13	Sep-12	% change	% change on stable currency basis**
Operating profit* before tax (£'000)	222 818	228 070	(2.3%)	9.8%
Attributable earnings ^ (£'000)	164 121	167 043	(1.7%)	13.2%
Adjusted EPS^ (pence)	19.1	19.5	(2.1%)	12.8%
DPS (pence)	8.0	8.0	0%	NA
Net asset value per share (pence)	374.0	379.4	(1.4%)	6.4%
Net tangible asset value per share (pence)	304.1	305.2	(0.4%)	9.0%
Total shareholders' equity (£'mn)	4 005	3 922	2.1%	9.2%
Core loans and advances (£'bn)	17 391	17 752	(2.0%)	8.7%

*Before goodwill, acquired intangibles, non-operating items and after other non-controlling interests

**Amounts represented on a stable currency basis assume that the closing and average exchange rates of the group's relevant exchange rates relative to Pounds Sterling remain the same as at 30 Sep 2013 when compared to 30 Sep 2012

^ Before goodwill, acquired intangibles, non-operating items and after total non-controlling interests and after deducting preference dividends

Financial targets

	Target		Sep-13	Mar-13 (restated)	Sep-12
ROE	12-16% over a rolling 5-yr period		10.0%	9.4%	10.2%
Tangible ROE			12.4%	11.7%	12.7%
Adjusted* EPS growth	Target: 10% > UKRPI		(2.1%)	13.2%	(5.3%)
Cost to income	Target: < 65%		67.5%	65.7%	64.8%
Dividend cover (times)	Target: 1.7-3.5 times		2.4x	2.0x	2.4x
Capital adequacy	Target: 14-17%	Limited	15.4%	15.6%	17.2%
		plc	16.7%	16.7%	17.2%
Tier 1 ratio	Target: 11%	Limited	11.2%	10.8%	11.6%
		(by Mar 2016) plc	11.2%	11.0%	11.3%

Note: These are medium to long-term targets which we aim to achieve through varying market conditions

*Adjusted EPS is before goodwill, acquired intangibles and non-operating items and after total non-controlling interests and after deducting preference dividends

Out of the Ordinary®



Divisional highlights

2013: Asset management

Overview of performance

- Benefited from higher average assets under management
- Net inflows of £1.4bn
- Total assets under management of £66.2bn
- Long-term investment performance remains solid with 88% of portfolios outperforming benchmarks on a 10-year annualised basis
- Sale of 15% stake in the business to management completed on 31 July 2013

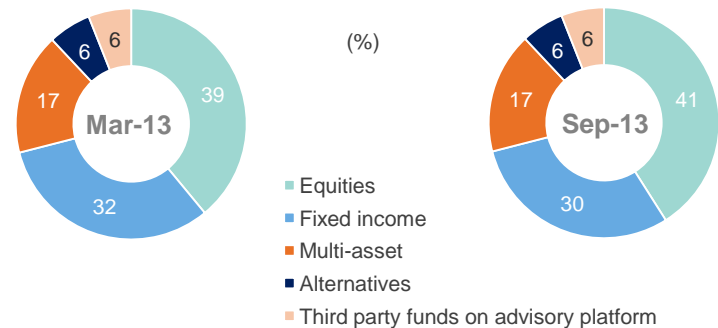
Outlook

- Broad range of investment capabilities well positioned to serve current and future investor demand

Financial summary

(£)	Sep-13	Sep-12	% change
Operating profit before minorities* (mn)	71.9	67.4	6.8%
Operating profit* (mn) <small>Currency neutral</small>	78.1	67.4	15.9%
Operating margin	34.3%	35.0%	
ROE (pre-tax)**	98.3%	93.2%	
ROE tangible (pre-tax)	346.7%	340.5%	
	Sep-13	Mar-13	% change
UK AUM (£'bn)	40.3	41.6	(3.1%)
SA AUM (R'bn)	423.0	394.4	7.2%

Assets under management by asset class



*Before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests

**Return on adjusted shareholders' equity (including goodwill)

2013: Wealth & Investment

Overview of performance

- Benefited from
 - Higher average funds under management
 - Total funds under management of £40.0bn
 - Net inflows of £0.4bn
 - Improved operating margins
- UK business has successfully expanded its footprint across the region, successfully completing the integration of Williams de Broë
- The SA business benefitted from leveraging the group's private client platform and the division's global investment platform

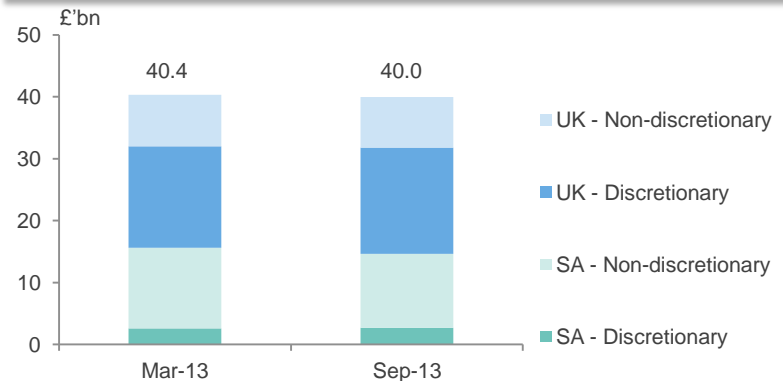
Outlook

- New business continues to build and this is supported by our increasing presence in key locations and the quality of our investment process
- As a result we are well placed to pursue further organic growth for the remainder of the financial year

Financial summary

(£)	Sep-13	Sep-12	% change
Operating profit* (mn)	30.8	22.9	35.0%
Operating profit* (mn) <small>Currency neutral</small>	32.4	22.9	41.5%
Operating margin	22.4%	19.3%	
ROE (pre-tax)**	21.2%	13.6%	
ROE tangible (pre-tax)	239.6%	80.8%	
	Sep-13	Mar-13	% change
UK FUM (£'bn)	25.4	24.7	2.4%
SA FUM (R'bn)	240.2	218.0	10.2%

Funds under management



*Before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests

**Return on adjusted shareholders' equity (including goodwill)

Specialist Banking

Overview of performance

- SA benefited from an increase in corporate and property fund fees and increased trading income. Unlisted private equity performed well and the professional finance business and investment and trading property portfolio delivered sound performance
- The UK principal investments performed well with good growth in the professional and specialised lending and asset finance loan portfolios
- Australia – continuing operations profit of A\$11.9mn with restructure costs included in the current period
- Good progress from the Single Bank process

Outlook

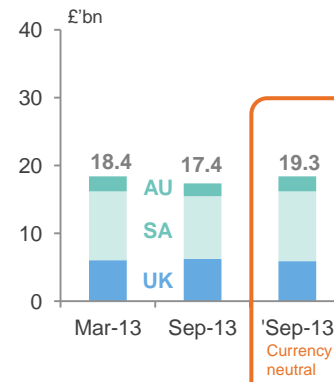
- A substantial amount of work has been done to separate legacy issues from ongoing performance
- The ongoing businesses are performing well
- We are making very good strides in penetrating our target client base and our management are positive about improved performance going forward

Financial summary

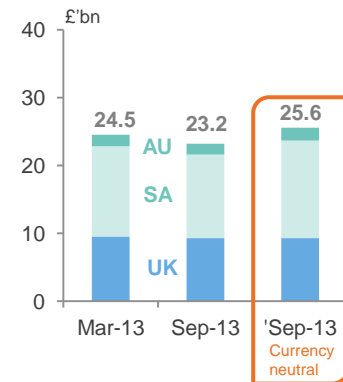
(£)	Sep-13	Sep-12	% change
Operating profit* (mn)	120.0	137.8	(12.9%)
Operating profit* (mn) Currency neutral	139.2	137.8	1.0%
Cost to income	65.8%	61.8%	
ROE (pre-tax)**	8.1%	9.5%	
ROE tangible (pre-tax)	8.5%	10.0%	

Key earnings drivers

Net core loans and advances



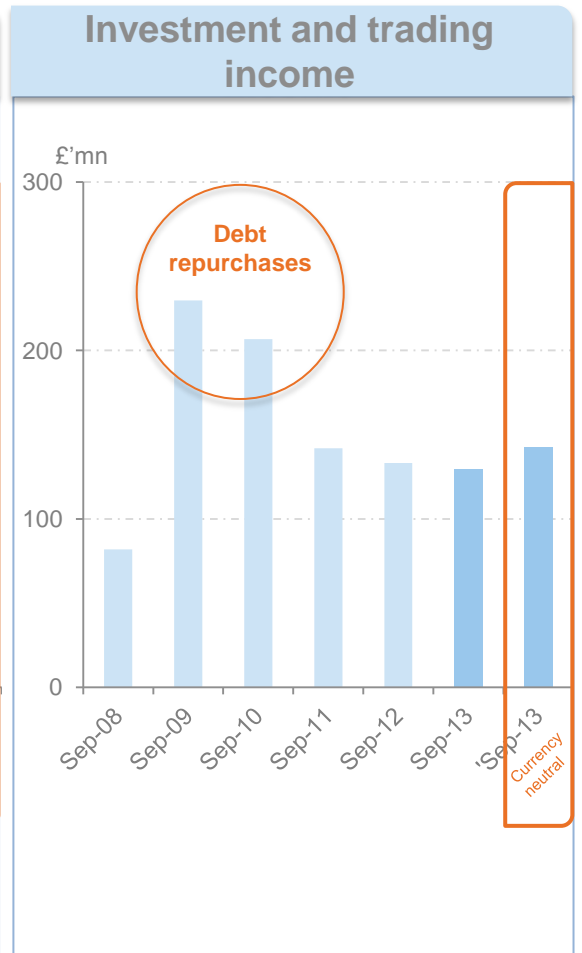
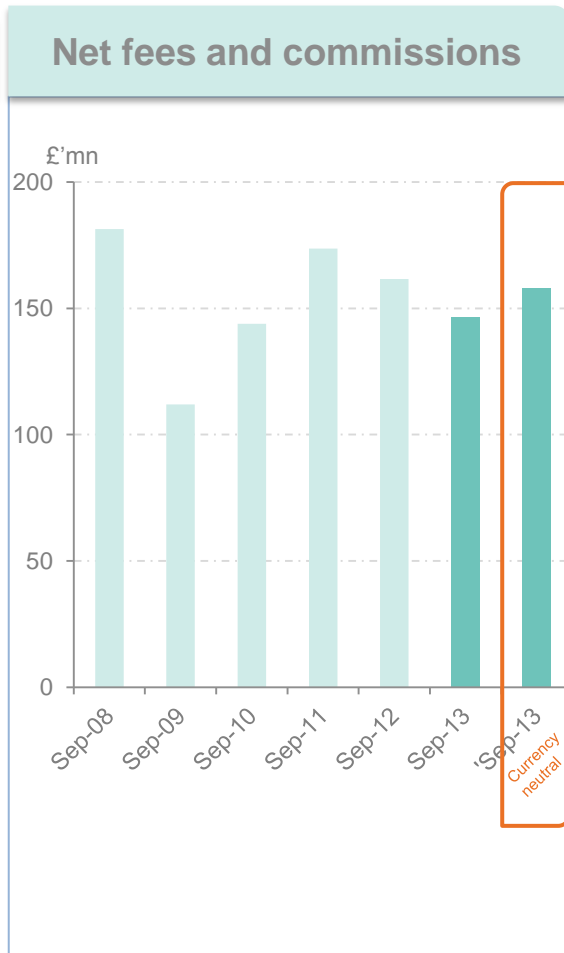
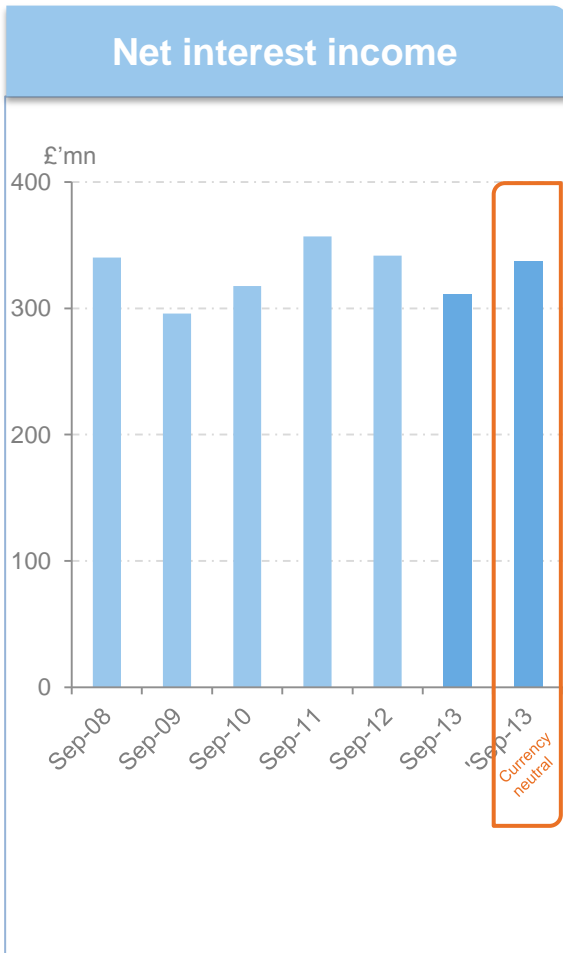
Total deposits



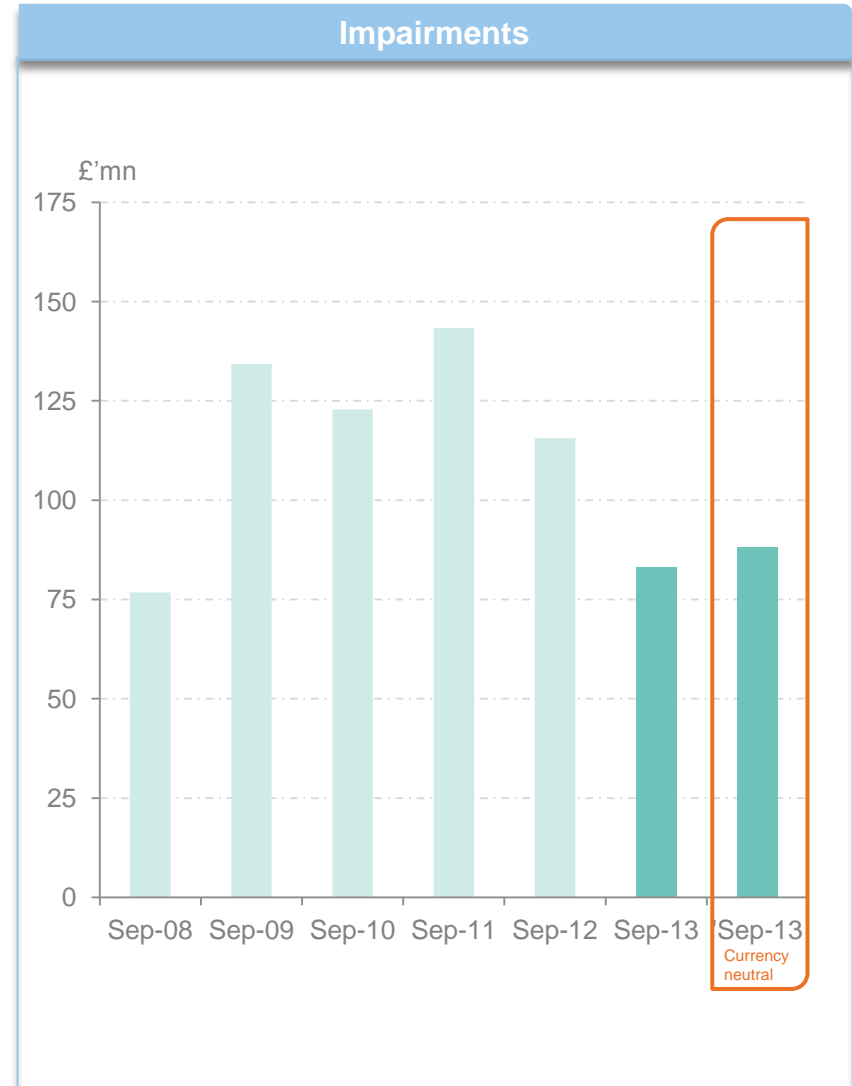
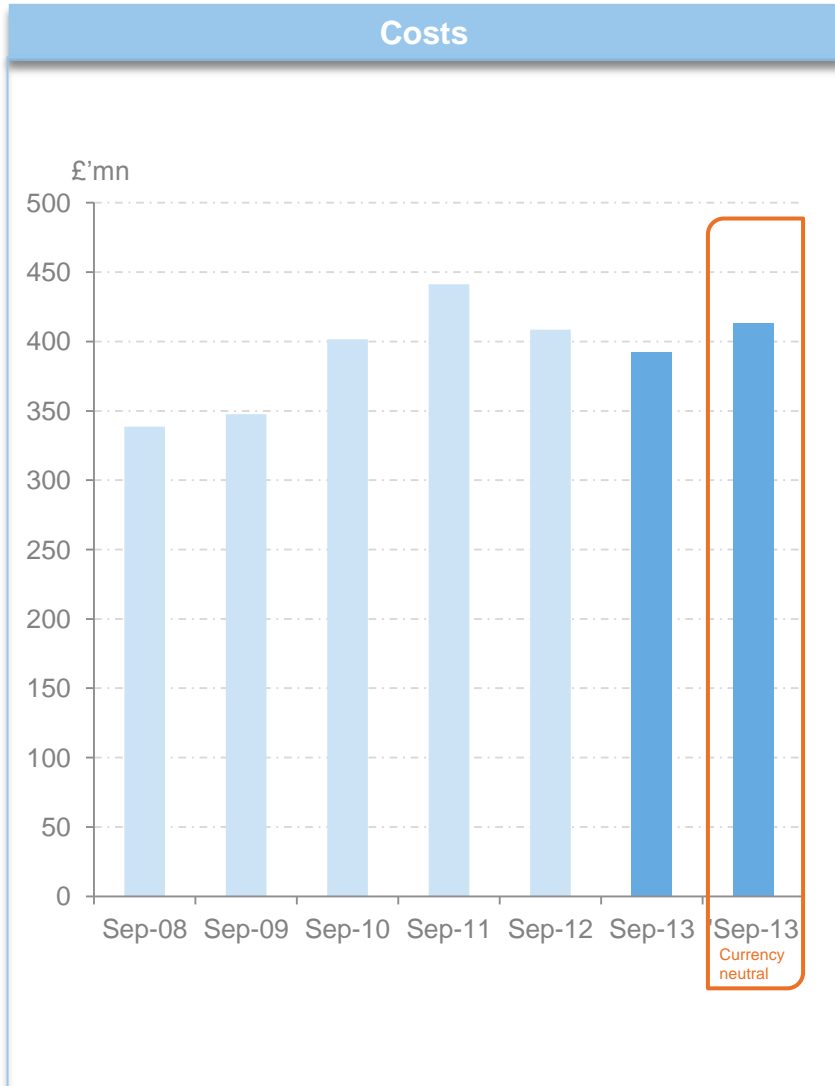
*Before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests

**Return on adjusted shareholders' equity (including goodwill)

Specialist Banking – Income down in Sterling but up in local currency



Specialist Banking – Costs flat and impairments down



Out of the Ordinary®



Strategy and positioning

Key focus areas for driving future performance

Asset Management

- Sound franchise in place
- Remain focused on broadening the client base and generating net inflows

Wealth & Investment

- We have a strong foundation on which to grow
- Focused on building critical mass in locations where we believe increasing our presence will deliver future growth
- Continued development of our offshore offering
- Continue to offer wealth services to private bank client base
- Continue to integrate with and leverage off the platforms and investment management expertise of the international business

- Challenge for the group remains reshaping the Specialist Banking business and realigning these business models to generate the appropriate shareholder returns

Specialist Banking

Australia

- Strategic restructure and simplification

UK Specialist Bank

- Managing down the legacy portfolios
- Focusing on efficiency through the Single Bank project
- Growing the business organically

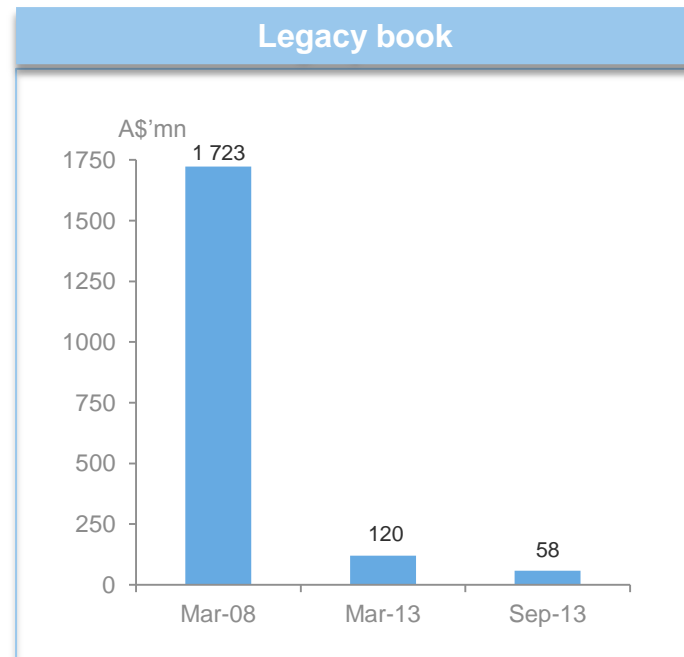
SA

- Continue the progress already made to maintain the cost base and cross-sell product across different client bases

Specialist Banking – simplifying Australia

Summary

- A review has been conducted of the Australian business
- A number of businesses were identified as being unlikely to make suitable profits or returns
- Consequently, certain businesses have been closed which will result in a significant reduction in our cost structure and a moderate impact on revenue
- The legacy book in Australia has now been dealt with and the remaining book is at A\$58mn from A\$1.7bn at the end of March 2008



Strategic focus

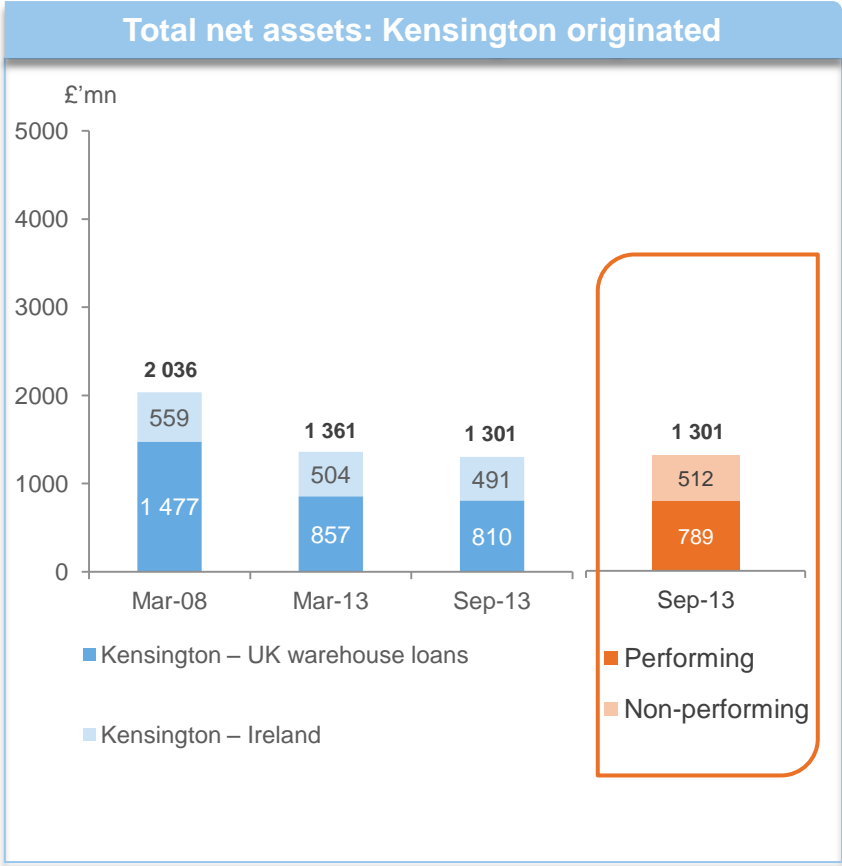
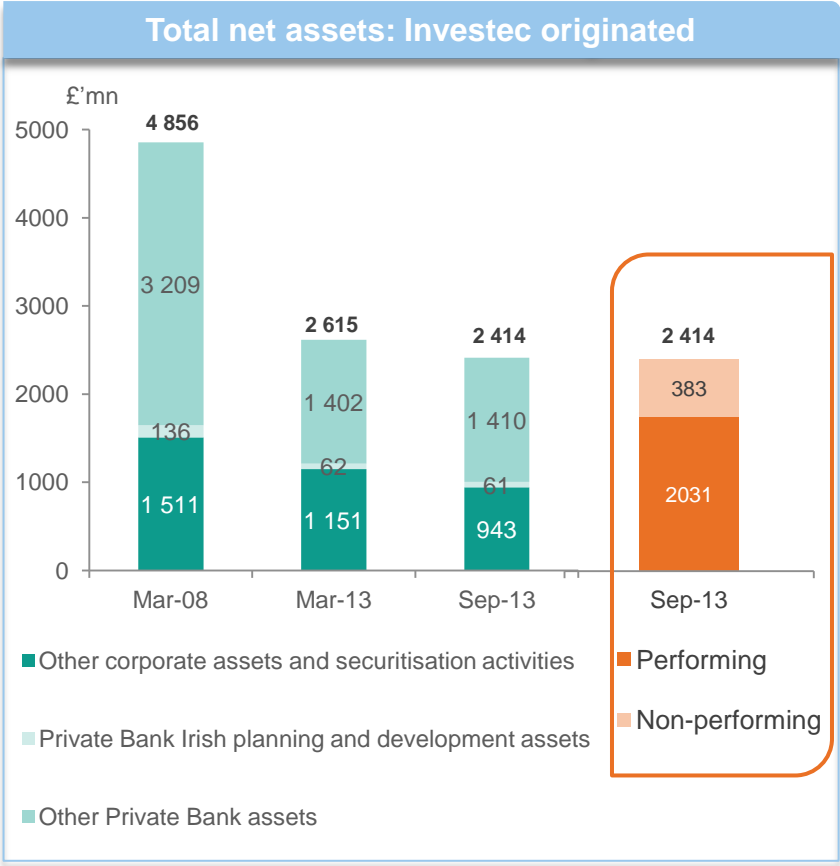
- The focus remains on building businesses in select niches with a strong emphasis on ROE and portfolio optimisation and which are strategically aligned to the broader group



UK Specialist Bank: What is the Legacy Business?

- Assets put on the bank's books pre 2008 where market conditions post the financial crisis have materially impacted business model eg. Kensington
- Assets written prior to 2008 with very low/negative margins
- Assets relating to business we are no longer undertaking

Avg shareholders' equity:
 £374mn
 (Mar-13: £410mn)



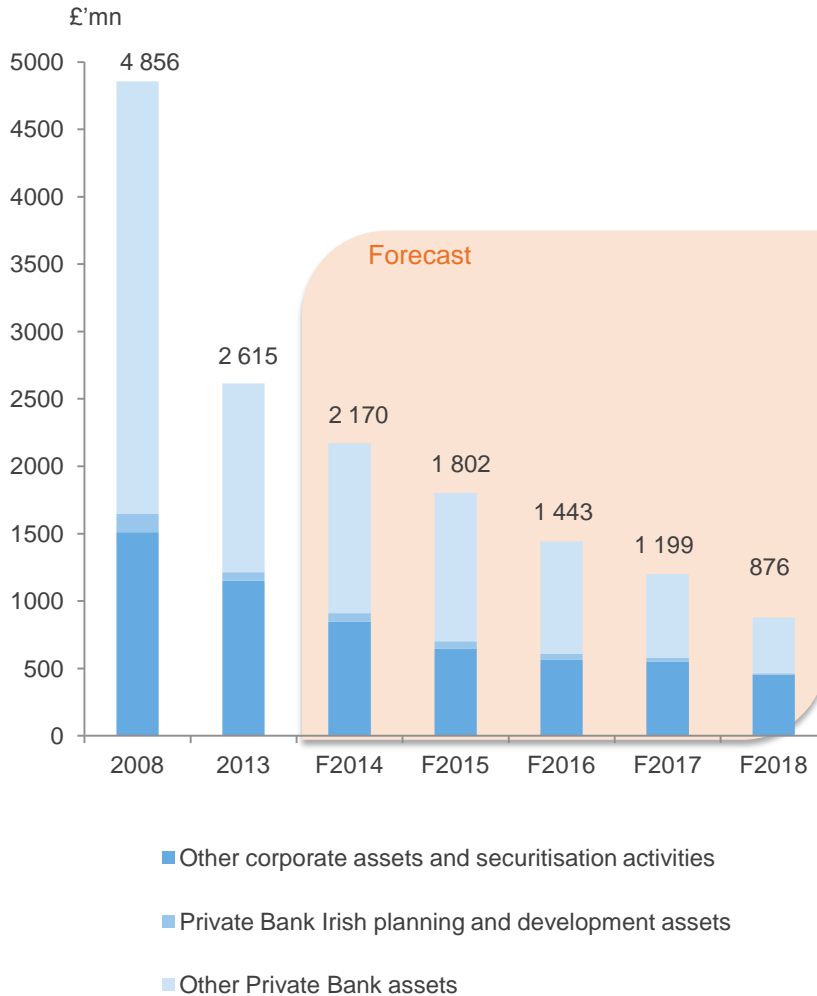
31 Mar 2013 (restated)			
£'mn	Ongoing business	Legacy	Total
Total income	577.9	64.6	642.5
Total impairments	(65.9)	(105.3)	(171.2)
Total expenses	(367.3)	(45.5)	(412.8)
Depreciation on operating leased assets	(16.1)	-	(16.1)
Net profit before tax	128.6	(86.2)	42.4
Taxation (using total effective tax rate for UK at 23.0%)	(29.6)	19.8	(9.8)
Net profit after tax	99.0	(66.4)	32.6
Non-controlling interests	(0.4)	-	(0.4)
Attributable earnings before preference dividends	98.6	(66.4)	32.2
Average shareholders' equity £'mn	587	410	977
Post-tax return on equity (before preference dividends)	16.8%	(16.2%)	3.2%
Cost to income ratio	65.4%	70.4%	65.9%

30 Sep 2013			
£'mn	Ongoing business	Legacy	Total
Total income	262.0	11.0	273.0
Total impairments	(11.4)	(36.4)	(47.8)
Total expenses	(174.6)	(23.8)	(198.4)
Depreciation on operating leased assets	(3.9)	-	(3.9)
Net profit before tax	72.1	(49.2)	22.9
Taxation (using total effective tax rate for UK at 23.7%)	(17.1)	11.7	(5.4)
Net profit after tax	55.0	(37.5)	17.5
Non-controlling interests	4.0	-	4.0
Attributable earnings before preference dividends	59.0	(37.5)	21.5
Average shareholders' equity £'mn	630	374	1 044
Post-tax return on equity (before preference dividends)	18.7%	(20.1%)	4.3%
Cost to income ratio	67.6%	>100%	73.7%

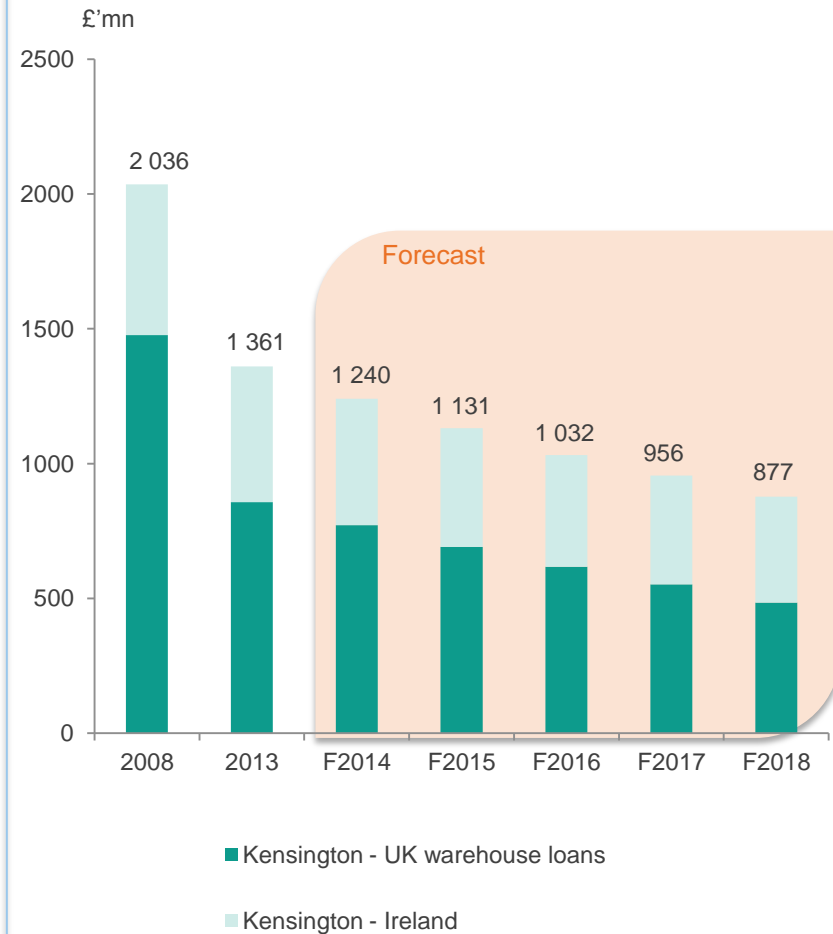


UK Specialist Bank: expected Legacy business run off rate

Total net loans: Investec originated







Total net loans: Kensington originated



Capital under Basel III and CRD IV

- Based on our understanding of proposed regulations, we have adjusted our capital targets as follows:

Core equity Tier 1 (Fully loaded)		Above 10% by March 2016
Total Tier 1		Above 11% by March 2016
Total ratio		Range remains between 14%-17%
Leverage ratio		Above 6%



Overall capital planning ...

- Our banking entities already meet our current 2016 target
- Investec Limited and Investec plc will achieve target by 2016 or earlier through:
 - Retained earnings net of dividend
 - Managing down the legacy book
 - Migrating Investec Limited to the Advanced approach
 - Optimisation of asset portfolios

2013: Current ratios

	Investec Limited	Investec Bank Limited	Investec plc	Investec Bank plc	Australia Bank Limited
Core equity tier 1	9.5%	10.1%	9.1%	11.1%	11.8%
Core equity tier 1 (Fully loaded)	9.4%	10.0%	8.7%	10.7%	11.8%
Tier 1	11.2%	10.7%	11.2%	11.1%	11.8%
Total capital adequacy ratio	15.4%	15.2%	16.7%	15.9%	15.7%
Leverage ratio - permanent capital	7.7%	7.3%	7.7%	7.3%	10.3%
Leverage ratio – current	7.5%	7.3%	7.7%	7.3%	10.3%
Leverage ratio - fully loaded	6.5%	6.9%	6.0%	7.3%	10.3%

Out of the Ordinary®



Closing

We have a quality franchise ...

Some of the recognition received:

- Best Private Bank and Wealth Manager in SA (Financial Times Group Global Private Banking Awards, 2013)
- Top Private Bank (Business Day Investors Monthly Award, 2013)
- Top Private Banking and Wealth Management (Euromoney, 2013)
- 2nd in M&A transactions and 3rd in general corporate finance (DealMakers, 2013)
- African Financier (Corporate Jet Investor awards, 2013)
- Emerging Markets Manager of the Year (aiCIO awards, 2013)
- Global Manager of the Year and Asset Manager of the Year (Imbasa Yegolide, 2013)



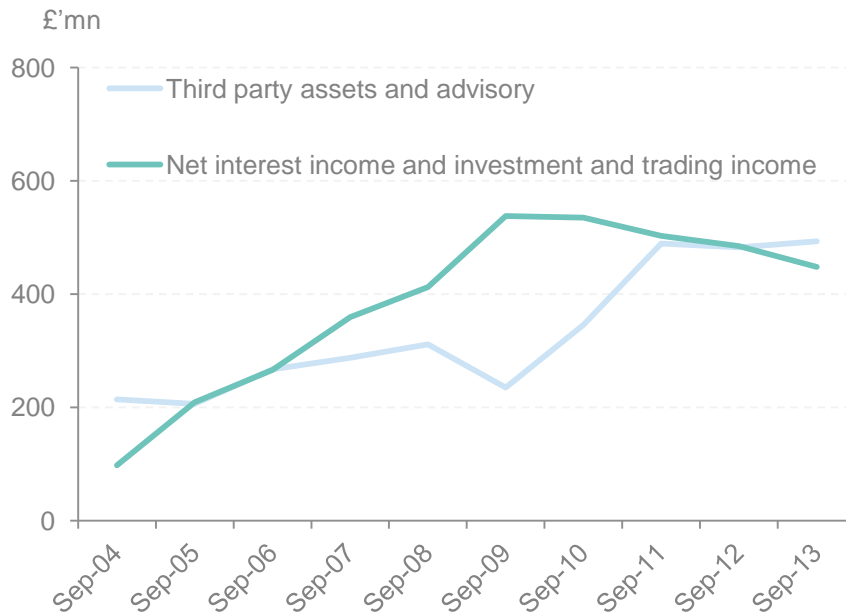
With a balanced business model ...

Third party assets and advisory
£493mn

Net annuity fees and commissions of £361mn
(38% of total)

Other fees and other income of £132mn
(14% of total)

Capital Light 52%
(2008: 42%)



Net interest, investment and trading income
£448mn

Net interest income of £318mn
(34% of total)

Investment income of £62mn
(7% of total)

Trading income of £68mn
(7% of total)

48% Capital intensive
(2008: 58%)





And sound platforms in place from which to grow

- Over the past few years, we have spent a significant amount of time , energy and resources **realigning the business model**
- We have a solid base from which we are **growing our Asset Management business** and our strategic focus is on long-term performance
- A large amount of effort has been spent on **integrating the Wealth & Investment businesses** and the benefits are starting to come through in the performance of this division. We now have a scalable platform in place from which to continue growing organically while looking for opportunities to expand internationally
- The third pillar of our business has undergone a **transformation through the Single Bank process** in an effort to streamline our banking operations and broaden the client experience. While there is still some work to do in managing down the legacy book in the UK and reshaping the Australian business, our banking franchise is in a solid position to broaden and develop its offering

- Whilst economic conditions remain mixed, the overall group is improving in shape and capability
- Significant progress has been made in identifying and addressing the drag on overall performance
- We will continue to realign the business model to position the business appropriately for future growth and development and the achievement of our financial targets