

Out of the Ordinary™



RESULTS PRESENTATION

For the year to 31 March 2015



Snapshot ...

The past year focused largely on the **EXECUTION** of our strategy

- Completed the **reshaping** of the Specialist Bank with the
 - **Sales** of part of the Australian business, the UK Kensington business and the Start (Irish) mortgage business
 - Accelerated the run down of the **legacy** portfolio in the UK
- Focused on **growing the core** franchises of the Specialist Bank
- Continued to **invest** in the growth of our Asset Management and Wealth & Investment businesses



As a result ...

Statutory operating profit showed steady growth

- Statutory results showed **steady growth**, despite Rand depreciation of 10.5%

	Mar-15	Mar-14	% change	% change on neutral currency basis
Operating profit* (£'mn)	493.2	450.7	9.4%	18.0%
Adjusted earning per share^ (pence)	39.4	37.9	4.0%	12.4%
Total dividend per share (pence)	20.0	19.0	5.3%	na

- Effect of strategic disposals

	£'mn
Net profit on sale before goodwill and taxation	25.1
Deconsolidation of portfolios relating to sale assets	(53.2)
Goodwill	(64.9)
Related tax expense	(20.7)
After tax accounting effect of strategic disposals	(113.7)

- Solid performance from the **ongoing business** which is what we focus on for the rest of the presentation

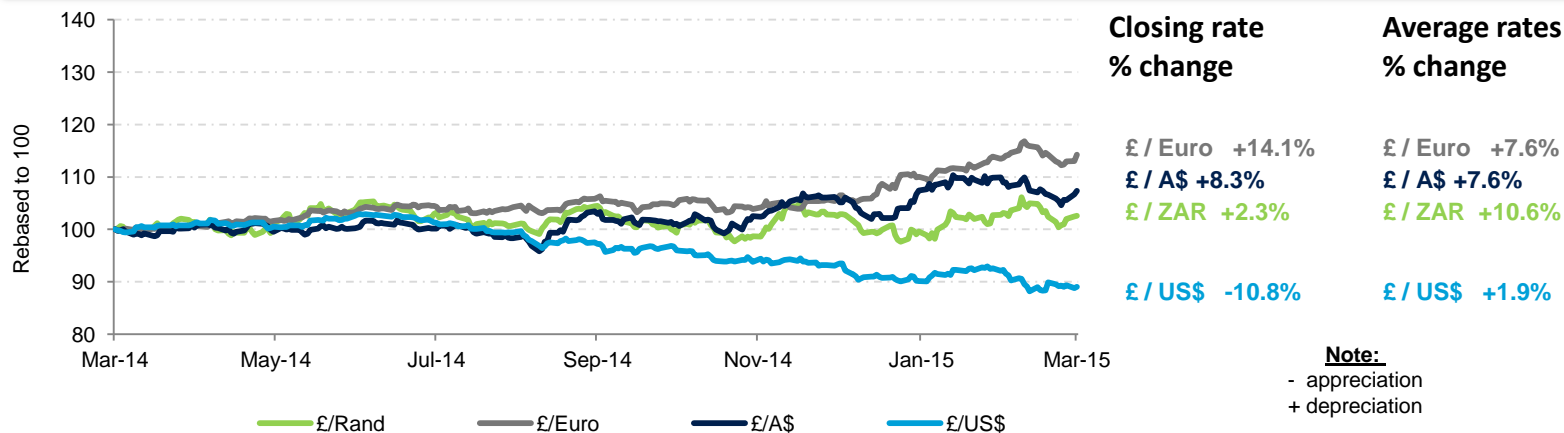
*Before goodwill, acquired intangibles, non-operating items and taxation and after other non-controlling interests

^Before goodwill, acquired intangibles and non-operating items

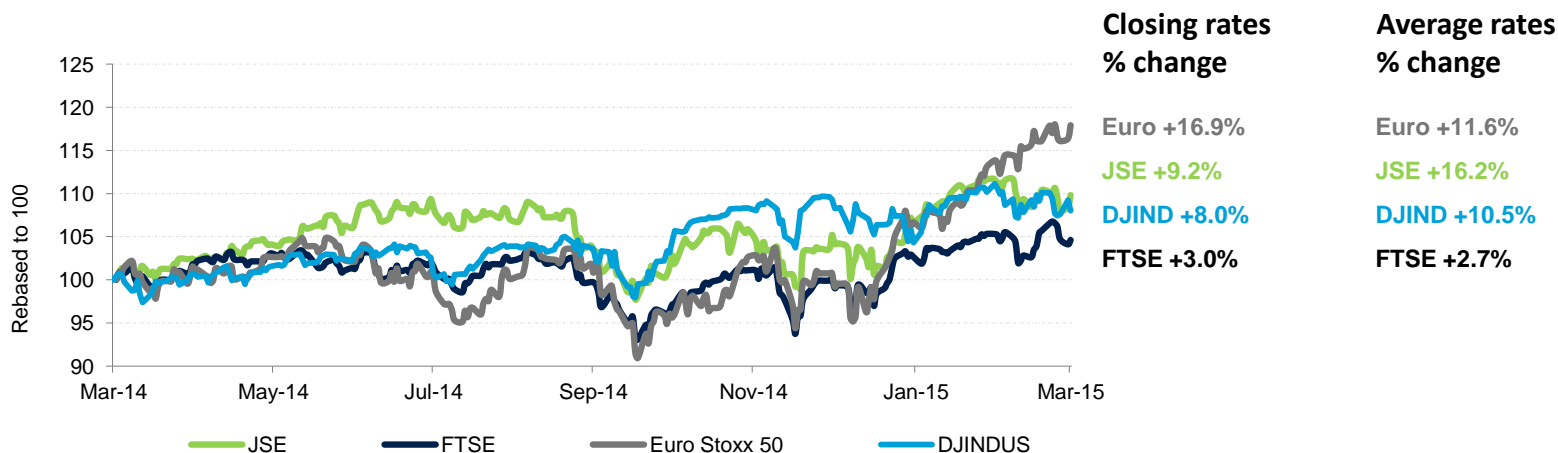
Favourable operating environment

Results impacted by strength of sterling against other operating currencies

Exchange rates



Equity markets

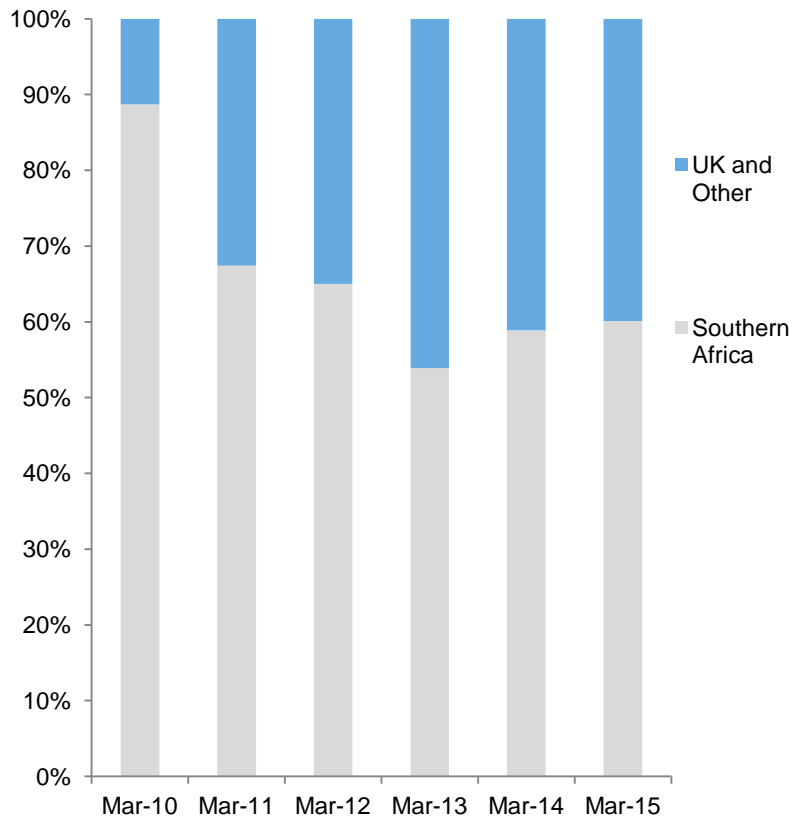




Diversified business model

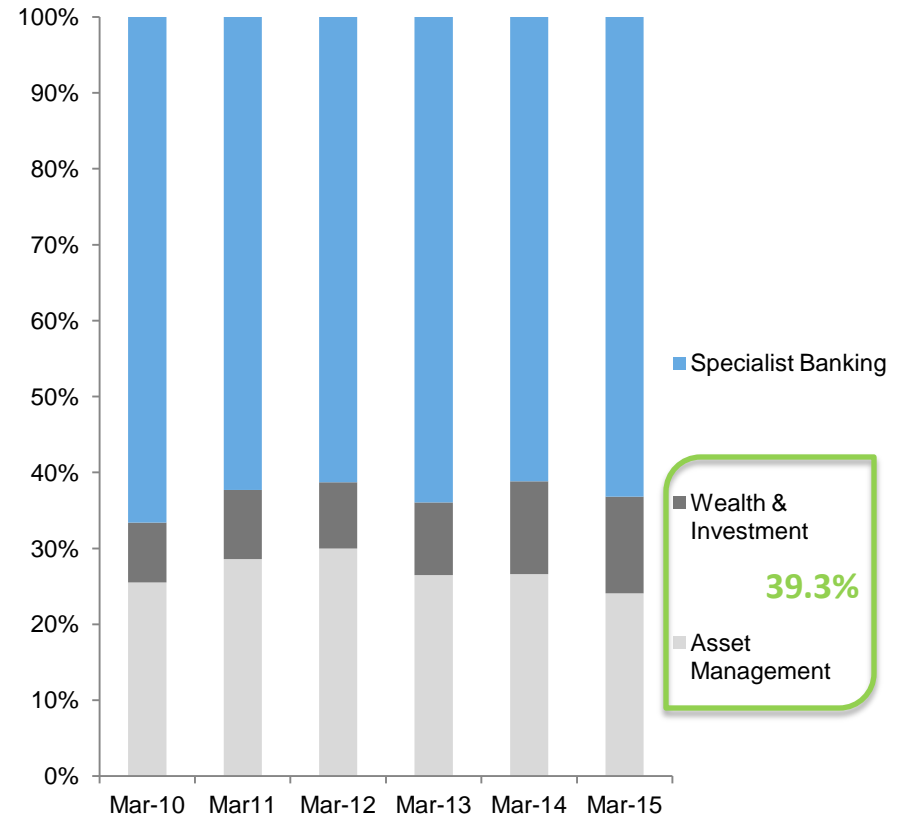
Geographic diversity

Operating profit* % contribution to group by geography



Revenue diversity

Operating profit* % contribution to group by business

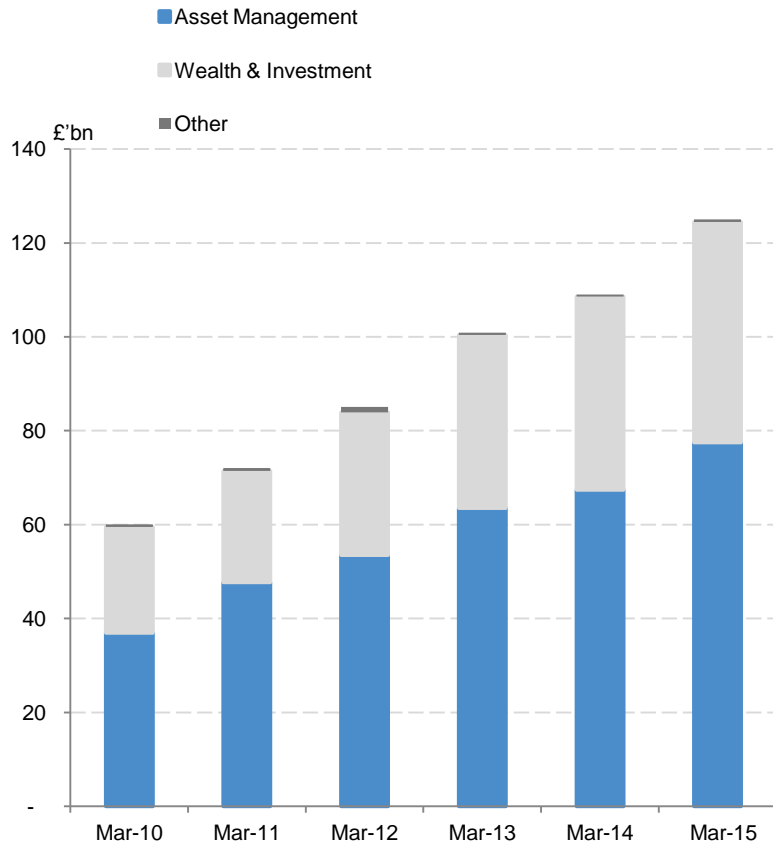


*Before tax, goodwill, acquired intangibles, non-operating items, taxation, unallocated group costs and after other non-controlling interests

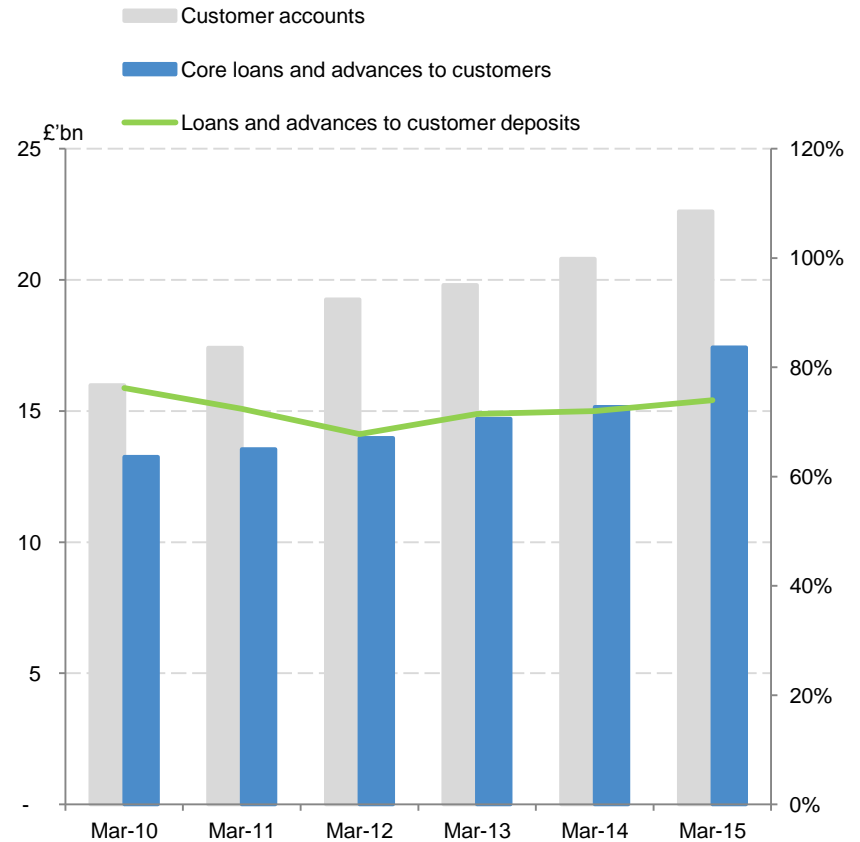


Continued growth in key earnings drivers

Third party assets under management[^]



Customer accounts (deposits) and loans [^]

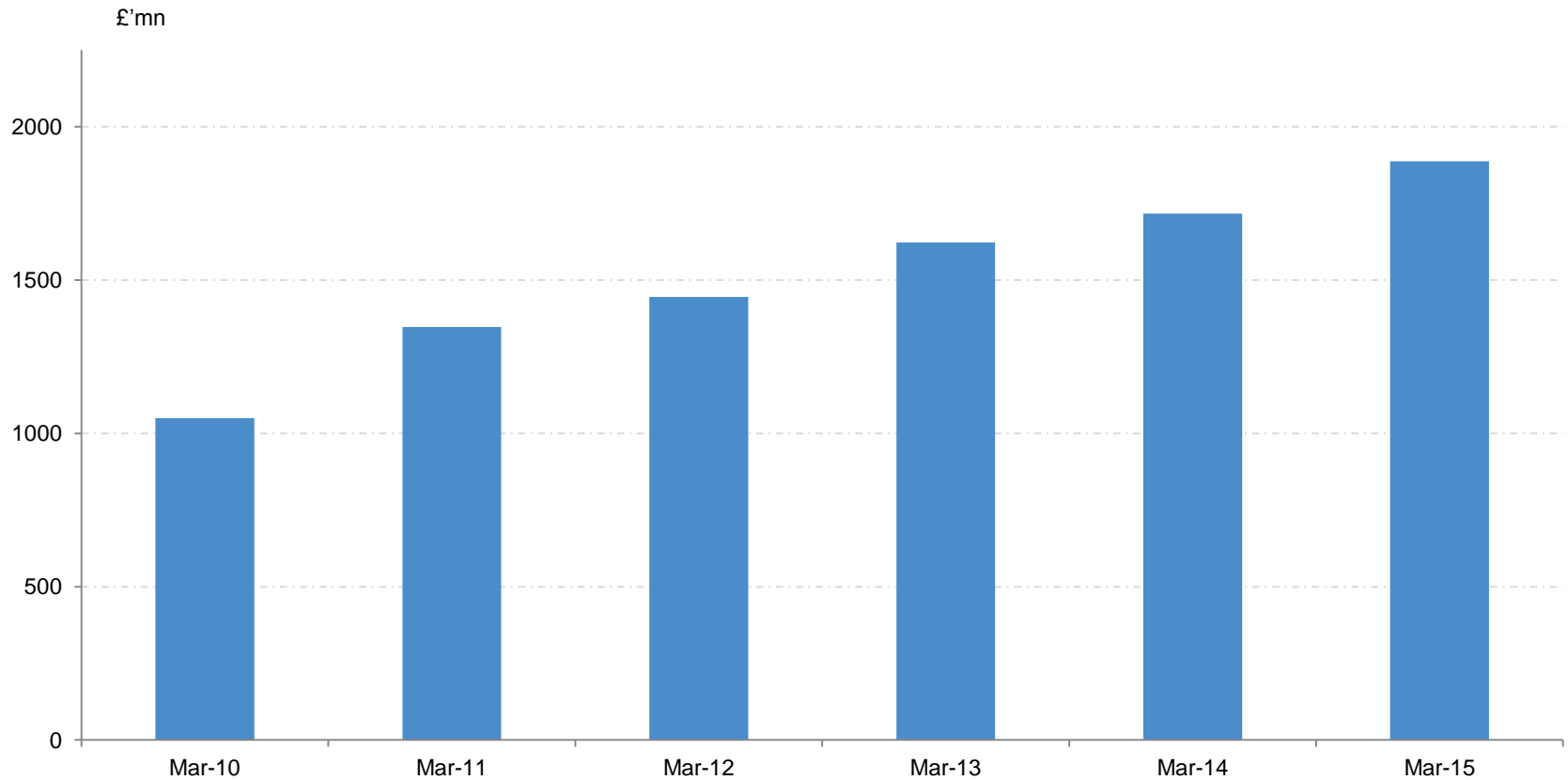


[^]The trends in these graphs are done on a currency neutral basis using the Rand:Pound exchange rate applicable at 31 March 2015



Supporting growth in operating income

Total operating income[^]



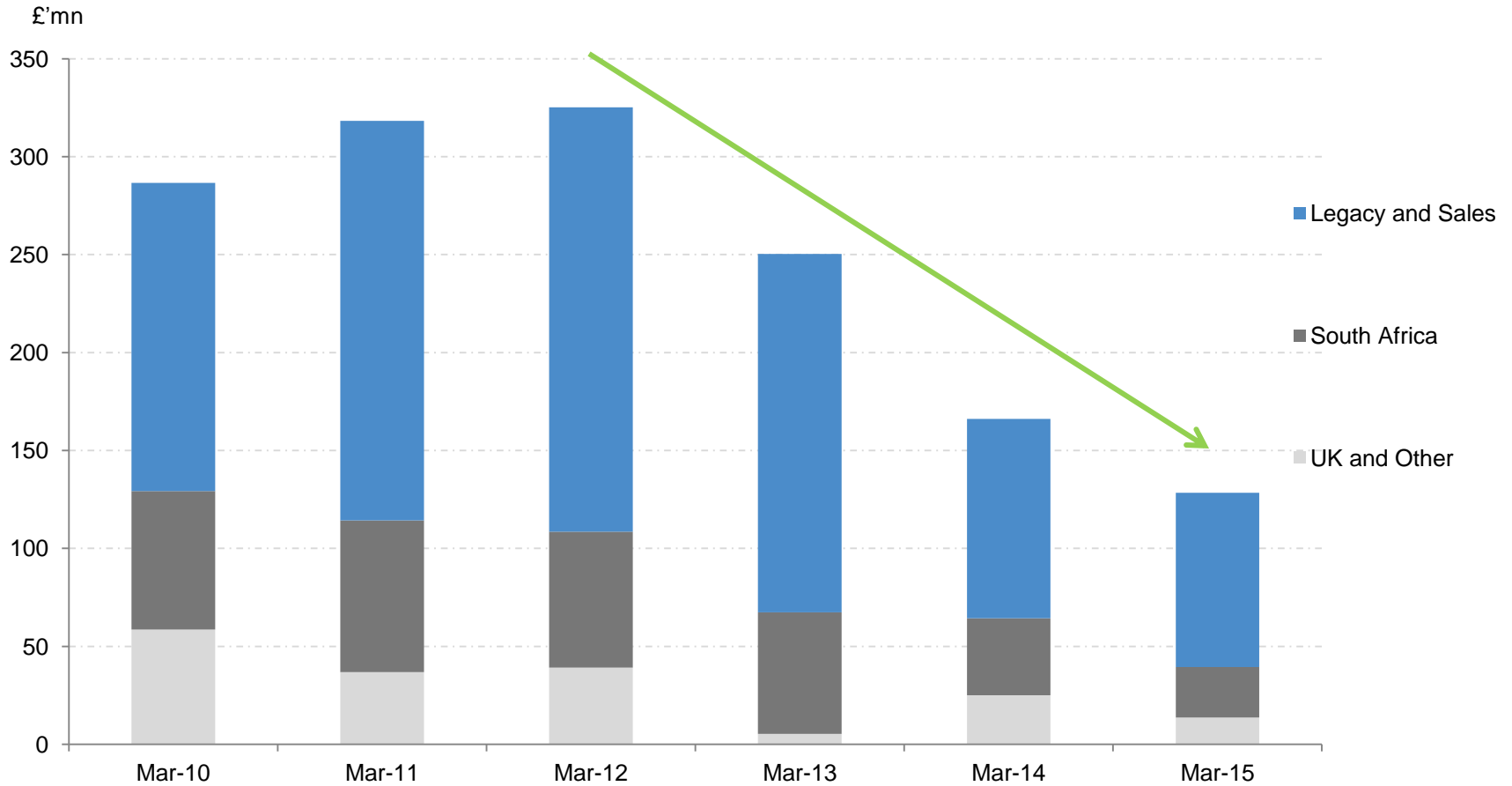
[^]The trends in these graphs are done on a currency neutral basis using the Rand:Pound exchange rate applicable at 31 March 2015



Impairments continue downward trend

Down 61% since the peak in 2012

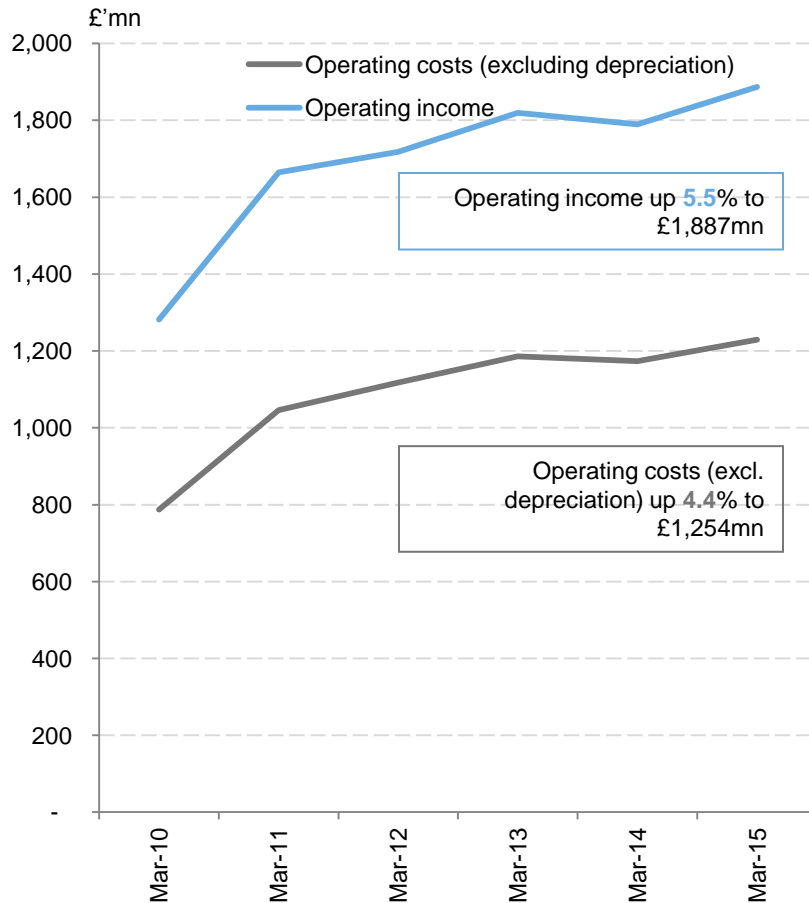
Total impairment analysis by geography



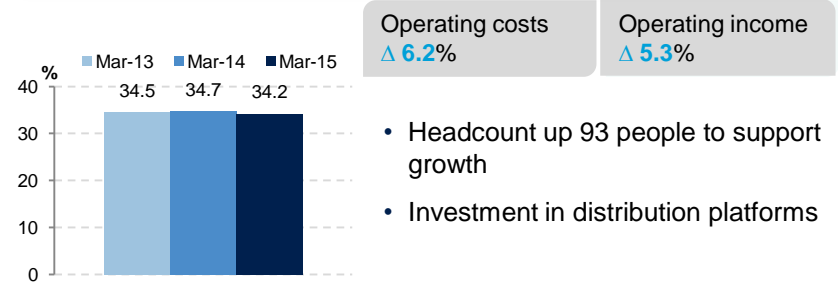


Fixed costs marginally up

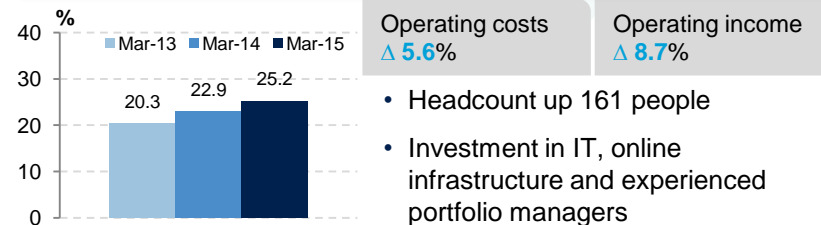
Jaws ratio for the group



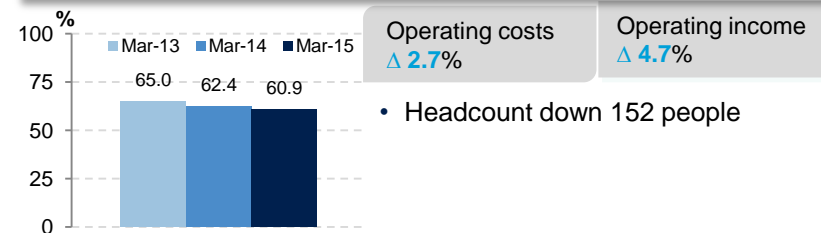
Asset Management operating margin



Wealth & Investment operating margin



Specialist Banking cost to income[^]



[^]The trends in this graph is done on a currency neutral basis using the Rand Pound exchange rate applicable at 31 March 2015



Resulting in a solid group performance

POUND EARNINGS	Mar-15	Mar-14	% change	% change currency neutral basis
Operating profit* before tax (£'000)	580 703	504 891	15.0%	22.7%
Attributable earnings**^ (£'000)	409 910	371 866	10.2%	
Adjusted EPS**^ (pence)	47.5	43.1	10.2%	17.9%
Total shareholders' equity (£'mn)	4 040	4 016	0.6%	
Customer accounts (deposits) (£'bn)	22.6	21.1	7.3%	
Net core loans and advances to customers (£'bn)	16.5	14.3	15.4%	

RAND EARNINGS	Mar-15	Mar-14	% change
Operating profit* before tax (R'mn)	10 377	8 185	26.8%
Adjusted attributable earnings**^ (R'mn)	7 330	6 020	21.8%
Adjusted EPS**^ (cents)	850.3	697.9	21.8%

*Before goodwill, acquired intangibles, non-operating items and after other non-controlling interests; **Before goodwill, acquired intangibles, non-operating items and after non-controlling interests; ^ After deducting preference dividends; ^^Amounts represented on a currency neutral 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 2015 when compared to 31 March 2014



Progress made on our financial targets

		Ongoing		Statutory	
	Target	Mar-15	Mar-14	Mar-15	Mar-14
ROE (post tax)	12%-16% over a rolling 5-yr period	13.8%	13.1%	10.6%	10.0%
Adjusted* EPS growth	Target: 10% > UKPRI	10.2%	na	4.0%	5.3%
Cost to income	Target: < 65%	66.5%	67.5%	67.6%	67.6%
Dividend cover (times)	Target: 1.7 – 3.5 times	na	na	2.0x	2.0x

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

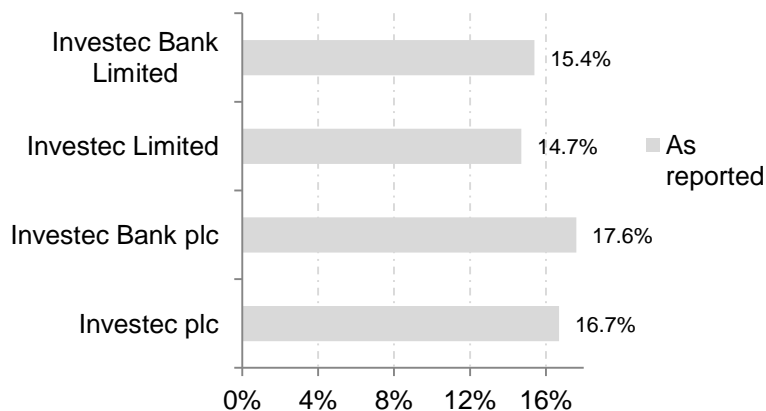
*Adjusted EPS is before goodwill, acquired intangibles and non-operating items and after non-controlling interests and after deducting preference dividends



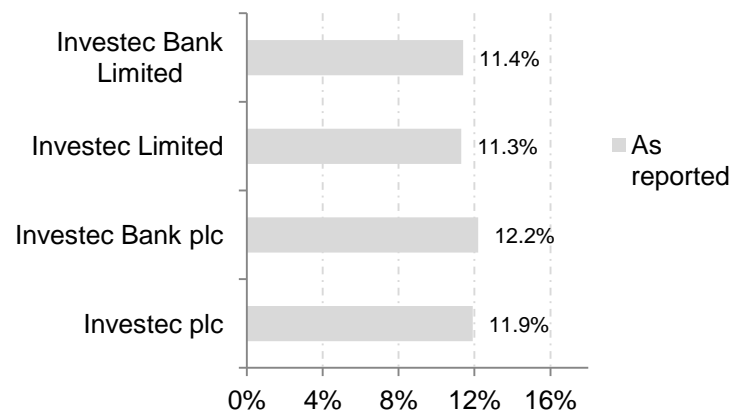
Stable capital position

As at 31 March 2015

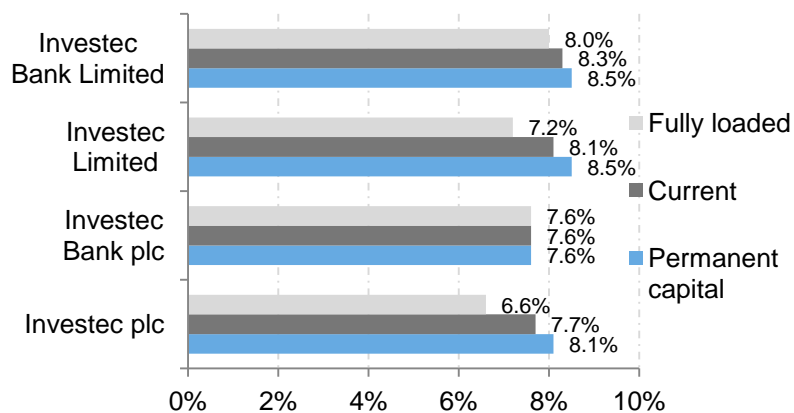
Capital adequacy



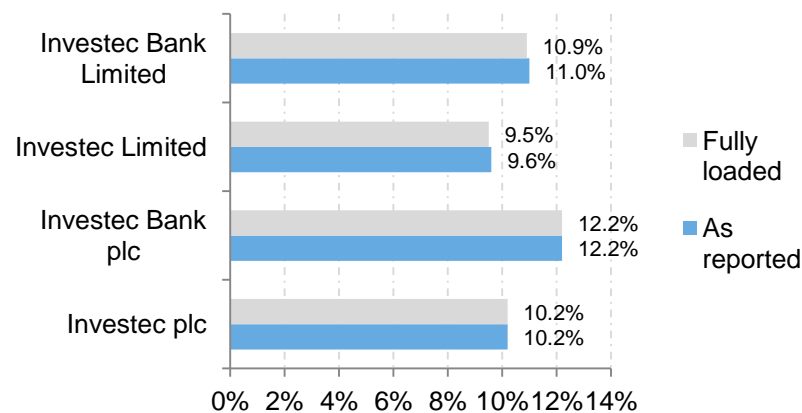
Tier 1



Leverage ratios



Common equity tier 1



Note: Please refer to the 2015 Analyst Book for detailed definitions and explanations

Out of the Ordinary™



Divisional highlights





Asset management - overview

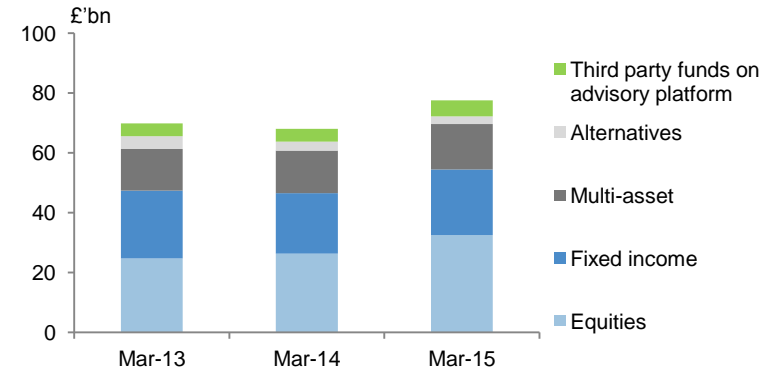
Overview of performance

- Net inflows of £3.1bn over the year
- Assets under management of £77.5bn
- Record operating profit of £149mn, in spite of emerging markets volatility and currency weaknesses
- The business is in good shape with a strong culture and excellent people

Financial summary

	Mar-15	Mar-14	% change
Operating profit* (£'mn)	149.0	143.8	3.6%
Operating margin	34.2%	34.7%	
ROE (pre-tax)**	95.2%	104.1%	
Assets under management (£'bn)	77.5	68.0	14.0%

Assets under management by asset class[^]



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

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

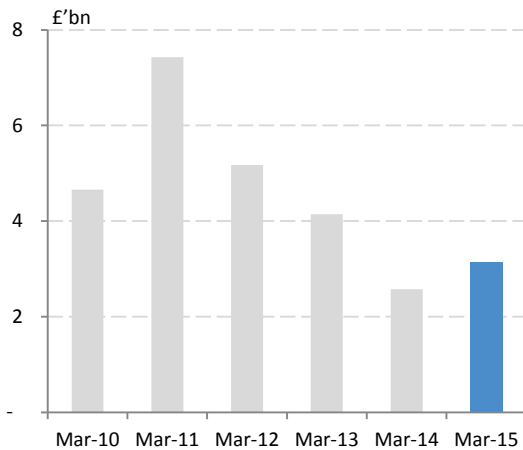
[^] The asset class splits for Mar-13 and Mar-14 have been restated due to a reclassification of some investment mandates over the financial year. Total AUM has not changed.



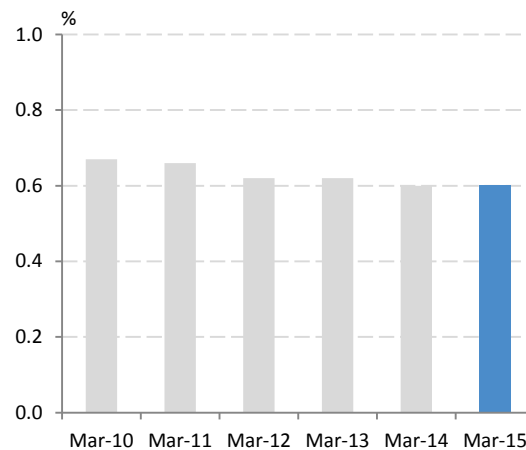
Asset Management – key drivers

Key drivers (besides market performance)

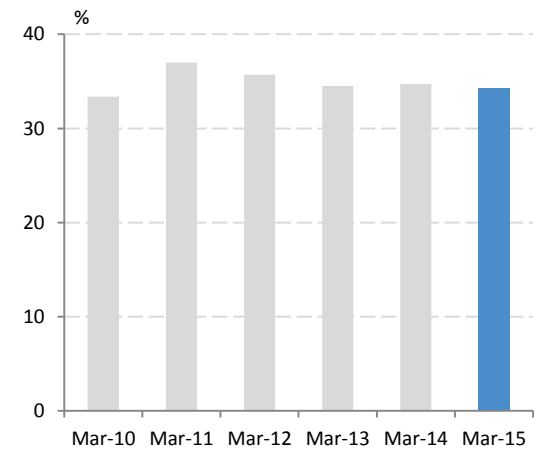
Net inflows



Average income as a % of AUM



Operating margin



Independent
recognition

Financial year 2015





Wealth & Investment - overview

Overview of performance

Overall

- Higher average funds under management
- Total funds under management of £46.1bn
- Net inflows of £2.7bn
- Improved operating margins

UK

- Continued to benefit from the investment in platforms and additional professional investment managers
- Operating margin has improved to 22.7% from 20.1% in 2014

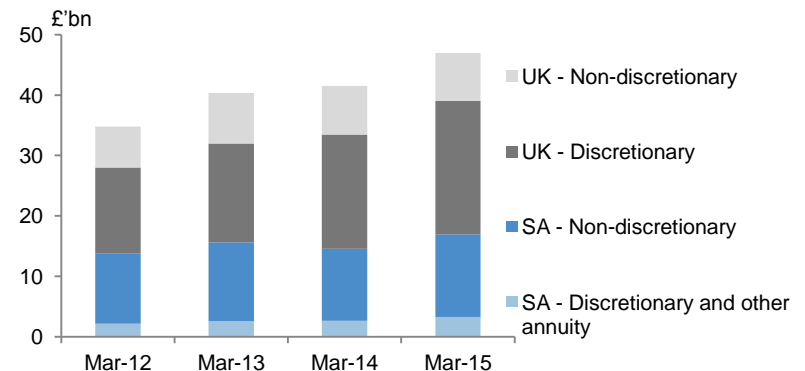
SA

- Rand earnings up 20.7%
- Successfully leveraged off the division's global investment platform
- Benefited from the group's integrated private client offering (One Place)

Financial summary

	Mar-15	Mar-14	% change
Operating profit* (£'mn)	78.8	66.1	19.2%
Operating margin	25.2%	22.9%	
ROE (pre-tax)**	25.5%	19.9%	
Total FUM (£'bn)	46.1	40.8	13.0%

Analysis of key earnings drivers (funds under management)



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

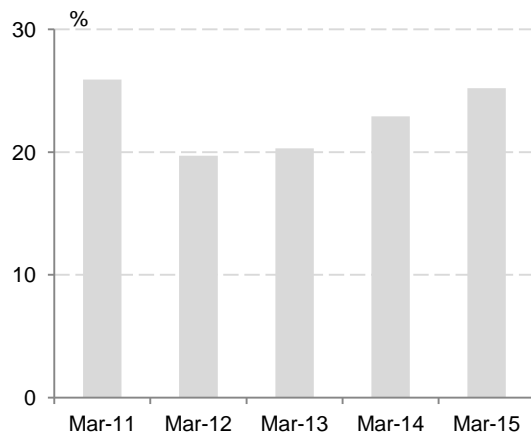
**Return on adjusted shareholders' equity (including goodwill)



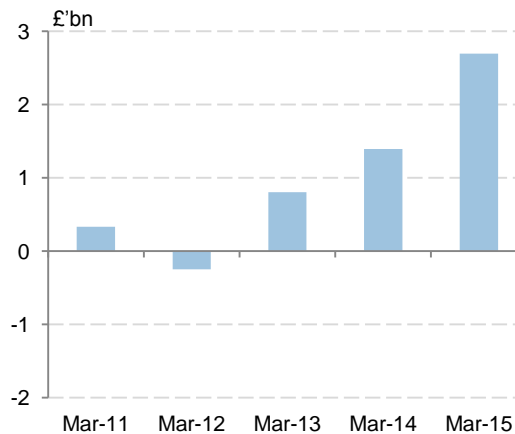
Wealth & Investment – key drivers

Key drivers

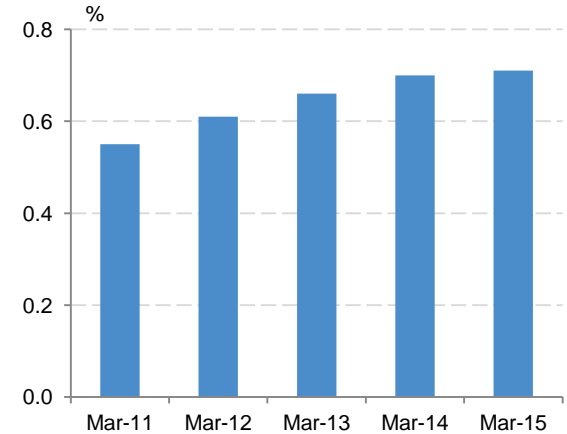
Operating margin



Net inflows



Average income as a % of AUM



Independent
recognition

Financial year 2015



Best wealth management services,
South Africa

Best wealth management services,
Africa

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



Specialist Banking - overview

Overview of performance

SA

- Up 36.8% in rand terms
- All businesses performed well largely as a result of reasonable activity levels across both the corporate and private client business
- Private Banking launched a number of new products, broadened their client base and leveraged the global platform – entrenching their position as leading private bank in SA (Euromoney, 2015)
- The corporate business benefited from a more focused approach to servicing the corporate market

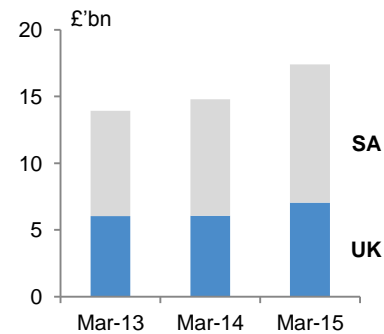
UK

- Strong growth in corporate fees, notably in the corporate finance and corporate treasury team
- Private Banking enhanced its offering through the launch of Voyage and Private Bank Account and the development of its online and digital platforms
- Results impacted by the lower returns earned on the Hong Kong investment portfolio

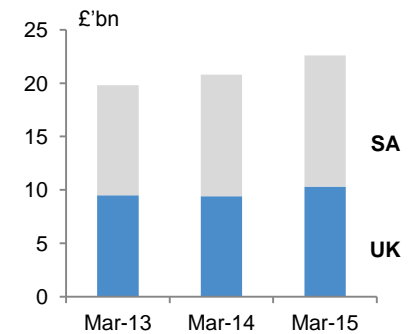
Financial summary

	Mar-15	Mar-14	% change
Operating profit* (£'mn)	392.3	331.4	18.4%
ROE (pre-tax)**	15.9%	14.3%	
Cost to income	60.9%	62.4%	
Ordinary shareholders equity (£'mn)	2 510	2 099	19.6%

Net core loans and advances



Total deposits



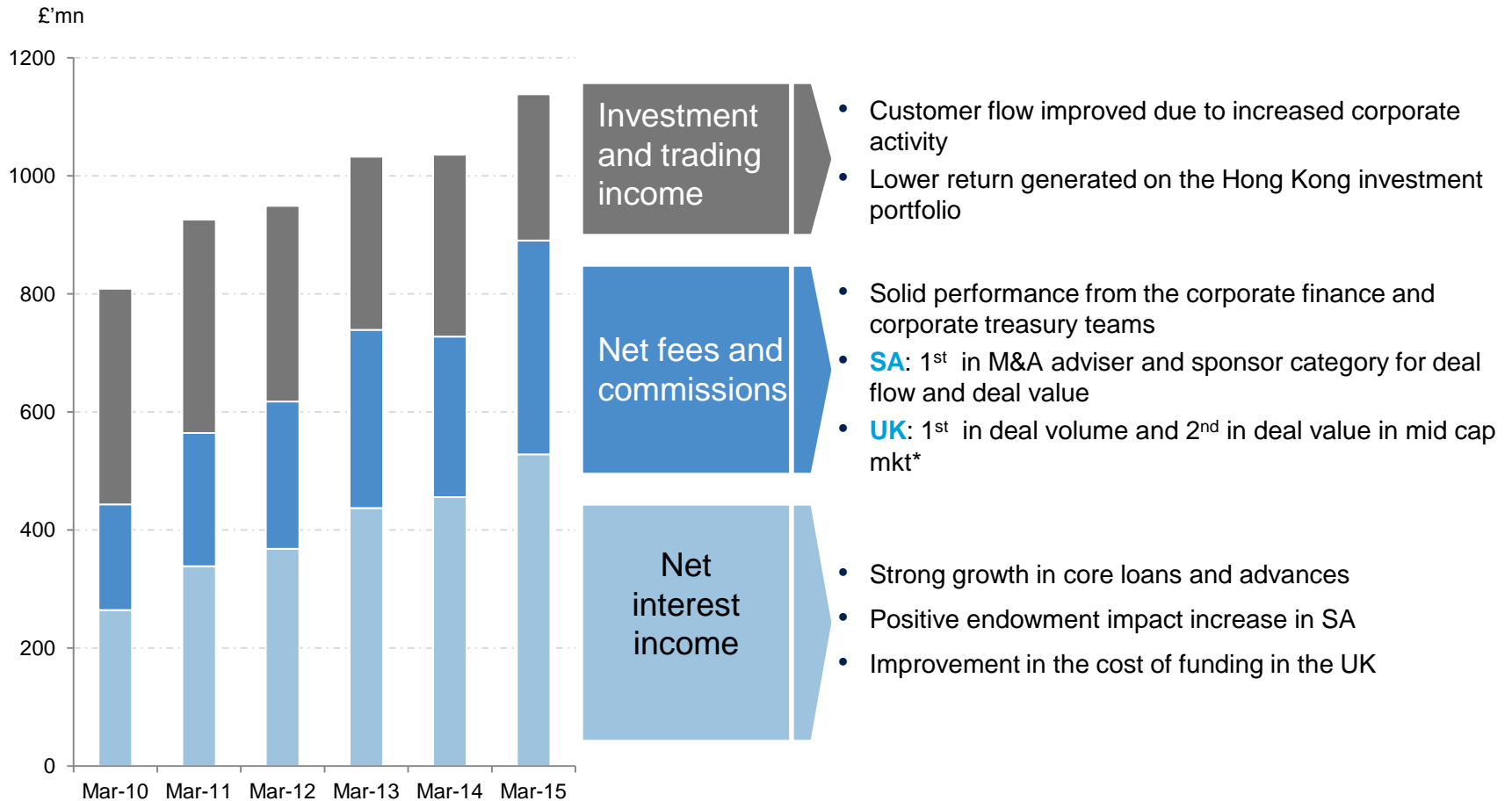
*Before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests; **Return on adjusted shareholders' equity (including goodwill)

^The trends in these graphs are done on a currency neutral basis using the Rand:Pound exchange rate applicable at 31 March 2015



Specialist Banking – mix of income

Analysis of income[^]



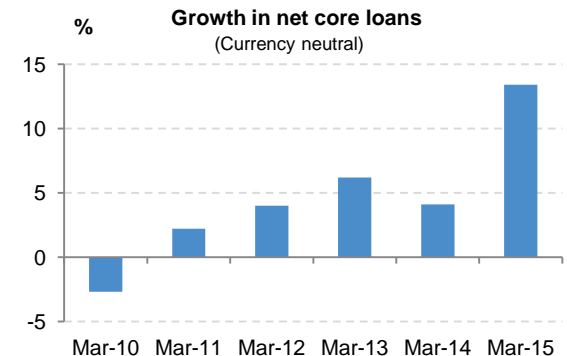
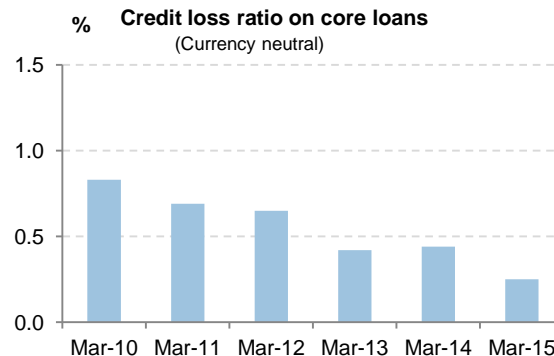
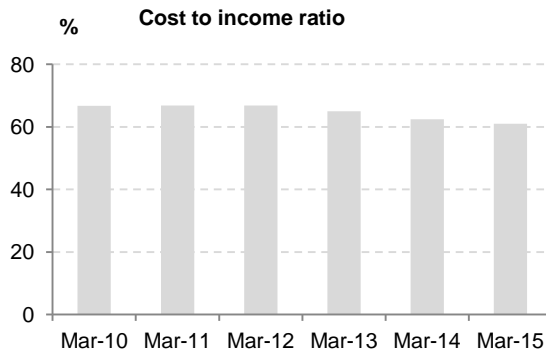
*Source: Mergermarket

[^]The trends in this graph is done on a currency neutral basis using the Rand:Pound exchange rate applicable at 31 March 2015



Specialist Banking – key drivers

Key drivers



Independent recognition

Financial year 2015



African and Middle Eastern Business Jet Financier
2012 2013 2014 2015

Investec Power & Infrastructure – ranks highly in the Renewable space with IJ Global and Bloomberg for Lead Arrangers

DealMakers

1st in M&A adviser and sponsor category for deal flow and deal value



Credit Risk Team of the Year
Asset Finance/Leasing Provider of the Year



Best Service from an Asset Based Finance Provider



Best Structured Product Provider 2009, 10, 11, 12, 13, 14



Investec Structured Products Win Best Distributor UK/Ireland

Investec win Best Distributor UK/Ireland in the European Structured Products & Derivatives Awards

Investec Private Banking wins three Visa Global Service Quality Performance Awards

Visa's Global Service Quality Performance Awards 2014



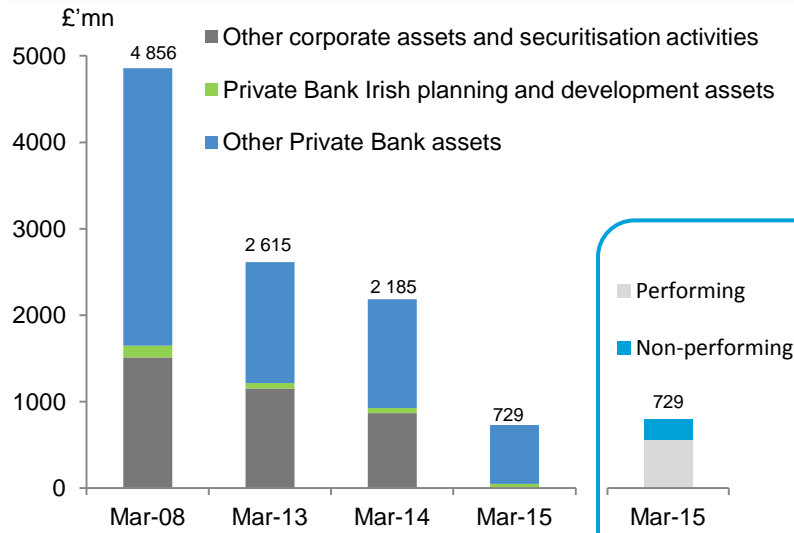
Specialist Banking

Accelerated reducing the UK Legacy Business

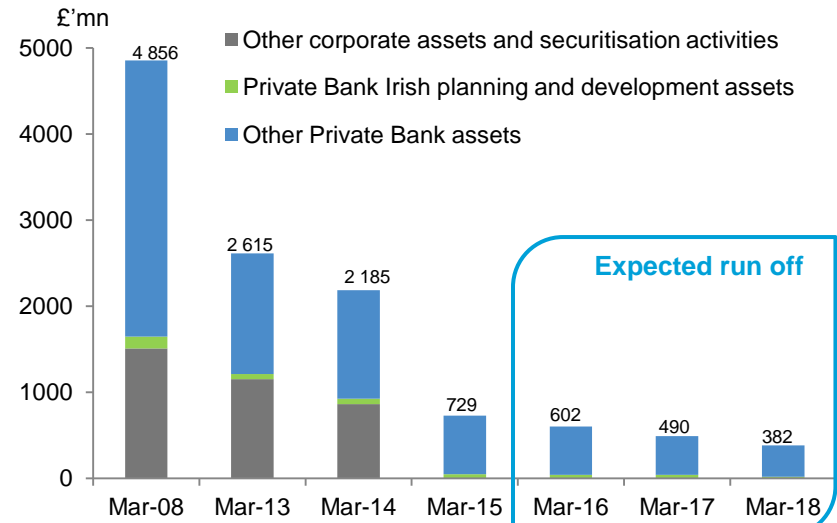
- Legacy portfolio reduced to £0.7bn from £3.4bn a year ago largely as a result of:
 - Strategic sales
 - Redemptions,
 - Write-offs
 - Transfers to the Ongoing book on the back of improved performance in these loans

£'mn	Mar-15	Mar-14
Total income	(2.6)	15.5
Total impairments	(83.5)	(59.2)
Total expenses	(21.6)	(25.4)
Net loss before tax	(107.7)	(69.1)

Total net assets: Investec originated



Total net loans: Investec originated



Out of the Ordinary™



Strategy and positioning





Reflecting on our strategic priorities

Organically growing the Asset Management business

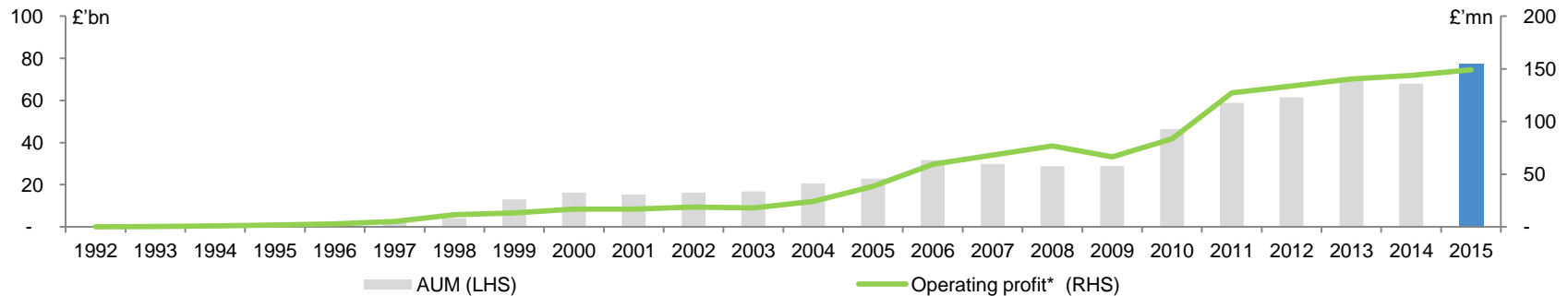
What have we achieved?

- Organically built an independent global platform from an emerging markets base
- 8th consecutive year of positive net inflows
- Record operating profit

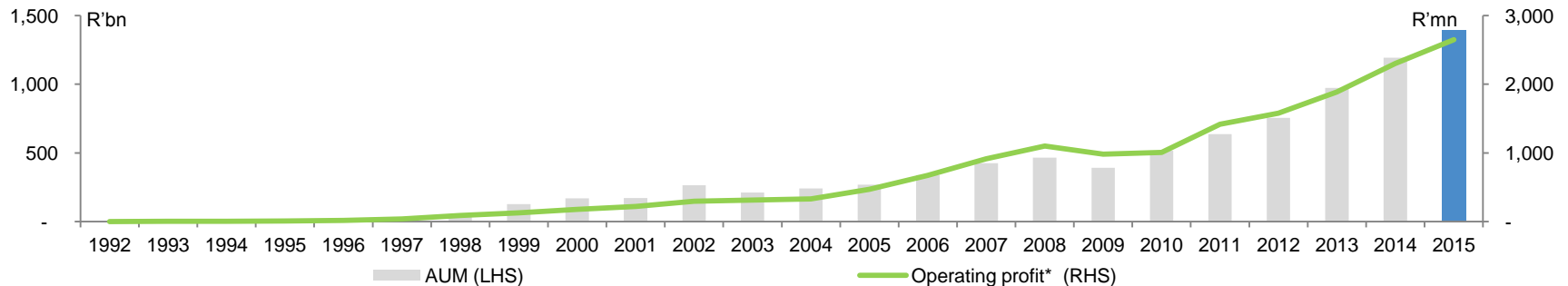
Outlook and future performance

- Momentum is positive but the business remains strategically exposed to emerging markets
- Cautious on the outlook for financial asset prices
- Maintain strong Institutional momentum and continue to build our Advisor business
- Restore positive flow momentum to our African business
- Commitment to invest for the long term

Growth in AUM and operating profit* in GBP



Growth in AUM and operating profit* in ZAR



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



Reflecting on our strategic priorities

To internationalise the Wealth & Investment business

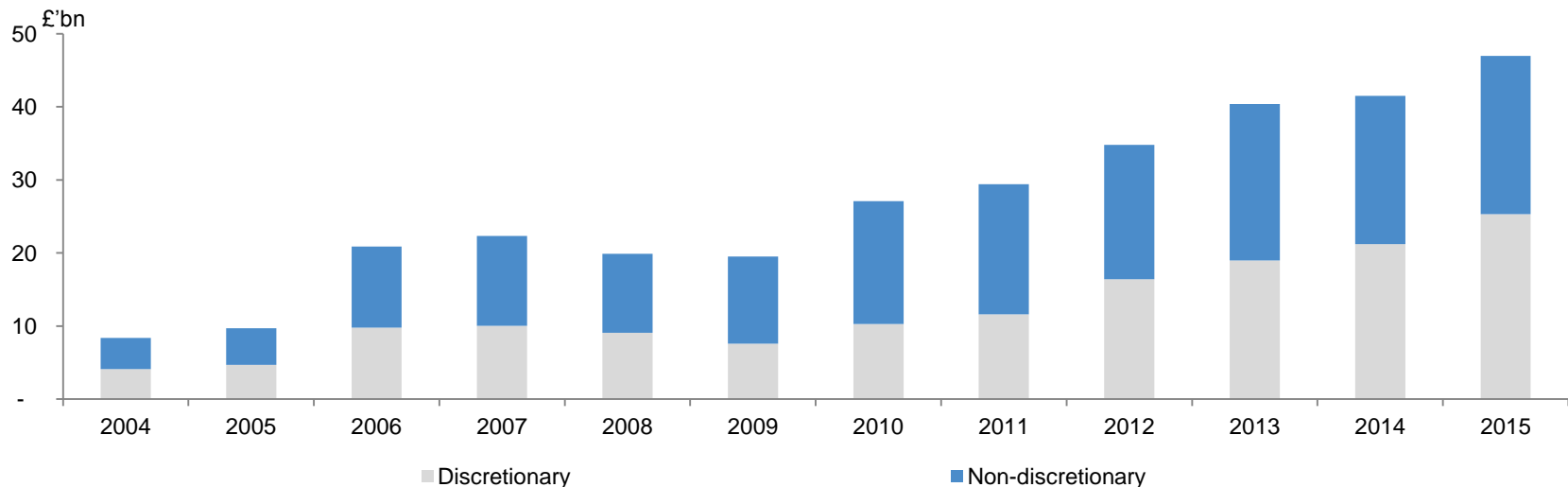
What have we achieved?

- Built via acquisition and integration of businesses together with organic growth over a long period of time
- Largest wealth manager in SA
- Leading private client investment manager in the UK
- Significant presence in Europe
- Growing and developing our brand internationally

Outlook and future performance

- Servicing our clients is fundamental to this business
- We focus on organic growth in our key markets by enhancing our range of services for the benefit of clients
- We also have a strategy to internationalise within jurisdictions where the group already has an established business
- In the UK, a key priority is the development of the Investec Click & Invest service
- We remain confident in the resilience of our business model and the success of the current strategy over the medium to longer term

Growth in funds under management





Reflecting on our strategic priorities

To simplify and grow the Specialist Bank

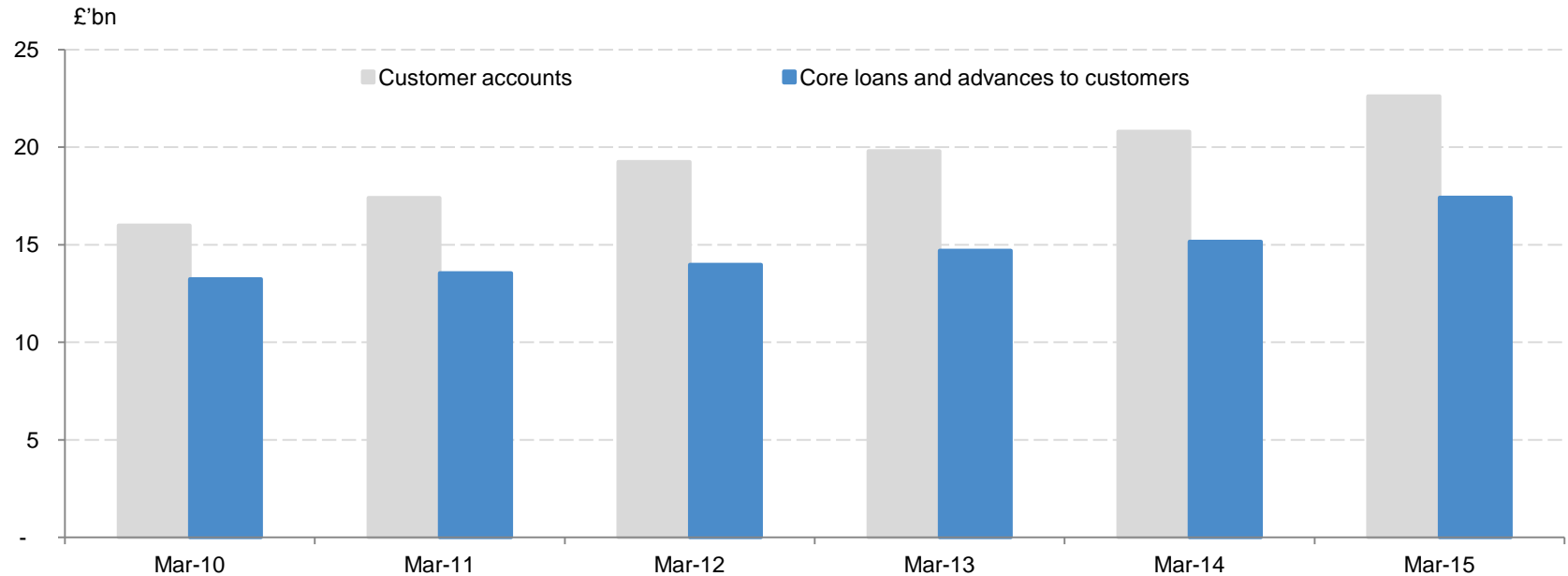
What have we achieved?

- We've built a full service **Specialist Bank** offering a high quality innovative solution with leading positions in selected areas

Outlook and future performance

- The focus has now shifted from reshaping to GROWTH

Customer accounts (deposits) and loans[^]



*Adjusted for the sales of Investec Bank (Australia) Limited and Kensington mortgages and excluding the legacy portfolio

[^]The trends in these graphs are done on a currency neutral basis using the Rand:Pound exchange rate applicable at 31 March 2015



Reflecting on our strategic priorities

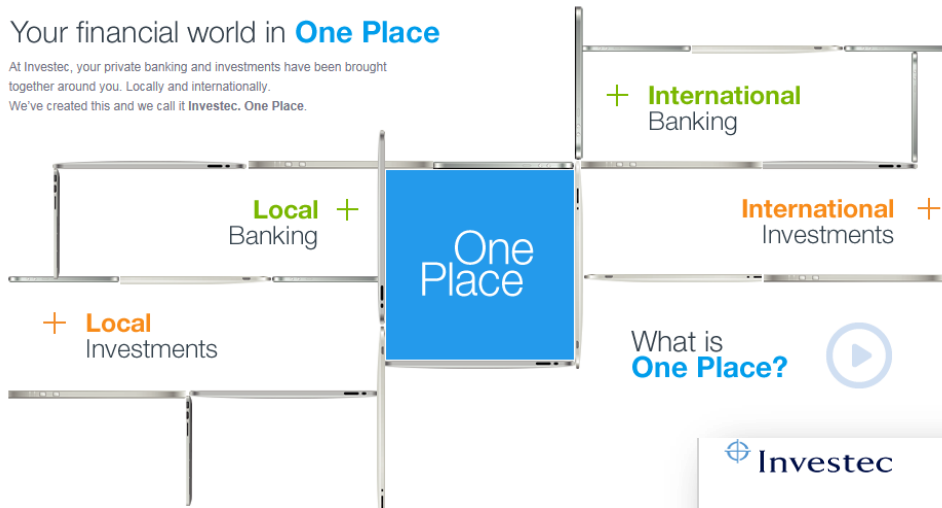
To GROW the South African Specialist Bank

What have we achieved?

- Leading Private Bank over many years
- Leading Corporate Advisory house
- Highly regarded Corporate and Institutional Bank
- Leading Property business

Your financial world in **One Place**

At Investec, your private banking and investments have been brought together around you. Locally and internationally.
We've created this and we call it Investec. One Place.



Outlook and future performance

- The South African business has had a very strong growth rate which may be hard to sustain
- However, we have a resilient business model and look to benefit from opportunities in a disrupted environment
 - Continue to organically grow the transactional banking, property and private capital businesses
 - Perpetuate our position in the corporate and institutional market
 - Take advantage of growth in Sub-Saharan Africa through our Africa platform



 Investec

Introducing voice biometrics
Your voice as your password





Reflecting on our strategic priorities

To GROW the UK Specialist Bank

What have we achieved?

- 12th largest bank* in the UK
- Recognised brand
- Top in UK mid-cap capital markets (FTSE250)
- Rapidly growing client base

Investec Private Bank launches online international payments



Private bank account

Outlook and future performance

- The current environment is favourable with good levels of activity
- This should support continued momentum in the corporate and specialist business
- The focus is on growing and increasing our core businesses particularly gaining traction in the Private Bank
 - Investing in infrastructure to ensure a superior customer experience
 - Rolling out our strategy of targeting the professional market

24/7/365 client service specialists
Competitive overdrafts

Dedicated Private Banker

No ATM fees abroad

Online & mobile banking

Visa luxury hotel collection



Great business minds
don't think alike

Ideas, Advice, Financing, Risk Management. Strategies for your business success

Experience a different perspective. If you haven't spoken to us, you haven't considered all your options. We build long lasting relationships with our clients and, as no two businesses are alike, neither are the strategies we create for them. We have an entrepreneurial mindset, so whatever you want your business to achieve, talk to us and see a different way of thinking.

Call us on 020 7597 3555 www.investec.com/yourbusiness

Out of the Ordinary™

 **Investec**
Specialist Bank



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Reflecting on our strategic priorities

To build client franchise businesses



Supporting our entrepreneurial endeavours and providing appropriate RETURNS to shareholders

By building very **STRONG RELATIONSHIPS** with our core client base
so we can offer them a broad spectrum of services and products

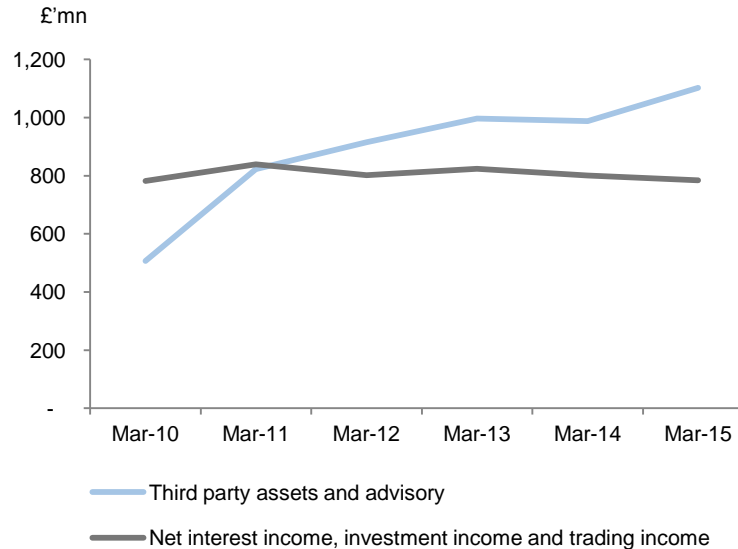


Reflecting on our strategic priorities

To grow capital light revenue

Business model

Third party assets and advisory £1 103mn
Net annuity fees and commissions of £817mn (43% of total)
Other fees and other income of £286mn (15% of total)



Net interest, investment and trading income £784mn
Net interest income of £539mn (29% of total)
Investment income of £152mn (8% of total)
Trading income of £93mn (5% of total)

Capital light activities

Contribute
58% to group income

- Asset management
- Wealth management
- Advisory services
- Transactional banking services
- Property funds

Capital intensive activities

- Lending portfolios
- Investment portfolios
- Trading income
 - Client flows
 - Balance sheet management

Contribute
42% to group income

Fee and commission income



Types of income



Net interest, investment and trading income



Reflecting on our strategic priorities

To focus on our digital strategy

- The overall aim of the digital strategy is to:
 - Create something that differentiates Investec: **Out of the Ordinary**
 - Ensure it enhances the overall client service experience : **High Tech High Touch**
- This is not just a platform but rather a digital transformation
- The key objectives of the strategy include:
 - Constructing a single suite of mobile apps for clients and intermediaries
 - Providing a consistent, coherent, integrated classic web experience
 - Single view for the client
 - The addition of value added services for client
 - Simplify the cross-selling and client acquisition process
 - Ensure maximum protection of client assets



Success depends on **EXECUTION**





Strategic priorities for 2016

Focus is on GROWTH

- Maintain momentum in **Asset Management** by focusing on investment performance
- Continue exploring opportunities to achieve a greater international reach in the **Wealth & Investment** business
- Grow the **Specialist Banking** businesses
 - Continue to build the private client and corporate and institutional client franchise businesses
- Continue the progress made with the **digitization strategy** and collaboration between the Private Bank and Wealth & Investment

Out of the Ordinary™



Closing





- Investec has **successfully executed** on its key strategic initiatives embarked upon over the past two years. The resultant simplification enables the group to enhance the **operational focus** to **grow and develop** its core businesses, so that the right outcomes can be delivered for clients and stakeholders including acceptable returns for shareholders.
- This, combined with the **opportunities** in Investec's two principle markets, leads the group to feel positive about the year ahead; notwithstanding the structural challenges in the South African economy and the intensified regulatory landscape.