

Out of the Ordinary®



Results Presentation

For the year ended
31 03 2013

Out of the Ordinary®



The year in review ---

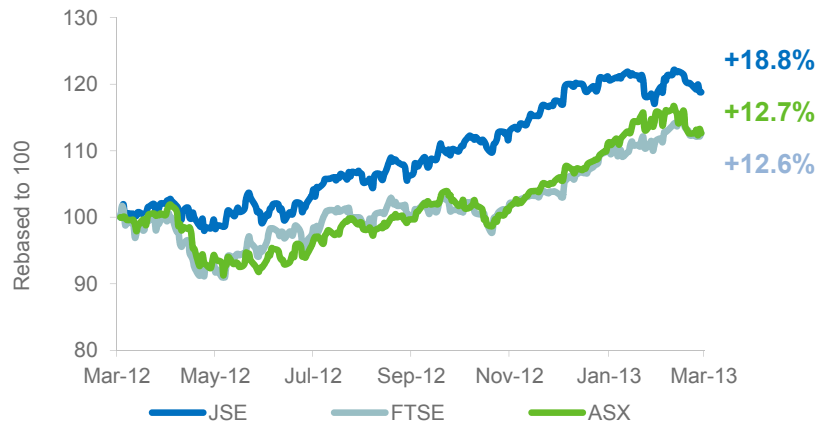




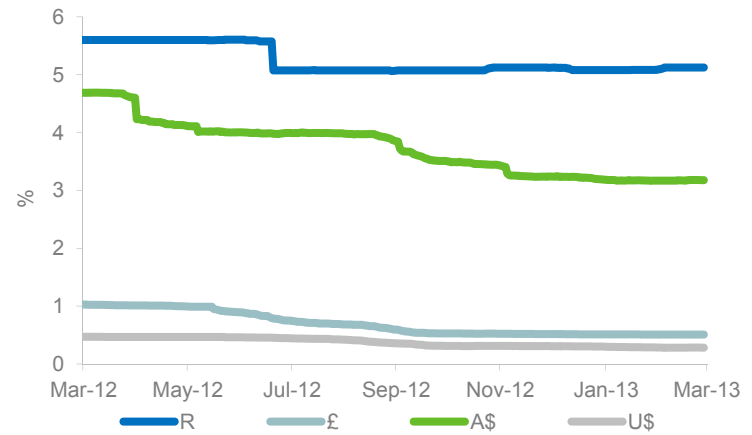
Mixed operating environment

Strong equity markets but a weak Rand

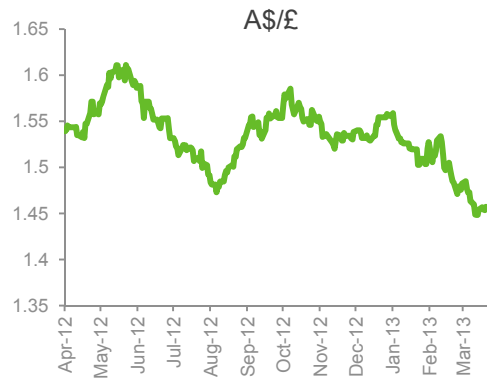
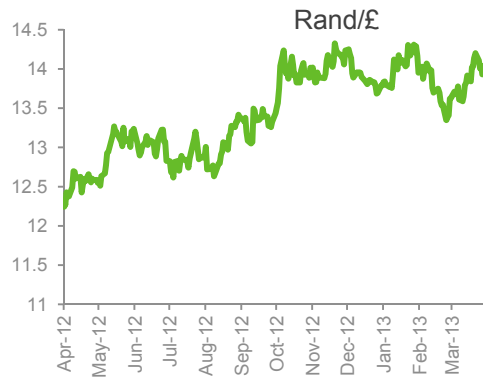
Equity markets



Interest rates



Exchange rates



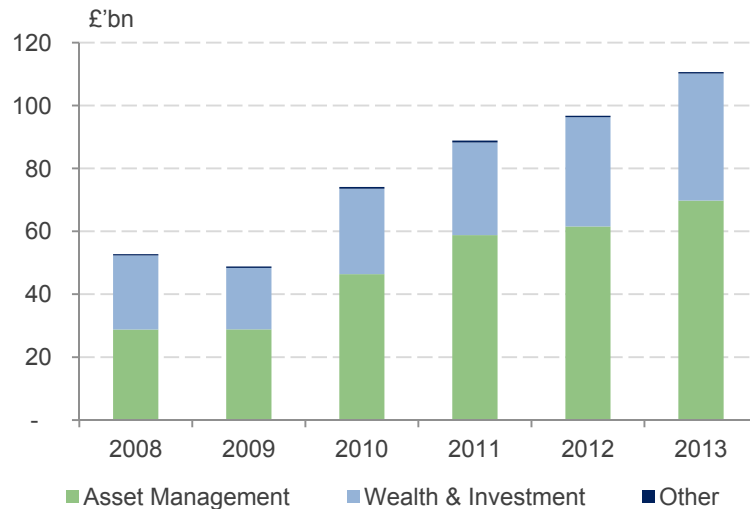
Source: Datastream



Continued growth in key earnings drivers

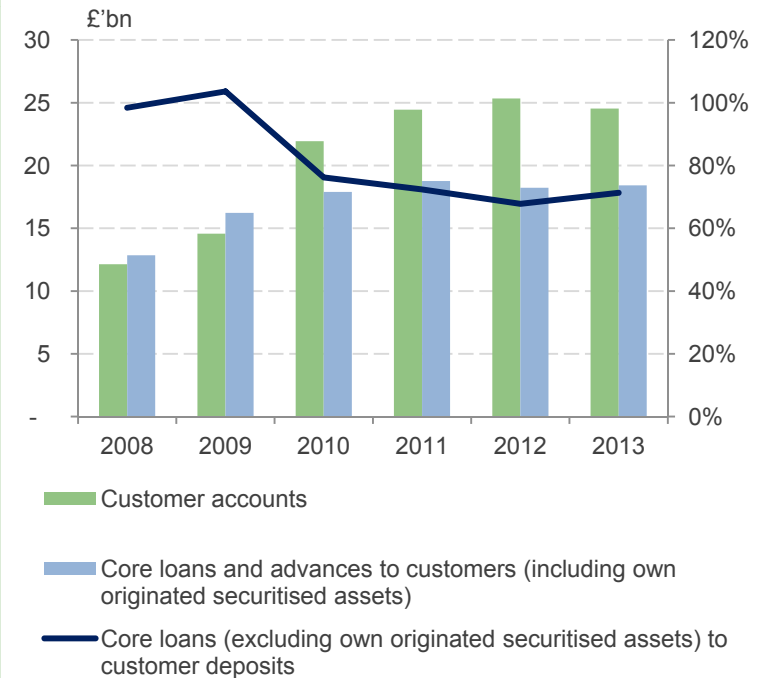
Third party assets under management

FUM up **14.4%**
(**20.6%** on stable currency)



Customer accounts (deposits) and loans

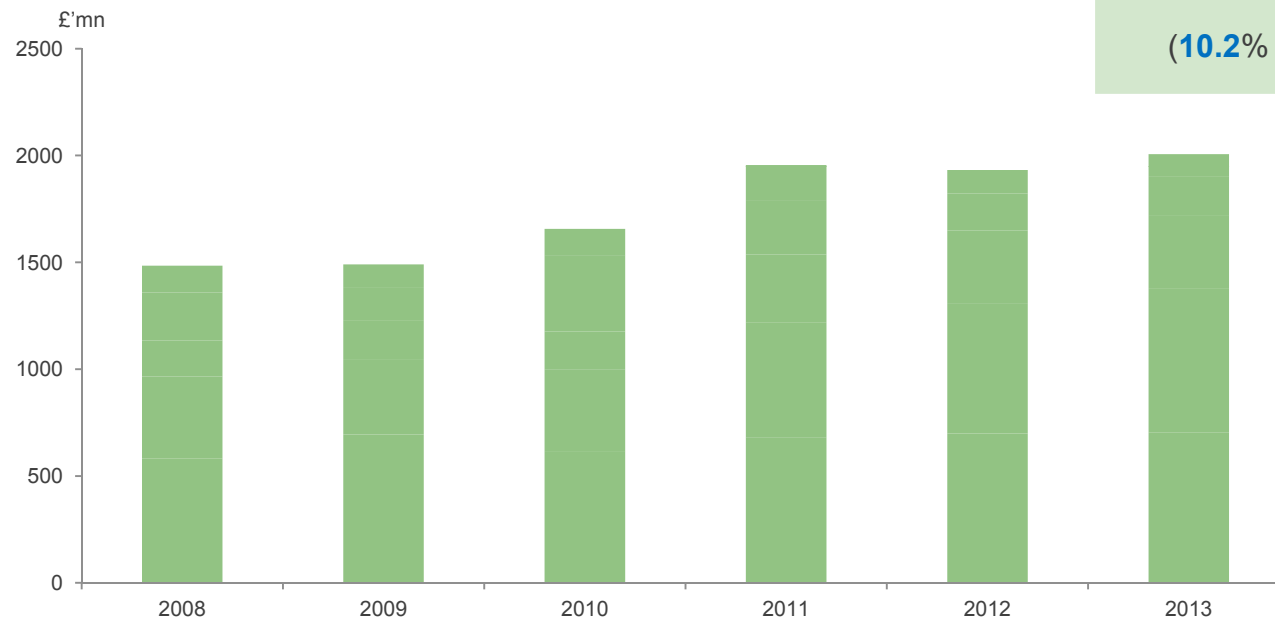
Customer accounts down **3.2%** (up **3.7%** on stable currency)
Core loans and advances up **1.0%** (up **8.1%** on stable currency)





Supporting growth in revenue

Total operating income

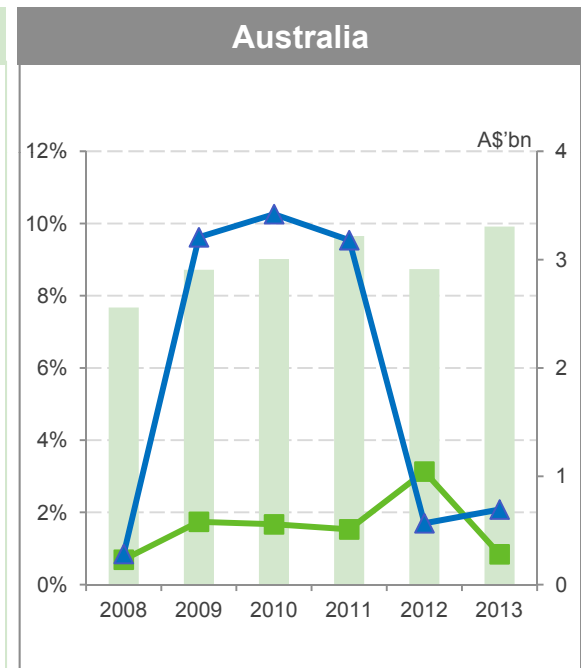
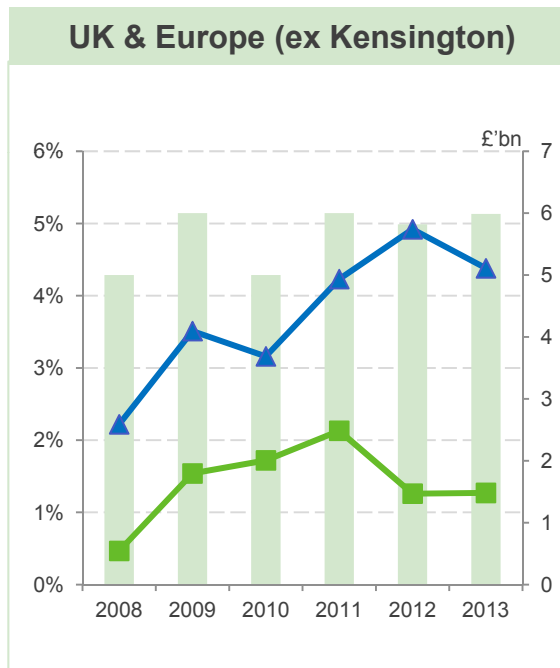
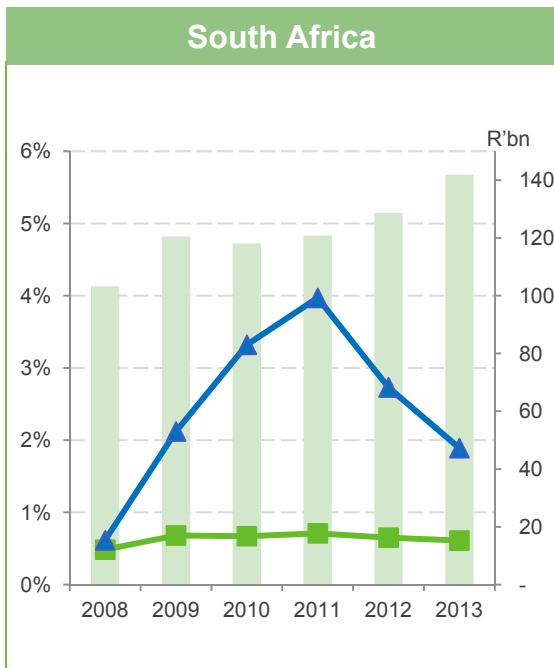


Up **3.9%**
(**10.2%** on stable currency)



Lower impairments

- UK moderate decrease in impairments
- Australian credit loss ratio substantially down
- SA marginal increase in impairments in Rands



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

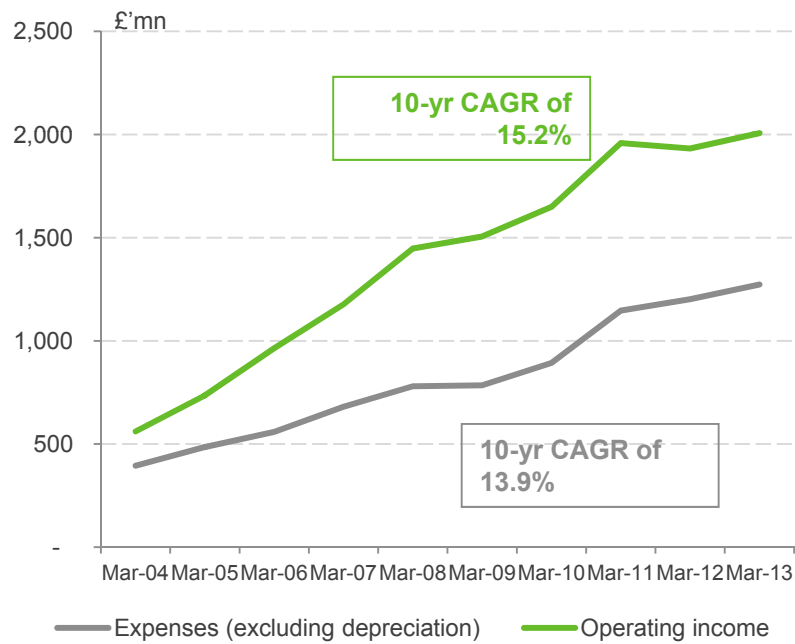


Moderate increase in costs

Expenses and headcount impacted by acquisitions

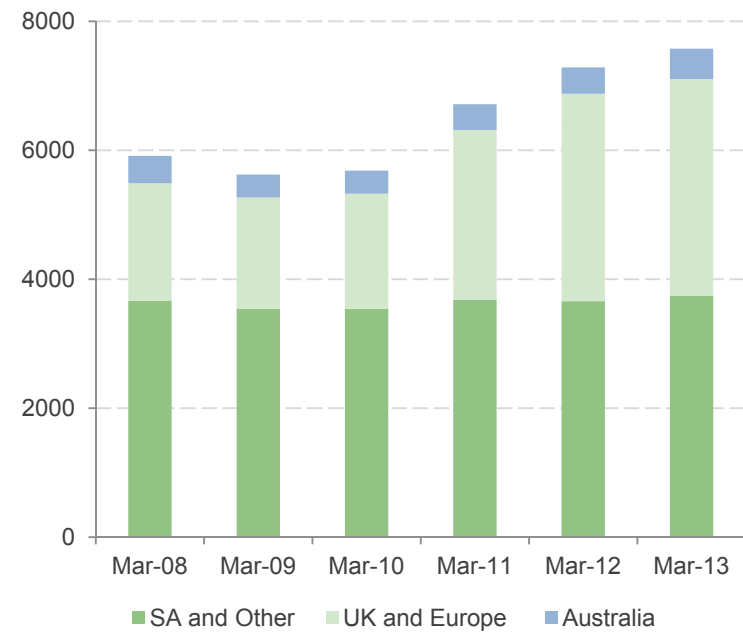
Jaws ratio

Cost to income: 65.5% from 64.7%



Headcount* relatively stable

Total permanent employees of 7 575



*Permanent headcount and includes acquisitions



Resulting in an improved group performance

Negatively impacted by the Rand

	Mar-13	Mar-12	% change	% change on stable currency basis**
Operating profit* before tax (£'000)	433 170	358 625	20.8%	32.5%
Operating profit* before tax and impairment losses on loans and advances (£'000)	684 182	683 743	0.1%	9.0%
Attributable earnings* ^ (£'000)	316 709	257 579	23.0%	34.8%
Adjusted EPS*^ (pence)	37.0	31.8	16.4%	27.7%
DPS (pence)	18.0	17.0	5.9%	
Net asset value per share (pence)	391.5	392.0	(0.1%)	4.1%
Total shareholders' equity (£'mn)	4 005	4 013	(0.2%)	4.5%
Core loans and advances to customers (£'bn)	18.4	18.2	1.0%	8.1%

*Before goodwill, acquired intangibles, non-operating items and after 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 31 March 2013 when compared to 31 March 2012

^ After deducting preference dividends



Strong Rand performance

	Mar-13	Mar-12	% change
Operating profit* before tax (R'mn)	5 823	4 251	37.0%
Adjusted earnings*^ (R'mn)	4 257	3 053	39.4%
Adjusted EPS* (cents)	497	377	31.9%
DPS (cents)	256	224	14.3%
Net asset value per share (cents)	5 465	4 811	13.6%

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

^After deducting preference dividends



Progress made on our financial targets

	Target		Mar-13	Mar-12
ROE	12-16% over a rolling 5-yr period		9.5%	7.8%
Tangible ROE			11.7%	9.6%
Adjusted* EPS growth	Target: 10% > UKRPI		16.4%	(26.4%)
Cost to income	Target: < 65%		65.5%	64.7%
Dividend cover (times)	Target: 1.7-3.5 times		2.1x	1.9x
Capital adequacy	Target: 14-17%	Limited	15.5%	16.1%
		plc	16.9%	17.5%
Tier 1 ratio	Target: 10.5%	Limited	10.8%	11.6%
		plc	11.0%	11.6%

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 non-controlling interests and after deducting preference dividends

Out of the Ordinary®



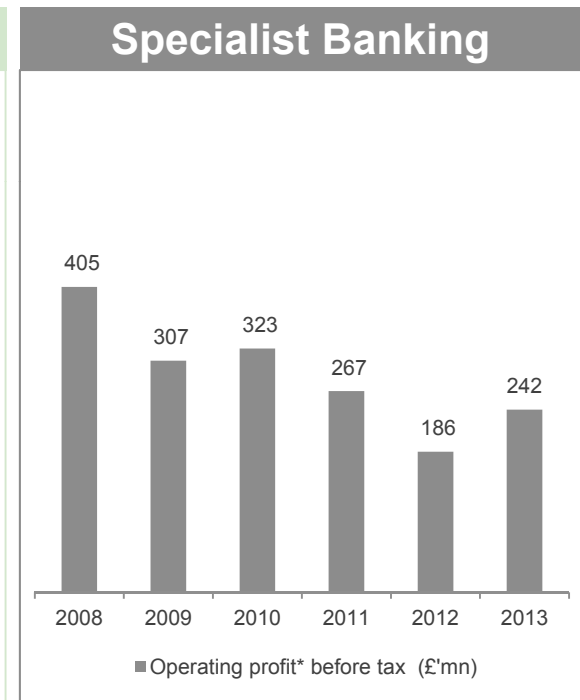
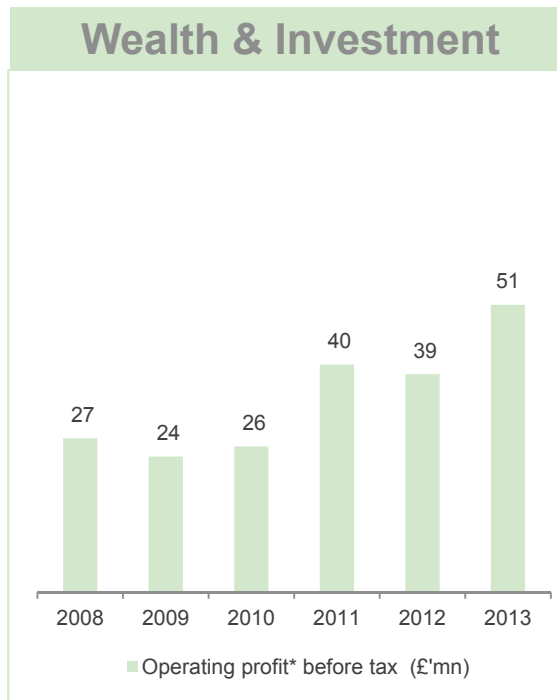
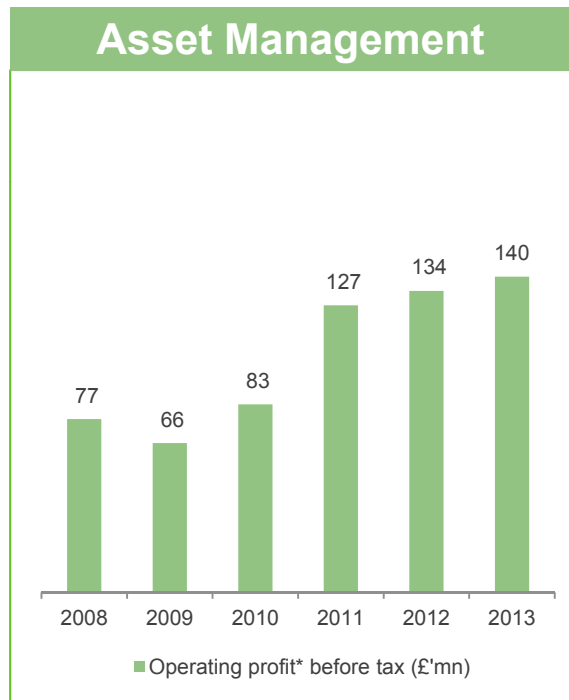
Divisional highlights ---





Growth from all three businesses

Operating profit* by business



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



Asset management

Overview of performance

- Competitive long term investment performance across investment capabilities
- Assets under management at £69.8bn
- Net inflows of £4.1bn

Outlook

- Positive business momentum supported by sustained performance
- Subject to risks posed by market conditions

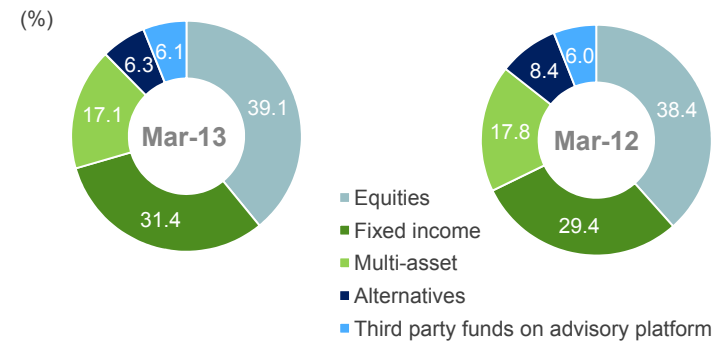
*Before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests

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

Financial summary

(£)	Mar-13	Mar-12	% change
Operating profit* (mn)	140.2	133.7	4.8%
Operating margin	34.5%	35.7%	
ROE (pre-tax)**	95.1%	84.0%	
ROE tangible (pre-tax)	336.1%	288.6%	
Assets under management (bn)	69.8	61.6	13.4%

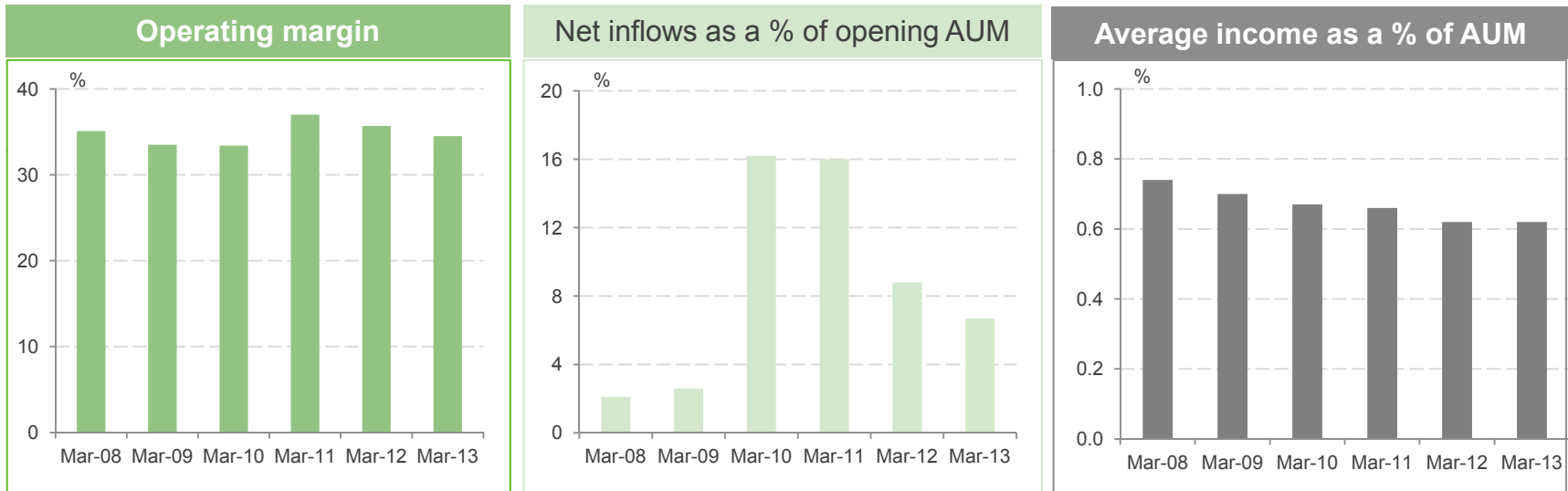
Assets under management by asset class





Asset Management

Key drivers (besides market levels)



Recognition





Wealth & Investment

Overview of performance

- Benefited from higher average funds under management
- Net inflows of £0.8bn
- Williams de Broë migrated onto group platform in August 2012 and rebranded Investec Wealth & Investment.
- Integration costs are reflected in the 2013 results
- The SA business experienced solid discretionary net inflows with FUM up 28.7% to R218bn

Outlook

- With well established investment management businesses all operating under a single Investec brand, we are well placed to enhance and expand our offering to international and higher net worth clients

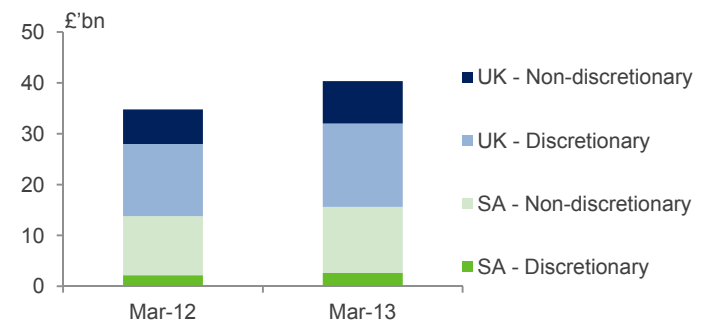
*Before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests

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

Financial summary

(£)	Mar-13	Mar-12	% change
Operating profit* (mn)	50.7	38.7	30.9%
Operating margin	20.3%	19.7%	
ROE (pre-tax)**	15.8%	13.1%	
ROE tangible (pre-tax)	104.9%	46.9%	
Total FUM (bn)	40.4	34.8	16.0%

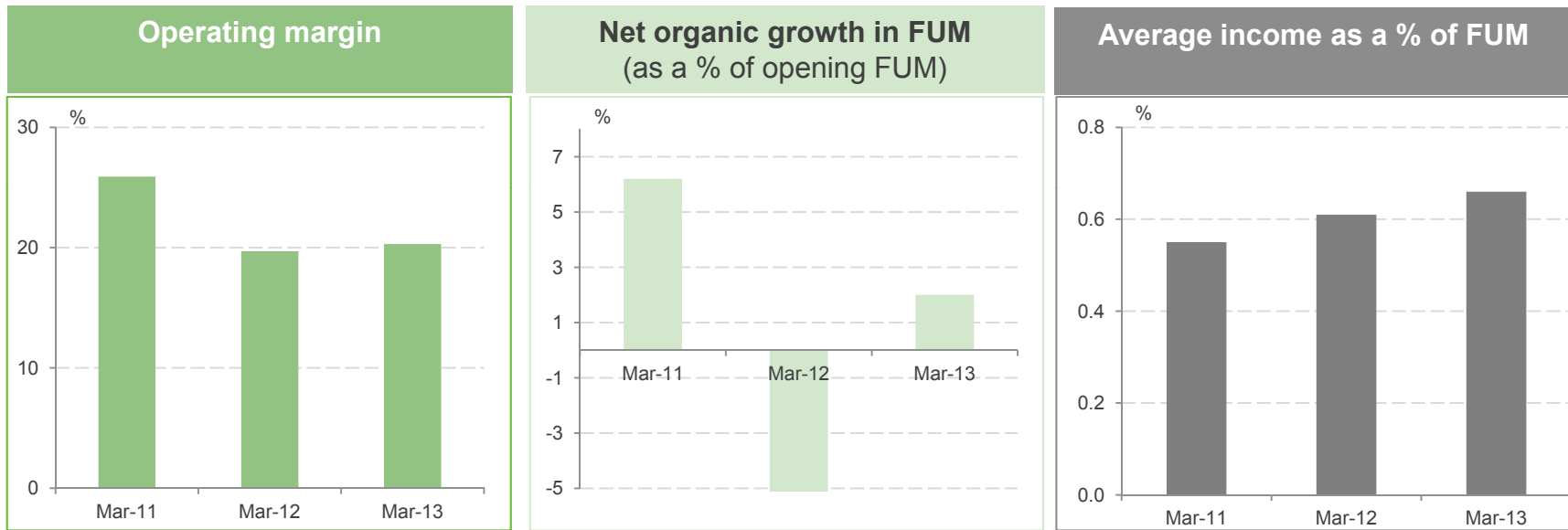
Breakdown of funds under management





Wealth & Investment

Key drivers



Note: Prior to Mar-11 Rensburg Sheppards plc was an associate of Investec and not a 100% owned subsidiary

Recognition



Ranked #1
By Business Day/Investors Monthly
Stockbroker Awards for Sophisticated
Investors in 2011 and 2012.



Ranked #1
In the 2011 PricewaterhouseCoopers
Banking Survey in Wealth Management.





Specialist Banking

Overview of performance

- Good progress from the *One Bank* process
- SA experienced solid performances from the private equity and investment property portfolios but lower activity in corporate and institutional banking business
- The UK benefited from improved performance in the corporate advisory business and the principal investment portfolios but transactional activity in private banking and corporate and institutional banking were mixed
- There was a significant decrease in impairments in Australia where the corporate advisory, corporate and specialised lending and professional finance businesses performed well

Outlook

- Macro environment remains volatile
- Well positioned to grow market share and deepen client base

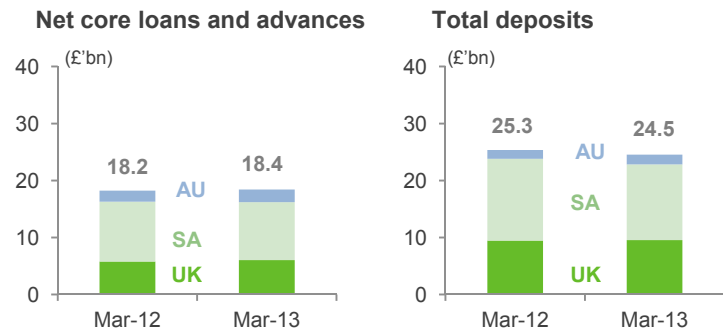
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**Return on adjusted shareholders' equity (including goodwill)

Financial summary

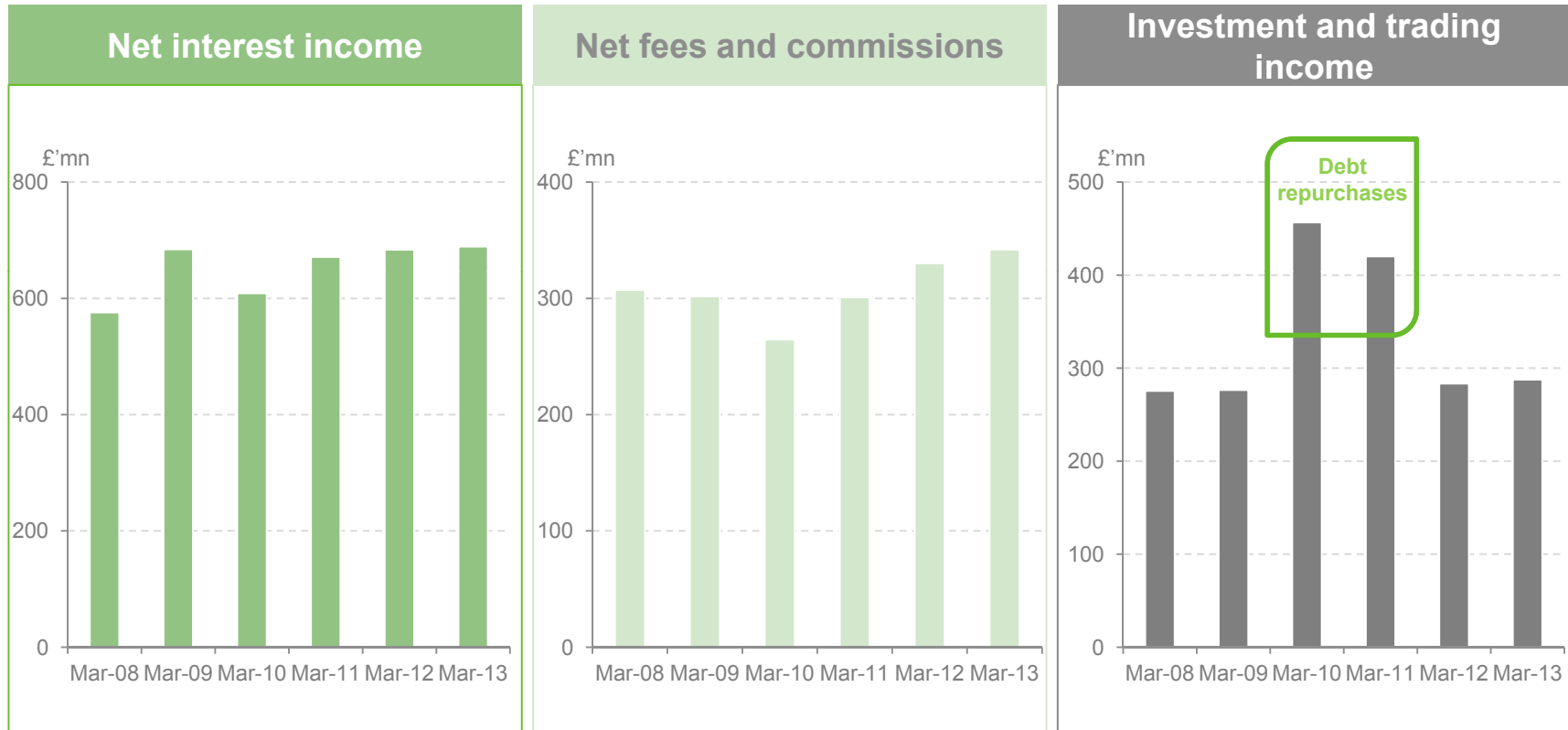
(£)	Mar-13	Mar-12	% change
Operating profit* (mn)	242.3	186.2	30.1%
Cost to income	62.8%	62.4%	
ROE (pre-tax)**	8.0%	6.2%	
ROE tangible (pre-tax)	8.4%	6.5%	

Key earnings drivers





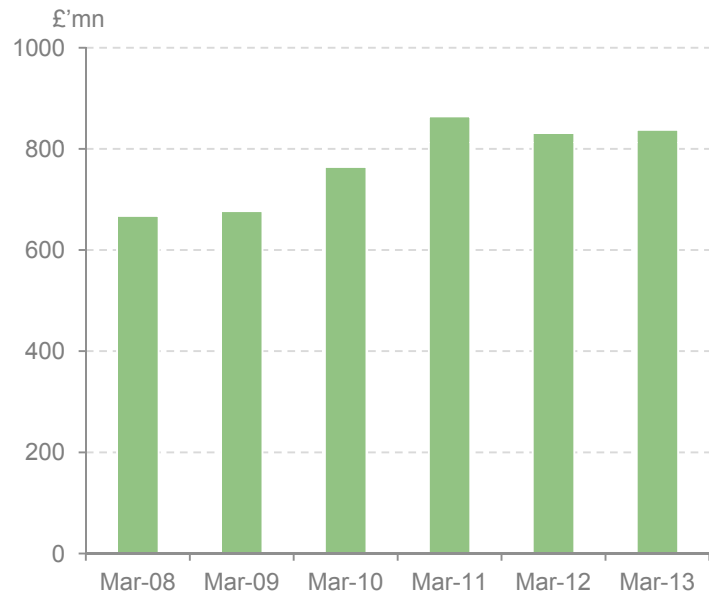
Specialist Banking – Income flat in Sterling but up in local currency



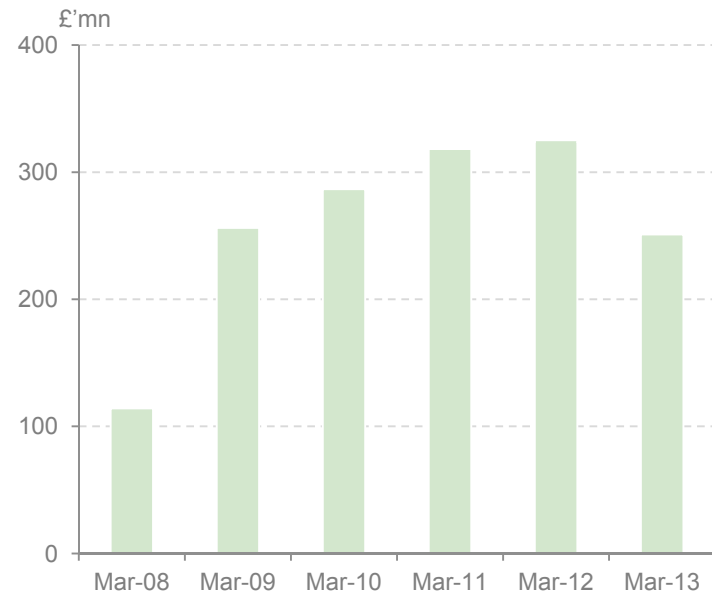


Specialist Banking – Costs stable but impairments down

Costs



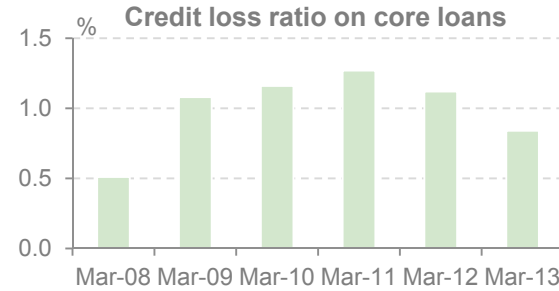
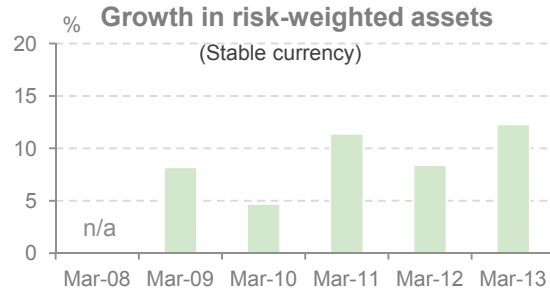
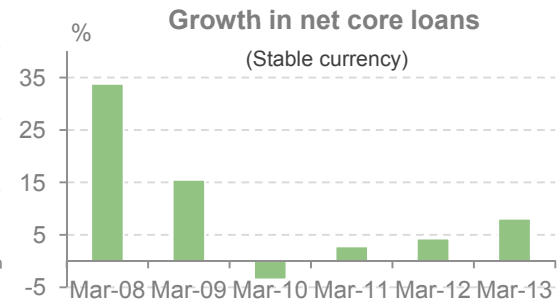
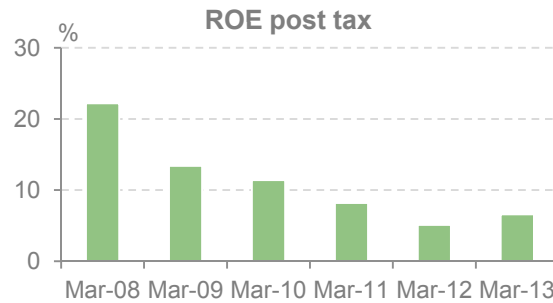
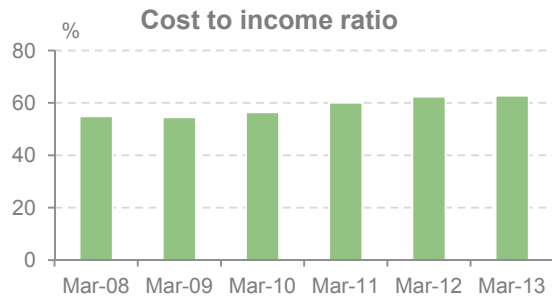
Impairments





Specialist Banking

Key drivers



Recognition



African and Middle Eastern Business Jet Financier 2013



Awarded 5 stars for Overall best Value Term Deposits in 2012, Australia

Out of the Ordinary®



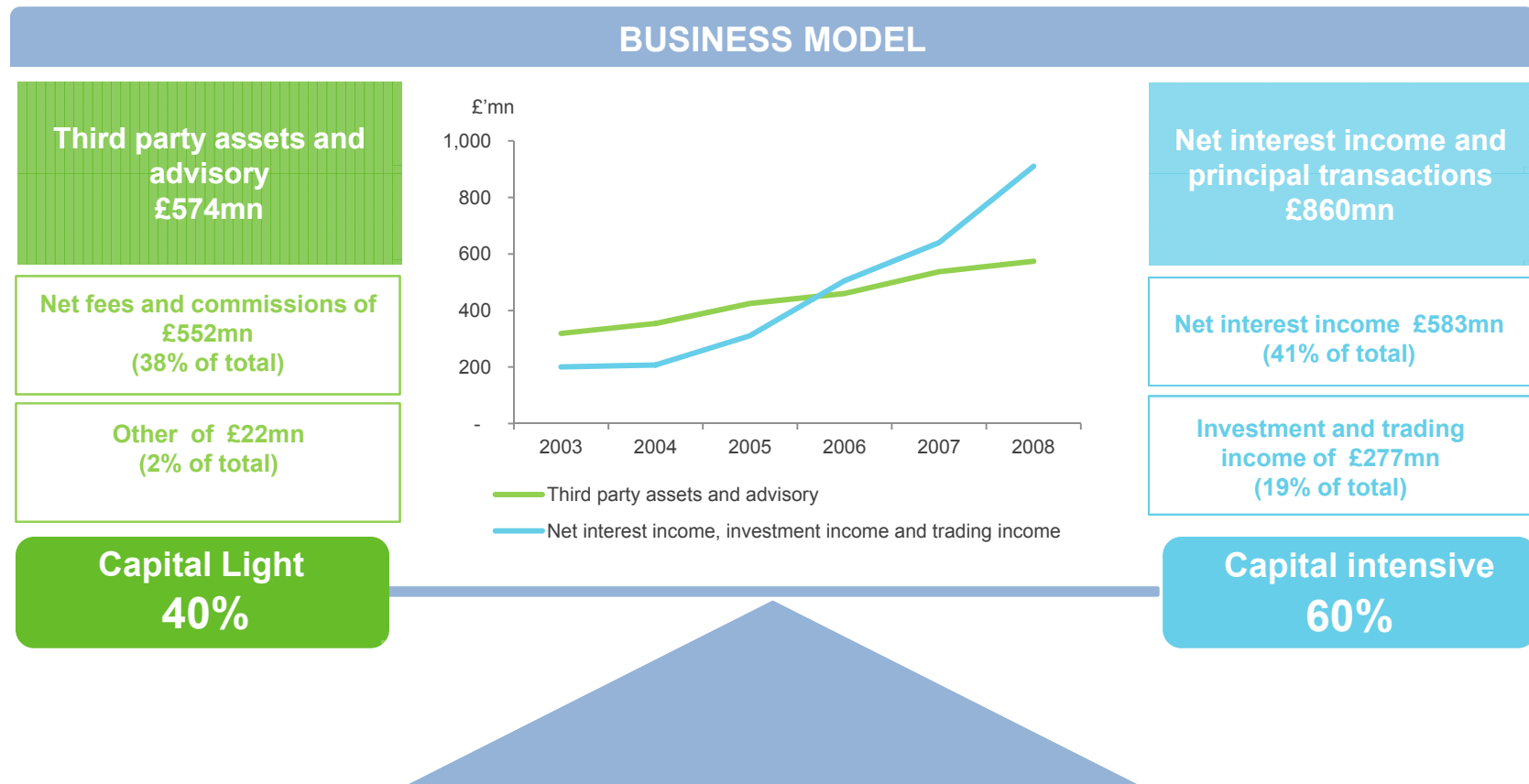
Strategy and positioning





In 2008 when the financial crisis hit, our business model was more capital intensive

2008





We took a decision to balance our business model ...

Capital light businesses

Focusing on:

- Building non-lending revenue
- Taking advantage of opportunities

Capital intensive businesses

Focusing on:

- Managed loan growth
- Pricing risk appropriately
- Building customer deposits

And managing costs across all areas of the group

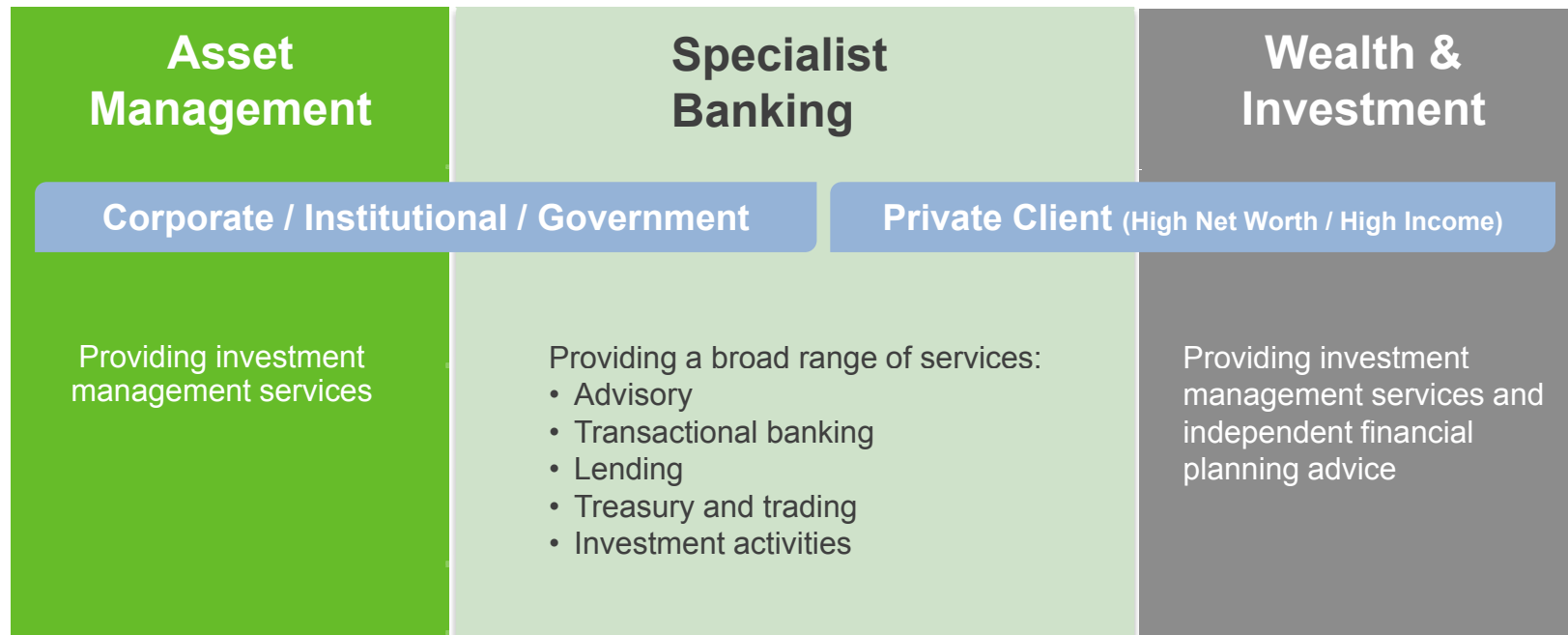
... and in 2010 we revised our mission statement

“Investec strives to be a **distinctive specialist bank and asset manager** driven by commitment to our core philosophies and values.”



Focusing on three areas of specialisation

... with well defined target markets





Today, we have a balanced business model ...

2013

BUSINESS MODEL

Third party assets and advisory
£972mn

Net annuity fees and commissions of £673mn
(34% of total)

Other fees and other income of £299mn
(15% of total)



Net interest, investment and trading income
£1,018mn

Net interest income of £703mn
(35% of total)

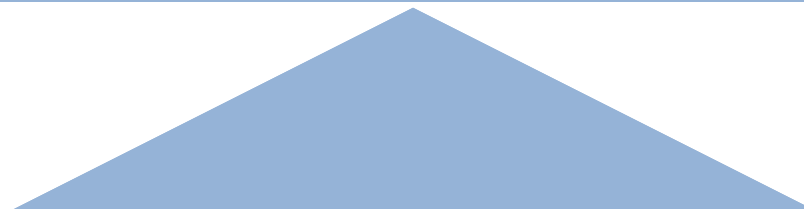
Investment income of £183mn
(9% of total)

Trading income of £106mn
(6% of total)

Net other operating income of £26mn
(1% of total)

Capital Light 49%
(2008: 40%)

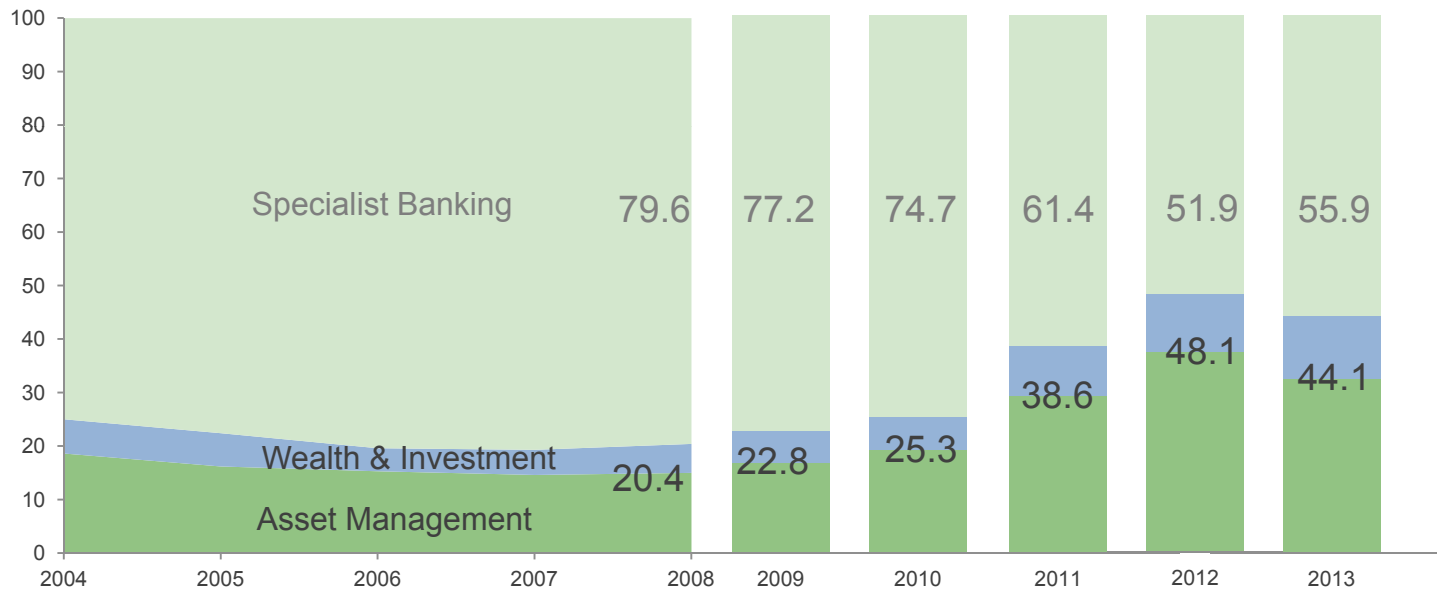
51% Capital intensive
(2008: 60%)





... with the asset and wealth management businesses contributing 44% to group

% contribution of operating profit* to total group

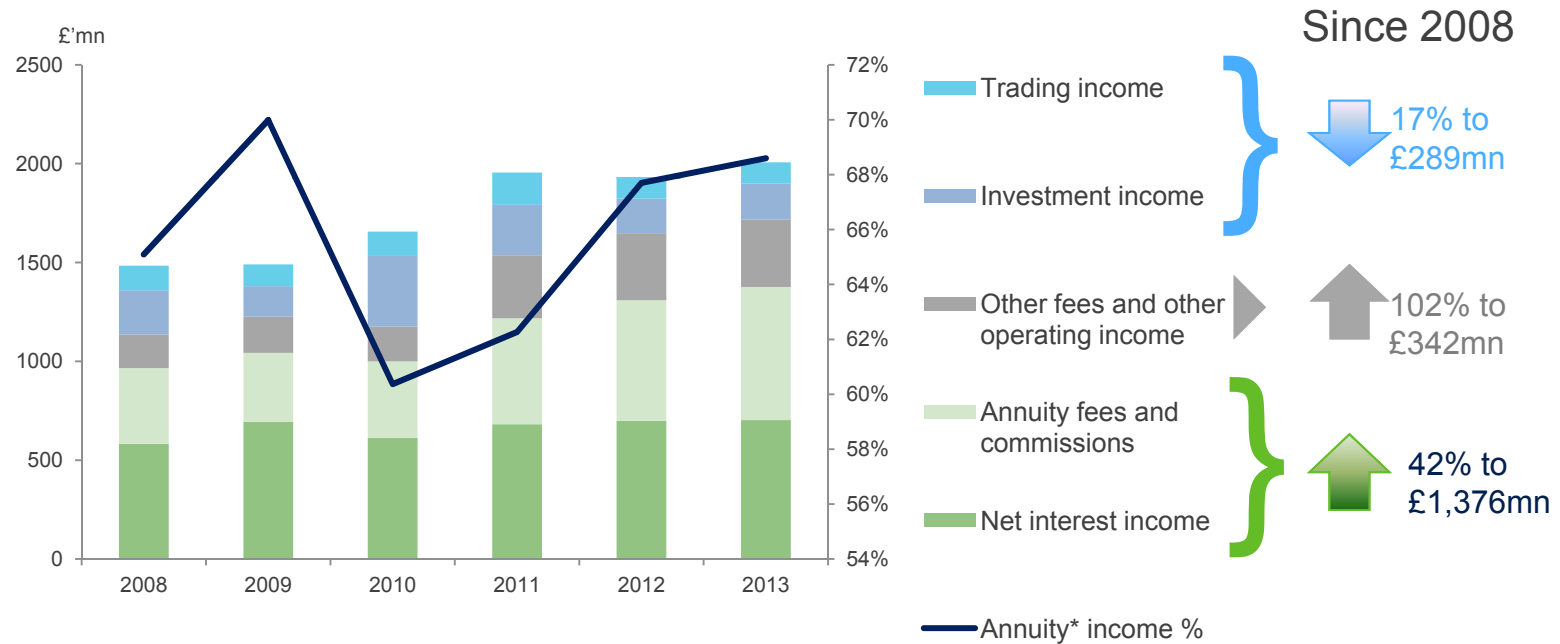


*Before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests



Solid base of recurring income

Average recurring annuity income since 2008 of 66%

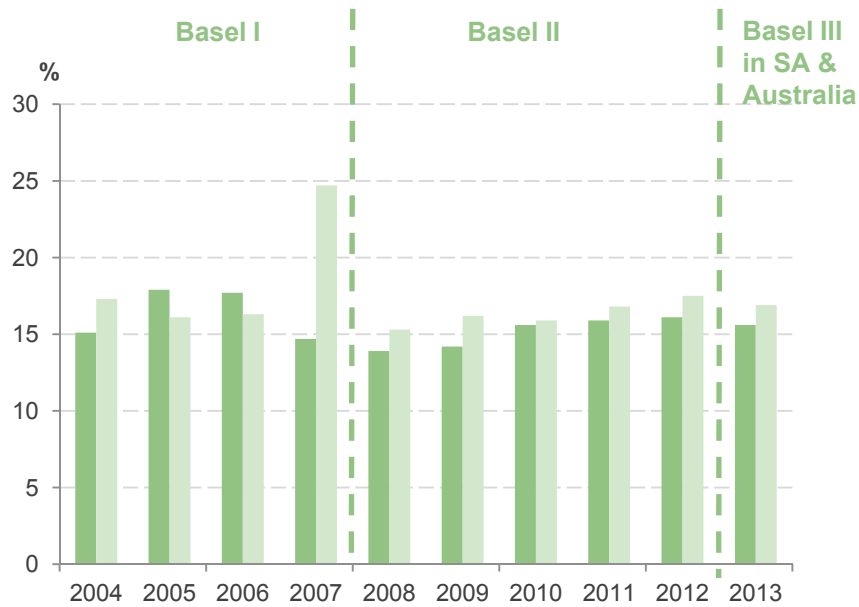


*Where annuity income is net interest income and annuity fees



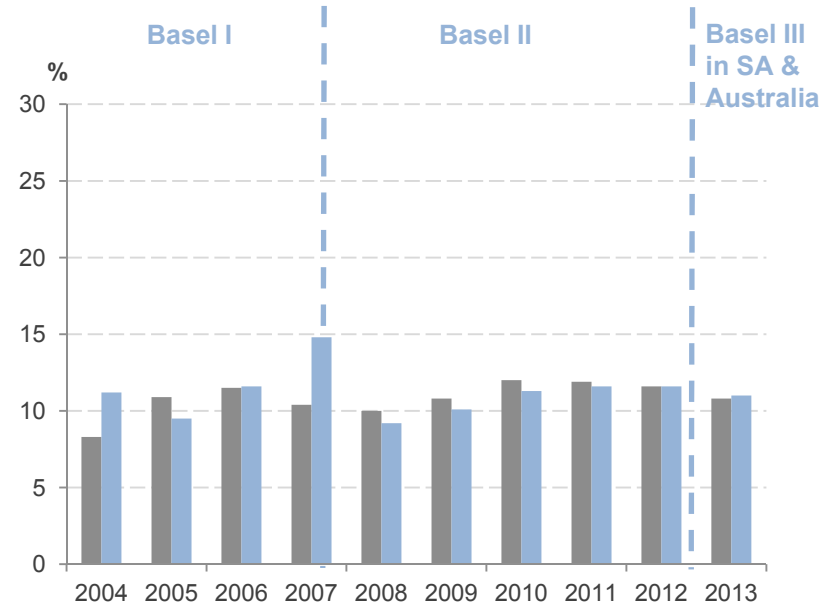
Stable capital position

Capital adequacy target: 14-17%



■ Investec Limited capital adequacy ratio
 ■ Investec plc capital adequacy ratio

Tier 1 target: 10.5%



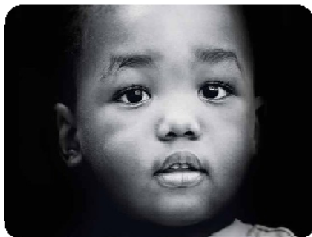
■ Investec Limited Tier 1 ratio
 ■ Investec plc Tier 1 ratio

2013:

We have invested in our Brand ...

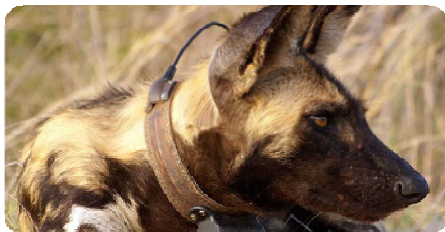


...our Communities



...our People

... and the Planet





The current strategic focus is to ...

- Maintain momentum in Asset Management
- Internationalise the Wealth & Investment business
- Simplify the Specialist Banking business model
- Leverage extensive client base through greater utilisation of products and services across the group
- Continue to attract new clients, extending the depth and breadth of the franchise

Out of the Ordinary®



Closing ---





In summary ...

- Significant **realignment of the business** model has taken place since the financial crisis
- We now have a **scaleable platform** from which we are growing our Asset Management and Wealth & Investment businesses
- After substantial effort through the *One Bank* process, we also have a **banking franchise** which is well placed to broaden and develop its offering



Closing

- The broader economic environment continues to be volatile and the recent rally in global equity markets is yet to be reflected in the real economy.
- Nevertheless, the cost of funding is coming down, impairments are normalising and we expect to see an improvement in activity levels if the economic upturn continues.
- The repositioning of the group as a specialist bank and asset manager and shift to a less capital intensive businesses has left us well placed for a sustained turnaround in the operating environment.
- We have a strong franchise which is recognised in all our markets and we continue to build business depth in our core areas of focus.