

YEAR-END RESULTS PRESENTATION



Out of the Ordinary[®]

 **Investec**

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Registration number

Investec plc

Registration number 3633621

Investec Limited

Registration number 1925/002833/06

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Bernard Kantor (managing director)
Glynn R Burger (group risk and finance director)
Hendrik J du Toit (chief executive officer,
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Non-executive directors

Fani Titi (chairman)
Zarina Bassa*
Laurel Bowden**
Cheryl A Carolus
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* *Appointed on 1 November 2014*

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About the Investec group

We strive to be a distinctive specialist bank and asset manager, driven by commitment to our core philosophies and values

Who we are

Investec (comprising Investec plc and Investec Limited) is an international specialist bank and asset manager that provides a diverse range of financial products and services to a select client base.

Founded as a leasing company in Johannesburg in 1974.

We acquired a banking licence in 1980 and were listed on the JSE Limited South Africa in 1986.

In July 2002, we created a dual listed companies structure (DLC) listed in London and Johannesburg.

A year later, we concluded a significant empowerment transaction in which our empowerment partners collectively acquired a 25.1% stake in the issued share capital of Investec Limited.

Since inception, we have expanded through a combination of substantial organic growth and a series of strategic acquisitions.

Today, we have an efficient integrated international business platform, offering all our core activities in the UK and South Africa.

About the Investec group

What we do

We are an international specialist bank and asset manager that provides a diverse range of financial products and services to a niche client base in three principal markets, the UK and Europe, South Africa and Asia/Australia as well as certain other countries.

Investec focuses on delivering distinctive profitable solutions for its clients in three core areas of activity namely, Asset Management, Wealth & Investment and Specialist Banking.

Our strategic goals and objectives are based on the aspiration to be recognised as a distinctive specialist bank and asset manager. This distinction is embodied in our entrepreneurial culture, which is balanced by a strong risk management discipline, client-centric approach and an ability to be nimble, flexible and innovative. We do not seek to be all things to all people and aim to build well-defined, value-added businesses focused on serving the needs of select market niches where we can compete effectively.

1 2 3 4

We value

Distinctive performance

Outstanding talent – empowerment, enabled and inspired
 Meritocracy
 Passion, energy, stamina, tenacity
 Entrepreneurial spirit

Client focus

Distinctive offering
 Leverage resources
 Break china for the client

Cast-iron integrity

Moral strength
 Risk consciousness
 Highest ethical standards

Dedicated partnership

Respect for others
 Embrace diversity
 Open and honest dialogue
 Unselfish contribution to colleagues, clients and society

Our philosophies

Single organisation
 Meritocracy
 Focused businesses
 Differentiated, yet integrated
 Material employee ownership
 Creating an environment that stimulates extraordinary performance.

Strategic focus

Our strategic goals and objectives are based on our aspiration to be recognised as a distinctive specialist bank and asset manager

The Investec distinction

1

Client-focused approach

- Clients are at the core of our business
- We strive to build business depth by deepening existing and creating new client relationships
- High level of service by being nimble, flexible and innovative.

2

Specialised strategy

- Serving select market niches as a focused provider of tailored structured solutions
- Enhancing our existing position in principal businesses and geographies through organic growth and select bolt-on acquisitions.

3

Sustainable business

- Contributing to society, macro-economic stability and the environment
- Well-established brand
- Managing and positioning the group for the long term
- Balancing operational risk with financial risk whilst creating value for shareholders
- Cost and risk conscious.

4

Strong culture

- Strong entrepreneurial culture that stimulates extraordinary performance
- Passionate and talented people who are empowered and committed
- Depth of leadership
- Strong risk awareness
- Material employee ownership.

Strategic focus (continued)

Our strategy

Our strategy for the past 20 years has been to build a diversified portfolio of businesses and geographies to support clients through varying markets and economic cycles. Since inception we have expanded through a combination of organic growth and strategic acquisitions.

In order to create a meaningful and balanced portfolio we need proper foundations in place which gain traction over time.

Our current strategy

- Maintain momentum in Asset Management
- Internationalise and organically grow our Wealth & Investment business
- Leverage and enhance our online platforms
- Simplify the Specialist Banking business model
- Improve the returns within the Specialist Banking business
- Leverage our extensive client base through greater utilisation of our products and services across the group
- Continue to attract new clients, extending the depth and breadth of the franchise.

Our long-term internationalisation strategy

- Follow our customer base
- Gain domestic competence and critical mass in our chosen geographies
- Facilitate cross-border transactions and flow.

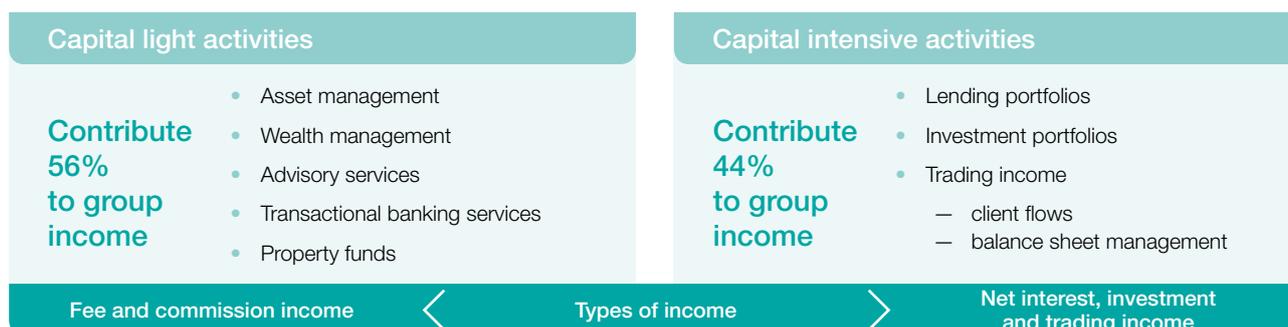
Our diversified and balanced business model supporting long-term strategy.

Broadly defined, we operate across three areas of specialisation focused on well defined target clients:



We aim to maintain an **appropriate balance** between revenue earned from operational risk activities and revenue earned from financial risk activities.

This ensures that we are **not over reliant** on any one part of our businesses to sustain our activities and that we have a large recurring revenue base that enables us to navigate through varying cycles and supports our long-term strategy.





1

Overview of results



Presentation of financial information

Introduction

Investec operates under a DLC structure with primary listings of Investec plc on the London Stock Exchange and Investec Limited on the JSE Limited.

In terms of the contracts constituting the DLC structure, Investec plc and Investec Limited effectively form a single economic enterprise in which the economic and voting rights of ordinary shareholders of the companies are maintained in equilibrium relative to each other. The directors of the two companies consider that for financial reporting purposes, the fairest presentation is achieved by combining the results and financial position of both companies.

Accordingly, the year-end results for Investec plc and Investec Limited present the results and financial position of the combined DLC group under International Financial Reporting Standards (IFRS), denominated in Pounds Sterling.

All references in this document to Investec or the group relate to the combined DLC group comprising Investec plc and Investec Limited.

Exchange rates

Our reporting currency is Pounds Sterling. Certain of our operations are conducted by entities outside the UK. The results of operations and the financial position of our individual companies are reported in the local currencies of the countries in which they are domiciled, including South African Rands, Australian Dollars, Euros and US Dollars. These results are then translated into Pounds Sterling at the applicable foreign currency exchange rates for inclusion in our combined consolidated financial results. In the case of the income statement, the weighted average rate for the relevant period is applied and, in the case of the balance sheet, the relevant closing rate is used.

The following table sets out the movements in certain relevant exchange rates against Pounds Sterling over the period.

Currency per £1.00	31 March 2015		31 March 2014	
	Period end	Average	Period end	Average
South African Rand	17.97	17.82	17.56	16.12
Australian Dollar	1.95	1.85	1.80	1.72
Euro	1.38	1.28	1.21	1.19
US Dollar	1.49	1.62	1.67	1.59

Exchange rates between local currencies and Pounds Sterling have fluctuated over the period. The most significant impact arises from the volatility of the Rand. The average Rand: Pounds Sterling exchange rate over the period has depreciated by 10.5% and the closing rate has depreciated by 2.3% since 31 March 2014.

Presentation of financial information (continued)

Operating environment

The table below provides an overview of some key statistics that should be considered when reviewing our operational performance.

	Period ended 31 March 2015	Period ended 31 March 2014	% change	Average over the period 1 April 2014 to 31 March 2015
Market indicators				
FTSE All share	3 664	3 556	3.0%	3 591
JSE All share	52 182	47 771	9.2%	50 611
Australia All ords	5 862	5 403	8.5%	5 494
S&P	2 068	1 872	10.5%	1 988
Nikkei	19 207	14 828	29.5%	16 256
Dow Jones	17 776	16 458	8.0%	17 180
Rates				
UK overnight	0.42%	0.33%		0.43%
UK 10 year	1.58%	2.74%		2.25%
UK clearing banks base rate	0.50%	0.50%		0.50%
LIBOR – three month	0.57%	0.52%		0.55%
SA R186	7.80%	8.40%		8.00%
Rand overnight	5.53%	5.33%		5.46%
SA prime overdraft rate	9.25%	9.00%		9.16%
JIBAR – three month	6.11%	5.73%		6.00%
Reserve Bank of Australia cash target rate	2.25%	2.50%		2.46%
US 10 year	1.93%	2.73%		2.34%
Commodities				
Gold	US\$1 188/oz	US\$1 289/oz	(7.8%)	US\$1 248/oz
Gas Oil	US\$526/mt	US\$904/mt	(41.8%)	US\$746/mt
Platinum	US\$1 129/oz	US\$1 418/oz	(20.4%)	US\$1 236/oz
Macro-economic				
UK GDP (% change over the period)	1.5%	2.1%		
UK per capita GDP (£)	27 770	26 731	3.9%	
South Africa GDP (% real growth over the calendar year in Rands, historical revised)	1.5%	2.2%		
South Africa per capita GDP (real value in Rands, historical revised)	56 122	56 044	0.1%	
Australia GDP (% change over the period)	2.5%	2.3%		
Australia per capita GDP (A\$)	68 102	67 061	1.6%	

Sources: Datastream, Bloomberg's, Office for National Statistics, SARB Quarterly Bulletin, Australian Bureau of Statistics.

Basis of presentation

Statutory basis

Salient statutory information is set out on pages 52 to 64. The sale of businesses during the financial year (as explained on page 13) have had a significant effect on the comparability of the group's financial position and results. As a result, comparison on a statutory basis of the 2015 results with 2014 would be less meaningful.

Ongoing basis

In order to present a more meaningful view of the group's performance, the results are presented on an ongoing basis excluding items that in management's view could distort the comparison of performance between periods. Based on this principle, the following items are excluded from underlying profit:

- The results of the businesses sold, i.e. Investec Bank (Australia) Limited, the UK Kensington business and the Irish Start mortgage business
- The remaining legacy business in the UK.

An analysis of the group's ongoing results is provided on pages 15 to 25. A reconciliation between the statutory and ongoing income statement is provided on page 16.

Overview of results

Unless the context indicates otherwise, all comparatives included in the commentary relate to the year-ended 31 March 2014. Group results have been negatively impacted by the depreciation of the Rand: Pounds Sterling exchange rate of 10.5% over the period. Amounts represented on a currency neutral basis for income statement items assume that the average exchange rates of the group's relevant exchange rates remain the same for the year to 31 March 2015 when compared to the year to 31 March 2014.

Delivering on the group's strategic objectives – continued to grow core franchises and simplified the Specialist Banking business through restructuring and strategic sales

- Continued investments in Asset

Management and Wealth & Investment platforms – supported net inflows in excess of £5.8 billion

- The core corporate banking franchise in both the UK and South Africa performed well, benefiting from increased client activity
- The Private Banking and Wealth & Investment businesses in South Africa further entrenched their position as one of the leading integrated private client businesses in the country, successfully launching a number of new products, broadening their client base and leveraging their global platform (One Place)
- The UK Private Banking business enhanced its offering through the launch of its Private Bank Account and the development of its online and digital platforms.
- Geographical and operational diversity continued to support a high recurring income base with a sound balance of earnings generated between capital light businesses and capital intensive businesses.

Statutory operating profit salient features

- Statutory operating profit before goodwill, acquired intangibles, non-operating items and taxation and after other non-controlling interests (operating profit) increased 9.4% to £493.2 million (2014: £450.7 million) – an increase of 18.0% on a currency neutral basis
- Statutory adjusted earnings per share (EPS) before goodwill, acquired intangibles and non-operating items increased 4.0% from 37.9 pence to 39.4 pence – an increase of 12.4% on a currency neutral basis
- The group posted a non-operating net loss after tax of £113.7 million on the sale of the businesses.

Solid performance from the ongoing business

- Ongoing operating profit increased 15.0% to £580.7 million (2014: £504.9 million) – an increase of 22.7% on a currency neutral basis
- Ongoing adjusted EPS before goodwill,

acquired intangibles and non-operating items increased 10.2% from 43.1 pence to 47.5 pence – an increase of 17.9% on a currency neutral basis

- Third party assets under management increased 13.7% to £124.1 billion (2014: £109.2 billion)
- Customer accounts (deposits) increased 7.3% to £22.6 billion (2014: £21.1 billion)
- Core loans and advances increased 15.4% to £16.5 billion (2014: £14.3 billion).

Continued to actively manage down the UK legacy portfolio

- The legacy portfolio reduced from £3.4 billion at 31 March 2014 to £0.7 billion largely through strategic sales (mentioned above), redemptions, write-offs and transfers to the ongoing book on the back of improved performance in these loans
- The legacy business reported a loss before taxation of £107.7 million (2014: £69.1 million) as the group accelerated the clearance of the portfolio, which resulted in an increase in impairments on these assets.

Maintained a sound balance sheet

- Capital remained well in excess of current regulatory requirements. Investec Limited should achieve a common equity tier 1 ratio target of above 10% by March 2016, and Investec plc already achieves this target. The group is comfortable with its common equity tier 1 ratio target at a 10% level, as its leverage ratios for both Investec Limited and Investec plc are well above 7%
- Liquidity remained strong with cash and near cash balances amounting to £10.0 billion.

Dividend increase of 5.3%

- The board proposes a final dividend of 11.5 pence per ordinary share equating

to a full year dividend of 20.0 pence (2014: 19.0 pence) resulting in a dividend cover based on the group's adjusted EPS before goodwill and non-operating items of 2.0 times (2014: 2.0 times), consistent with the group's dividend policy.

Overall group performance – ongoing basis

Operating profit before goodwill, acquired intangibles, non-operating items and taxation and after other non-controlling interests (operating profit) increased 15.0% to £580.7 million (2014: £504.9 million) – an increase of 22.6% on a currency neutral basis. Group results have been negatively impacted by the depreciation of the average Rand: Pounds Sterling exchange rate of 10.5% over the period. The combined South African businesses reported operating profit 28.7% ahead of the prior period in Rands, whilst the combined UK and Other businesses posted a 11.7% increase in operating profit in Pounds Sterling.

Wealth & Investment's operating profit increased by 19.2%. Asset Management reported operating profit 3.6% ahead of the prior period. Both divisions benefited from higher levels of average funds under management and net inflows. Operating profit in the Specialist Banking business increased 18.4% largely due to strong performances from the South African banking business and the UK Corporate and Institutional business, negatively impacted by a poor performance from the Hong Kong investment portfolio.

Salient features of the year under review are:

- Adjusted earnings attributable to shareholders before goodwill, acquired intangibles and non-operating items increased 10.2% to £409.9 million (2014: £371.9 million) – an increase of 17.9% on a currency neutral basis
- Adjusted EPS before goodwill, acquired intangibles and non-operating items increased 10.2% from 43.1 pence to 47.5 pence – an increase of 17.9% on a currency neutral basis
- Recurring income as a percentage of total operating income amounted to 71.9% (2014: 67.9%)

- The credit loss charge as a percentage of average gross core loans and advances amounted to 0.26% (2014: 0.42%), with impairments decreasing by 38.8% to £39.4 million
- Third party assets under management increased 13.7% to £124.1 billion (2014: £109.2 billion)
- Customer accounts (deposits) increased 7.3% to £22.6 billion (2014: £21.1 billion)
- Core loans and advances increased 15.4% to £16.5 billion (2014: £14.3 billion).

Business unit review – ongoing basis

Asset Management

Asset Management increased operating profit by 3.6% to £149.0 million (2014: £143.8 million) benefiting from higher average funds under management and net inflows of £3.1 billion. Total funds under management amount to £77.5 billion (2014: £68.0 billion). Operating margin has remained in line with the prior year at 34.2%.

Wealth & Investment

Wealth & Investment's operating profit increased by 19.2% to £78.8 million (2014: £66.1 million) supported by higher average funds under management, net inflows of £2.7 billion and improved operating margins. Total funds under management amount to £46.1 billion (2014: £40.1 billion). The division in the UK has benefited from the investment in its platforms and the employment of additional professional investment managers. The business in South Africa has continued to successfully leverage off the division's global investment platform and the group's integrated Private Client offering (One Place).

Specialist Banking

Specialist Banking operating profit increased by 18.4% to £392.3 million (2014: £331.4 million).

South Africa reported a strong increase in net interest income driven by loan book growth and a positive endowment impact. The unlisted investment portfolio performed well during the period. The group continued to grow its professional finance business and the investment and trading property portfolios delivered a sound performance.

Corporate activity remained broadly in line with the prior period. The business reported a decline in impairments with the credit loss ratio on average core loans and advances improving to 0.28% (2014: 0.42%).

The UK and Other businesses reported an improvement in its cost of funding and experienced strong growth in corporate fees, notably in the corporate finance and corporate treasury teams. Loan book growth was solid and impairments declined over the year, with the credit loss ratio amounting to 0.20% (2014: 0.50%). Results were negatively impacted by lower returns earned on the Hong Kong investment portfolio.

Further information on key developments within each of the business units is provided on pages 27 to 50.

Group costs

These largely relate to group brand and marketing costs and a portion of executive and support functions which are associated with group level activities. These costs are not incurred by the operating divisions and are necessary to support the operational functioning of the group. Historically, these numbers were reflected solely in the results of the Specialist Bank and the group has now decided to reflect these separately. These costs amounted to £39.3 million (2014: £36.4 million).

Financial statement analysis – ongoing basis

Total operating income

Total operating income before impairment losses on loans and advances increased by 5.5% to £1 887.1 million (2014: £1 789.1 million).

Net interest income increased by 8.9% to £539.0 million (2014: £495.0 million) largely due to book growth, lower cost of funding in the UK and a positive endowment impact in South Africa.

Net fee and commission income increased by 12.5% to £1 090.4 million (2014: £969.5 million) as a result of higher average funds under management and net inflows in the asset management and wealth management businesses. The Specialist Banking business benefited from a solid performance from the corporate finance and corporate treasury businesses, notably in the UK, and the Private Banking business in South Africa continued to perform well.

Investment income decreased by 19.4% to £151.8 million (2014: £188.4 million). The group's unlisted investment portfolio in the UK and South Africa delivered a solid performance. This was offset, however, by a poor performance from the Hong Kong portfolio.

Trading income arising from customer flow increased by 3.0% to £106.6 million (2014: £103.5 million) whilst trading income from other trading activities reflected a loss of £13.0 million (2014: profit of £14.2 million) due to foreign currency losses largely offset in non-controlling interests as discussed below.

Other operating income includes associate income and income earned on an operating lease portfolio.

Impairment losses on loans and advances

Impairments on loans and advances decreased from £64.3 million to £39.4 million. Since 31 March 2014 gross defaults have improved from £256.4 million to £247.1 million. The percentage of default loans (net of impairments but before taking collateral into account) to core loans and advances amounted to 0.84% (2014: 1.01%).

Operating costs

The ratio of total operating costs to total operating income was 66.5% (2014: 67.5%). Total operating costs grew by 4.2% to £1 254.0 million (2014: £1 203.6 million) reflecting: an increase in headcount in the asset management and wealth management businesses to support growth initiatives; inflationary increases in fixed costs in the Specialist Bank in home currencies; an increase in variable remuneration given increased profitability in certain businesses; and a reduction in costs arising from the restructure of the remaining Australian businesses.

Taxation

The effective tax rate amounts to 19.6% (2014: 17.1%).

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests mainly comprises:

- £18.2 million profit attributable to non-controlling interests in the Asset Management business

- £31.7 million profit attributable to non-controlling interests in the Investec Property Fund Limited
- A reduction of £20.7 million relating to Euro-denominated preferred securities issued by a subsidiary of Investec plc, which are reflected on the balance sheet as part of non-controlling interests. (The transaction is hedged and a forex transaction loss arising on the hedge is reflected in operating profit before goodwill with the equal and opposite impact reflected in earnings attributable to non-controlling interests.)

Balance sheet analysis

Since 31 March 2014:

- Total shareholders' equity (including non-controlling interests) increased by 0.6% to £4.0 billion
- Net asset value per share decreased 3.0% to 364.9 pence and net tangible asset value per share (which excludes goodwill and intangible assets) decreased by 0.3% to 308.1 pence
- The return on adjusted average shareholders' equity of the ongoing business increased from 13.1% to 13.8%.

Liquidity and funding

As at 31 March 2015 the group held £10.0 billion in cash and near cash balances (£5.0 billion in Investec plc and R88.7 billion in Investec Limited) which amounted to 38.2% of its liability base. Loans and advances to customers as a percentage of customer deposits amounted to 74.0% (2014: 72.0%).

The group has significant surplus cash in its UK business following the sale of Kensington, and the group is actively focusing on reducing both cash and liquidity back to normalised levels through asset growth and further liability management, while maintaining its overall conservative approach to liquidity risk management. The group comfortably meets Basel liquidity requirements for the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) in the UK. In South Africa, the group continued to build its structural liquidity cash resources to improve its Basel III LCR in light of regulations which were implemented from 1 January 2015.

Investec Bank Limited (solo basis) ended the year with the three-month average of its LCR at 100.3%, which is well ahead of the minimum levels required. Further detail with respect to the bank's LCR ratio in South Africa is provided on the website.

Capital adequacy and leverage ratios

The group is targeting a minimum common equity tier one capital ratio above 10% by March 2016 and a total capital adequacy ratio range of 14% to 17% on a consolidated basis for each of Investec plc and Investec Limited respectively. Further information is provided on pages 83 to 90.

Legacy business – overview of results

The group's legacy portfolio in the UK has been actively managed down from £3.4 billion at 31 March 2014 to £0.7 billion largely through strategic sales (mentioned above), redemptions, write-offs and transfers (at the end of the period) to the ongoing book on the back of improved performance in these loans. The total legacy business over the period reported a loss before taxation of £107.7 million (2014: £69.1 million) as the group accelerated the clearance of the portfolio, which resulted in an increase in impairments on these assets. The remaining legacy portfolio will continue to be managed down as the group sees opportunities to clear the portfolio. Management believe that the remaining legacy book will still take three to five years to wind down. Total net defaults in the legacy book amount to £218 million.

Outlook

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.

Notes to the commentary section above

Sale of Investec Bank (Australia) Limited

The sale of Investec Bank (Australia) Limited's Professional Finance and Asset Finance and Leasing businesses and its deposit book to Bank of Queensland Limited was effective 31 July 2014 for cash proceeds of £122 million. This has resulted in the derecognition of approximately £1.7 billion of assets and approximately £1.7 billion of liabilities associated with the businesses sold. The group continues to have a presence in Australia, focusing on its core activities of Specialised Finance, Corporate Advisory, Property Fund Management and Asset Management. The remaining business will operate as a non-banking subsidiary of the Investec group. As a result, the group has decided to no longer report the activities of its Australian businesses separately with these activities now reported under the UK and Other geographical segment and the UK and Other Specialist Banking segment.

Sales of Kensington Group plc and Start Mortgage Holdings Limited

On 9 September 2014 the group announced the sale of its UK intermediated mortgage business Kensington Group plc (Kensington) together with certain other Investec mortgage assets to funds managed by Blackstone Tactical Opportunities Advisors L.L.C. and TPG Special Situations Partners for £180 million in cash based on a tangible net asset value of the business of £165 million at 31 March 2014. This transaction became effective on 30 January 2015.

On 15 September 2014 the group announced the sale of its Irish intermediated mortgage business Start Mortgage Holdings Limited (Start) together with certain other Irish mortgage assets to an affiliate of Lone Star Funds. This transaction became effective on 4 December 2014.

On behalf of the boards of Investec plc and Investec Limited



Fani Titi
Chairman



Stephen Koseff
Chief executive officer



Bernard Kantor
Managing director

20 May 2015

This has resulted in the derecognition of approximately £4.1 billion of assets and approximately £2 billion of external liabilities associated with these businesses sold.

A net loss on sale of these subsidiaries was recorded

The loss on sale of subsidiaries reflected in the statutory income statement comprises a net profit on the sale of Investec Bank (Australia) Limited offset by a net loss on the sale of the Kensington UK and Start Irish operations.

The net loss after taxation can be analysed further as follows:

	£'million
Net loss before goodwill and taxation	(28.1)
Goodwill	(64.9)
Net loss on sale of subsidiaries	(93.0)
Related tax expense	(20.7)
Net loss after tax	(113.7)

Accounting policies and disclosures

These unaudited summarised combined consolidated financial results have been prepared in terms of the recognition and measurement criteria of International Financial Reporting Standards, and the presentation and disclosure requirements of IAS 34 (Interim Financial Reporting).

The accounting policies applied in the preparation of the results for the year ended 31 March 2015 are consistent with those adopted in the financial statements for the year ended 31 March 2014, except as noted below.

IFRIC 21 'Levies'

The group has adopted IFRIC 21 'Levies' from 1 April 2014.

The cumulative impact of the restatement as at 31 March 2013 is a decrease in operating costs and other liabilities of £4.7 million and an increase in taxation on operating

profit before goodwill and deferred taxation liabilities of £1.0 million. The net impact on retained income at 31 March 2014 is an increase of £2.8 million.

The financial results have been prepared under the supervision of Glynn Burger, the group risk and finance director. The financial statements for the year ended 31 March 2015 will be posted to stakeholders on 30 June 2015. These accounts will be available on the group's website on the same day.

Proviso

- Please note that matters discussed in this report 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; and
 - market related risks.
- 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 the markets in which it operates to differ from those expressed or implied
- Any forward looking statements made are based on the knowledge of the group at 20 May 2015
- The information in the report for the year ended 31 March 2015, which was approved by the board of directors on 20 May 2015, does not constitute statutory accounts as defined in section 435 of the UK Companies Act 2006. The 31 March 2014 financial statements were filed with the registrar and were unqualified with the audit report containing no statements in respect of sections 498(2) or 498(3) of the UK Companies Act
- This report is available on the group's website: www.investec.com



2

Unaudited ongoing financial results



Consolidated summarised ongoing income statement

For the year to £'000	31 March 2015	31 March 2014	Variance	% change
Net interest income	539 041	495 043	43 998	8.9%
Net fee and commission income	1 090 435	969 517	120 918	12.5%
Investment income	151 848	188 366	(36 518)	(19.4%)
Trading income arising from				
– customer flow	106 588	103 514	3 074	3.0%
– balance sheet management and other trading activities	(13 041)	14 158	(27 199)	(192.1%)
Other operating income	12 188	18 464	(6 276)	(34.0%)
Total operating income before impairment losses on loans and advances	1 887 059	1 789 062	97 997	5.5%
Impairment losses on loans and advances	(39 352)	(64 326)	24 974	(38.8%)
Operating income	1 847 707	1 724 736	122 971	7.1%
Operating costs	(1 254 009)	(1 203 551)	(50 458)	4.2%
Depreciation on operating leased assets	(1 294)	(5 446)	4 152	(76.2%)
Operating profit before goodwill and acquired intangibles	592 404	515 739	76 665	14.9%
Profit attributable to other non-controlling interests	(11 701)	(10 849)	(852)	7.9%
Profit attributable to Asset Management non-controlling interests	(18 184)	(11 031)	(7 153)	(64.8%)
Operating profit before taxation	562 519	493 859	68 660	13.9%
Taxation	(116 182)	(88 181)	(28 001)	(31.8%)
Preference dividends accrued	(36 427)	(33 812)	(2 615)	(7.7%)
Adjusted attributable earnings to ordinary shareholders	409 910	371 866	38 044	10.2%
Number of weighted average shares (million)	862.7	862.6		
Adjusted earnings per share (pence)	47.5	43.1		10.2%
Cost to income ratio	66.5%	67.5%		

Reconciliation from statutory summarised income statement to ongoing summarised income statement

For the year to 31 March 2015 £'000	Statutory as disclosed [^]	Removal of: ^{**}			Ongoing business
		UK legacy business excluding sale assets	Sale assets UK	Sale assets Australia	
Net interest income	634 977	12 526	71 143	12 267	539 041
Net fee and commission income	1 089 043	756	(4 876)	2 728	1 090 435
Investment income	128 334	(16 204)	(5 443)	(1 867)	151 848
Trading income arising from					
– customer flow	106 313	350	(415)	(210)	106 588
– balance sheet management and other trading activities	(13 424)	19	(248)	(154)	(13 041)
Other operating income	12 236	–	–	48	12 188
Total operating income before impairment losses on loans and advances	1 957 479	(2 553)	60 161	12 812	1 887 059
Impairment losses on loans and advances	(128 381)	(83 468)	(4 085)	(1 476)	(39 352)
Operating income	1 829 098	(86 021)	56 076	11 336	1 847 707
Operating costs	(1 322 705)	(21 648)	(34 245)	(12 803)	(1 254 009)
Depreciation on operating leased assets	(1 535)	–	(241)	–	(1 294)
Operating profit before goodwill and acquired intangibles	504 858	(107 669)	21 590	(1 467)	592 404
Profit attributable to Asset Management non-controlling interests	(18 184)	–	–	–	(18 184)
Profit attributable to other non-controlling interests	(11 701)	–	–	–	(11 701)
Operating profit before taxation	474 973	(107 669)	21 590	(1 467)	562 519
Taxation [*]	(99 023)	21 103	(4 232)	288	(116 182)
Preference dividends accrued	(36 427)	–	–	–	(36 427)
Adjusted attributable earnings to ordinary shareholders	339 523	(86 566)	17 358	(1 179)	409 910
Number of weighted average shares (million)	862.7				862.7
Adjusted earnings per share (pence)	39.4				47.5
Cost to income ratio	67.6%				66.5%

* Applying the group's effective taxation rate of 19.6%.

[^] Refer to page 52.

^{**} Where:

- The UK legacy business is as described on pages 47 and 48.
- Sale assets UK refer to the sale of Kensington and Start as discussed on page 13.
- Sale assets Australia refer to the sale of Investec (Bank) Australia Limited as discussed on page 13.

Reconciliation from statutory summarised income statement to ongoing summarised income statement (continued)

For the year to 31 March 2014 £'000	Statutory as disclosed [^]	Removal of: ^{**}			Ongoing business
		UK legacy business excluding sale assets	Sale assets UK	Sale assets Australia	
Net interest income	651 679	19 355	94 715	42 566	495 043
Net fee and commission income	989 421	8 981	749	10 174	969 517
Investment income	166 809	(11 793)	(9 764)	–	188 366
Trading income arising from					
– customer flow	103 914	695	(625)	330	103 514
– balance sheet management and other trading activities	10 587	(1 762)	(875)	(934)	14 158
Other operating income	18 554	–	–	90	18 464
Total operating income before impairment losses on loans and advances	1 940 964	15 476	84 200	52 226	1 789 062
Impairment losses on loans and advances	(166 152)	(59 157)	(38 898)	(3 771)	(64 326)
Operating income	1 774 812	(43 681)	45 302	48 455	1 724 736
Operating costs	(1 307 243)	(25 370)	(41 136)	(37 186)	(1 203 551)
Depreciation on operating leased assets	(6 044)	–	(598)	–	(5 446)
Operating profit before goodwill and acquired intangibles	461 525	(69 051)	3 568	11 269	515 739
Profit attributable to Asset Management non-controlling interests	(11 031)	–	–	–	(11 031)
Profit attributable to other non-controlling interests	(10 849)	–	–	–	(10 849)
Operating profit before taxation	439 645	(69 051)	3 568	11 269	493 859
Taxation [*]	(78 910)	11 808	(610)	(1 927)	(88 181)
Preference dividends accrued	(33 812)	–	–	–	(33 812)
Adjusted attributable earnings to ordinary shareholders	326 923	(57 243)	2 958	9 342	371 866
Number of weighted average shares (million)	862.6				862.6
Adjusted earnings per share (pence)	37.9				43.1
Cost to income ratio	67.6%				67.5%

* Applying the group's effective taxation rate of 17.1%.

[^] Refer to page 52.

^{**} Where:

- The UK legacy business is as described on pages 47 and 48.
- Sale assets UK refer to the sale of Kensington and Start as discussed on page 13.
- Sale assets Australia refer to the sale of Investec (Bank) Australia Limited as discussed on page 13.

Reconciliation from statutory summarised income statement to ongoing summarised income statement for the UK and Other Specialist Banking

For the year to 31 March 2015 £'000	UK and Other Specialist Banking statutory as disclosed [^]	Removal of: ^{**}			UK and Other Specialist Banking ongoing business
		UK legacy business excluding sale assets	Sale assets UK	Sales assets Australia	
Net interest income	320 973	12 526	71 143	12 267	225 037
Net fee and commission income	225 325	756	(4 876)	2 728	226 717
Investment income	(5 696)	(16 204)	(5 443)	(1 867)	17 818
Trading income arising from					
– customer flow	87 364	350	(415)	(210)	87 639
– balance sheet management and other trading activities	(30 043)	19	(248)	(154)	(29 660)
Other operating income	9 227	–	–	48	9 179
Total operating income before impairment losses on loans and advances	607 150	(2 553)	60 161	12 812	536 730
Impairment losses on loans and advances	(102 707)	(83 468)	(4 085)	(1 476)	(13 678)
Operating income	504 443	(86 021)	56 076	11 336	523 052
Operating costs	(477 969)	(21 648)	(34 245)	(12 803)	(409 273)
Depreciation on operating leased assets	(1 535)	–	(241)	–	(1 294)
Operating profit before goodwill and acquired intangibles	24 939	(107 669)	21 590	(1 467)	112 485
Profit attributable to other non-controlling interests	16 856	–	–	–	16 856
Operating profit before taxation	41 795	(107 669)	21 590	(1 467)	129 341

For the year to 31 March 2014 £'000	UK and Other Specialist Banking statutory as disclosed [^]	Removal of: ^{**}			UK and Other Specialist Banking ongoing business
		UK legacy business excluding sale assets	Sale assets UK	Sales assets Australia	
Net interest income	348 470	19 355	94 715	42 566	191 834
Net fee and commission income	172 195	8 981	749	10 174	152 291
Investment income	97 224	(11 793)	(9 764)	–	118 781
Trading income arising from					
– customer flow	76 655	695	(625)	330	76 255
– balance sheet management and other trading activities	(6 922)	(1 762)	(875)	(934)	(3 351)
Other operating income	14 910	–	–	90	14 820
Total operating income before impairment losses on loans and advances	702 532	15 476	84 200	52 226	550 630
Impairment losses on loans and advances	(126 911)	(59 157)	(38 898)	(3 771)	(25 085)
Operating income	575 621	(43 681)	45 302	48 455	525 545
Operating costs	(505 020)	(25 370)	(41 136)	(37 186)	(401 328)
Depreciation on operating leased assets	(6 044)	–	(598)	–	(5 446)
Operating profit before goodwill and acquired intangibles	64 557	(69 051)	3 568	11 269	118 771
Profit attributable to other non-controlling interests	2 720	–	–	–	2 720
Operating profit before taxation	67 277	(69 051)	3 568	11 269	121 491

[^] Refer to page 52.

^{**} Where:

- The UK legacy business is as described on pages 47 and 48.
- Sale assets UK refer to the sale of Kensington and Start as discussed on page 13.
- Sale assets Australia refer to the sale of Investec (Bank) Australia Limited as discussed on page 13.

Segmental geographical and business analysis of operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests – ongoing business

For the year to 31 March 2015 £'000	UK and Other	Southern Africa	Total group	% change	% of total
Asset Management	75 491	73 484	148 975	3.6%	25.7%
Wealth & Investment	56 871	21 910	78 781	19.2%	13.6%
Specialist Banking	129 341	262 918	392 259	18.4%	67.5%
	261 703	358 312	620 015	14.5%	106.8%
Group costs	(30 048)	(9 264)	(39 312)	7.9%	(6.8%)
Total group	231 655	349 048	580 703	15.0%	100.0%
Other non-controlling interest – equity			11 701		
Operating profit			592 404		
% change	11.7%	17.4%	15.0%		
% of total	39.9%	60.1%	100.0%		

For the year to 31 March 2014 £'000	UK and Other	Southern Africa	Total group	% of total
Asset Management	67 585	76 234	143 819	28.5%
Wealth & Investment	46 065	20 034	66 099	13.1%
Specialist Banking	121 491	209 925	331 416	65.6%
	235 141	306 193	541 334	107.2%
Group costs	(27 672)	(8 772)	(36 444)	(7.2%)
Total group	207 469	297 421	504 890	100%
Other non-controlling interest – equity			10 849	
Operating profit			515 739	
% of total	41.1%	58.9%	100.0%	

A reconciliation of the UK and Other Specialist Banking's operating profit: ongoing vs statutory basis

£'000	31 March 2015	31 March 2014	% change
Total ongoing UK and Other Specialist Banking per above	129 341	121 491	6.5%
UK legacy remaining	(107 669)	(69 051)	55.9%
UK sale assets	21 590	3 568	> 100.0%
Australian sale assets	(1 467)	11 269	> 100.0%
Total UK and Other Specialist Banking per statutory accounts	41 795	67 277	(37.9%)

Ongoing segmental business and geographic analysis – summarised income statement

For the year to 31 March 2015 £'000	Asset Management			Wealth & Investment		
	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total
Net interest income	300	4 007	4 307	6 209	347	6 556
Net fee and commission income	267 111	161 444	428 555	238 661	61 002	299 663
Investment income	–	22	22	3 486	637	4 123
Trading income arising from						
– customer flow	–	–	–	895	129	1 024
– balance sheet management and other trading activities	1 501	(16)	1 485	356	218	574
Other operating income	136	1 554	1 690	1 276	1	1 277
Total operating income before impairment losses on loans and advances	269 048	167 011	436 059	250 883	62 334	313 217
Impairment losses on loans and advances	–	–	–	–	–	–
Operating income	269 048	167 011	436 059	250 883	62 334	313 217
Operating costs	(193 557)	(93 527)	(287 084)	(194 012)	(40 424)	(234 436)
Depreciation on operating leased assets	–	–	–	–	–	–
Operating profit before goodwill and acquired intangibles	75 491	73 484	148 975	56 871	21 910	78 781
Profit attributable to other non-controlling interests	–	–	–	–	–	–
Operating profit before goodwill, acquired intangibles and after other non-controlling interests	75 491	73 484	148 975	56 871	21 910	78 781
Profit attributable to Asset Management non-controlling interests	(10 053)	(8 131)	(18 184)	–	–	–
Operating profit before goodwill, acquired intangibles and after non-controlling interests	65 438	65 353	130 791	56 871	21 910	78 781
Selected returns and key statistic						
Cost to income ratio	71.9%	56.0%	65.8%	77.3%	64.9%	74.8%

	Specialist Banking			Group costs			Total group
	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	
	225 037	303 141	528 178	-	-	-	539 041
	226 717	135 500	362 217	-	-	-	1 090 435
	17 818	129 885	147 703	-	-	-	151 848
	87 639	17 925	105 564	-	-	-	106 588
	(29 660)	14 560	(15 100)	-	-	-	(13 041)
	9 179	42	9 221	-	-	-	12 188
	536 730	601 053	1 137 783	-	-	-	1 887 059
	(13 678)	(25 674)	(39 352)	-	-	-	(39 352)
	523 052	575 379	1 098 431	-	-	-	1 847 707
	(409 273)	(283 904)	(693 177)	(30 048)	(9 264)	(39 312)	(1 254 009)
	(1 294)	-	(1 294)	-	-	-	(1 294)
	112 485	291 475	403 960	(30 048)	(9 264)	(39 312)	592 404
	16 856	(28 557)	(11 701)	-	-	-	(11 701)
	129 341	262 918	392 259	(30 048)	(9 264)	(39 312)	580 703
	-	-	-	-	-	-	(18 184)
	129 341	262 918	392 259	(30 048)	(9 264)	(39 312)	562 519
	76.4%	47.2%	60.9%	n/a	n/a	n/a	66.5%

Ongoing segmental business and geographic analysis

– summarised income statement (continued)

For the year to 31 March 2014 £'000	Asset Management			Wealth & Investment		
	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total
Net interest income	277	3 641	3 918	7 987	(130)	7 857
Net fee and commission income	244 962	164 379	409 341	217 413	57 964	275 377
Investment income	–	28	28	1 875	308	2 183
Trading income arising from						
– customer flow	–	–	–	389	935	1 324
– balance sheet management and other trading activities	(2 314)	332	(1 982)	(72)	130	58
Other operating income	(129)	3 004	2 875	1 232	2	1 234
Total operating income before impairment losses on loans and advances	242 796	171 384	414 180	228 824	59 209	288 033
Impairment losses on loans and advances	–	–	–	–	–	–
Operating income	242 796	171 384	414 180	228 824	59 209	288 033
Operating costs	(175 211)	(95 150)	(270 361)	(182 759)	(39 175)	(221 934)
Depreciation on operating leased assets	–	–	–	–	–	–
Operating profit before goodwill and acquired intangibles	67 585	76 234	143 819	46 065	20 034	66 099
Profit attributable to other non-controlling interests	–	–	–	–	–	–
Operating profit before goodwill, acquired intangibles and after other non-controlling interests	67 585	76 234	143 819	46 065	20 034	66 099
Profit attributable to Asset Management non-controlling interests	(5 535)	(5 496)	(11 031)	–	–	–
Operating profit before goodwill, acquired intangibles and after non-controlling interests	62 050	70 738	132 788	46 065	20 034	66 099
Selected returns and key statistic						
Cost to income ratio	72.2%	55.5%	65.3%	79.9%	66.2%	77.1%

	Specialist Banking			Group costs			Total group
	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	
	191 834	291 434	483 268	–	–	–	495 043
	152 291	132 508	284 799	–	–	–	969 517
	118 781	67 374	186 155	–	–	–	188 366
	76 255	25 935	102 190	–	–	–	103 514
	(3 351)	19 433	16 082	–	–	–	14 158
	14 820	(465)	14 355	–	–	–	18 464
	550 630	536 219	1 086 849	–	–	–	1 789 062
	(25 085)	(39 241)	(64 326)	–	–	–	(64 326)
	525 545	496 978	1 022 523	–	–	–	1 724 736
	(401 328)	(273 484)	(674 812)	(27 672)	(8 772)	(36 444)	(1 203 551)
	(5 446)	–	(5 446)	–	–	–	(5 446)
	118 771	223 494	342 265	(27 672)	(8 772)	(36 444)	515 739
	2 720	(13 569)	(10 849)	–	–	–	(10 849)
	121 491	209 925	331 416	(27 672)	(8 772)	(36 444)	504 890
	–	–	–	–	–	–	(11 031)
	121 491	209 925	331 416	(27 672)	(8 772)	(36 444)	493 859
	73.6%	51.0%	62.4%	n/a	n/a	n/a	67.5%

Ongoing segmental geographic analysis – summarised income statement

For the year to £'000	31 March 2015			31 March 2014		
	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total
Net interest income	231 546	307 495	539 041	200 098	294 945	495 043
Net fee and commission income	732 489	357 946	1 090 435	614 666	354 851	969 517
Investment income	21 304	130 544	151 848	120 656	67 710	188 366
Trading income arising from						
– customer flow	88 534	18 054	106 588	76 644	26 870	103 514
– balance sheet management and other trading activities	(27 803)	14 762	(13 041)	(5 737)	19 895	14 158
Other operating income	10 591	1 597	12 188	15 923	2 541	18 464
Total operating income before impairment losses on loans and advances	1 056 661	830 398	1 887 059	1 022 250	766 812	1 789 062
Impairment losses on loans and advances	(13 678)	(25 674)	(39 352)	(25 085)	(39 241)	(64 326)
Operating income	1 042 983	804 724	1 847 707	997 165	727 571	1 724 736
Operating costs	(826 890)	(427 119)	(1 254 009)	(786 970)	(416 581)	(1 203 551)
Depreciation on operating leased assets	(1 294)	–	(1 294)	(5 446)	–	(5 446)
Operating profit before goodwill and acquired intangibles	214 799	377 605	592 404	204 749	310 990	515 739
Profit attributable to other non-controlling interests	16 856	(28 557)	(11 701)	2 720	(13 569)	(10 849)
Operating profit before goodwill, acquired intangibles and after other non-controlling interests	231 655	349 048	580 703	207 469	297 421	504 890
Profit attributable to Asset Management non-controlling interests	(10 053)	(8 131)	(18 184)	(5 535)	(5 496)	(11 031)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	221 602	340 917	562 519	201 934	291 925	493 859

A reconciliation of core loans and advances: statutory basis and ongoing basis

	Removal of:**				
	Statutory as disclosed [^]	UK legacy business excluding sale assets	Sale assets UK	Sale assets Australia	Ongoing business
31 March 2015 (£'000)					
Gross core loans and advances to customers	17 440 985	871 491	–	–	16 569 494
Total impairments	(252 075)	(142 871)	–	–	(109 204)
Portfolio impairments	(43 727)	–	–	–	(43 727)
Specific impairments	(208 348)	(142 871)	–	–	(65 477)
Net core loans and advances to customers	17 188 910	728 620	–	–	16 460 290
31 March 2014 (£'000)					
Gross core loans and advances to customers	17 421 930	1 257 077	427 690	1 363 146	14 374 017
Total impairments	(264 563)	(150 636)	(54)	(2 086)	(111 787)
Portfolio impairments	(26 337)	–	–	–	(26 337)
Specific impairments	(238 226)	(150 636)	(54)	(2 086)	(85 450)
Net core loans and advances to customers	17 157 367	1 106 440	427 636	1 361 060	14 262 230

[^] Refer to page 97.

** Where:

- The UK legacy business is as described on pages 47 and 48, adjusted for the transfer of assets to the ongoing business.
- Sale assets UK refer to the sale of Kensington and Start as discussed on page 13.
- Sale assets Australia refer to the sale of Investec (Bank) Australia Limited as discussed on page 13.

An analysis of ongoing core loans and advances to customers and asset quality by geography – ongoing business

	UK and Other		Southern Africa		Total group	
£'000	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Gross core loans and advances to customers	6 378 070	5 367 654	10 191 424	9 006 363	16 569 494	14 374 017
Total impairments	(45 573)	(40 527)	(63 631)	(71 260)	(109 204)	(111 787)
Portfolio impairments	(34 182)	(16 437)	(9 545)	(9 900)	(43 727)	(26 337)
Specific impairments	(11 391)	(24 090)	(54 086)	(61 360)	(65 477)	(85 450)
Net core loans and advances to customers	6 332 497	5 327 127	10 127 793	8 935 103	16 460 290	14 262 230
Average gross core loans and advances to customers	5 872 862	5 055 817	9 598 894	9 634 116	15 471 756	14 689 933
Current loans and advances to customers	6 237 545	5 153 666	9 916 754	8 724 114	16 154 299	13 877 780
Past due loans and advances to customers (1-60 days)	71 669	92 662	29 343	42 504	101 012	135 166
Special mention loans and advances to customers	30 013	66 595	37 080	38 042	67 093	104 637
Default loans and advances to customers	38 843	54 731	208 247	201 703	247 090	256 434
Gross core loans and advances to customers	6 378 070	5 367 654	10 191 424	9 006 363	16 569 494	14 374 017
Total income statement charge for impairments on core loans and advances	(11 993)	(25 085)	(27 359)	(39 241)	(39 352)	(64 326)
Gross default loans and advances to customers	38 843	54 731	208 247	201 703	247 090	256 434
Specific impairments	(11 391)	(24 090)	(54 086)	(61 360)	(65 477)	(85 450)
Portfolio impairments	(34 182)	(16 437)	(9 545)	(9 900)	(43 727)	(26 337)
Defaults net of impairments before collateral held	(6 730)	14 204	144 616	130 443	137 886	144 647
Collateral and other credit enhancements	12 297	31 401	207 561	202 153	219 858	233 554
Net default loans and advances to customers (limited to zero)	–	–	–	–	–	–
Ratios:						
Total impairments as a % of gross core loans and advances to customers	0.71%	0.76%	0.62%	0.79%	0.66%	0.78%
Total impairments as a % of gross default loans	117.33%	74.05%	30.56%	35.33%	44.20%	43.59%
Gross defaults as a % of gross core loans and advances to customers	0.61%	1.02%	2.04%	2.24%	1.49%	1.78%
Defaults (net of impairments) as a % of net core loans and advances to customers	–	0.27%	1.43%	1.46%	0.84%	1.01%
Net defaults as a % of net core loans and advances to customers	–	–	–	–	–	–
Credit loss ratio (i.e. income statement impairment charge on core loans as a % of average gross core loans and advances)	0.20%	0.50%	0.28%	0.42%	0.25%	0.44%

3

Divisional and segmental review



Group divisional structure

Investec is a focused specialist bank and asset manager striving to be distinctive in all that it does

Our strategic goals and objectives are motivated by the desire to develop an efficient and integrated business on an international scale through the active pursuit of clearly established core competencies in our principal business areas. Our core philosophy has been to build well-defined, value-added businesses focused on serving the needs of select market niches where we can compete effectively.

We seek to maintain an appropriate balance between revenue earned from operational risk businesses and revenue earned from

financial risk businesses. This ensures that we are not over reliant on any one part of our business to sustain our activities and that we have a large recurring revenue base that enables us to navigate through varying cycles and to support our long-term growth objectives.

Our current strategic objectives include increasing the proportion of our non-lending revenue base which we largely intend to achieve through the continued strengthening and development of our Wealth and Asset Management businesses.

Asset Management

What we do

4Factor™ equities
Quality
Frontier and emerging market equities
Value
Commodities and resources
Emerging market fixed income
Multi-Asset

Where we operate

Africa
Americas and Japan
Asia Pacific
Europe
UK

Wealth & Investment

What we do

Portfolio management
Stockbroking
Alternative investments
Investment advisory services
Electronic trading services
Retirement portfolios

Where we operate

Southern Africa
UK and Europe

Specialist Banking

What we do

Property activities
Private Banking activities
Corporate Advisory and Investment activities
Corporate and Institutional Banking activities
Group Services and Other activities

Where we operate

Australia
Canada
Hong Kong
India
Southern Africa
UK and Europe
USA

Integrated global management structure

Global roles

Chief executive officer Managing director		Stephen Koseff Bernard Kantor		Executive director Group risk and finance director		Hendrik du Toit Glynn Burger	
Geographical business leaders		Specialist Banking	Property activities Sam Hackner	Asset Management	Support structures	Banking and institutions David Lawrence	
	South Africa Andy Leith Glynn Burger		Private Banking activities Ciaran Whelan			Hendrik du Toit	Chief integrating officer Allen Zimbler
			United Kingdom David van der Walt Steve Elliott	Corporate Advisory and Investment activities Andy Leith	Wealth & Investment	Corporate governance and compliance Bradley Tapnack	
		Corporate and Institutional Banking activities David van der Walt				Marketing Raymond van Niekerk	Finance and risk management Glynn Burger
						Share schemes and secretarial Les Penfold	

Asset Management

At Investec Asset Management, we want to assist people around the globe to retire with dignity. We do this by assisting institutional asset owners and financial advisors to meet the investment objectives of their members and clients. Our business is to manage clients' investments to the highest standard possible by exceeding their investment and client service expectations

Investec Asset Management is a global provider of active investment management services. Established in 1991 in South Africa, we have built a successful global investment management firm from emerging markets. We are still managed by our founding members whose tenure and continuity has balanced stability and growth.

Our investment team of approximately 175 investment professionals applies clear investment philosophies and processes across multiple asset classes. Our client group is organised across five geographically defined units serving our target clients around the globe. These teams are supported by our global investment and operational infrastructure.

Global head of Asset Management: Hendrik du Toit (chief executive officer)

Our value proposition

- Organically built an independent global platform from an emerging market base
- Independently managed entity within the Investec group
- Competitive investment performance in chosen specialities
- Global approach:
 - global investing
 - global client base
 - global operations platform
- Institutional and advisor focus
- Unique and clearly understood culture
- Stable and experienced leadership.

Annual highlights

Net inflows of
£3.1 billion
(2014: £2.6 billion)

Assets under management
£77.5 billion
(2014: £68.0 billion)

Operating profit before non-controlling interests increased by 3.6% to **£149.0 million, contributing 25.7% to group profit**

Operating margin
34.2%
(2014: 34.7%)

Asset Management (continued)

Global executive committee

Chief executive officer
Hendrik du Toit

Chief operating officer
Kim McFarland

Global head of client group
John Green

Co-chief investment officer
Domenico (Mimi) Ferrini

Co-chief investment officer
John McNab

Capabilities and organisational structure

Equity	Fixed Income	Multi-Asset	Alternative
<ul style="list-style-type: none"> Global Regional Income Emerging markets Frontier markets 	<ul style="list-style-type: none"> Developed markets Emerging markets Multi-strategy 	<ul style="list-style-type: none"> Global growth Emerging markets Global income 	<ul style="list-style-type: none"> Commodities and resources Private equity Private debt

Client groups

United Kingdom	Africa	Americas	Asia Pacific	Europe
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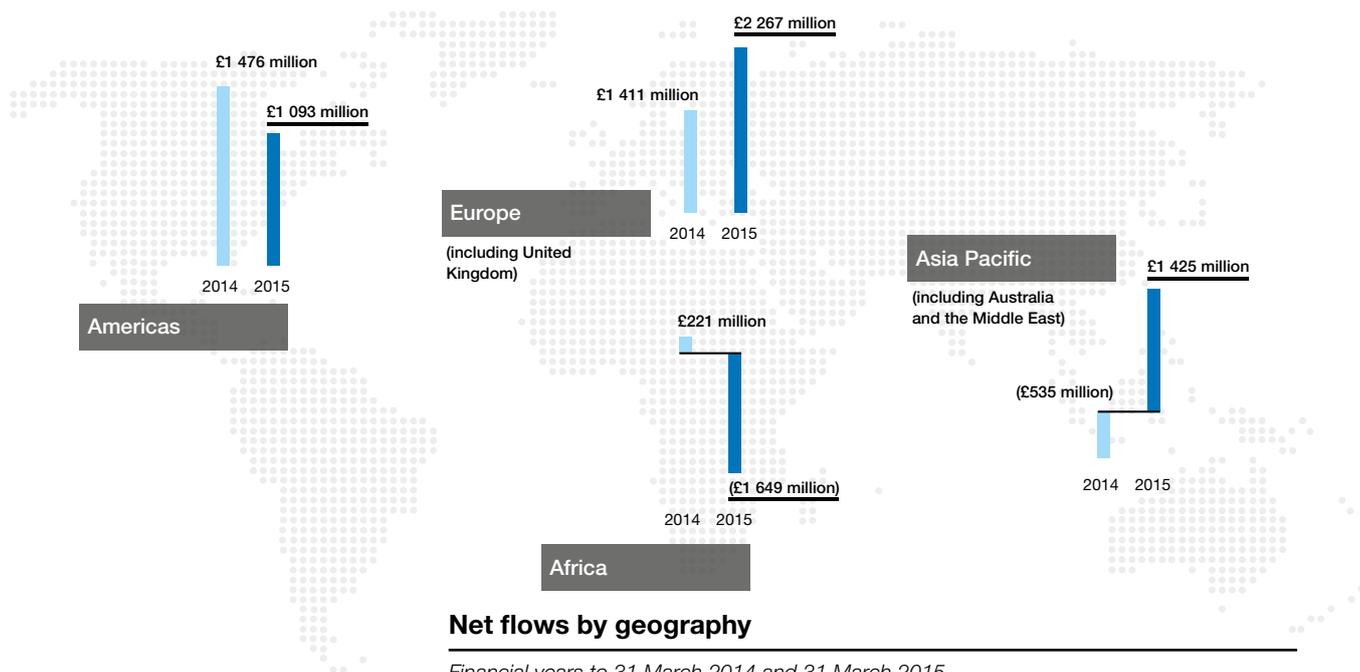
Global investment and operational infrastructure

What we do

Where we operate

Divisional and segmental review

3

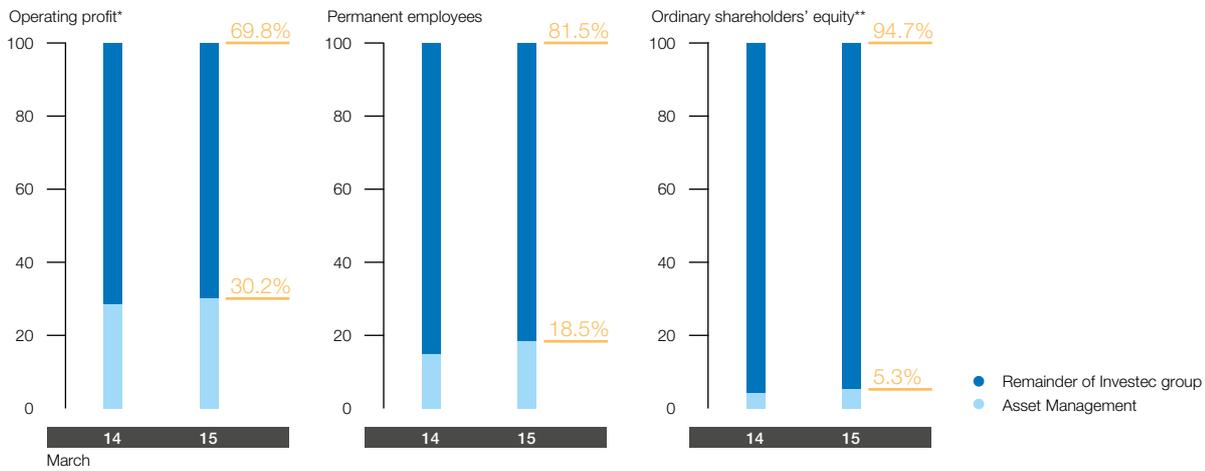


Net flows by geography

Financial years to 31 March 2014 and 31 March 2015.

Asset Management (continued)

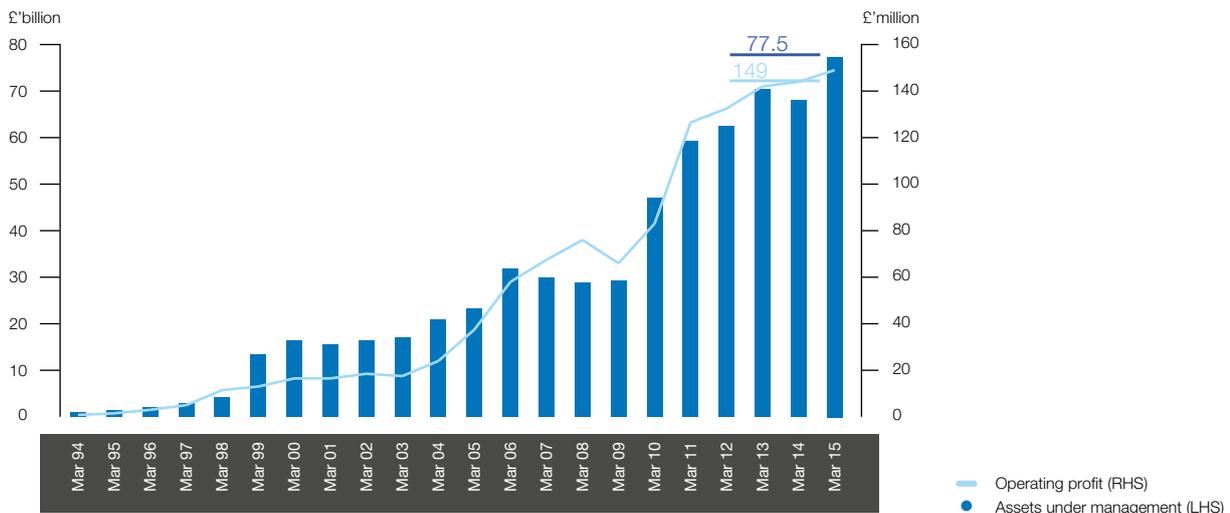
Financial analysis



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

** As calculated on page 93, based on regulatory capital requirements.

Historical financial performance



Income statement analysis

£'000	31 March 2015	31 March 2014	Variance	% change
Net interest income	4 307	3 918	389	9.9%
Net fee and commission income	428 555	409 341	19 214	4.7%
Investment income	22	28	(6)	(21.4%)
Trading income arising from balance sheet management and other trading activities	1 485	(1 982)	3 467	> 100.0%
Other operating income	1 690	2 875	(1 185)	(41.2%)
Total operating income	436 059	414 180	21 879	5.3%
Operating costs	(287 084)	(270 361)	(16 723)	6.2%
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and before non-controlling interests	148 975	143 819	5 156	3.6%
Profit attributable to Asset Management non-controlling interests**	(18 184)	(11 031)	(7 153)	(64.8%)
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests	130 791	132 788	(1 997)	(1.5%)
UK and Other	65 438	62 050	3 388	5.5%
Southern Africa	65 353	70 738	(5 385)	(7.6%)
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests	130 791	132 788	(1 997)	(1.5%)
Selected returns and key statistics				
Ordinary shareholders' equity*	160 648	147 123	13 525	9.2%
ROE (pre-tax)*	95.2%	104.1%		
Return on tangible equity (pre-tax)*	236.3%	328.5%		
Operating margin	34.2%	34.7%		
Operating profit per employee (£'000)**	169.5	176.5	(7.0)	(4.0%)

* As calculated on pages 93 and 94, based on regulatory capital requirements.

** Earnings after tax attributable to non-controlling interests includes the portion of earnings attributable to the 15% shareholding in the business by employees.

^ Operating profit per employee excludes Silica, our third party administration business.

The variance in operating profit over the year can be explained as follows:

- Rising equity markets and strong fixed income and real estate markets, on the back of quantitative easing, continued to support the performance of asset management firms over the year, including our business. The volatility in emerging markets, specifically emerging market currencies, continued throughout the financial year and has impacted our more recent earnings growth. Performance fees also decreased over the year and impacted our more recent earnings growth.
- Against this backdrop, our operating profit before non-controlling interests, grew by 3.6%. We continue to invest for the longer term and do not focus on short-term earnings.
- Performance fees decreased over the year (£30.5 million) as compared with the prior year (£36.4 million).

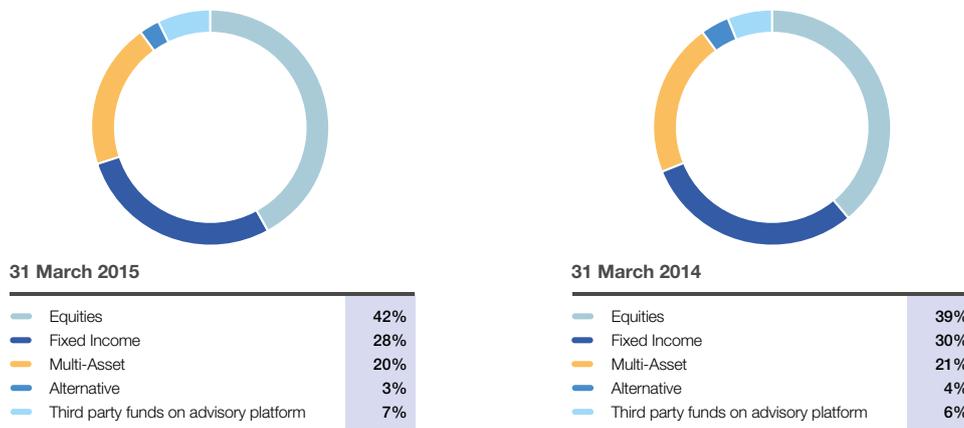
Asset Management (continued)

Assets under management and flows

£million	AUM 31 March 2015	Net inflows	AUM 31 March 2014 [^]
Equities	32 494	2 234	26 310
Fixed Income	21 950	1 122	20 193
Multi-Asset	15 122	(444)	14 179
Alternative	2 657	(184)	3 050
Third party funds on advisory platform	5 287	408	4 285
Total	77 510	3 136	68 017

[^] The asset class splits for 31 March 2014 have been restated due to a reclassification of some investment mandates over the financial year.

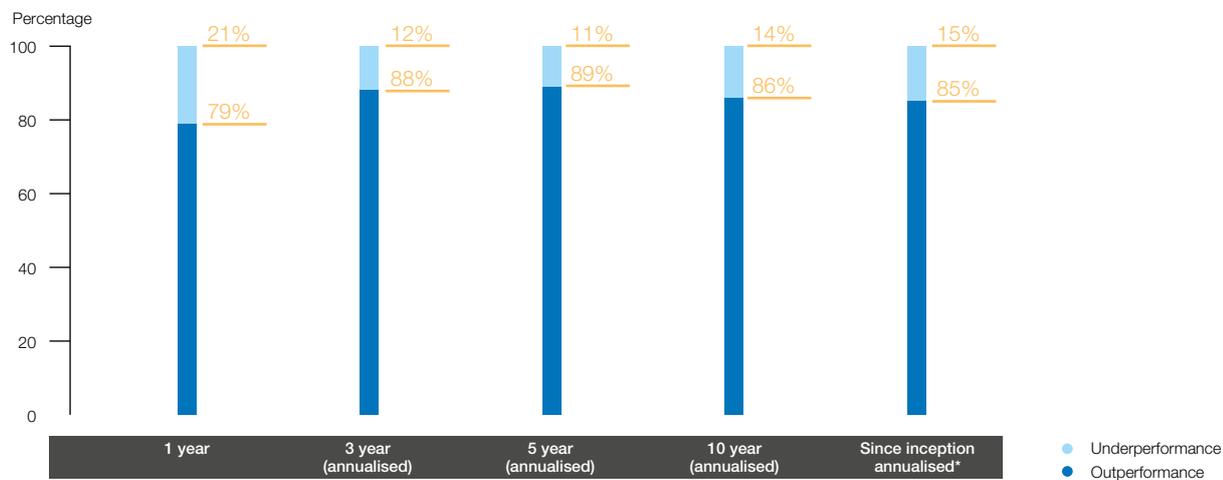
Assets under management by asset class



Investment performance

All of our investment capabilities are managed with the simple aim of delivering performance which meets or exceeds our clients' expectations around agreed, well defined return and risk parameters. We measure our investment performance relative to peer groups and against benchmarks over one, three, five and 10-year periods, and since inception. Our long-term track record remains competitive.

Segregated mandates performance



Source: Calculated by Investec Asset Management gross of fees, portfolio weighted. Performance to 31 March 2015.

* Since the inception date of each portfolio, only annualised if inception date is older than 12 months.



Note: Outperformance (underperformance) is calculated as the sum of the total market values for those portfolios that have positive active returns (negative active returns) expressed as a percentage of total assets under management. Market values for the indicated date are used for all periods shown.

Independent recognition

Financial year 2015

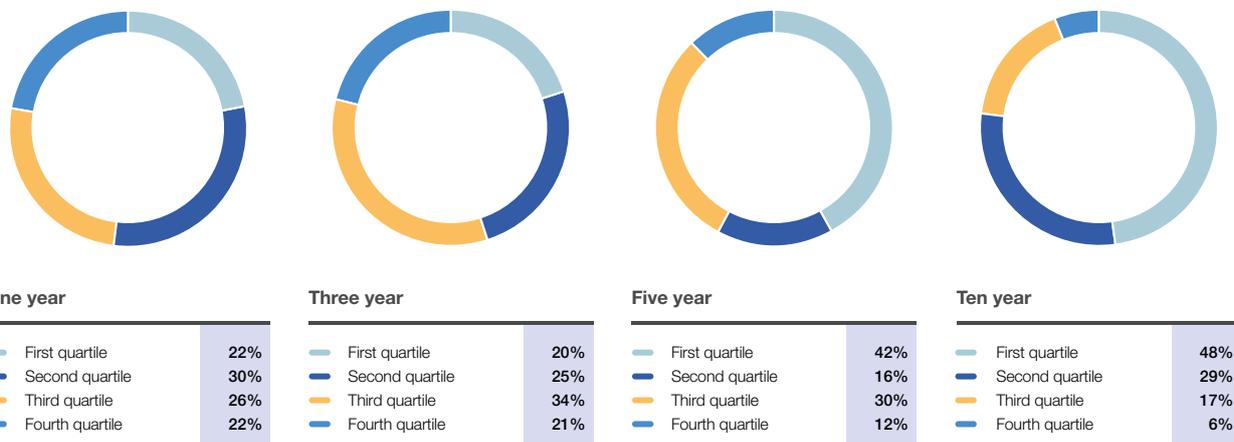
Winner of CIO Industry Innovation Award in the Emerging Markets category

Winner of EMEA Finance's Best Asset Manager in Africa Award for the fourth year running

Winner of Private Equity Africa Award for house recognition

Winner of African Banker Award for Fund of the year

Mutual funds investment performance



Source: Calculated from Morningstar data by value; excludes cash, cash plus and liquidity funds. Performance to 31 March 2015.



Questions and answers



Hendrik du Toit

Chief executive officer

Can you give us an overview of the environment in which you operate?

A Superficially rising markets have created a benign environment for investment managers but this year was not without its challenges. The volatility in emerging markets, specifically emerging market currencies, continued throughout the financial year and has impacted our short-term growth as well as demand for some of our services. Furthermore, we have had some capacity constraints across some of our strategies. These were caused by the extremely low levels of liquidity available in financial markets. Without these constraints our net inflows would have been substantially higher.

Regulatory initiatives continue across geographies and, given the global nature of our business, consume more and more resources and management time. We do not see this changing in the near term for our industry. Our industry remains fiercely competitive thus requiring constant productivity increases to assure margin retention.

What have been the key developments in the business over the financial year?

A This financial year we continued to invest in growth initiatives across the business. We have invested in building out our Equities and Multi-Asset capabilities, expanded our footprint in most of our large markets and continued to invest in our global support functions. Big wins for the past year were the excellent performance of our global equities business, the graduation of our global Multi-Asset offering onto many consultants' buy lists and evidence of significant institutional traction in this important growth area.

Our European and Asia Pacific client groups delivered strong net inflows after years of hard work and investment. Our South African business has experienced outflows but we have simplified and focused the business with a clear plan to turn the momentum decisively over the next few years.

Our firm is well positioned in our target markets around the world and as a result of this we are pleased to report the eighth consecutive year of positive net inflows. We continue to attract top talent into our business whilst maintaining stability across our firm.

What are your strategic objectives in the coming year?

A Our primary goal is to deliver on our clients' mandates. Our reason for existence is to look after other people's money. If we pursue their interests, we will do well.

With a long-term horizon and through five geographically defined client groups, we serve the largest and most sophisticated institutional investors and asset platforms, irrespective of where they may be based. We are also committed to building a strong presence in the advisor market in select regions.

Our strategic objectives are to invest in and nurture growth opportunities, enhance depth and quality, and position the firm for long-term sustainability.

Furthermore, recognising that this is, above all, a people's business, we continue to do our best to attract, develop and promote talent within a stable environment with a long future.

What is your outlook for the coming year?

A Our business has a long term horizon and as such we do not manage our business for the short term. However, we believe that the opportunity for growth over the next five years is significant. Our momentum is positive and we are confident that we are well positioned to face the future.

Wealth & Investment

Investec Wealth & Investment offers its clients comfort in its scale, international reach and depth of investment processes. Investec Wealth & Investment is one of the UK's leading private client investment managers and the largest in South Africa

Global head: Steve Elliott

UK head: Jonathan Wragg

South Africa head: Henry Blumenthal

Switzerland head: Peter Gyger

Ireland Wealth Management head: Eddie Clarke



Further detail on the Wealth & Investment management structure is available on our website: www.investec.com

Today the business specialises in wealth management, portfolio management, private office and stockbroking services for individuals, families, trusts and charities. Through the alliance of Investec Private Client Securities in South Africa, Investec Wealth & Investment Limited in the UK, Investec Bank Switzerland, Investec Wealth & Investment Ireland and Investec Wealth & Investment Channel Islands, Investec Wealth & Investment is one of the UK's leading private client investment managers, the largest in South Africa, and has a significant European presence.

Our value proposition

- Investec Wealth & Investment has been built via the acquisition and integration of businesses and organic growth over a long period of time
- Well established platforms in the UK, South Africa, Switzerland, Ireland and Guernsey
- The business currently has four distinct channels: direct, intermediaries, charities and international, and is progressing developing its online capabilities to form a fifth 'digital' distribution channel
- Strategy to internationalise within jurisdictions where the Investec group already has an established business
- Focus is on organic growth in our key markets and enhancing our range of services for the benefit of our clients.

Annual highlights

Operating profit up 19.2% to £78.8 million, contributing 13.6% to group profit

Assets under management up 13.0% to £46.1 billion

Operating margin 25.2% (2014: 22.9%)

Net new flows of £2.7 billion

What we do and where we operate

UK and Europe

Investments and savings

- Discretionary and advisory portfolio management services for private clients
- Specialist investment management services for charities, pension schemes and trusts
- Independent financial planning advice for private clients
- Specialist portfolio management services for international clients.

Pensions and retirement

- Discretionary investment management for company pension and Self Invested Personal Pensions (SIPPs)
- Advice and guidance on pension schemes, life assurance and income protection schemes.

Tax planning

- Succession planning
- ISAs
- Retirement planning
- Venture Capital Trusts (VCT) and Enterprise Investment Schemes (EIS)

The European operations are conducted through Investec Wealth & Investment Limited in the UK, Investec Bank Switzerland, Investec Wealth & Investment Ireland and in Guernsey through Investec Wealth & Investment Channel Islands.

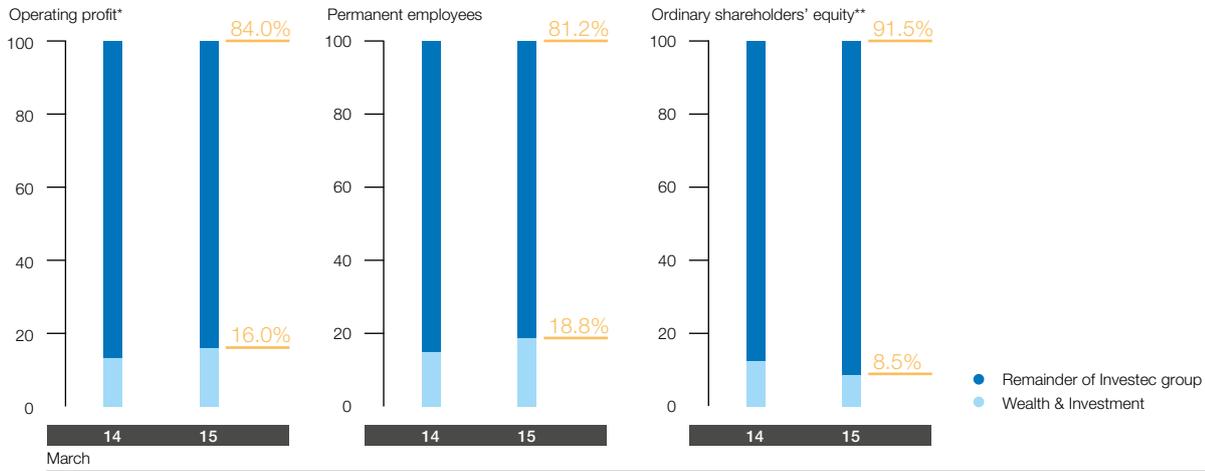
Over 1 150 staff operate from offices located throughout the UK and Europe, with combined funds under management of £29.6 billion. Investec Wealth & Investment is one of the UK's leading providers of private client investment management services.

South Africa

Investec Wealth & Investment South Africa provides portfolio management, wealth management and stockbroking services for private clients, charities, pension funds and trusts, operating from eight offices across South Africa with R89.4 billion of discretionary and annuity managed assets and a further R207.4 billion of funds under various other forms of administration.



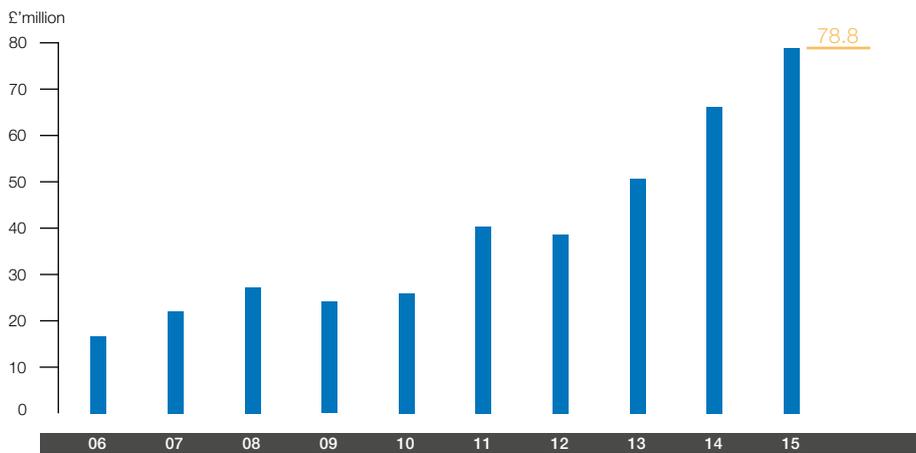
Financial analysis



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

** As calculated on page 93, based on regulatory capital requirements.

Operating profit – track record



^ Trend reflects numbers as at the year ended 31 March. Amounts from 2008 are shown before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests. Prior to 2008, amounts have not been adjusted for non-controlling interests.

Income statement analysis

£'000	31 March 2015	31 March 2014	Variance	% change
Net interest income	6 556	7 857	(1 301)	(16.6%)
Net fee and commission income	299 663	275 377	24 286	8.8%
Investment income	4 123	2 183	1 940	88.9%
Trading income arising from				
– customer flow	1 024	1 324	(300)	(22.7%)
– balance sheet management and other trading activities	574	58	516	> 100.0%
Other operating income	1 277	1 234	43	3.5%
Total operating income	313 217	288 033	25 184	8.7%
Operating costs	(234 436)	(221 934)	(12 502)	5.6%
Operating profit before goodwill, acquired intangibles, non-operating items and taxation and after other non-controlling interests	78 781	66 099	12 682	19.2%
UK and Europe	56 871	46 065	10 806	23.5%
South Africa	21 910	20 034	1 876	9.4%
Operating profit before goodwill, acquired intangibles, non-operating items and taxation and after other non-controlling interests	78 781	66 099	12 682	19.2%
Selected returns and key statistics				
Ordinary shareholders' equity*	255 318	292 650	(37 332)	(12.8%)
ROE (pre-tax)*	25.5%	19.9%		
Return on tangible equity (pre-tax)*	136.1%	142.1%		
Operating margin	25.2%	22.9%		
Operating profit per employee (£'000)*	54.0	48.7	5.3	10.9%

* As calculated on pages 93 and 94, based on regulatory capital requirements.

The variance in operating profit over the year can be explained as follows:

- The UK and Europe operations have benefited from higher average funds under management in the UK, with a 9% increase in the closing relevant market indices compared to the prior year. Continued investment in the division's platforms and the employment of additional professional investment managers has supported solid net inflows during the year. Operating margins have improved from 20.1% in 2014 to 22.7%
- The South African business posted an operating profit of R390 million, an increase of 20.7% over the prior year, benefiting from higher average funds under management and solid discretionary and annuity asset net inflows. In addition, the business has continued to successfully leverage off the division's global investment platform and the group's integrated Private Client offering (One Place).

Analysis of key earnings drivers (funds under management)

£'million	31 March 2015	31 March 2014*	% change
UK and Europe	29 562	26 574	11.2%
Discretionary	21 602	18 513	16.7%
Non-discretionary and other	7 960	8 061	(1.3%)
South Africa	16 514	14 198	16.3%
Discretionary and annuity assets	4 974	4 189	18.7%
Non-discretionary and other	11 540	10 009	15.3%
Total	46 076	40 772	13.0%

* Restated to reflect internal adjustments to the jurisdiction in which funds under management are recognised.

Wealth & Investment (continued)

UK and Europe: analysis of key drivers (funds under management and flows)

Funds under management

£million	31 March 2015	31 March 2014*	% change
Investec Wealth & Investment Limited (UK)	27 319	24 176	13.0%
Discretionary	21 128	18 185	16.2%
Non-discretionary	5 971	5 753	3.8%
Other	220	238	(7.6%)
Rest of Europe	2 243	2 398	(6.5%)
Discretionary	474	328	44.5%
Non-discretionary	1 769	2 070	(14.5%)
Total	29 562	26 574	11.2%

* Restated as per note on page 38.

Further analysis of the Investec Wealth & Investment Limited UK business

Funds under management and flows

£billion	31 March 2015	31 March 2014***	% change
At the beginning of the year	24.18	22.27	
Inflows	2.90	2.48	
Outflows	(1.02)	(1.23)	
Market adjustment [^]	1.34	0.70	
Transfers*	(0.08)	(0.04)	
At the end of the year	27.32	24.18	13.0%
WMA Private Investors Balanced Index (at year end)	3 684	3 385	8.8%
Annualised underlying rate of net organic growth in total funds under management**	7.8%	5.6%	
% of total funds managed on a discretionary basis	78.1%	76.2%	

[^] Impact of market movement and relative performance.

* Reflects the transfer of clients from Investec Bank Switzerland and the reclassification of assets between jurisdictions.

** Net organic inflows less outflows (excluding acquired inflows and exceptional outflows) as a percentage of opening funds under management.

*** Restated as per note on page 38.

South Africa: analysis of key earnings drivers (funds under management and flows)

Funds under management

R'million	31 March 2015	31 March 2014*	% change
Discretionary and annuity assets	89 382	73 558	21.5%
Non-discretionary	207 379	175 757	18.0%
Total	296 761	249 315	19.0%

* Restated as per note on page 38.

Net inflows/(outflows) at cost over the period

R'million	31 March 2015	31 March 2014*
Discretionary and annuity assets	6 261	4 959
Non-discretionary	8 065	(2 616) ^{^^}
Total	14 326	2 343

^{^^} Largely relating to clients who have moved their portfolios to another institution to serve as collateral in a transaction they were concluding.

* Restated as per note on page 38.

Questions and answers



Steve Elliott

Global head

Can you give us an overview of the environment in which you operated over the past year?

A UK equity markets saw much greater volatility during the second half of the financial year than the first half. Equity indices had begun the year in positive mood but by September 2014 political and economic risks caused the main indices to fall sharply. Despite a period of volatility, equity indices recovered their lost ground and the FTSE 100 reached an all-time high, finally breaking through 7 000 points. Whilst the UK business has benefitted from this recovery during the second half, income growth has been pegged back somewhat by the level of transactional volumes, which have remained subdued in reflection of the element of caution which remains in investor sentiment.

The regulatory environment continues to place increasing pressures on UK investment management businesses. This is contributing to consolidation within the UK investment management sector, which remains a continuing feature of the landscape. We continue to pursue opportunities to recruit experienced investment managers who are attracted by the strength of our offering.

Recent events in the Swiss financial markets have given us a chance to examine a wider range of opportunities to grow the business.

The recent positive momentum and growth in the Irish economy continued. With confidence returning, clients are actively seeking investment solutions, particularly in light of the low interest rate environment, and there has been greater demand for portfolio management, diversification, and risk-adjusted returns.

In South Africa, the 12 months to end March 2015 proved to be volatile with the JSE reaching a peak of 53 575 and a low during the period of 46 068. This volatility occurred as a result of global economic conditions with accommodative monetary policy and the downturn in commodity prices. Global growth was modest with two of the world's largest economies, China and the Eurozone, having seen economic growth slow significantly. The spread between US and German 10-year government bond yields widened considerably and Euro quantitative easing weakened the Euro even further. Investors favoured comparatively higher yielding US debt, strengthening the US Dollar with purchases into the safe haven currency.

The Rand has lost significant ground on US Dollar strength although Euro weakness saw the Rand strengthening against the common currency but not against the UK pound. The outlook for inflation has been lowered both globally and in South Africa, which has lowered global interest rate expectations. South Africa's benchmark government bond has seen its yield drop below 7.00%, after starting the period at 8.39% with foreign net purchases of South African bonds and equities recorded at R24.6 billion, a figure which obscures the swings in investor sentiment to some degree.

What have been the key developments in the business over the past financial year?

A In the UK, we recognised the increasing need for investment management services to be delivered digitally. Hence we recently announced the development of Investec Click & Invest, which will be one of the first online discretionary investment management services. This new offering will complement our core investment management service and ensure that we are ready to meet the needs of our clients as they change over time, and reach out to individuals who may not otherwise have formed part of our traditional client base. Our business is built on delivering a bespoke service to our clients, which is tailored to the need of each individual, and our digital capability must reflect this. Consequently, we are continuing to enhance those elements of our core offering that can be delivered digitally, in addition to the development of Investec Click & Invest.

The UK business has formally launched its Private Office service during the year, which draws on all of the resources we can offer to meet the needs of higher net worth individuals. Our ability to offer clients a choice of jurisdictions in which to custody their assets, along with access to banking services that the wider Investec group can provide, enables us to meet the more complex needs of these individuals.

Whilst we pursue specific and measured opportunities for growth, our focus on ensuring that we provide our existing clients with the highest possible service will always be fundamental to what we do. Our offices across the UK have achieved rates of net organic growth in funds under management during the year that are ahead of our long-term target. This achievement reflects our continuing focus on the quality of our service and the strength of our investment processes.

In South Africa, we have focused on the expansion of our investment range, the further integration of our global investment forums and the practical application of technology to provide a transparent and cohesive view of the investor's domestic and international investment holdings. Central to this was the roll out of the One Place strategy which focused strategically on bringing the Private Banking and Wealth & Investment capabilities closer together around the client. We also opened an office in Stellenbosch to service and grow our client base in that region.

During the year, the South African business continued to enhance its range of domestic and international investment mandates for investors and has been able to deliver positive performance across a number of these. This, together with the depth of investment process and stability of experienced staff, allowed for robust growth in assets under management.

The expansion of the South African offshore offering included launching the segregated Global Leaders Portfolio, a high conviction, concentrated portfolio of leading companies listed in the major developed markets. We have also enhanced our digital capabilities to offer our local and international discretionary investment management services through our Online Portfolio Management service at lower minimum investment levels to existing Wealth & Investment clients and soon to all Investec private clients.

What are your strategic objectives in the coming year?

A Serving our existing client base to the best of our ability is central to the strategy of our global Wealth & Investment business and the foundation on which our future growth and success will be built. We strive to always look forward to predict how our clients' needs will change over time, in order that we can plan to meet those needs into the future. We expect that an increasing portion of our clients will demand more of the service they receive from us to be delivered digitally going forward. With this in mind, we are investing resources to enhance our digital offering to our current and future clients across all geographies.

In the UK, a key priority is the development of the Investec Click & Invest service which we aim to launch during the 2016 financial year. We are also developing digital enhancements to our core service, which are becoming increasingly relevant to our clients. Whilst the digital world brings with it opportunities to enhance the service we provide to our clients, it also brings challenges and risks. The security of our clients' assets is imperative and we continue to invest in our security infrastructure as our digital offering develops.

We remain committed to the continuous development and expansion of our financial planning capability, which is key to our offering and enables clients to access advice in relation to their wider financial position and objectives. Financial planning seems to be growing in importance and the complexity of the personal financial world continues to increase.

We are also seeking to selectively broaden our international presence and build on the opportunities that the geographical spread of our platforms presents. We expect to launch a small operation hosted by the group's Hong Kong office over the coming months, which will enable us to explore the potential for growth in that market.

In Switzerland we will continue to look for opportunities in the domestic market by offering services mainly to external asset managers and expatriates.

In South Africa, we continue to reinforce our leading market position by focusing on our clients' needs and on internationalising the offering. Our strategy of working together with the Private Banking business to offer our private clients an integrated banking and investment solution, both locally and internationally, has proved successful and we will continue to enhance and improve this offering.

We are starting to gain traction with our Independent Financial Advisors' strategy and look to develop it further investing in dedicated resources to drive and build the business. We are also looking at the Charitable Trust business to manage charitable funds and trusts for our high net worth clients.

What is your outlook for the coming year?

A Whilst UK equity indices have recovered from the low point of the second half of the financial year and the FTSE 100 has reached a record high, there remain significant economic and geopolitical risks which have the potential to cause further volatility.

In South Africa, the JSE entered a more volatile period during the last quarter of the financial year. Nevertheless, our positive outlook remains with many of the global threats slowly receding. Electricity load shedding and general weak demand have dampened a potential recovery in economic growth, and will likely continue to weigh on the economy going forward. Despite its challenges, there is still a case to own South African equities, particularly those with global exposure. The big picture remains the same, 'risk' assets are cheap relative to 'insurance' assets, and the corporate sector that supports these risk assets is healthy.

The proven resilience of our business model and the opportunities which we are pursuing through our strategy means we look forward to the forthcoming financial year with confidence.

Specialist Banking

Specialist expertise delivered with dedication and energy

Global heads

Andy Leith	Corporate Advisory and Investment activities
Sam Hackner	Property activities
David van der Walt	Corporate and Institutional Banking activities
Ciaran Whelan	Private Banking activities

The specialist teams are well positioned to provide services for both personal and business needs right across Private Banking, Property activities, Corporate and Institutional Banking and Corporate Advisory and Investment Banking.



Further information on the Specialist Banking management structure is available on our website: www.investec.com

Our value proposition

- High quality specialist banking solution to corporate, institutional and private clients with leading positions in selected areas
- Provide high touch personalised service
- Ability to leverage international, cross-border platforms
- Well positioned to capture opportunities between the developed and the emerging world
- Balanced business model with good business depth and breadth.

Annual highlights

Operating profit (ongoing)
up 18.4% to
£392.3 million

Operating profit (statutory)
up 9.9% to
£304.7 million

63.1%
cost to income
(2014: 63.2%)

Loans and advances
£17.2 billion

15.9%
ROE (pre-tax) (ongoing
business)
(2014: 11.8%)

Customer deposits
£22.6 billion

What we do

High income and high net worth private clients

Private Banking activities

Transactional banking and foreign exchange
Lending
Deposits
Investments

Southern Africa
UK and Europe

Corporates/government/institutional clients

Corporate Advisory and Investment activities

Advisory
Principal investments
Property investment fund management

Australia
Hong Kong
India
Southern Africa
UK and Europe

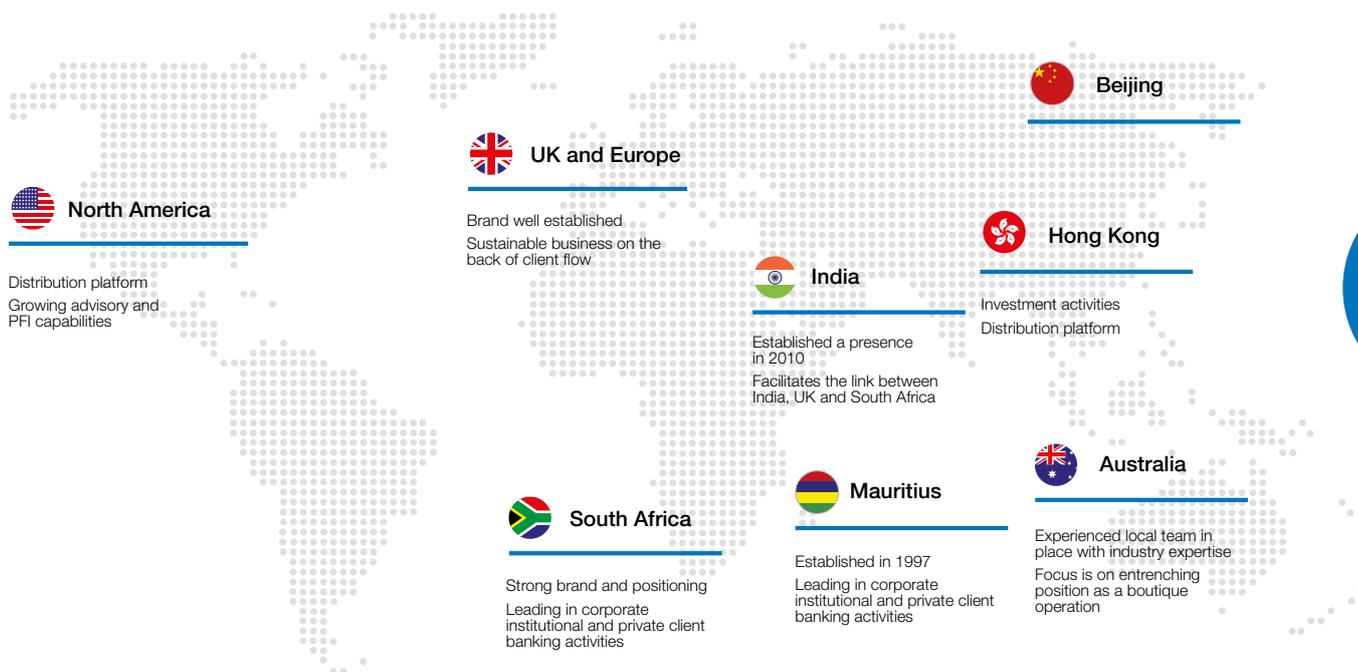
Corporate and Institutional Banking activities

Treasury and trading services
Specialised lending, funds and debt capital markets
Institutional research sales and trading

Australia
India
Southern Africa
UK and Europe
Hong Kong
USA

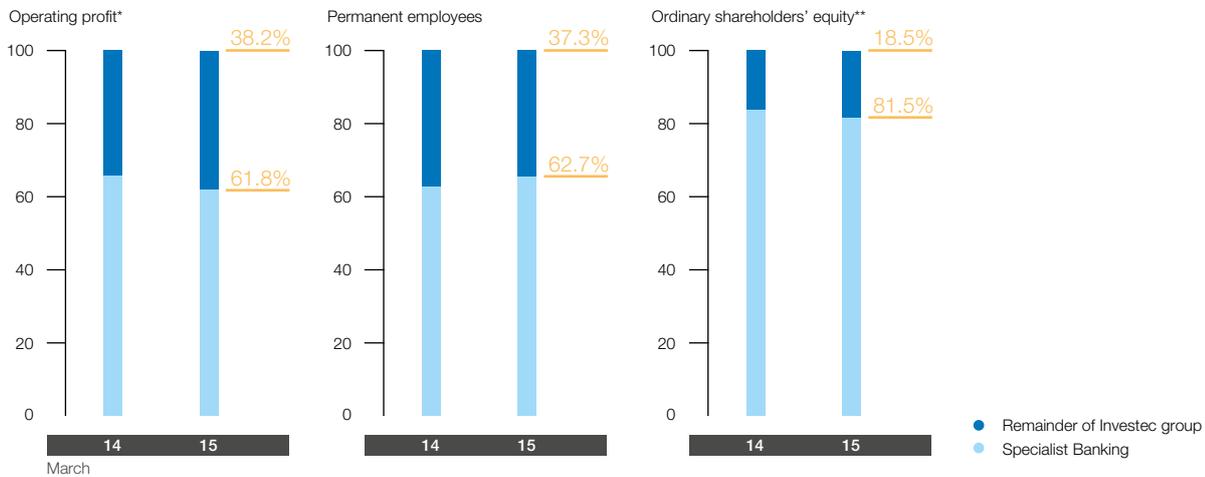
Integrated systems and infrastructure

Where we operate



Specialist Banking (continued)

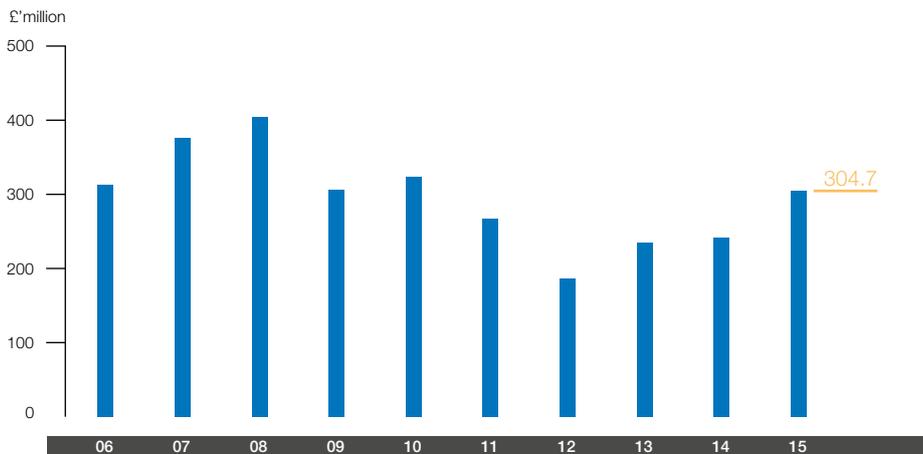
Financial analysis



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

** As calculated on page 93, based on regulatory capital requirements.

Operating profit – track record



^ Trend reflects numbers as at the year ended 31 March. Amounts from 2008 are shown before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests. Prior to 2008 amounts have not been adjusted for non-controlling interests.

Income statement analysis

£'000	31 March 2015	31 March 2014	Variance	% change
Net interest income	624 114	639 904	(15 790)	(2.5%)
Net fee and commission income	360 825	304 703	56 122	18.4%
Investment income	124 189	164 598	(40 409)	(24.6%)
Trading income arising from				
– customer flow	105 289	102 590	2 699	2.6%
– balance sheet management and other trading activities	(15 483)	12 511	(27 994)	(> 100.0%)
Other operating income	9 269	14 445	(5 176)	(35.8%)
Total operating income before impairment on loans and advances	1 208 203	1 238 751	(30 548)	(2.5%)
Impairment losses on loans and advances	(128 381)	(166 152)	(37 771)	(22.7%)
Operating income	1 079 822	1 072 599	7 223	0.7%
Operating costs	(761 873)	(778 504)	(16 631)	(2.1%)
Depreciation on operating leased assets	(1 535)	(6 044)	4 509	74.6%
Operating profit before goodwill, acquired intangibles and non-operating items and taxation	316 414	288 051	28 363	9.8%
Operating losses attributable to non-controlling interests	(11 701)	(10 849)	(852)	(7.9%)
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests	304 713	277 202	27 511	9.9%
UK and Other	41 795	67 277	(25 482)	(37.9%)
Ongoing [^]	129 341	121 491	7 850	6.5%
Legacy remaining [^]	(107 669)	(69 051)	(38 618)	55.9%
Sale assets [^]	20 123	14 837	5 286	35.6%
Southern Africa	262 918	209 925	52 993	25.2%
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests	304 713	277 202	27 511	9.9%
Selected returns and key statistics				
Ordinary shareholders' equity**	2 599 130	2 642 583	(43 453)	(1.6%)
South Africa	1 369 078	1 226 089	142 989	11.7%
Ongoing UK and Other	1 141 282	872 786	268 496	30.8%
Remaining Legacy	88 770	231 000	(142 230)	(61.6%)
Sale assets	–	312 708	(312 708)	(< 100.0%)
Statutory ROE (pre-tax)**	10.7%	9.5%		
Ongoing ROE (pre-tax) **	15.9%	14.3%		
Southern Africa	18.7%	14.8%		
Ongoing UK and Other	12.3%	13.7%		
Cost to income ratio	63.1%	63.2%		
Operating profit per employee (£'000)**	57.4	50.6	6.8	13.4%

** As calculated on pages 93 and 94, based on regulatory capital requirements.

[^] Detailed income statement provided on page 18.

The variance in the operating profit in the UK ongoing business over the year can be explained as follows:

- Net interest income increased as a result of an increase in core loans and advances of 16.4% and an improvement in the cost of funding
- Net fee and commission income increased substantially as a result of a solid performance from the corporate finance, corporate treasury team and aircraft finance business
- Investment income decreased as a result of a lower return generated on the Hong Kong investment portfolio
- Trading income from customer flow improved due to increased corporate treasury activity
- Other trading income includes the impact of accounting for the Euro-denominated preferred securities issued by a subsidiary of Investec plc which are reflected on the balance sheet as part of non-controlling interests. (The transaction is hedged and a forex transaction loss arising on the hedge is reflected in other trading income and the opposite impact is reflected in earnings attributable to non-controlling interests)
- Other operating income includes associate income and income earned on an operating lease portfolio acquired during December 2010
- Total operating income decreased by 2.5%
- Impairments decreased by 45.5%. Further information is provided on pages 98 and 99
- Operating expenses increased largely as a result of higher compensation costs.

Specialist Banking (continued)

The variance in the operating profit in South Africa over the year can be explained as follows:

- The analysis and variances described below for the South African Specialist Banking division are based on the Rand numbers reported
- Results in Pounds Sterling have been negatively impacted by the depreciation of the average Rand: Pounds Sterling exchange rate of approximately 11% over the year. The Specialist Banking division reported operating profit before taxation of R4 695 million (2014: R3 431 million)
- Net interest income increased as a result of an increase in core loans and advances of 16.0% and a positive endowment impact
- Net fee and commission income improved as a result of good performances from the private banking professional finance and property businesses, with corporate fees remaining largely in line with the prior year
- Investment income was supported by a solid performance from the unlisted investments and investment property portfolios
- Trading income arising from customer flow and other trading activities decreased reflecting lower client activity in foreign exchange transactions and less activity on the balance sheet
- Total operating income increased by 23.4%
- Impairments decreased by 28.4%. Further information is provided on pages 98 and 99
- Operating expenses increased by 14.7% largely as a result of increased variable remuneration given improved profitability, with fixed costs growing in line with inflation.

Analysis of key earnings drivers

Net core loans and advances

	£'million			Home currency 'million		
	31 March 2015	31 March 2014	% change	31 March 2015	31 March 2014	% change
UK	7 061 [^]	6 064*	16.4%	£7 061	£6 064*	16.4%
Southern Africa	10 128 [^]	8 935	13.4%	R182 058	R156 899	16.0%
Total	17 189	14 999	14.6%			

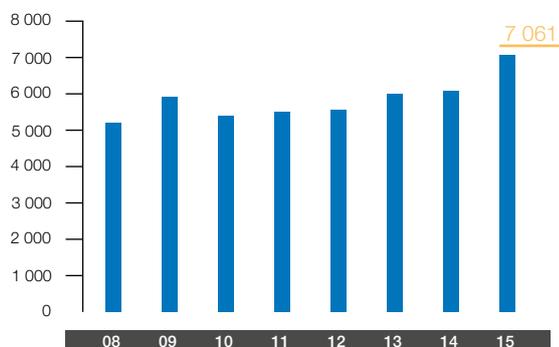
* Excluding Kensington sale assets.

[^] The assets that were not sold as part of the sale of Investec Bank (Australia) Limited were transferred to the UK and South African balance sheets (approximately R1.4 billion in South Africa and approximately £140 million in the UK). The 2015 numbers above include these balances.

Net core loans and advances

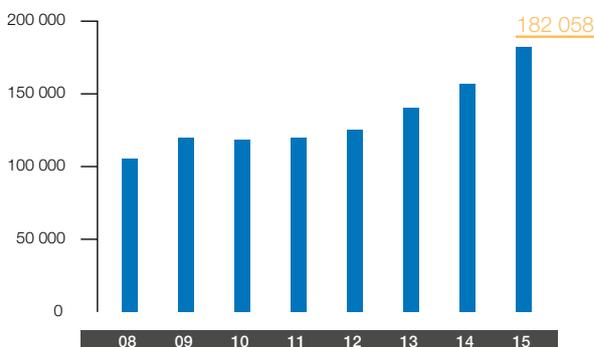
United Kingdom

£'million



Southern Africa

R'million



Trend reflects numbers as at the year ended 31 March.

Specialist Banking (continued)

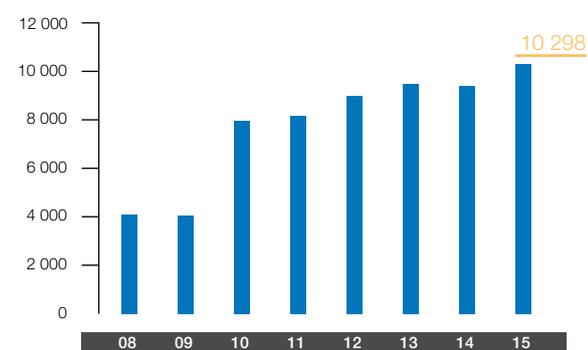
Total deposits

	£'million			Home currency 'million		
	31 March 2015	31 March 2014	% change	31 March 2015	31 March 2014	% change
UK	10 298	9 407	9.4%	£10 298	£9 407	9.4%
Southern Africa	12 317	11 671	5.5%	R221 377	R204 943	8.0%
Total	22 615	21 078	7.3%			

Total deposits

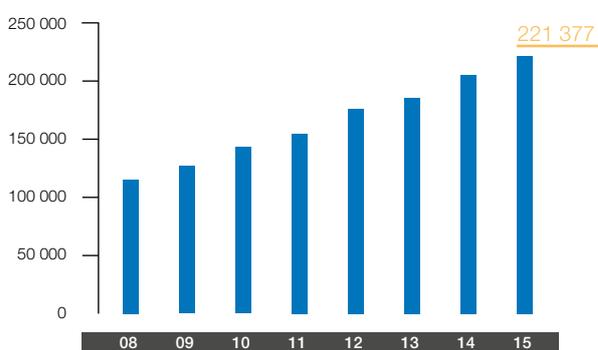
United Kingdom

£'million



Southern Africa

R'million



Trend reflects numbers as at the year ended 31 March.

Legacy business in the UK Specialist Bank

The legacy business in the UK Specialist Bank comprises:

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

During the year management performed a comprehensive review of the group's legacy portfolio on the back of improved market performance. As a result, assets of £0.9 billion were transferred to the ongoing book (core loans and other assets) where assets generate yields that support targeted return on equity, are performing and no longer meet the definition of the legacy business.

Legacy business – overview of results

The group's legacy portfolio in the UK has been actively managed down from £3.4 billion at 31 March 2014 to £0.7 billion largely through strategic sales (mentioned above), redemptions, write-offs and transfers (at the end of the period) to the ongoing book on the back of improved performance in these loans. The total legacy business over the period reported a loss before taxation of £107.7 million (2014: £69.1 million) as the group accelerated the clearance of the portfolio, which resulted in an increase in impairments on these assets. The remaining legacy portfolio will continue to be managed down as the group sees opportunities to clear the portfolio. Management believes that the remaining legacy book will still take three to five years to wind down. Total net defaults in the legacy book amount to £218 million.

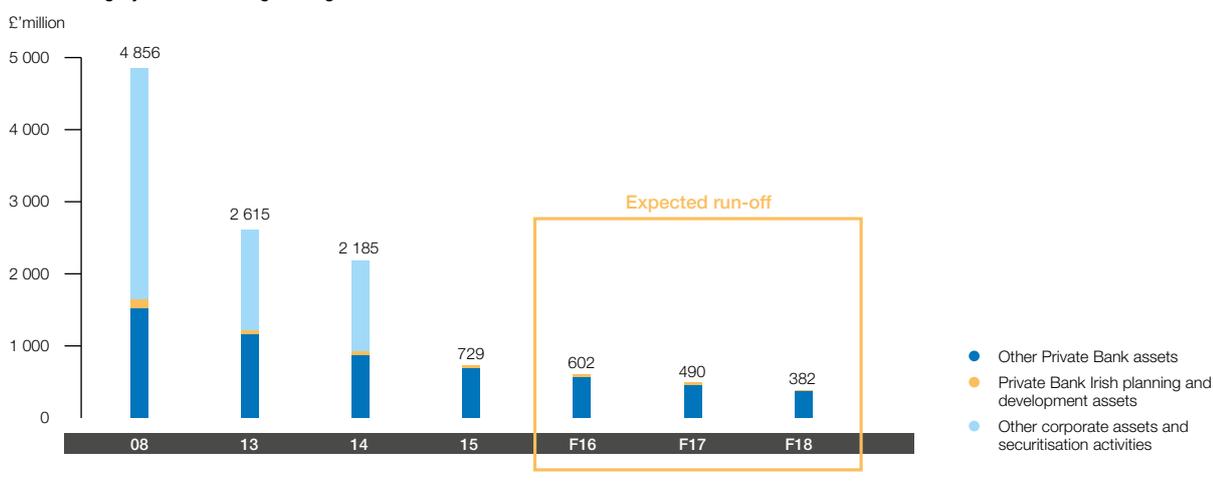
An analysis of assets within the legacy business

£'million	31 March 2015 Total net assets (after impairments)	31 March 2015 Total balance sheet impairment	31 March 2014 Total net assets (after impairments)	31 March 2014 Total balance sheet impairment
Kensington – UK warehouse assets	–	–	768	4
Kensington – Ireland	–	–	474	138
Total Kensington warehouse assets*	–	–	1 242	142
Performing	–	–	813	1
Non-performing	–	–	429	141
Other corporate assets and securitisation activities	–	–	864	51
Private Bank Irish planning and development assets	47	50	60	59
Other Private Bank assets	682	93	1 261	82
Total other legacy assets	729	143	2 185	192
Performing	511	–	1 798	4
Non-performing	218	143	387	188

* Assets sold during the year as explained on page 13.

Expected run-off of legacy assets

Total other legacy assets excluding Kensington



Questions and answers



David van der Walt

Geographical business leader

United Kingdom

Can you give us an overview of the environment in which you have operated over the past year?

A The UK recorded the firmest pace of growth of all the advanced economies in 2014 and saw its fastest growth pace since 2006. Indeed, at 2.8%, UK growth surpassed that of the United States (2.4%) and our Eurozone neighbours (0.9%). Furthermore, with 2014/15 having been a quieter year for Euro crisis developments, the UK benefited from a more positive risk backdrop. Responding to the solid recovery momentum, the health of the labour market continued to improve markedly over the financial year with the latest unemployment reading at 5.6%, the lowest level seen since July 2008.

The UK inflation background has been one of very subdued price growth, particularly in the latter part of the financial year where CPI inflation fell to a record low of zero in February and March 2015; the main driver has been lower fuel prices, reflecting the sharp decline in the wholesale price of oil. Hence despite the strengthening recovery, there has been little appetite on the UK Monetary Policy Committee (MPC) for higher interest rates, with the MPC not keen to adjust policy until it gains confidence that inflation is headed back to the 2% target. Hence, the bank rate remained at 0.5% through the financial year, marking six years at a record low. Meanwhile the level of the BoE's asset purchase scheme was maintained at £375 billion.

Geopolitical concerns combined with the regulatory effects on liquidity has meant that volatility in markets has increased.

The conditions above translated into a very favourable business environment with good levels of activity.

What have been the key developments in the business over the last financial year?

A The major development during the year has been the effective execution of our strategy to divest ourselves of the Professional Finance business in Australia and the sale of Kensington and Start. This completes the process of simplifying the business and allows us to now focus all our energy on building the core business.

In addition to this we have made substantial progress on reducing our legacy portfolio, which was helped by the sale of Kensington and Start, however, good progress was also made on the other corporate, structured credit and property assets. Impairment losses have been higher than budget mostly as a result of accelerating the tidy up of the legacy portfolio.

Corporate activity was very good. M&A activity was at a high helping a very good performance from the Investment Banking and Securities business. The high levels of activity also drove good underlying lending growth in both the Corporate and Specialist Banking activities.

Good progress was made within the Private Banking business. The Private Bank account was successfully launched and very good progress was made with our online and digital platforms. Particular emphasis has been placed on improving the client experience with improvements in security and functionality. We are now in a position to roll out our offering and we are working closely with the Wealth & Investment teams to ensure our clients have the benefit of our full product offering.

Overall, we have made very good progress with the only disappointment being the underperformance of the Hong Kong investment portfolio.

What are your strategic objectives in the coming year?

A The business is now simplified and focused. We have significant momentum in the corporate and specialist business. Our main objective in the coming year is to grow and increase our core businesses with particular emphasis on growing and gaining traction in the Private Banking business.

To this end we will continue to invest in our private banking infrastructure to ensure our customer experience is the best in the market. In addition, we will roll out our strategy of targeting the professional market with particular emphasis on the accounting, legal and medical professions.

In addition to the client strategy we have a number of projects running to focus on cost efficiencies, reducing the overall cost of funds and the drag from surplus liquidity following the sale of Kensington.

We will continue to actively manage the legacy portfolio and reduce our exposure in the most appropriate manner.

What is your outlook for the coming year?

A Our central view is that we should see another year of good economic growth in the UK with some of the early election uncertainty out of the way. The event of a Grexit may lead to a drop in confidence and business activity. A certain amount of volatility is to be expected given the geopolitical situation and overall reduced liquidity in markets. Overall, we are expecting our growth momentum to continue.

Questions and answers



Stephen Koseff **Glynn Burger**
Bernard Kantor

Geographical business leaders

South Africa

Can you give us an overview of the environment in which you operated over the past year?

A The South African operating environment has been mixed. On the one hand, the economic and political environments have been fragile. There has been slow economic growth which impacted spending, domestic fixed investment and production. The Rand continues to weaken against major currencies. Furthermore, strike action persisted and electricity supply constraints have proved an inhibitor to economic performance, while high indebtedness impacted consumer spending.

On the other hand, we have had very positive growth in the equity markets with the JSE All Share Index up 9.2% for the period and overall good activity in corporate South Africa.

What have been the key developments in the business over the past financial year?

A Notwithstanding the economic environment, it has been a particularly good year for the specialist bank in South Africa with operating profit up 36.8% in Rand terms. All businesses have done well largely as a result of reasonable activity levels across both corporates and private clients. We have experienced strong growth in our key drivers with underlying lending up some 16% over the past year and a positive endowment impact.

We continued to be recognised for this focus and performance. From a corporate perspective, the Aviation Finance team won the Corporate Jet Investor award again this past year and our Corporate Finance team came out top in both value and volume of transactions in the DealMakers awards. In the private client space, the Retail Funding business has increased its profile and we were once again recognised as the Best Private Bank in South Africa by *Financial Times* and *Euromoney*.

It has been particularly rewarding to see how the collaboration between the Private Bank and Wealth & Investment businesses has benefited the overall business. Furthermore, good progress has been made with rolling out our digitisation strategy as we continually look to enhance this offering to ensure it's the best solution for our clients.

What are your key strategic objectives for the coming year?

A We will continue with the existing strategy of building and developing our client franchises which remain integral to the growth and development of our business. This is focused on delivering integrated solutions to both our private and corporate clients, extending the quality of our service and products to attract new clients and ensuring we deepen our existing client relationships.

In the private client space, we will continue to organically grow the existing businesses of transactional banking, property and private capital. Our strategy of cross-selling products across different client bases, providing services between Private Bank and the Wealth & Investment businesses has proved successful and we will continue to leverage these relationships.

What is your outlook for the coming year?

A The South African business has had a particularly good year and this may be hard to sustain going forward. There are structural challenges in the economy and we are cautious about the political uncertainty which can create a difficult environment for our business. However, the recent national budget proposed is more conservative than in recent years and, if achieved, should assist South Africa in maintaining its investment grade rating. Furthermore, South African corporates tend to be more resilient in a disrupted environment and there are potential opportunities to support them both domestically, on the continent and internationally.

4

Unaudited statutory financial results



Statutory combined consolidated income statement

£'000	Year to 31 March 2015	Year to 31 March 2014*
Interest income	1 790 867	1 905 383
Interest expense	(1 155 890)	(1 253 704)
Net interest income	634 977	651 679
Fee and commission income	1 226 257	1 136 902
Fee and commission expense	(137 214)	(147 481)
Investment income	128 334	166 809
Trading income arising from		
– customer flow	106 313	103 914
– balance sheet management and other trading activities	(13 424)	10 587
Other operating income	12 236	18 554
Total operating income before impairment losses on loans and advances	1 957 479	1 940 964
Impairment losses on loans and advances	(128 381)	(166 152)
Operating income	1 829 098	1 774 812
Operating costs	(1 322 705)	(1 307 243)
Depreciation on operating leased assets	(1 535)	(6 044)
Operating profit before goodwill and acquired intangibles	504 858	461 525
Impairment of goodwill	(5 337)	(12 797)
Amortisation of acquired intangibles	(14 497)	(13 393)
Operating costs arising from integration, restructuring and partial disposal of subsidiaries	–	(20 890)
Operating profit	485 024	414 445
Net (loss)/gain on disposal of subsidiaries	(93 033)	9 821
Profit before taxation	391 991	424 266
Taxation on operating profit before goodwill and acquired intangibles	(99 023)	(78 910)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	(17 574)	7 289
Profit after taxation	275 394	352 645
Profit attributable to Asset Management non-controlling interests	(18 184)	(11 031)
Profit attributable to other non-controlling interests	(11 701)	(10 849)
Earnings attributable to shareholders	245 509	330 765
Earnings per share (pence)		
– Basic	24.4	34.3
– Diluted	23.1	32.3
Adjusted earnings per share (pence)		
– Basic	39.4	37.9
– Diluted	37.3	35.8
Dividends per share (pence)		
– Interim	8.5	8.0
– Final	11.5	11.0
Headline earnings per share (pence)		
– Basic	35.8	33.8
– Diluted	33.9	32.3
Number of weighted average shares (million)	862.7	862.6

* Restated for IFRIC 21 detailed in the commentary section.

Statutory combined consolidated statement of comprehensive income

£'000	Year to 31 March 2015	Year to 31 March 2014*
Profit after taxation	275 394	352 645
Other comprehensive income/(loss):		
Items that may be reclassified to the income statement		
Fair value movements on cash flow hedges taken directly to other comprehensive income	(32 816)	(3 582)
Gains on realisation of available-for-sale assets recycled through the income statement	(4 660)	(2 972)
Fair value movements on available-for-sale assets taken directly to other comprehensive income	1 037	347
Foreign currency adjustments on translating foreign operations	(58 318)	(407 479)
Items that will never be reclassified to the income statement		
Remeasurement of net defined pension liability/(asset)^	6 340	(5 870)
Total comprehensive income/(loss)	186 977	(66 911)
Total comprehensive income/(loss) attributable to non-controlling interests	32 050	(12 724)
Total comprehensive income/(loss) attributable to ordinary shareholders	120 124	(89 455)
Total comprehensive income attributable to perpetual preferred securities	34 803	35 268
Total comprehensive income/(loss)	186 977	(66 911)

* Restated for IFRIC 21 detailed in the commentary section.

Statutory combined consolidated balance sheet

£'000	31 March 2015	31 March 2014*
Assets		
Cash and balances at central banks	2 529 562	2 080 190
Loans and advances to banks	3 045 864	3 280 179
Non-sovereign and non-bank cash placements	586 400	515 189
Reverse repurchase agreements and cash collateral on securities borrowed	1 812 156	1 388 980
Sovereign debt securities	2 958 641	3 215 432
Bank debt securities	1 161 055	1 568 097
Other debt securities	627 373	605 378
Derivative financial instruments	1 580 681	1 619 415
Securities arising from trading activities	1 086 349	870 088
Investment portfolio	947 846	825 745
Loans and advances to customers	16 740 263	16 281 612
Own originated loans and advances to customers securitised	448 647	875 755
Other loans and advances	574 830	1 693 569
Other securitised assets	780 596	3 576 526
Interests in associated undertakings	25 244	24 316
Deferred taxation assets	99 301	131 142
Other assets	1 741 713	1 474 992
Property and equipment	102 354	108 738
Investment properties	617 898	509 228
Goodwill	361 527	433 571
Intangible assets	147 227	159 169
Non-current assets classified as held for sale	40 726	41 637
	38 016 253	41 278 948
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	6 337 149	5 862 959
	44 353 402	47 141 907
Liabilities		
Deposits by banks	1 908 294	2 721 170
Derivative financial instruments	1 544 168	1 170 232
Other trading liabilities	885 003	861 412
Repurchase agreements and cash collateral on securities lent	1 284 945	1 316 087
Customer accounts (deposits)	22 614 868	22 609 784
Debt securities in issue	1 709 369	1 596 630
Liabilities arising on securitisation of own originated loans and advances	109 953	729 534
Liabilities arising on securitisation of other assets	616 909	3 041 435
Current taxation liabilities	201 790	208 041
Deferred taxation liabilities	76 481	97 116
Other liabilities	1 845 679	1 572 877
	32 797 459	35 924 318
Liabilities to customers under investment contracts	6 335 326	5 861 389
Insurance liabilities, including unit-linked liabilities	1 823	1 570
	39 134 608	41 787 277
Subordinated liabilities	1 178 299	1 338 752
	40 312 907	43 126 029
Equity		
Ordinary share capital	226	224
Perpetual preference share capital	153	153
Share premium	2 258 148	2 473 131
Treasury shares	(68 065)	(85 981)
Other reserves	(563 985)	(467 247)
Retained income	1 874 360	1 652 016
Shareholders' equity excluding non-controlling interests	3 500 837	3 572 296
Other additional tier 1 securities in issue	30 599	–
Non-controlling interests	509 059	443 582
– Perpetual preferred securities issued by subsidiaries	229 957	252 713
– Non controlling interests in partially held subsidiaries	279 102	190 869
Total equity	4 040 495	4 015 878
Total liabilities and equity	44 353 402	47 141 907

* Restated for IFRIC 21 detailed in the commentary section.

Statutory summarised combined consolidated cash flow statement

£'000	Year to 31 March 2015	Year to 31 March 2014*
Cash inflows from operations	621 363	668 725
Increase in operating assets	(2 312 161)	(979 947)
Increase in operating liabilities	2 291 132	1 290 173
Net cash inflow from operating activities	596 334	978 951
Net cash inflow from investing activities	192 347	24 313
Net cash outflow from financing activities [^]	(257 753)	(234 601)
Effects of exchange rate changes on cash and cash equivalents	(17 091)	(281 225)
Net increase in cash and cash equivalents	513 837	487 438
Cash and cash equivalents at the beginning of the year	4 049 011	3 561 573
Cash and cash equivalents at the end of the year	4 562 848	4 049 011

Cash and cash equivalents is defined as including cash and balances at central banks, on-demand loans and advances to banks and non-sovereign and non-bank cash placements (all of which have a maturity profile of less than three months).

* Restated for IFRIC 21 detailed in the commentary section.

[^] Includes the cash flow effects on the sale of subsidiaries detailed in the commentary section.

Statutory consolidated statement of changes in equity

£'000	Ordinary share capital	Perpetual preference share capital	Share premium	Treasury shares
At 1 April 2013 – as previously reported	223	153	2 494 618	(89 545)
Restatements on adoption of IFRIC 21	–	–	–	–
At 1 April 2013 – as restated	223	153	2 494 618	(89 545)
Movement in reserves 1 April 2013 – 31 March 2014				
Profit after taxation	–	–	–	–
Fair value movements on cash flow hedges	–	–	–	–
Gains on available-for-sale assets recycled to the income statement	–	–	–	–
Fair value movements on available-for-sale assets taken directly to other comprehensive income	–	–	–	–
Foreign currency adjustments on translating foreign operations	–	–	–	–
Remeasurement of net defined pension asset	–	–	–	–
Total comprehensive loss for the year	–	–	–	–
Share-based payments adjustments	–	–	–	–
Dividends paid to ordinary shareholders	–	–	–	–
Dividends declared to perpetual preference shareholders	–	–	–	–
Dividends paid to perpetual preference shareholders included in non-controlling interests	–	–	–	–
Dividends paid to non-controlling interests	–	–	–	–
Issue of ordinary shares	1	–	31 649	–
Issue of equity by subsidiaries	–	–	–	–
Acquisition of non-controlling interests	–	–	–	–
Non-controlling interest relating to partial disposal of subsidiaries	–	–	–	–
Capital conversion of subsidiary	–	–	–	–
Movement of treasury shares	–	–	(53 136)	(45 552)
Transfer to capital reserve account	–	–	–	–
Transfer to regulatory general risk reserve	–	–	–	–
Transfer from share-based payment reserve to treasury shares	–	–	–	49 116
At 31 March 2014	224	153	2 473 131	(85 981)
Movement in reserves 1 April 2014 – 31 March 2015				
Profit after taxation	–	–	–	–
Fair value movements on cash flow hedges	–	–	–	–
Gains on available-for-sale assets recycled to the income statement	–	–	–	–
Fair value movements on available-for-sale assets taken directly to other comprehensive income	–	–	–	–
Foreign currency adjustments on translating foreign operations	–	–	(4 212)	–
Remeasurement of net defined pension liability	–	–	–	–
Total comprehensive income for the year	–	–	(4 212)	–
Share-based payments adjustments	–	–	–	–
Dividends paid to ordinary shareholders	–	–	–	–
Dividends declared to perpetual preference shareholders	–	–	–	–
Dividends paid to perpetual preference shareholders included in non-controlling interests	–	–	–	–
Dividends paid to non-controlling interests	–	–	–	–
Issue of ordinary shares	2	–	38 894	–
Issue of other additional tier 1 securities in issue	–	–	–	–
Issue of equity by subsidiaries	–	–	–	–
Acquisition of non-controlling interests	–	–	–	–
Partial sale of subsidiary	–	–	–	–
Movement of treasury shares	–	–	(74 034)	(48 603)
Transfer from share premium	–	–	(175 631)	–
Transfer from regulatory general risk reserve	–	–	–	–
Transfer from share-based payment reserve to treasury shares	–	–	–	66 519
At 31 March 2015	226	153	2 258 148	(68 065)

Other reserves					Shareholders' equity excluding non-controlling interests		Other additional tier 1 securities in issue	Non-controlling interests	Total equity
Capital reserve account	Available-for-sale reserve	Regulatory general risk reserve	Cash flow hedge reserve	Foreign currency reserves	Retained income				
10 968	10 754	37 322	(48 384)	(104 197)	1 349 560	3 661 472	-	280 043	3 941 515
-	-	-	-	-	3 738	3 738	-	-	3 738
10 968	10 754	37 322	(48 384)	(104 197)	1 353 298	3 665 210	-	280 043	3 945 253
-	-	-	-	-	330 765	330 765	-	21 880	352 645
-	-	-	(3 582)	-	-	(3 582)	-	-	(3 582)
-	(2 972)	-	-	-	-	(2 972)	-	-	(2 972)
-	347	-	-	-	-	347	-	-	347
-	(271)	(3 254)	2 190	(371 096)	(444)	(372 875)	-	(34 604)	(407 479)
-	-	-	-	-	(5 870)	(5 870)	-	-	(5 870)
-	(2 896)	(3 254)	(1 392)	(371 096)	324 451	(54 187)	-	(12 724)	(66 911)
-	-	-	-	-	66 905	66 905	-	-	66 905
-	-	-	-	-	(150 053)	(150 053)	-	-	(150 053)
-	-	-	-	-	(35 268)	(35 268)	-	18 702	(16 566)
-	-	-	-	-	-	-	-	(18 702)	(18 702)
-	-	-	-	-	-	-	-	(5 838)	(5 838)
-	-	-	-	-	-	31 650	-	-	31 650
-	-	-	-	-	-	-	-	35 477	35 477
-	-	-	-	-	-	-	-	(270)	(270)
-	-	-	-	-	146 727	146 727	-	20 213	166 940
-	-	-	-	-	-	-	-	126 681	126 681
-	-	-	-	-	-	(98 688)	-	-	(98 688)
5	-	-	-	-	(5)	-	-	-	-
-	-	4 923	-	-	(4 923)	-	-	-	-
-	-	-	-	-	(49 116)	-	-	-	-
10 973	7 858	38 991	(49 776)	(475 293)	1 652 016	3 572 296	-	443 582	4 015 878
-	-	-	-	-	245 509	245 509	-	29 885	275 394
-	-	-	(32 816)	-	-	(32 816)	-	-	(32 816)
-	(4 660)	-	-	-	-	(4 660)	-	-	(4 660)
-	1 037	-	-	-	-	1 037	-	-	1 037
-	-	(138)	6 051	(56 782)	(5 989)	(61 070)	587	2 165	(58 318)
-	-	-	-	-	6 340	6 340	-	-	6 340
-	(3 623)	(138)	(26 765)	(56 782)	245 860	154 340	587	32 050	186 977
-	-	-	-	-	63 475	63 475	-	-	63 475
-	-	-	-	-	(168 486)	(168 486)	-	-	(168 486)
-	-	-	-	-	(34 803)	(34 803)	-	18 702	(16 101)
-	-	-	-	-	-	-	-	(18 702)	(18 702)
-	-	-	-	-	-	-	-	(29 466)	(29 466)
-	-	-	-	-	-	38 896	-	-	38 896
-	-	-	-	-	-	-	30 012	-	30 012
-	-	-	-	-	-	-	-	19 725	19 725
-	-	-	-	-	-	-	-	39	39
-	-	-	-	-	(2 244)	(2 244)	-	43 129	(40 885)
-	-	-	-	-	-	(122 637)	-	-	(122 637)
-	-	-	-	-	175 631	-	-	-	-
-	-	(9 430)	-	-	9 430	-	-	-	-
-	-	-	-	-	(66 519)	-	-	-	-
10 973	4 235	29 423	(76 541)	(532 075)	1 874 360	3 500 837	30 599	509 059	4 040 495

Statutory dividends and earnings per share

	31 March 2015	31 March 2014
Ordinary dividends – pence per share		
Interim	8.5	8.0
Final	11.5	11.0
Total	20.0	19.0
Earnings	£'000	£'000
Earnings attributable to shareholders	245 509	330 765
Preference dividends paid	(34 803)	(35 268)
Earnings and diluted earnings attributable to ordinary shareholders	210 706	295 497
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	897 466 433	890 019 394
Weighted average number of treasury shares	(34 815 248)	(27 467 498)
Weighted average number of shares in issue during the year	862 651 185	862 551 896
Weighted average number of shares resulting from future dilutive potential shares	47 937 173	51 847 815
Adjusted weighted number of shares potentially in issue	910 588 358	914 399 711
Earnings per share – pence		
Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders in Investec plc and Investec Limited by the weighted average number of ordinary shares in issue during the year	24.4	34.3
Diluted earnings per share – pence		
Diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders of Investec plc and Investec Limited, adjusted for the effects of dilutive ordinary potential shares, by the weighted average number of shares in issue during the year plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive ordinary potential shares during the year	23.1	32.3
Adjusted earnings per share – pence		
Adjusted earnings per share is calculated by dividing the earnings before deducting goodwill impairment and non-operating items attributable to the ordinary shareholders, after taking into account earnings attributable to perpetual preference shareholders, by the weighted average number of ordinary shares in issue during the year	39.4	37.9
	£'000	£'000
Earnings attributable to shareholders	245 509	330 765
Impairment of goodwill	5 337	12 797
Amortisation of acquired intangibles, net of taxation	14 497	13 393
Operating cost arising from integration, restructuring and partial disposals of subsidiaries	–	20 890
Net loss/(profit) on disposal of subsidiaries	93 033	(9 821)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	17 574	(7 289)
Preference dividends paid	(34 803)	(35 268)
Accrual adjustment on earnings attributable to other equity holders**	(1 211)	(386)
Currency hedge attributable to perpetual equity instruments**	(413)	1 842
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items	339 523	326 923

** In accordance with IFRS, dividends attributable to equity holders are accounted for when a constructive liability arises i.e. on declaration by the board of directors and approval by the shareholders where required. Investec is of the view that EPS is best reflected by adjusting for earnings that are attributed to equity instruments (other than ordinary shares) on an accrual basis and therefore adjusts the paid dividend on such instruments to accrued in arriving at adjusted EPS.

Statutory dividends and earnings per share (continued)

	31 March 2015	31 March 2014
Headline earnings per share – pence		
Headline earnings per share has been calculated and is disclosed in accordance with the JSE Listings Requirements, and in terms of circular 2/2013 issued by the South African Institute of Chartered Accountants	35.8	33.8
	£'000	£'000
Earnings attributable to shareholders	245 509	330 765
Impairment of goodwill	5 337	12 797
Net loss on disposal of subsidiaries	93 033	–
Taxation on acquisition/disposal/integration of subsidiaries	20 666	–
Preference dividends paid	(34 803)	(35 268)
Property revaluation, net of taxation**	(16 312)	(13 761)
Gains on available-for-sale instruments recycled through the income statement**	(4 660)	(2 972)
Headline earnings attributable to ordinary shareholders**	308 770	291 561

** Taxation on headline earnings adjustments amounted to £7.2 million (2014: £4.3 million) with no impact on earnings attributable to non-controlling interests.

Exchange rate impact on statutory results

As discussed on page 8 exchange rates between local currencies and Pounds Sterling have fluctuated over the period. The most significant impact arises from the volatility of the Rand. The average Rand: Pounds Sterling exchange rate over the period has depreciated by 10.5% and the closing rate has depreciated by 2.3% since 31 March 2014. The following table provides an analysis of the impact of the Rand and Australian Dollar depreciation on our reported numbers.

	Results in Pounds Sterling				
	Actual as reported Year to 31 March 2015	Actual as reported Year to 31 March 2014 [#]	Actual as reported % change	Neutral currency [^] Year to 31 March 2015	Neutral currency % change
Operating profit before taxation* (million)	£493	£451	9.4%	£532	18.0%
Earnings attributable to shareholders (million)	£246	£331	(25.7%)	£273	(17.5%)
Adjusted earnings attributable to shareholders** (million)	£340	£327	4.0%	£368	12.5%
Adjusted earnings per share**	39.4p	37.9p	4.0%	42.6p	12.4%
Basic earnings per share	24.4p	34.3p	(28.9%)	27.3p	(20.4%)
Dividends per share	20.0	19.0p	5.3%	n/a	n/a

* 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.

[^] For income statement items we have used the average Rand: Pounds Sterling and the Australian Dollar: Pounds Sterling exchange rate that was applied in the prior year, i.e. 16.12 and 1.72, respectively.

[#] Restated. Refer to page 13.

	Results in Pounds Sterling				
	Actual as reported At 31 March 2015	Actual as reported At 31 March 2014 [#]	Actual as reported % change	Neutral currency [^] At 31 March 2015	Neutral currency % change
Net asset value per share	364.9p	376.0p	(3.0%)	365.2p	(2.9%)
Net tangible asset value per share	308.1p	309.0p	(0.3%)	308.4p	(0.2%)
Total equity (million)	£4 040	£4 016	0.6%	£4 087	1.8%
Total assets (million)	£44 353	£47 142	(5.9%)	£44 981	(4.6%)
Core loans and advances (million)	£17 189	£17 157	0.2%	£17 430	1.6%
Cash and near cash balances (million)	£9 975	£9 136	9.2%	£10 090	10.4%
Customer deposits (million)	£22 615	£22 610	< 0.0%	£22 908	1.3%
Third party assets under management (million)	£124 106	£109 189	13.7%	£125 149	14.6%

[^] For balance sheet items we have assumed that the Rand: Pounds Sterling and the Australian Dollar: Pounds Sterling closing exchange rate have remained neutral since 31 March 2014.

Exchange rate impact on statutory results (continued)

The following table provides a comparison of the group's results as reported in Pounds Sterling and the group's results as translated into Rands.

	Results in Pounds Sterling			Results in Rand		
	Year to 31 March 2015	Year to 31 March 2014 [#]	% change	Year to 31 March 2015	Year to 31 March 2014 [#]	% change
Operating profit before taxation* (million)	£493	£451	9.4%	R8 817	R7 309	20.6%
Earnings attributable to shareholders (million)	£246	£331	(25.7%)	R3 970	R5 329	(25.5%)
Adjusted earnings attributable to shareholders** (million)	£340	£327	4.0%	R6 076	R5 293	14.8%
Adjusted earnings per share**	39.4p	37.9p	4.0%	704c	614c	14.7%
Basic earnings per share	24.4p	34.3p	(28.9%)	387c	552c	(29.8%)
Headline earnings per share	35.8p	33.8p	5.9%	640c	548c	16.8%
Dividends per share	20.0	19.0p	5.3%	362c	327c	10.7%
	At 31 March 2015	At 31 March 2014 [#]	% change	At 31 March 2015	At 31 March 2014 [#]	% change
Net asset value per share	364.9p	376.0p	(3.0%)	6 559c	6 602c	(0.7%)
Net tangible asset value per share	308.1p	309.0p	(0.3%)	5 538c	5 425c	2.1%
Total equity (million)	£4 040	£4 016	0.6%	R72 625	R70 505	3.0%
Total assets (million)	£44 353	£47 142	(5.9%)	R797 218	R827 649	(3.7%)
Core loans and advances (million)	£17 189	£17 157	0.2%	R308 957	R301 224	2.6%
Cash and near cash balances (million)	£9 975	£9 136	9.2%	R179 242	R160 405	11.7%
Customer deposits (million)	£22 615	£22 610	< 0%	R406 485	R396 952	2.4%
Third party assets under management (million)	£124 106	£109 189	13.7%	R2 230 197	R1 917 347	16.3%

* 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.

[#] Restated. Refer to page 13.

Statutory salient features

	31 March 2015	31 March 2014#	% change
Income statement and selected returns			
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items (£'000)	339 523	326 923	3.9%
Headline earnings (£'000)	308 770	291 561	5.9%
Operating profit* (£'000)	493 157	450 676	9.4%
Operating profit: Southern Africa (% of total)*	70.8%	66.0%	
Operating profit: UK and Other (% of total)*	29.2%	34.0%	
Cost to income ratio	67.6%	67.6%	
Staff compensation to operating income ratio	47.4%	46.3%	
Return on average adjusted shareholders' equity (post-tax)	10.6%	10.0%	
Return on average adjusted tangible shareholders' equity (post-tax)	12.7%	12.3%	
Return on average risk-weighted assets	1.25%	1.14%	
Operating profit per employee (£'000)	59.7	54.9	8.7%
Net interest income as a % of operating income	32.4%	33.6%	
Non-interest income as a % of operating income	67.6%	66.4%	
Recurring income as a % of total operating income	74.2%	70.7%	
Effective operational tax rate	19.6%	17.1%	
Balance sheet			
Total capital resources (including subordinated liabilities) (£'million)	5 219	5 355	(2.5%)
Total shareholders' equity (including preference shares and non-controlling interests) (£'million)	4 040	4 016	0.6%
Shareholders' equity (excluding non-controlling interests) (£'million)	3 501	3 572	(2.0%)
Total assets (£'million)	44 353	47 142	(5.9%)
Net core loans and advances to customers (including own originated securitised assets) (£'million)	17 189	17 157	0.2%
Core loans and advances to customers as a % of total assets	38.8%	36.4%	
Cash and near cash balances (£'million)	9 975	9 136	9.2%
Customer accounts (deposits) (£'million)	22 615	22 610	-
Third party assets under management (£'million)	124 106	109 189	13.7%
Capital adequacy ratio: Investec plc [^]	16.7%	14.9%	
Capital adequacy tier 1 ratio: Investec plc [^]	11.9%	10.1%	
Common equity tier 1 ratio: Investec plc [^]	10.2%	8.8%	
Leverage ratio: Investec plc [^]	7.7%	7.4%	
Capital adequacy ratio: Investec Limited [^]	14.7%	14.9%	
Capital adequacy tier 1 ratio: Investec Limited [^]	11.3%	11.0%	
Common equity tier 1 ratio: Limited [^]	9.6%	9.4%	
Leverage ratio: Investec Limited [^]	8.1%	7.8%	
Credit loss ratio (income statement impairment charge as a % of average gross core loans and advances)	0.68%	0.68%	
Defaults (net of impairments and before collateral) as a % of net core loans and advances to customers	2.07%	2.30%	
Gearing ratio (assets excluding assurance assets to total equity)	9.4x	10.3x	
Core loans to equity ratio	4.3x	4.3x	
Loans and advances to customers: customer deposits	74.0%	72.0%	
Salient financial features and key statistics			
Adjusted earnings per share (pence)	39.4	37.9	4.0%
Headline earnings per share (pence)	35.8	33.8	5.9%
Basic earnings per share (pence)	24.4	34.3	(28.9%)
Diluted earnings per share (pence)	23.1	32.3	(28.5%)
Dividends per share (pence)	20.0	19.0	5.3%
Dividend cover (times)	2.0	2.0	-
Net asset value per share (pence)	364.9	376.0	(3.0%)
Net tangible asset value per share (pence)	308.1	309.0	(0.3%)
Weighted number of ordinary shares in issue (million)	862.7	862.6	-
Total number of shares in issue (million)	899.4	891.7	0.9%
Closing share price (pence)	561	485	15.7%
Market capitalisation (£'million)	5 045	4 325	16.6%
Number of employees in the group (including temps and contractors)	8 254	8 258	-
Closing ZAR:£ exchange rate	17.97	17.56	2.3%
Average ZAR:£ exchange rate	17.82	16.12	10.5%

Refer to definitions and calculations on page 122.

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

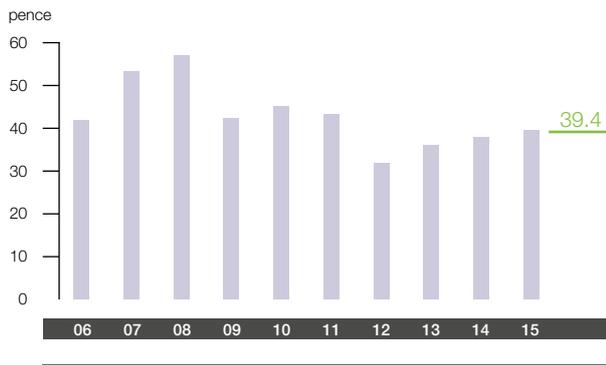
[^] The group's expected Basel III 'fully loaded' numbers are provided on page 90.

Restated. Refer to page 13.

Track record

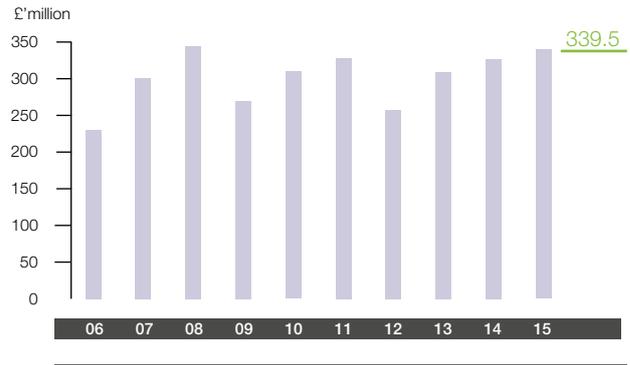
Up 4.0% to 39.4 pence

Adjusted earnings per share**



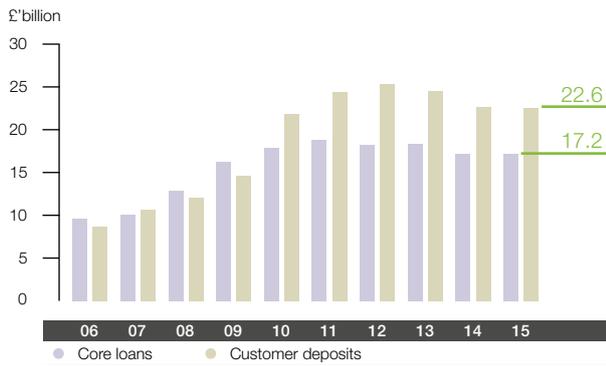
Up 3.9% £339.5 million

Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items#



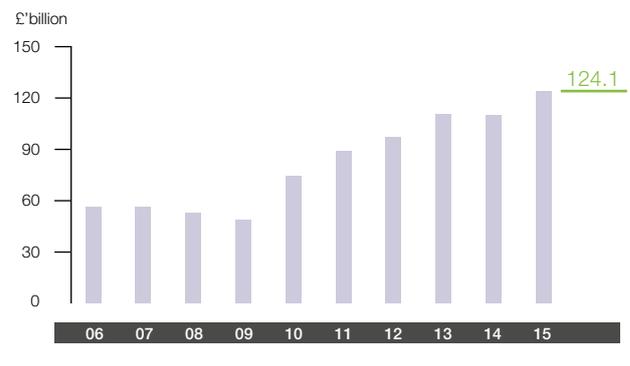
Core loans: flat at £17.2 billion since 31 March 2014
 Deposits: flat at £22.6 billion since 31 March 2014
 Adjusting for the sale of Investec Bank (Australia) Limited and Kensington (refer to page 13) core loans increased 11.9% and deposits increased 7.3%

Core loans and customer deposits



Up 13.7% to £124.1 billion since 31 March 2014

Third-party assets under management

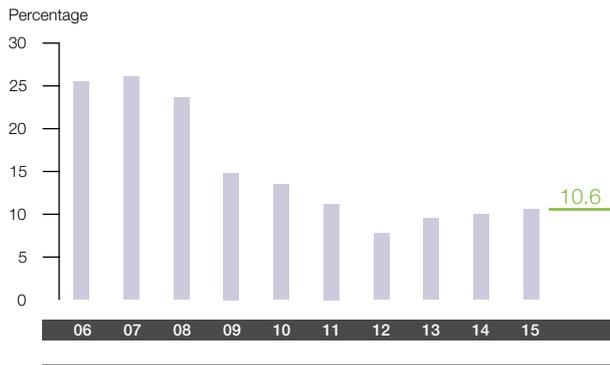


* Historical EPS numbers have been adjusted for the 5:1 share split that took place on 4 September 2006.
 # Restated. Refer to page 13.

Financial targets

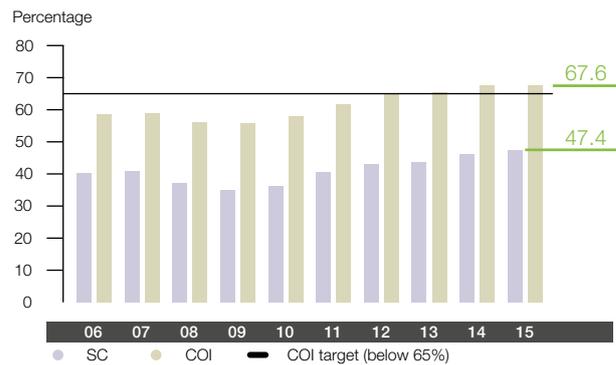
Target > We have set the following target over the medium to long term:
Group ROE: 12% to 16% over a rolling five-year period in Pounds Sterling

ROE**



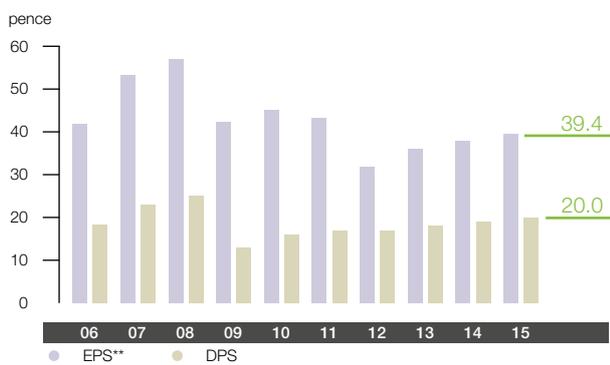
Target > We have set the following target over the medium to long term: Group COI ratio: less than 65% in Pounds Sterling

Cost to income ratio (COI) and staff compensation to operating income ratio (SC)#



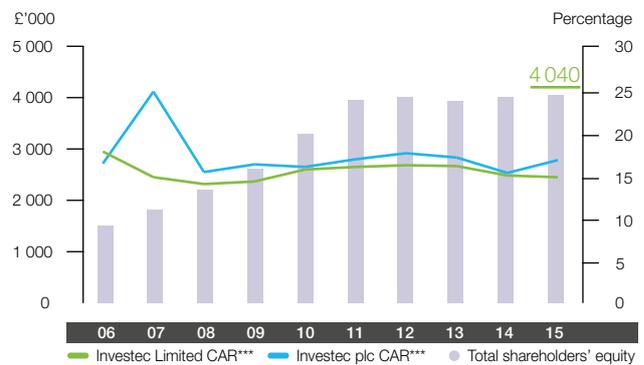
Target > In the medium to long term, we aim to achieve adjusted EPS growth of 10% in excess of UK inflation (in Pounds Sterling). We continually strive to build and maintain a sustainable business model. We intend to maintain a dividend cover of between 1.7 to 3.5 times based on earnings per share as defined above, denominated in Pounds Sterling

Adjusted earnings per share (EPS) and dividends per share (DPS)#



Target > We intend to maintain a sufficient level of capital to satisfy regulatory requirements, as well as take advantage of opportunities that may arise in the financial services industry focusing on increasing our return on equity in the medium to long term. We target a capital adequacy ratio range of between 14% and 17% on a consolidated basis for Investec plc and Investec Limited, and we target a minimum tier 1 ratio of 11.0% (by March 2016) and a common equity tier 1 ratio above 10.0% (by March 2016)

Total shareholders' equity and capital adequacy ratios (CAR)



* ROE is post-tax return on adjusted average shareholders' equity as calculated on page 91.

** Adjusted EPS before goodwill, acquired intangibles and non-operating items as defined on page 122. The numbers have been adjusted for the 5:1 share split that took place on 4 September 2006.

*** Capital adequacy figures prior to 2008 are disclosed under Basel I. Investec Limited's numbers have been reported in terms of Basel III since 31 March 2013, and Investec plc is reporting in terms of Basel III since 31 March 2014.

Restated. Refer to page 13.

Note:

The numbers shown in the financial targets graphs on this page are for the years ended 31 March, unless otherwise stated.

5

Financial review and additional information – statutory basis



Key income drivers

We provide a wide range of financial products and services to a niche client base in two principal markets, the UK and South Africa. We are organised as a network comprising three principal business divisions: Asset Management, Wealth & Investment and Specialist Banking

Specialist Banking

There are therefore a number of key income drivers for our business which are discussed below and alongside.

Asset Management

Key income drivers

- Fixed fees as a percentage of assets under management
- Variable performance fees.

Income statement – primarily reflected as

- Fees and commissions.

Income impacted primarily by

- Movements in the value of the assets underlying client portfolios
- Performance of portfolios against set benchmarks
- Net flows.

Wealth & Investment

Key income drivers

- Investment management fees levied as a percentage of assets under management
- Commissions earned for executing transactions for clients.

Income statement – primarily reflected as

- Fees and commissions.

Income impacted primarily by

- Movement in the value of assets underlying client portfolios
- The level of investment activity undertaken on behalf of clients, which, in turn, is affected by, among other things, the performance of the global stock markets (which drives investment opportunities), the equity investment risk appetite of our clients, tax considerations and market liquidity.

Key income drivers (continued)

Key income drivers	Income impacted primarily by	Income statement – primarily reflected as
<ul style="list-style-type: none"> Size of portfolios Clients' capital and infrastructural investments Client activity Credit spreads Shape of yield curve. 	<ul style="list-style-type: none"> Lending activities. 	<ul style="list-style-type: none"> Net interest income Fees and commission Investment income.
<ul style="list-style-type: none"> Capital employed in the business and capital adequacy targets Asset and liability management policies and risk appetite Regulatory requirements Credit spreads. 	<ul style="list-style-type: none"> Cash and near cash balances. 	<ul style="list-style-type: none"> Net interest income Trading income arising from balance sheet management activities.
<ul style="list-style-type: none"> Distribution channels Ability to create innovative products Regulatory requirements Credit spreads. 	<ul style="list-style-type: none"> Deposit and product structuring and distribution. 	<ul style="list-style-type: none"> Net interest income Fees and commissions.
<ul style="list-style-type: none"> Macro- and micro-economic market conditions Availability of profitable exit routes Whether appropriate market conditions exist to maximise gains on sale Attractive investment opportunities Credit spreads. 	<ul style="list-style-type: none"> Investments made (including listed and unlisted equities; debt securities; investment properties) Gains or losses on investments Dividends received. 	<ul style="list-style-type: none"> Net interest income Investment income.
<ul style="list-style-type: none"> The demand for our specialised advisory services, which, in turn, is affected by applicable tax, regulatory and other macro- and micro-economic fundamentals. 	<ul style="list-style-type: none"> Advisory services. 	<ul style="list-style-type: none"> Fees and commissions.
<ul style="list-style-type: none"> Client activity Market conditions/volatility Asset and liability creation Product innovation Market risk factors, primarily volatility and liquidity. 	<ul style="list-style-type: none"> Derivative sales, trading and hedging. 	<ul style="list-style-type: none"> Fees and commissions Trading income arising from customer flow.
<ul style="list-style-type: none"> Levels of activity Ability to create innovative products Appropriate systems infrastructure. 	<ul style="list-style-type: none"> Transactional banking services. 	<ul style="list-style-type: none"> Net interest income Fees and commissions.

Key risks



Risks relating to our operations

In our ordinary course of business we face a number of risks that could affect our business operations

These risks are summarised briefly in the table below with further detail provided in the risk management section of this report.

For additional information pertaining to the management and monitoring of these risks, see the references provided.

Credit and counterparty risk

exposes us to losses caused by financial or other problems experienced by our clients

Operational risk may disrupt our business or result in regulatory action

Legal and regulatory risks are substantial in our businesses

Liquidity risk may impair our ability to fund our operations

We are exposed to **non-traded currency risk**, where fluctuations in exchange rates against Pounds Sterling could have an impact on our financial results

Reputational, strategic and business risk

Our net interest earnings and net asset value may be adversely affected by **interest rate risk**

We may be **vulnerable to the failure of our systems** and breaches of our security systems

We may be exposed to **pension risk** in our UK operations

Market, business and general economic conditions and fluctuations could adversely affect our businesses in a number of ways

We may have insufficient capital in the future and may be unable to secure additional financing when it is required

Employee misconduct could cause harm that is difficult to detect

We may be unable to **recruit, retain and motivate key personnel**

The **financial services industry** in which we operate is intensely competitive

Additional risks and uncertainties not presently known to us or that we currently deem immaterial may in the future also negatively impact our business operations.

Financial review

Statutory income statement analysis

The overview that follows will highlight the main reasons for the variance in the major category line items on the face of the income statement during the year under review.

Further details on the key income drivers and significant variances in the various components of our operating income, expenses and profit can be found in the description of our principal businesses on pages 27 to 50.

Total operating income

Total operating income increased by 0.9% to £1 957.5 million (2014: £1 941.0 million). The various components of total operating income are analysed below.

£'000	31 March 2015	% of total income	31 March 2014	% of total income	% change
Net interest income	634 977	32.4%	651 679	33.6%	(2.6%)
Net fee and commission income	1 089 043	55.6%	989 421	51.0%	10.1%
Investment income	128 334	6.6%	166 809	8.6%	(23.1%)
Trading income arising from					
– customer flow	106 313	5.4%	103 914	5.3%	2.3%
– balance sheet management and other trading activities	(13 424)	(0.6%)	10 587	0.5%	(> 100.0%)
Other operating income	12 236	0.6%	18 554	1.0%	(34.1%)
Total operating income before impairments	1 957 479	100.0%	1 940 964	100.0%	0.9%

The following table sets out information on total operating income before impairment losses on loans and advances by geography for the year under review.

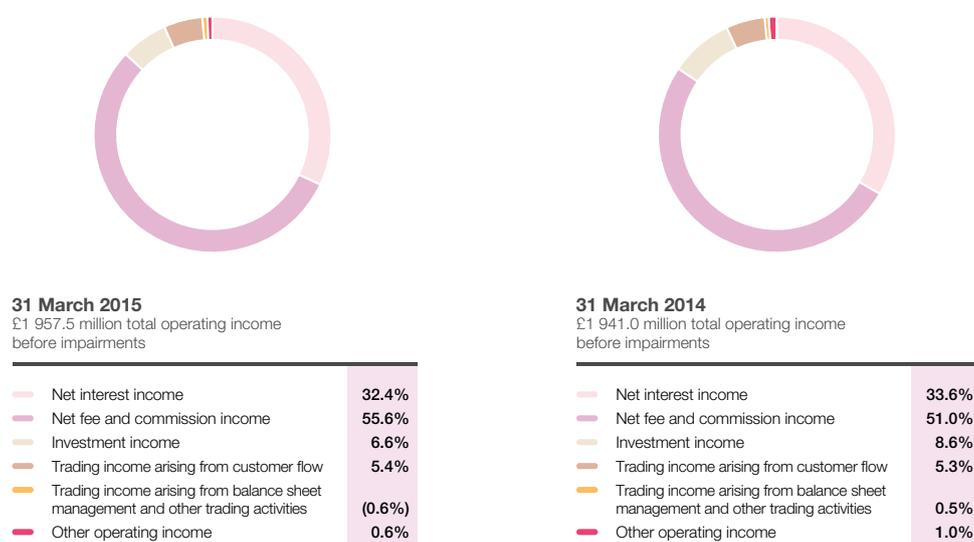
£'000	31 March 2015	% of total income	31 March 2014	% of total income	% change
UK and Other [^]	1 127 081	57.6%	1 174 152	60.5%	(4.0%)
Southern Africa	830 398	42.4%	766 812	39.5%	8.3%
Total operating income before impairments	1 957 479	100.0%	1 940 964	100.0%	0.9%

The following table sets out information on total operating income before impairment losses on loans and advances by division for the year under review.

£'000	31 March 2015	% of total income	31 March 2014	% of total income	% change
Asset Management	436 059	22.3%	414 180	21.4%	5.3%
Wealth & Investment	313 217	16.0%	288 033	14.8%	8.7%
Specialist Banking	1 208 203	61.7%	1 238 751	63.8%	(2.5%)
Total operating income before impairments	1 957 479	100.0%	1 940 964	100.0%	0.9%

[^] Includes Australia, which was previously reported separately. Refer to page 13.

% of total operating income before impairments



Net interest income

Net interest income decreased by 2.6% to £635.0 million (2014: £651.7 million) largely due to a lower return earned on the legacy portfolios which are running down; the sales of Investec Bank (Australia) Limited, Kensington UK and Start Irish operations; and the depreciation of the Rand against Pounds Sterling. This was partially offset by solid book growth, a lower cost of funding in the UK and a positive endowment impact in South Africa.

£'000	31 March 2015	31 March 2014	Variance	% change
Asset Management	4 307	3 918	389	9.9%
Wealth & Investment	6 556	7 857	(1 301)	(16.6%)
Specialist Banking	624 114	639 904	(15 790)	(2.5%)
Net interest income	634 977	651 679	(16 702)	(2.6%)

A further analysis of interest received and interest paid is provided in the tables below.

For the year to 31 March 2015 £'000	Notes	UK and Other [^]		Southern Africa		Total group	
		Balance sheet value	Interest income	Balance sheet value	Interest income	Balance sheet value	Interest income
Cash, near cash and bank debt and sovereign debt securities	1	5 878 855	48 967	6 214 823	274 165	12 093 678	323 132
Core loans and advances	2	7 061 117	424 071	10 127 793	808 754	17 188 910	1 232 825
Private client		3 341 861	169 272	6 726 853	524 190	10 068 714	693 462
Corporate, institutional and other clients		3 719 256	254 799	3 400 940	284 564	7 120 196	539 363
Other debt securities and other loans and advances		775 651	101 816	426 552	23 758	1 202 203	125 574
Other interest earning assets	3	411 983	94 612	368 613	14 724	780 596	109 336
Total interest earning assets		14 127 606	669 466	17 137 781	1 121 401	31 265 387	1 790 867

Notes:

- Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; non-sovereign and non-bank cash placements; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities; and bank debt securities.
- Comprises (as per the balance sheet) loans and advances to customers and own originated loans and advances to customers securitised.
- Comprises (as per the balance sheet) other securitised assets.

[^] Includes Australia, which was previously reported separately. Refer to page 13.

Financial review (continued)

For the year to 31 March 2015 £'000	Notes	UK and Other [^]		Southern Africa		Total group	
		Balance sheet value	Interest expense	Balance sheet value	Interest expense	Balance sheet value	Interest expense
Deposits by banks and other debt related securities	4	1 997 208	41 869	2 905 400	51 519	4 902 608	93 388
Customer accounts (deposits)		10 298 493	157 813	12 316 375	702 722	22 614 868	860 535
Other interest bearing liabilities	5	330 526	82 421	396 336	16 503	726 862	98 924
Subordinated liabilities		596 923	59 881	581 376	43 162	1 178 299	103 043
Total interest bearing liabilities		13 223 150	341 984	16 199 487	813 906	29 422 637	1 155 890
Net interest income			327 482		307 495		634 977

For the year to 31 March 2014 £'000	Notes	UK and Other [^]		Southern Africa		Total group	
		Balance sheet value	Interest income	Balance sheet value	Interest income	Balance sheet value	Interest income
Cash, near cash and bank debt and sovereign debt securities	1	5 532 675	61 907	6 515 392	295 811	12 048 067	357 718
Core loans and advances	2	8 222 264	542 480	8 935 103	765 050	17 157 367	1 307 530
Private client		5 146 582	267 408	6 037 359	488 165	11 183 941	755 573
Corporate, institutional and other clients		3 075 682	275 072	2 897 744	276 885	5 973 426	551 957
Other debt securities and other loans and advances		1 642 858	74 598	656 089	31 088	2 298 947	105 686
Other interest earning assets	3	2 798 158	124 783	778 368	9 666	3 576 526	134 449
Total interest earning assets		18 195 955	803 768	16 884 952	1 101 615	35 080 907	1 905 383

For the year to 31 March 2014 £'000	Notes	UK and Other [^]		Southern Africa		Total group	
		Balance sheet value	Interest expense	Balance sheet value	Interest expense	Balance sheet value	Interest expense
Deposits by banks and other debt related securities	4	3 140 805	76 542	2 493 082	62 435	5 633 887	138 977
Customer accounts (deposits)		10 938 789	222 458	11 670 995	655 969	22 609 784	878 427
Other interest bearing liabilities	5	2 823 683	80 766	947 286	41 531	3 770 969	122 297
Subordinated liabilities		740 949	67 268	597 803	46 735	1 338 752	114 003
Total interest bearing liabilities		17 644 226	447 034	15 709 166	806 670	33 353 392	1 253 704
Net interest income			356 734		294 945		651 679

[^] Includes Australia, which was previously reported separately. Refer to page 13.

Notes:

1. Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; non-sovereign and non-bank cash placements; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities; and bank debt securities.
2. Comprises (as per the balance sheet) loans and advances to customers; and own originated loans and advances to customers securitised.
3. Comprises (as per the balance sheet) other securitised assets.
4. Comprises (as per the balance sheet) deposits by banks; debt securities in issue; repurchase agreements and cash collateral on securities lent.
5. Comprises (as per the balance sheet) liabilities arising on securitisation of own originated assets; and liabilities arising on securitisation.

Financial review (continued)

Net fee and commission income

Net fee and commission income increased by 10.1% to £1 089.0 million (2014: £989.4 million) as a result of higher average funds under management and net inflows in the Asset Management and Wealth Management businesses. The Specialist Banking business benefited from a solid performance from the corporate finance and corporate treasury businesses, notably in the UK, and the private banking business in South Africa continued to perform well.

£'000	31 March 2015	31 March 2014	Variance	% change
Asset Management	428 555	409 341	19 214	4.7%
Wealth & Investment	299 663	275 377	24 286	8.8%
Specialist Banking	360 825	304 703	56 122	18.4%
Net fee and commission income	1 089 043	989 421	99 622	10.1%

Further information on net fees by type of fee and geography is provided in the tables below.

For the year to 31 March 2015 £'000	UK and Other [^]	Southern Africa	Total group
Asset management and wealth management businesses net fee and commission income	505 772	222 446	728 218
Fund management fees/fees for assets under management	540 050	201 372	741 424
Private client transactional fees	59 566	32 302	91 868
Fee and commission expense	(93 844)	(11 230)	(105 074)
Specialist Banking net fee and commission income	225 325	135 500	360 825
Corporate and institutional transactional and advisory services	219 870	115 220	335 090
Private client transactional fees	25 019	32 856	57 875
Fee and commission expense	(19 564)	(12 576)	(32 140)
Net fee and commission income	731 097	357 946	1 089 043
Annuity fees (net of fees payable)	541 327	276 143	817 470
Deal fees	189 770	81 803	271 573

For the year to 31 March 2014 £'000	UK and Other [^]	Southern Africa	Total group
Asset management and wealth management businesses net fee and commission income	462 375	222 343	684 718
Fund management fees/fees for assets under management	497 863	191 271	689 134
Private client transactional fees	61 887	33 287	95 174
Fee and commission expense	(97 375)	(2 215)	(99 590)
Specialist Banking net fee and commission income	172 195	132 508	304 703
Corporate and institutional transactional and advisory services	177 053	118 667	295 720
Private client transactional fees	29 871	27 003	56 874
Fee and commission expense	(34 729)	(13 162)	(47 891)
Net fee and commission income	634 570	354 851	989 421
Annuity fees (net of fees payable)	461 427	257 662	719 089
Deal fees	173 143	97 189	270 332

[^] Includes Australia, which was previously reported separately. Refer to page 13.

Financial review (continued)

Investment income

Investment income decreased by 23.1% to £128.3 million (2014: £166.8 million). The group's unlisted investment portfolio in the UK and South Africa delivered a solid performance. This was offset, however, by a poor performance from the Hong Kong portfolio.

£'000	31 March 2015	31 March 2014	Variance	% change
Asset Management	22	28	(6)	(21.4%)
Wealth & Investment	4 123	2 183	1 940	88.9%
Specialist Banking	124 189	164 598	(40 409)	(24.6%)
Investment income	128 334	166 809	(38 475)	(23.1%)

Further information on investment income is provided in the tables below.

For the year to 31 March 2015 £'000	UK and Other [^]	Southern Africa	Total group
Realised	80 014	65 746	145 760
Unrealised	(90 296)	48 097	(42 199)
Dividend income	5 878	24 808	30 686
Funding and other net related (costs)/income	2 194	(8 107)	(5 913)
Investment (loss)/income	(2 210)	130 544	128 334

For the year to 31 March 2015 £'000	Investment portfolio (listed and unlisted equities)*	Debt securities (sovereign, bank and other)	Investment properties	Other asset categories	Total
UK and Other[^]	(7 577)	(14 681)	8 726	11 322	(2 210)
Realised	63 395	8 494	–	8 125	80 014
Unrealised	(76 850)	(23 175)	8 726	1 003	(90 296)
Dividend income	5 878	–	–	–	5 878
Funding and other net related income	–	–	–	2 194	2 194
Southern Africa	83 168	12 055	29 910	5 411	130 544
Realised	42 214	3 814	19 741	(23)	65 746
Unrealised	29 358	8 241	10 169	329	48 097
Dividend income	24 808	–	–	–	24 808
Funding and other net related (costs)/income	(13 212)	–	–	5 105	(8 107)
Total investment income	75 591	(2 626)	38 636	16 733	128 334

* Including embedded derivatives (warrants and profit shares).

[^] Includes Australia, which was previously reported separately. Refer to page 13.

Financial review (continued)

For the year to 31 March 2014 £'000	UK and Other [^]	Southern Africa	Total group
Realised	53 986	19 534	73 520
Unrealised	34 991	14 899	49 890
Dividend income	10 885	38 569	49 454
Funding and other net related costs	(763)	(5 292)	(6 055)
Investment income	99 099	67 710	166 809

For the year to 31 March 2014 £'000	Investment portfolio (listed and unlisted equities)*	Debt securities (sovereign, bank and other)	Investment properties	Other asset categories	Total
UK and Other [^]	100 573	(1 380)	–	(94)	99 099
Realised	37 822	11 457	–	4 707	53 986
Unrealised	52 059	(12 837)	–	(4 231)	34 991
Dividend income	10 692	–	–	193	10 885
Funding and other net related costs	–	–	–	(763)	(763)
Southern Africa	43 092	(2 851)	23 450	4 019	67 710
Realised	12 607	–	8 610	(1 683)	19 534
Unrealised	1 746	(2 851)	16 374	(370)	14 899
Dividend income	38 569	–	–	–	38 569
Funding and other net related (costs)/income	(9 830)	–	(1 534)	6 072	(5 292)
Total investment income	143 665	(4 231)	23 450	3 925	166 809

* Including embedded derivatives (warrants and profit shares).

[^] Includes Australia, which was previously reported separately. Refer to page 13.

Trading income

Trading income arising from customer flow increased by 2.3% to £106.3 million (2014: £103.9 million) whilst trading income from other trading activities reflected a loss of £13.4 million (2014: profit of £10.6 million) due to foreign currency losses largely offset in non-controlling interests as discussed on page 82.

Arising from customer flow

£'000	31 March 2015	31 March 2014	Variance	% change
Asset Management	–	–	–	–
Wealth & Investment	1 024	1 324	(300)	(22.7%)
Specialist Banking	105 289	102 590	2 699	2.6%
Trading income arising from customer flow	106 313	103 914	2 399	2.3%

Financial review (continued)

Arising from balance sheet management and other trading activities

£'000	31 March 2015	31 March 2014	Variance	% change
Asset Management	1 485	(1 982)	3 467	> 100.0%
Wealth & Investment	574	58	516	> 100.0%
Specialist Banking	(15 483)	12 511	(27 994)	(> 100.0%)
Trading loss arising from balance sheet management and other trading activities	(13 424)	10 587	(24 011)	(> 100.0%)

Other operating income

Other operating income includes associate income and income earned on an operating lease portfolio.

Impairment losses on loans and advances

Impairments on loans and advances decreased from £166.2 million to £128.4 million. Since 31 March 2014, gross defaults have improved from £658.7 million to £608.4 million. The percentage of default loans (net of impairments, but before taking collateral into account) to core loans and advances amounted to 2.07% (2014: 2.30%). The ratio of collateral to default loans (net of impairments) remains satisfactory at 1.37 times (2014: 1.27 times).

Further information is provided on pages 97 to 103.

£'000	31 March 2015	31 March 2014	Variance	% change
UK and Other	(102 707)	(126 911)	24 204	(19.1%)
Southern Africa	(25 674)	(39 241)	13 567	(34.6%)
Total impairment losses on loans and advances	(128 381)	(166 152)	37 771	(22.7%)
Impairment losses on loans and advances in home currency				
Southern Africa (R'million)	(456)	(636)	180	(28.3%)

Operating costs

The ratio of total operating costs to total operating income was 67.6% (2014: 67.6%). Total operating costs grew by 1.2% to £1 322.7 million (2014: £1 307.2 million) reflecting: an increase in headcount in the asset management and wealth management businesses to support growth initiatives; inflationary increases in fixed costs in the Specialist Bank in home currencies; an increase in variable remuneration given increased profitability in certain businesses; and a reduction in costs arising from the sale of certain businesses in Australia.

£'000	31 March 2015	% of total expenses	31 March 2014	% of total expenses	% change
Staff costs	(927 980)	70.1%	(897 743)	68.4%	3.4%
– fixed	(590 896)	44.6%	(592 192)	45.1%	(0.2%)
– variable	(337 084)	25.5%	(305 551)	23.3%	10.3%
Business expenses	(193 529)	14.6%	(198 008)	15.0%	(2.3%)
Premises expenses (excluding depreciation)	(63 201)	4.8%	(70 477)	5.4%	(10.3%)
Equipment expenses (excluding depreciation)	(54 433)	4.1%	(56 386)	4.3%	(3.5%)
Marketing expenses	(58 833)	4.4%	(55 923)	4.3%	5.2%
Depreciation and impairment of property, plant, equipment and software	(24 729)	1.9%	(28 706)	2.1%	(13.9%)
Total operating expenses	(1 322 705)	99.9%	(1 307 243)	99.5%	1.2%
Depreciation on operating leased assets	(1 535)	0.1%	(6 044)	0.5%	(74.6%)
Total expenses	(1 324 240)	100.0%	(1 313 287)	100.0%	0.8%

Financial review (continued)

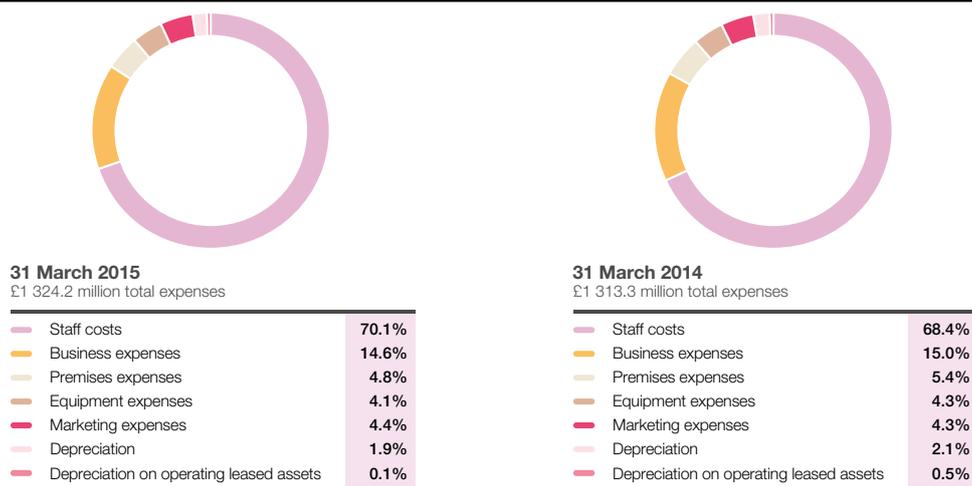
The following table sets out certain information on total expenses by geography for the year under review.

£'000	31 March 2015	% of total expenses	31 March 2014	% of total expenses	% change
UK and Other	(897 121)	67.7%	(896 706)	68.3%	< 0%
Southern Africa	(427 119)	32.3%	(416 581)	31.7%	2.5%
Total expenses	(1 324 240)	100.0%	(1 313 287)	100.0%	0.8%

The following table sets out certain information on total expenses by division for the year under review.

£'000	31 March 2015	% of total expenses	31 March 2014	% of total expenses	% change
Asset Management	(287 084)	21.7%	(270 361)	20.6%	6.2%
Wealth & Investment	(234 436)	17.7%	(221 934)	16.9%	5.6%
Specialist Banking	(763 408)	57.6%	(784 548)	59.7%	(2.7%)
Group costs	(39 312)	3.0%	(36 444)	2.8%	7.9%
Total expenses	(1 324 240)	100.0%	(1 313 287)	100.0%	0.8%

% of total expenses



Financial review (continued)

Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests

As a result of the foregoing factors, our operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests increased by 9.4% from £450.7 million to £493.2 million.

The following tables set out information on operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests by geography and by division for the year under review.

For the year to 31 March 2015 £'000	UK and Other	Southern Africa	Total group	% change	% of total
Asset Management	75 491	73 484	148 975	3.6%	30.2%
Wealth & Investment	56 871	21 910	78 781	19.2%	16.0%
Specialist Banking	41 795	262 918	304 713	9.9%	61.8%
	174 157	358 312	532 469	18.1%	108.0%
Group costs	(30 048)	(9 264)	(39 312)	7.9%	(8.0%)
Total group	144 109	349 048	493 157	9.4%	100.0%
Other non-controlling interest – equity			11 701		
Operating profit			504 858		
% change	(6.0%)	17.4%	9.4%		
% of total	29.2%	70.8%	100.0%		

For the year to 31 March 2014 £'000	UK and Other	Southern Africa	Total group	% of total
Asset Management	67 585	76 234	143 819	31.9%
Wealth & Investment	46 065	20 034	66 099	14.7%
Specialist Banking	67 277	209 925	277 202	61.4%
	180 927	306 193	487 120	108.0%
Group costs	(27 672)	(8 772)	(36 444)	(8.0%)
Total group	153 255	297 421	450 676	100.0%
Other non-controlling interest – equity			10 849	
Operating profit			461 525	
% of total	34.0%	66.0%	100.0%	

* *Restated.*

Key income drivers in our core businesses

The information below reflects our key income drivers in our core businesses.

Asset Management

Global business (in Pounds)	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Operating margin	34.2%	34.7%	34.5%	35.7%	37.0%	33.4%
Net inflows in funds under management as a % of opening funds under management	4.6%	3.7%	6.7%	8.8%	16.0%	16.2%
Average income yield earned on funds under management [^]	0.60%	0.60%	0.62%	0.62%	0.66%	0.67%

Wealth & Investment

Global business (in Pounds)	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Operating margin	25.2%	22.9%	20.3%	19.7%	25.9%	n/a*
Net organic growth in funds under management as a % of opening funds under management	6.6%	3.5%	2.0%	(5.3%)	6.2%	n/a*
Average income yield earned on funds under management [^]	0.72%	0.71%	0.66%	0.61%	0.55%	n/a*
UK and Other^{^^} (in Pounds)						
Operating margin	22.7%	20.1%	17.3%	16.3%	24.5%	n/a*
Net organic growth in funds under management as a % of opening funds under management	7.1%	5.1%	1.3%	(7.4%)	3.5%	n/a*
Average income yield earned on funds under management [^]	0.89%	0.89%	0.86%	0.80%	0.68%	n/a*
South Africa (in Rands)						
Operating margin	35.1%	33.9%	31.3%	28.5%	28.9%	35.5%
Net organic growth in discretionary funds under management as a % of opening discretionary funds under management	8.5%	13.6%	13.9%	8.7%	6.0%	3.4%
Average income yield earned on funds under management ^{^**}	0.41%	0.41%	0.37%	0.39%	0.41%	0.41%

* Prior to 25 June 2010, Rensburg Sheppards plc was an associate of Investec and not a 100% owned subsidiary.

** A large portion of the funds under management are non-discretionary funds.

[^] The average income yield on funds under management represents the total operating income for the period as a percentage of the average of opening and closing funds under management. This calculation does not take into account the impact of market movements throughout the period on funds under management or the timing of acquisitions and disposals during the respective periods.

^{^^} Other comprises European Wealth Management, which prior to 1 July 2010 was part of the Private Bank, Investec Wealth & Investment Ireland (formerly NCB), which was acquired on 12 June 2012 and Investec Wealth & Investment Channel Islands.

Financial review (continued)

Specialist Banking – statutory basis

	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Global business (in Pounds)						
Cost to income ratio	63.1%	63.2%	63.1%	62.4%	60.1%	56.4%
ROE post-tax [^]	8.6%	7.9%	6.4%	5.1%	8.2%	11.4%
ROE post-tax (ongoing business) [^]	12.8%	11.9%	–	–	–	–
Growth in net core loans	0.2% ^{^^}	(6.8%)	1.0%	(2.8%)	4.8%	10.3%
Growth in risk-weighted assets	(4.9x) ^{^^}	(6.0%)	4.7%	1.5%	13.3%	16.1%
Defaults (net of impairments as a % of core loans)	2.07%	2.30%	2.73%	3.31%	4.66%	3.98%
Credit loss ratio on core loans	0.68%	0.68%	0.84%	1.12%	1.27%	1.16%
UK and Other[#] (in Pounds)						
Cost to income ratio	78.9% [*]	72.5% [*]	69.0%	68.3%	64.1%	61.4%
ROE post-tax [^]	2.1%	3.6%	1.7%	(1.8%)	2.6%	6.9%
ROE post-tax (ongoing business) ^{**^}	9.6%	10.9%	–	–	–	–
Growth in net core loans	(14.1%) ^{^^}	(0.3%)	6.6%	0.3%	6.2%	(1.6%)
Growth in risk-weighted assets	(15.5%)	0.4%	7.7%	4.6%	9.6%	5.3%
Defaults (net of impairments as a % of core loans)	3.00%	3.21%	3.75%	4.10%	5.67%	4.94%
Credit loss ratio on core loans	1.16%	0.99%	1.16%	1.65%	2.05%	1.72%
Southern Africa (in Rands)						
Cost to income ratio	47.2% [*]	51.0%	55.5%	55.2%	54.7%	49.8%
ROE post-tax [^]	15.2%	12.5%	10.0%	9.6%	10.7%	13.8%
Growth in net core loans	16.1%	10.6%	10.2%	6.6%	0.3%	1.9%
Growth in risk-weighted assets	8.3%	11.0%	16.5%	11.9%	13.8%	3.6%
Defaults (net of impairments as a % of core loans)	1.43%	1.46%	1.89%	2.73%	3.97%	3.32%
Credit loss ratio on core loans	0.28%	0.42%	0.61%	0.65%	0.71%	0.68%

[^] Divisional ROEs are reported on a pre-tax basis. For the purpose of this calculation we have applied the group's effective tax rate to derive post-tax numbers. Capital as at 31 March 2015 was c.£1.2 billion in the UK and c.R24.6 billion in South Africa.

^{^^} Impacted by sale of assets

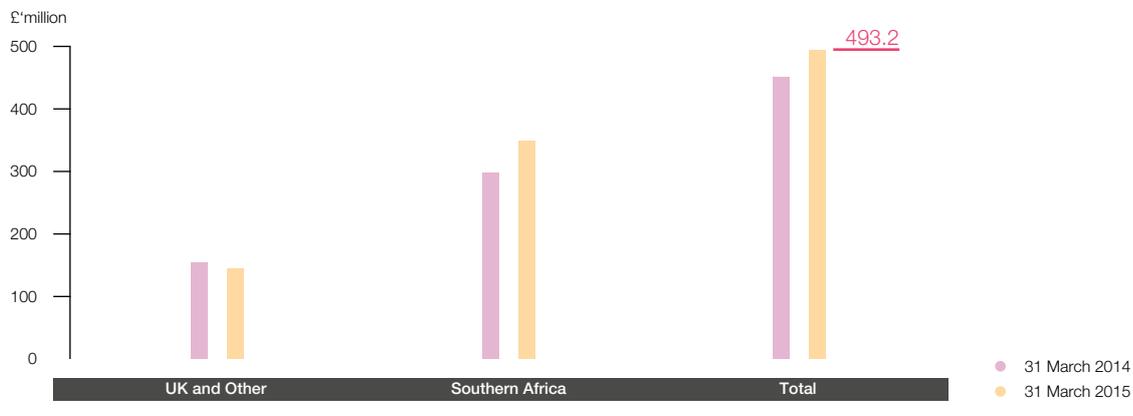
^{*} Excludes group costs.

^{**} Further information is provided on pages 18 and 45.

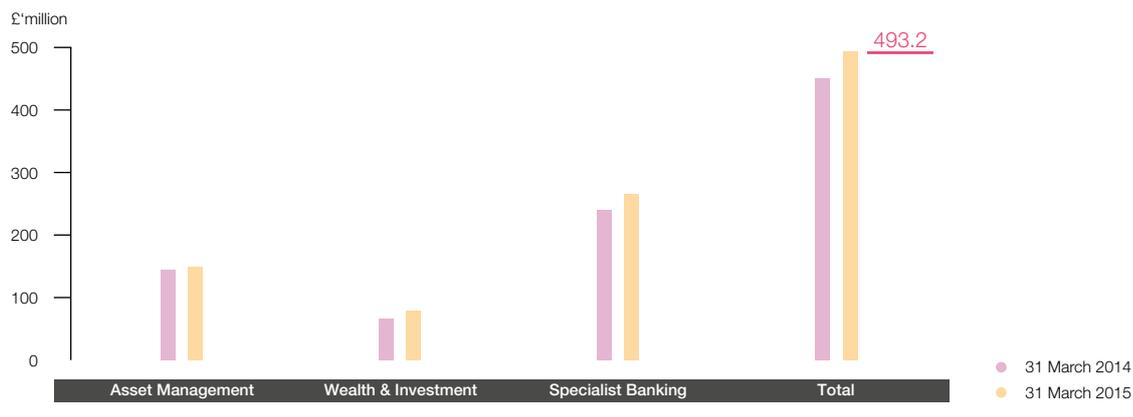
[#] Includes UK, Europe, Australia and the legacy businesses.

Financial review (continued)

Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests by geography



Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests by line of business



Financial review (continued)

Impairment of goodwill

The goodwill impairment largely relates to the restructure of the Australian business.

The decrease in goodwill relates to the sale of Investec Bank (Australia) Limited, Kensington UK and Start Irish operations as detailed on page 13.

Goodwill and intangible assets analysis – balance sheet information

£'000	31 March 2015	31 March 2014
UK and Other[^]	356 090	427 011
Asset Management	88 045	88 045
Wealth & Investment	242 126	242 951
Specialist Banking	25 919	96 015
Southern Africa	5 437	6 560
Asset Management	3 320	4 346
Wealth & Investment	1 877	1 963
Specialist Banking	240	251
Total goodwill	361 527	433 571
Intangible assets	147 227	159 169
Total goodwill and intangible assets	508 754	592 740

Amortisation of acquired intangibles

Amortisation of acquired intangibles largely relates to the Wealth & Investment business and mainly comprises amortisation of amounts attributable to client relationships.

Net loss after tax on sale of subsidiaries

Net loss on sale of subsidiaries comprises a net profit on the sale of Investec Bank (Australia) Limited offset by a net loss on the sale of the Kensington UK and Start Irish operations as detailed on page 13.

Net loss after taxation can be analysed further as follows:

	£'million
Net loss before goodwill and taxation	(28.1)
Goodwill	(64.9)
Net loss on sale of subsidiaries	(93.0)
Related tax expense	(20.7)
Net loss after tax	(113.7)

[^] Where UK and Other includes Australia.

Financial review (continued)

Taxation

The effective tax rate amounts to 19.6% (2014: 17.1%).

	Effective tax rates		31 March 2015	31 March 2014	% change
	2015	2014	£'000	£'000	
UK and Other	23.0%	18.8%	(28 362)	(31 164)	(9.0%)
Southern Africa	18.7%	15.5%	(70 661)	(48 140)	46.8%
Australia	–	1.1%	–	154	> 100%
Tax	19.6%	17.1%	(99 023)	(79 150)	25.1%

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests mainly comprises:

- £18.2 million profit attributable to non-controlling interests in the Asset Management business
- £31.7 million profit attributable to non-controlling interests in the Investec Property Fund Limited
- A reduction of £20.7 million relating to Euro-denominated preferred securities issued by a subsidiary of Investec plc, which are reflected on the balance sheet as part of non-controlling interests. (The transaction is hedged and a forex transaction loss arising on the hedge is reflected in operating profit before goodwill with the equal and opposite impact reflected in earnings attributable to non-controlling interests).

Earnings attributable to shareholders

As a result of the foregoing factors, earnings attributable to shareholders decreased from £330.8 million to £245.5 million.

Dividends and earnings per share

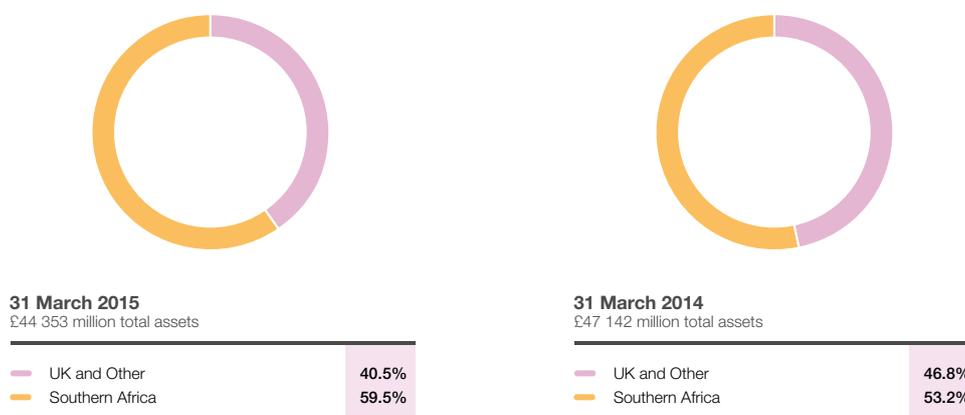
Information with respect to dividends and earnings per share is provided on pages 58 and 59 and pages 123 to 128.

Statutory balance sheet analysis

Since 31 March 2014:

- Total shareholders' equity (including non-controlling interests) increased by 0.6% to £4.0 billion.
- Net asset value per share decreased 3.0% to 364.9 pence and net tangible asset value per share (which excludes goodwill and intangible assets) decreased by 0.3% to 308.1 pence.
- The return on adjusted average shareholders' equity increased from 10.0% to 10.6%.

Assets by geography



Financial review (continued)

Statutory net tangible asset value per share

The group's net tangible asset value per share is reflected in the table below.

£'000	31 March 2015	31 March 2014*
Shareholders' equity	3 500 837	3 572 296
Less: perpetual preference shares issued by holding companies	(326 698)	(330 890)
Less: goodwill and intangible assets (excluding software)	(494 111)	(577 816)
Net tangible asset value	2 680 028	2 663 590
Number of shares in issue (million)	899.4	891.7
Treasury shares (million)	(29.5)	(29.7)
Number of shares in issue in this calculation (million)	869.9	862.0
Net tangible asset value per share (pence)	308.1	309.0
Net asset value per share (pence)	364.9	376.0

* Restated.

Statutory return on risk-weighted assets

The group's return on risk-weighted assets is reflected in the table below.

	31 March 2015	31 March 2014	Average	31 March 2013	Average
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items (£'000)	339 523	326 923	333 223	309 310	318 117
Investec plc risk-weighted assets (£'million)	11 608	13 711*	12 660	13 705*	12 936
Investec Limited risk-weighted assets [^] (£'million)	14 992	14 125	14 559	16 036	15 360
Total risk-weighted assets (£'million)	26 601	27 836	27 219	29 744	28 296
Return on average risk-weighted assets	1.25%	1.14%		1.06%	
[^] Investec Limited risk-weighted assets (R'million)	269 466	248 040	258 753	223 865	235 953

* Restated.

Capital management and allocation

Although Investec plc (and its subsidiaries) and Investec Limited (and its subsidiaries) are managed independently, the approach to capital management is consistent across the two groups. The DLC structure requires the two groups to be considered independent from a capital perspective and hence capital is managed on this basis. This approach is exercised through the board risk and capital committee (via the Investec DLC capital committee) which is a board sub-committee with ultimate responsibility for the capital sufficiency of both Investec plc and Investec Limited.

The legal and regulatory treatment of capital is independent of existing shareholder arrangements that are in place to ensure that shareholders have common economic and voting interests as if Investec plc and Investec Limited were a single unified enterprise.

Investec plc is regulated by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) in the UK and Investec Limited is regulated by the South African Reserve Bank (SARB). In addition, a number of subsidiaries are subject to the capital regulations of the regulators for the jurisdictions in which they operate.

The tables that follow provide information on our capital structure and capital adequacy ratios.

Capital structure and capital adequacy

At 31 March 2015	Investec plc ^{*o} £'million	IBP ^{*o} £'million	Investec Limited [*] R'million	IBL [*] R'million
Tier 1 capital				
Shareholders' equity	1 699	1 749	24 988	27 363
Shareholders' equity per balance sheet	1 914	1 800	28 811	28 897
Perpetual preference share capital and share premium	(150)	–	(3 183)	(1 534)
Equity holding in deconsolidated entities	–	–	(640)	–
Deconsolidation of special purpose entities	(65)	(51)	–	–
Non-controlling interests	8	–	–	–
Non-controlling interests per balance sheet	160	1	4 631	–
Non-controlling interests excluded for regulatory purposes	–	–	(4 631)	–
Non-controlling interests transferred to tier 1	(145)	–	–	–
Non-controlling interest in deconsolidated entities	–	(1)	–	–
Surplus non-controlling interest disallowed in CET1	(7)	–	–	–
Regulatory adjustments to the accounting basis	(44)	(15)	1 134	1 141
Defined benefit pension fund adjustment	(29)	–	–	–
Additional value adjustments	(15)	(15)	–	–
Cash flow hedging reserve	–	–	1 134	1 141
Deductions	(485)	(394)	(291)	(190)
Goodwill and intangible assets net of deferred tax	(473)	(382)	(291)	(190)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(8)	(8)	–	–
Securitisation positions	(4)	(4)	–	–
Common equity tier 1 capital	1 178	1 340	25 831	28 314
Additional tier 1 capital	205	–	4 584	1 074
Additional tier 1 instruments	274	–	5 267	1 534
Phase out of non-qualifying additional tier 1 instruments	(69)	–	(1 415)	(460)
Non-qualifying surplus capital attributable to non-controlling interest	–	–	(61)	–
Minority interest in non banking entities	–	–	793	–
Tier 1 capital	1 383	1 340	30 415	29 388

* Where: IBP is Investec Bank plc consolidated. IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

o The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc and IBP this does not include the deduction of foreseeable dividends when calculating common equity tier 1 capital as now required under the Capital Requirements Regulation and European Banking Authority technical standards. The impact of the final proposed ordinary and preference dividend totally £57 million for Investec plc and £15 million for IBP would be around 50bps and 10bps respectively.

Financial review (continued)

Capital structure and capital adequacy (continued)

At 31 March 2015	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
Tier 2 capital	556	590	9 213	10 319
Collective impairment allowances	–	–	169	169
Tier 2 instruments	610	590	10 449	10 449
Phase out of non-qualifying tier 2 instruments	–	–	(299)	(299)
Non-qualifying surplus capital attributable to non-controlling interests	(54)	–	(1 106)	–
Total regulatory capital	1 939	1 930	39 628	39 707
Risk-weighted assets	11 608	10 967	269 466	257 931
Capital ratios				
Common equity tier 1 ratio	10.2%	12.2%	9.6%	11.0%
Tier 1 ratio	11.9%	12.2%	11.3%	11.4%
Total capital adequacy ratio	16.7%	17.6%	14.7%	15.4%

* Where: IBP is Investec Bank plc consolidated. IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

Financial review (continued)

Capital structure and capital adequacy (continued)

At 31 March 2014**	Investec plc ^o £'million	IBP ^o £'million	Investec Limited* R'million	IBL* R'million
Tier 1 capital				
Shareholders' equity	1 843	1 886	22 641	24 067
Shareholders' equity per balance sheet	2 092	1 915	26 490	25 601
Perpetual preference share capital and share premium	(150)	–	(3 183)	(1 534)
Equity holding in deconsolidated entities	–	–	(666)	–
Deconsolidation of special purpose entities	(99)	(29)	–	–
Non-controlling interests	4	(3)	470	–
Non-controlling interests per balance sheet	177	(3)	3 102	–
Non-controlling interests excluded for regulatory purposes	–	–	(2 632)	–
Non-controlling interests transferred to tier 1	(165)	–	–	–
Surplus non-controlling interest disallowed in CET1	(8)	–	–	–
Regulatory adjustments to the accounting basis	(32)	(11)	521	522
Defined benefit pension fund adjustment	(20)	–	–	–
Unrealised gains on available-for-sale equities	(7)	(7)	–	–
Additional value adjustments	(12)	(11)	–	–
Cash flow hedging reserve	7	7	521	522
Deductions	(608)	(480)	(221)	(102)
Goodwill and intangible assets net of deferred tax	(558)	(431)	(221)	(102)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(38)	(38)	–	–
Securitisation positions	(4)	(3)	–	–
Connected funding of a capital nature	(8)	(8)	–	–
Common equity tier 1 capital	1 207	1 392	23 411	24 487
Additional tier 1 capital	234	–	3 764	1 227
Additional tier 1 instruments	295	–	4 717	1 534
Phase out of non-qualifying additional tier 1 instruments	(61)	–	(943)	(307)
Non-qualifying surplus capital attributable to non-controlling interest	–	–	(10)	–
Tier 1 capital	1 441	1 392	27 175	25 714

* Where: IBP is Investec Bank plc consolidated. IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

** The 31 March 2014 capital information has been restated to reflect the implementation of IFRIC 21.

o The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc and IBP this does not include the deduction of foreseeable dividends when calculating common equity tier 1 capital as now required under the Capital Requirements Regulation and European Banking authority technical standards. The impact of the final proposed ordinary and preference dividends totalling £61 million for Investec plc and £32 million for IBP would be around 40bps and 30bps, respectively.

Financial review (continued)

Capital structure and capital adequacy (continued)

At 31 March 2014**	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
Tier 2 capital	662	637	9 846	10 670
Collective impairment allowances	–	–	172	172
Tier 2 instruments	686	642	10 498	10 498
Phase out of non-qualifying tier 2 instruments	–	(3)	–	–
Non-qualifying surplus capital attributable to non-controlling interests	(24)	(2)	(824)	–
Total regulatory capital	2 103	2 029	37 021	36 384
Risk-weighted assets	13 711	12 668	248 040	238 396
Capital ratios				
Common equity tier 1 ratio	8.8%	11.0%	9.4%	10.3%
Tier 1 ratio	10.5%	11.0%	11.0%	10.8%
Total capital adequacy ratio	15.3%	16.0%	14.9%	15.3%

* Where: IBP is Investec Bank plc consolidated. IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

** The 31 March 2014 capital information has been restated to reflect the implementation of IFRIC 21.

Financial review (continued)

Capital requirements

At 31 March 2015	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
Capital requirements	929	878	26 946	25 794
Credit risk – prescribed standardised exposure classes	649	634	19 826	19 073
Corporates	287	285	12 167	11 505
Secured on real estate property	133	133	1 923	1 923
Short-term claims on institutions and corporates	–	–	3 308	3 242
Retail	36	36	549	549
Institutions	36	33	872	872
Other exposure classes	146	136	302	277
Securitisation exposures	11	11	705	705
Equity risk – standardised approach	11	11	3 834	4 297
Listed equities	4	4	332	847
Unlisted equities	7	7	3 502	3 450
Counterparty credit risk	35	35	576	576
Credit valuation adjustment risk	3	4	32	32
Market risk	74	71	342	324
Interest rate	26	26	88	88
Foreign exchange	20	17	113	113
Commodities	–	–	10	10
Equities	23	23	131	113
Options	5	5	–	–
Operational risk – standardised approach	157	123	2 336	1 492
At 31 March 2014				
Capital requirements	1 097	1 014	24 804	23 840
Credit risk – prescribed standardised exposure classes	830	787	18 308	17 611
Corporates	298	294	11 082	10 418
Secured on real estate property	161	154	1 601	1 601
Short-term claims on institutions and corporates	–	–	2 732	2 722
Retail	102	102	544	544
Institutions	41	38	1 064	1 064
Other exposure classes	218	189	199	176
Securitisation exposures	10	10	1 086	1 086
Equity risk – standardised approach	21	21	3 325	3 865
Listed equities	5	5	217	757
Unlisted equities	16	16	3 108	3 108
Counterparty credit risk	22	22	550	550
Credit valuation adjustment risk	16	16	98	98
Market risk	55	52	473	395
Interest rate	21	21	117	117
Foreign exchange	8	5	98	98
Securities underwriting	1	1	–	–
Commodities	–	–	5	5
Equities	22	22	253	175
Options	3	3	–	–
Operational risk – standardised approach	153	116	2 050	1 321

* Where: IBP is Investec Bank plc consolidated and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

Financial review (continued)

Risk-weighted assets

At 31 March 2015	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
Risk-weighted assets (banking and trading)	11 608	10 967	269 466	257 931
Credit risk – prescribed standardised exposure classes	8 111	7 923	198 255	190 717
Corporates	3 588	3 561	121 671	115 047
Secured on real estate property	1 657	1 657	19 230	19 230
Short-term claims on institutions and corporates	–	–	33 084	32 420
Retail	453	450	5 488	5 488
Institutions	450	410	8 717	8 717
Other exposure classes	1 822	1 704	3 020	2 770
Securitisation exposures	141	141	7 045	7 045
Equity risk – standardised approach	140	140	38 346	42 967
Listed equities	52	52	3 324	8 472
Unlisted equities	88	88	35 022	34 495
Counterparty credit risk	436	436	5 762	5 762
Credit valuation adjustment risk	42	47	324	324
Market risk	922	888	3 424	3 240
Interest rate	328	328	878	878
Foreign exchange	246	212	1 134	1 134
Commodities	–	–	96	96
Equities	291	291	1 316	1 132
Options	57	57	–	–
Operational risk – standardised approach	1 957	1 533	23 355	14 921
At 31 March 2014				
Risk-weighted assets (banking and trading)	13 711	12 668	248 040	238 396
Credit risk – prescribed standardised exposure classes	10 374	9 844	183 080	176 112
Corporates	3 728	3 683	110 817	104 181
Secured on real estate property	2 007	1 923	16 011	16 011
Short-term claims on institutions and corporates	–	–	27 319	27 215
Retail	1 281	1 278	5 441	5 441
Institutions	506	473	10 644	10 644
Other exposure classes	2 729	2 364	1 987	1 759
Securitisation exposures	123	123	10 861	10 861
Equity risk – standardised approach	267	267	33 250	38 653
Listed equities	62	62	2 167	7 570
Unlisted equities	205	205	31 083	31 083
Counterparty credit risk	271	271	5 503	5 503
Credit valuation adjustment risk	194	194	976	976
Market risk	689	648	4 731	3 947
Interest rate	262	262	1 174	1 174
Foreign exchange	98	57	978	978
Securities underwriting	13	13	–	–
Commodities	–	–	50	50
Equities	276	276	2 529	1 745
Options	40	40	–	–
Operational risk – standardised approach	1 916	1 444	20 500	13 205

* Where: IBP is Investec Bank plc consolidated and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

A summary of capital adequacy and leverage ratios

As at 31 March 2015	Investec plc ^{^*}	IBP ^{^*}	Investec Limited [*]	IBL [*]
Common equity tier 1 (as reported)	10.2%	12.2%	9.6%	11.0%
Common equity tier 1 ('fully loaded') ^{^^}	10.2%	12.2%	9.5%	10.9%
Tier 1 (as reported)	11.9%	12.2%	11.3%	11.4%
Total capital adequacy ratio (as reported)	16.7%	17.6%	14.7%	15.4%
Leverage ratio ^{**} – permanent capital	8.1%	7.6%	8.5% [#]	8.5% [#]
Leverage ratio ^{**} – current	7.7%	7.6%	8.1% [#]	8.3% [#]
Leverage ratio ^{**} – 'fully loaded' ^{^^}	6.6%	7.6%	7.2% [#]	8.0% [#]

As at 31 March 2014 [#]	Investec plc ^{^*}	IBP ^{^*}	Investec Limited [*]	IBL [*]
Common equity tier 1 (as reported)	8.8%	11.0%	9.4%	10.3%
Common equity tier 1 ('fully loaded') ^{^^}	8.9%	11.0%	9.3%	10.2%
Tier 1 (as reported)	10.5%	11.0%	11.0%	10.8%
Total capital adequacy ratio (as reported)	15.3%	16.0%	14.9%	15.3%
Leverage ratio ^{**} – permanent capital	7.7%	7.4%	8.1% [#]	7.9% [#]
Leverage ratio ^{**} – current	7.4%	7.4%	7.8% [#]	7.9% [#]
Leverage ratio ^{**} – 'fully loaded' ^{^^}	6.2%	7.4%	6.7% [#]	7.5% [#]

Reconciliation of leverage ratios At 31 March 2015	Investec plc £'million [*]	IBP £'million [*]	Investec Limited R'million [*]	IBL R'million [*]
Total assets per accounting balance sheet	18 272	17 943	473 633	332 707
Deconsolidation of non-financial/other entities	(370)	(372)	(113 905)	–
Consolidation of banking associates	20	12	–	–
Total assets per regulatory balance sheet	17 923	17 583	359 728	332 707
Reversal of accounting values:				
Derivatives	(772)	(803)	(15 177)	(15 178)
Regulatory adjustments:				
Derivatives market value	796	968	32 318	35 202
Derivative add-on amounts per the mark-to-market method	264	289	7 574	8 081
Securities financing transaction add-on for counterparty credit risk	449	452	4 842	5 108
Off-balance sheet items	324	324	(3 420)	(2 756)
Add-on for written credit derivatives	315	301	24 253	24 959
Add-on for written credit derivatives	7	7	–	–
Exclusion of items already deducted from the capital measure	(563)	(405)	(931)	(190)
Exposure measure	17 947	17 748	376 869	352 731
Tier 1 capital	1 383	1 340	30 415	29 388
Leverage ratio^{**} - current	7.7%	7.6%	8.1%	8.3%
Tier 1 capital fully loaded	1 178	1 340	27 174	28 315
Leverage ratio^{**} - 'fully loaded'^{^^}	6.6%	7.6%	7.2%	8.0%

* Where: IBP is Investec Bank plc consolidated and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

[^] The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc and Investec Bank plc this does not include the deduction of foreseeable dividends when calculating common equity tier 1 as now required under the Capital Requirements Regulation and European Banking Authority technical standards. The impact of the final proposed ordinary and preference dividends totalling £57 million for Investec plc and £15 million for Investec Bank plc would be around 50bps and 10bps, respectively. At 31 March 2014 the impact of the final proposed ordinary and preference dividends totalling £61 million for Investec plc and £32 million for IBP would be around 40bps and 30bps, respectively.

^{^^} Based on the group's understanding of current and draft regulations. 'Fully loaded' is based on Basel III capital requirements as fully phased in by 2022.

^{**} The leverage ratios are calculated on an end-quarter basis.

[#] Based on revised BIS rules.

^{##} The 31 March 2014 capital information has been restated to reflect the implementation of IFRIC 21.

Financial review (continued)

Return on equity by country and business – statutory

£'000	31 March 2015	31 March 2014*	Average	31 March 2013*	Average
Calculation of average shareholders' equity					
Ordinary shareholders' equity	3 174 144	3 241 406	3 207 775	3 287 551	3 264 479
Goodwill and intangible assets (excluding software)	(494 111)	(577 816)	(535 964)	(626 870)	(602 343)
Adjusted tangible shareholders' equity	2 680 033	2 663 590	2 671 811	2 660 681	2 662 136

£'000	31 March 2015	31 March 2014*
Operating profit before goodwill impairment and non-operational items	504 858	461 525
Minority interests	(29 885)	(21 880)
Accrued preference dividends, adjusted for currency hedge	(36 427)	(33 812)
Revised operating profit	438 545	405 833
Tax on ordinary activities	(99 023)	(78 910)
Revised operating profit after tax	339 523	326 923
Pre-tax return on average adjusted shareholders' equity	13.7%	12.4%
Post-tax return on average adjusted shareholders' equity	10.6%	10.0%
Pre-tax return on average adjusted tangible shareholders' equity	16.4%	15.2%
Post-tax return on average adjusted tangible shareholders' equity	12.7%	12.3%

* Restated. Refer to page 13.

Return on equity by country and business - ongoing

£'000	31 March 2015	31 March 2014	Average	31 March 2013	Average
Calculation of average shareholders' equity					
Ordinary shareholders' equity	3 085 374	2 861 406	2 973 390	2 807 551	2 834 479
Goodwill and intangible assets (excluding software)	(494 111)	(577 816)	(535 964)	(626 870)	(602 343)
Adjusted tangible shareholders' equity	2 591 263	2 283 590	2 437 426	2 180 681	2 232 136

	31 March 2015	31 March 2014
Operating profit before goodwill impairment and non-operational items	592 404	515 739
Minority interests	(29 885)	(21 880)
Accrued preference dividends, adjusted for currency hedge	(36 427)	(33 812)
Revised operating profit	526 092	460 047
Tax on ordinary activities	(116 182)	(88 181)
Revised operating profit after tax	409 910	371 866
Pre-tax return on average adjusted shareholders' equity	17.7%	16.2%
Post-tax return on average adjusted shareholders' equity	13.8%	13.1%
Pre-tax return on average adjusted tangible shareholders' equity	21.6%	20.6%
Post-tax return on average adjusted tangible shareholders' equity	16.8%	16.7%

Financial review (continued)

Return on equity by geography

£'000 For the year to 31 March 2015	UK and Other	Southern Africa	Total group	UK and Other ongoing
Total operating profit	127 253	377 605	504 858	214 799
Tax on profit on ordinary activities	(28 362)	(70 661)	(99 023)	(45 521)
Non-controlling interests	6 803	(36 688)	(29 885)	6 803
Preference dividends paid	(14 884)	(21 543)	(36 427)	(14 884)
Profit on ordinary activities after taxation – 31 March 2015	90 810	248 713	339 523	161 197
Profit on ordinary activities after taxation – 31 March 2014	103 448	223 475	326 923	148 392
Ordinary shareholders' equity – 31 March 2015	1 764 017	1 410 127	3 174 144	1 675 247
Goodwill and intangible assets (excluding software)	(488 674)	(5 437)	(494 111)	(488 674)
Tangible ordinary shareholders' equity – 31 March 2015	1 275 343	1 404 690	2 680 033	1 186 573
Ordinary shareholders' equity – 31 March 2014	1 942 284	1 299 122	3 241 406	1 562 284
Goodwill and intangible assets (excluding software)	(571 257)	(6 559)	(577 816)	(571 257)
Tangible ordinary shareholders' equity – 31 March 2014	1 371 027	1 292 563	2 663 590	991 027
Ordinary shareholders' equity – 31 March 2013	1 885 819	1 401 732	3 287 551	1 405 819
Goodwill and intangible assets (excluding software)	(616 610)	(10 260)	(626 870)	(616 610)
Tangible ordinary shareholders' equity – 31 March 2013	1 269 209	1 391 472	2 660 681	789 209
Average ordinary shareholders' equity – 31 March 2015	1 853 150	1 354 625	3 207 775	1 618 765
Average ordinary shareholders' equity – 31 March 2014*	1 914 052	1 350 427	3 264 479	1 484 052
Average tangible shareholders' equity – 31 March 2015	1 323 184	1 348 627	2 671 811	1 088 799
Average tangible shareholders' equity – 31 March 2014*	1 320 118	1 342 018	2 662 136	890 118
Post-tax return on average ordinary shareholders' equity – 31 March 2015	4.9%	18.4%	10.6%	10.0%
Post-tax return on average ordinary shareholders' equity – 31 March 2014*	5.4%	16.5%	10.0%	10.0%
Post-tax return on average tangible shareholders' equity – 31 March 2015	6.9%	18.4%	12.7%	14.8%
Post-tax return on adjusted tangible shareholders' equity – 31 March 2014*	7.8%	16.7%	12.3%	16.7%
Pre-tax return on adjusted average ordinary shareholders' equity – 31 March 2015	6.4%	23.6%	13.7%	12.8%
Pre-tax return on adjusted average ordinary shareholders' equity – 31 March 2014*	7.0%	20.1%	12.4%	12.1%
Pre-tax return on average tangible ordinary shareholders' equity – 31 March 2015	9.0%	23.7%	16.4%	19.0%
Pre-tax return on average tangible ordinary shareholders' equity – 31 March 2014*	10.2%	20.2%	15.2%	20.1%

* Restated. Refer to page 13.

Return on equity by business*

£'000 For the year to 31 March 2015	Asset Management	Wealth & Investment [^]	Specialist Banking	Specialist Banking ongoing
Total operating profit after other non-controlling interests	148 975	78 781	304 713	392 259
Notional return on regulatory capital	2 906	1 306	(4 212)	(4 212)
Notional cost of statutory capital	(3 570)	(9 152)	12 722	12 722
Cost of subordinated debt	(1 165)	(735)	1 900	1 900
Cost of preference shares	(642)	(328)	(35 456)	(35 456)
Adjusted earnings – 31 March 2015	146 504	69 872	279 667	367 213
Adjusted earnings – 31 March 2014	143 227	54 586	255 495	309 710
Ordinary shareholders' equity – 31 March 2015	160 648	255 318	2 599 130	2 510 360
Goodwill and intangible assets (excluding software)	(91 365)	(216 017)	(27 679)	(27 679)
Tangible ordinary shareholders' equity – 31 March 2015	69 283	39 301	2 571 451	2 482 681
Ordinary shareholders' equity – 31 March 2014	147 123	292 650	2 642 583	2 098 875
Goodwill and intangible assets (excluding software)	(92 391)	(229 279)	(97 096)	(97 096)
Tangible ordinary shareholders' equity – 31 March 2014	54 732	63 371	2 545 487	2 001 779
Ordinary shareholders' equity – 31 March 2013	127 955	256 747	2 743 799	2 237 318
Goodwill and intangible assets (excluding software)	(95 495)	(243 313)	(129 012)	(129 012)
Tangible ordinary shareholders' equity – 31 March 2013	32 460	13 434	2 614 787	2 108 306
Average ordinary shareholders' equity – 31 March 2015	153 886	273 984	2 620 856	2 304 617
Average ordinary shareholders' equity – 31 March 2014	137 539	274 699	2 693 191	2 168 097
Average tangible shareholders' equity – 31 March 2015	62 008	51 336	2 558 469	2 242 229
Average tangible shareholders' equity – 31 March 2014	43 596	38 403	2 580 137	2 055 043
Pre-tax return on adjusted average ordinary shareholders' equity – 31 March 2015	95.2%	25.5%	10.7%	15.9%
Pre-tax return on adjusted average ordinary shareholders' equity – 31 March 2014	104.1%	19.9%	9.5%	14.3%
Pre-tax return on average tangible ordinary shareholders' equity – 31 March 2015	236.3%	136.1%	10.9%	16.4%
Pre-tax return on average tangible ordinary shareholders' equity – 31 March 2014	328.5%	142.1%	9.9%	15.1%

* The return on equity by business is based on the level of internal capital required by each business, inclusive of an allocation of any surplus capital held by the group. The operating profit is adjusted to reflect a capital structure that includes common equity, additional tier 1 capital instruments and subordinated debt.

[^] The Wealth & Investment is consistent with the group computation, except for an adjustment of £159.1 million between ordinary shareholders' funds and goodwill which represents historical accounting gains, with a corresponding effective increase in goodwill. These gains were excluded from group.

Financial review (continued)

Statutory operating profit (before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests) per employee

By division	Asset Management	Wealth & Investment	Specialist Banking	Total group
Number of employees – 31 March 2015	1 508	1 533	5 213	8 254
Number of employees – 31 March 2014	1 468	1 383	5 407	8 258
Number of employees – 31 March 2013	1 268	1 332	5 551	8 151
Average employees – year to 31 March 2015	1 488	1 458	5 310	8 256
Average employees – year to 31 March 2014	1 368	1 358	5 479	8 205
Operating profit* – year to 31 March 2015 (£'000)	148 975	78 781	304 713	532 469
Operating profit* – year to 31 March 2014 (£'000)	143 819	66 099	277 202	487 120
Operating profit per employee [^] – 31 March 2015 (£'000)	100.1 ^{^^}	54.0	57.4	59.7
Operating profit per employee [^] – 31 March 2014 (£'000)	105.1 ^{^^}	48.7	50.6	54.9

By geography	UK and Other [#]	Southern Africa	Total group
Number of employees – 31 March 2015	3 729	4 525	8 254
Number of employees – 31 March 2014	3 854	4 404	8 258
Number of employees – 31 March 2013	3 983	4 168	8 151
Average employees – year to 31 March 2015	3 791	4 465	8 256
Average employees – year to 31 March 2014	3 919	4 286	8 205
Operating profit – year to 31 March 2015 (£'000)	144 109	349 048	493 157
Operating profit – year to 31 March 2014 (£'000)	153 255	297 421	450 676
Operating profit per employee [^] – 31 March 2015 (£'000)	38.0	78.2	59.7
Operating profit per employee [^] – 31 March 2014 (£'000)	39.1	69.4	54.9

* Operating profit excludes group costs.

[^] Based on average number of employees over the year.

^{^^} For Investec Asset Management, operating profit per employee includes Silica, its third party administration business.

[#] Includes Australia, which was previously reported separately. Refer to page 13.

Number of employees

By division – permanent employees	31 March 2015	31 March 2014
Asset Management		
UK and Other	457	428
Southern Africa*	977	913
Total	1 434	1 341
Wealth & Investment		
UK and Other	1 164	1 014
Southern Africa	297	286
Total	1 461	1 300
Specialist Banking		
UK and Other	1 841	1 789
Southern Africa	2 925	2 787
Australia	98	440
Total	4 864	5 016
Total number of permanent employees	7 759	7 657

* Includes Silica employees, its third party administration business.

By geography	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
UK and Other	3 462	3 231	3 357	3 214	2 635	1 786
Southern Africa	4 199	3 986	3 748	3 661	3 680	3 542
Australia	98	440	470	411	401	356
Temporary employees and contractors	495	601	576	495	521	439
Total number of employees	8 254	8 258	8 151	7 781	7 237	6 123

Financial review (continued)

Total third party assets under management

£'million	31 March 2015	31 March 2014
Asset Management	77 510	68 017
UK and Other	50 622	42 006
Southern Africa	26 888	26 011
Wealth & Investment*	46 076	40 772
UK and Other	29 562	26 574
Southern Africa	16 514	14 198
Property activities	412	272
Southern Africa	244	144
Australia	168	128
Australia other funds	108	128
Total	124 106	109 189

* Restated.

A further analysis of third party assets under management

At 31 March 2015 £'million	UK and Other	Southern Africa	Australia	Total
Asset Management	50 622	26 888	–	77 510
Mutual funds	19 398	11 179	–	30 577
Segregated mandates	31 224	15 709	–	46 933
Wealth & Investment*	29 562	16 514	–	46 076
Discretionary	21 602	4 974	–	26 576
Non-discretionary	7 740	11 540	–	19 280
Other	220	–	–	220
Property activities	–	244	168	412
Australia other funds	–	–	108	108
Total third party assets under management	80 184	43 646	276	124 106

* Restated.

At 31 March 2014 £'million	UK and Other	Southern Africa	Australia	Total
Asset Management	42 006	26 011	–	68 017
Mutual funds	15 386	11 180	–	26 566
Segregated mandates	26 620	14 831	–	41 451
Wealth & Investment*	26 574	14 198	–	40 772
Discretionary	18 513	4 189	–	22 702
Non-discretionary	7 823	10 009	–	17 832
Other	238	–	–	238
Property activities	–	144	128	272
Australia other funds	–	–	128	128
Total third party assets under management	68 580	40 353	256	109 189

* Restated.

Statutory asset quality and impairments

An analysis of our core loans and advances, asset quality and impairments

Core loans and advances comprise:

- Loans and advances to customers as per the balance sheet
- Own originated loans and advances to customers securitised as per the balance sheet.

£'000	31 March 2015	31 March 2014
Loans and advances to customers as per the balance sheet	16 740 263	16 281 612
Add: Own originated loans and advances securitised as per the balance sheet	448 647	875 755
Net core loans and advances to customers	17 188 910	17 157 367

The tables below provide information with respect to the asset quality of our core loans and advances.

£'000	31 March 2015	31 March 2014
Gross core loans and advances to customers	17 440 985	17 421 930
Total impairments	(252 075)	(264 563)
Portfolio impairments	(43 727)	(26 337)
Specific impairments	(208 348)	(238 226)
Net core loans and advances to customers	17 188 910	17 157 367
Average gross core loans and advances to customers	17 431 458	18 063 549
Current loans and advances to customers	16 650 156	16 405 187 [^]
Past due loans and advances to customers (1 – 60 days)	102 832	166 537
Special mention loans and advances to customers	79 636	191 527 [^]
Default loans and advances to customers	608 361	658 679
Gross core loans and advances to customers	17 440 985	17 421 930
Current loans and advances to customers	16 650 156	16 405 187
Default loans that are current and not impaired	70 589	30 475 [^]
Gross core loans and advances to customers that are past due but not impaired	244 095	433 969 [^]
Gross core loans and advances to customers that are impaired	476 145	552 299
Gross core loans and advances to customers	17 440 985	17 421 930
Total income statement charge for impairments on core loans and advances	(118 068)	(122 473)
Gross default loans and advances to customers	608 361	658 679
Specific impairments	(208 348)	(238 226)
Portfolio impairments	(43 727)	(26 337)
Defaults net of impairments	356 286	394 116
Aggregate collateral and other credit enhancements	488 258	499 267
Net default loans and advances to customers (limited to zero)	–	–
Ratios		
Total impairments as a % of gross core loans and advances to customers	1.45%	1.52%
Total impairments as a % of gross default loans	41.44%	40.17%
Gross defaults as a % of gross core loans and advances to customers	3.49%	3.78%
Defaults (net of impairments) as a % of net core loans and advances to customers	2.07%	2.30%
Net defaults as a % of net core loans and advances to customers	–	–
Credit loss ratio (i.e. income statement impairment charge on core loans as a % of average gross core loans and advances)	0.68%	0.68%

Financial review (continued)

Asset quality by region

£'000	UK and Other [^]		Southern Africa		Total group	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Gross core loans and advances to customers	7 249 561	8 415 567	10 191 424	9 006 363	17 440 985	17 421 930
Total impairments	(188 444)	(193 303)	(63 631)	(71 260)	(252 075)	(264 563)
Portfolio impairments	(34 182)	(16 437)	(9 545)	(9 900)	(43 727)	(26 337)
Specific impairments	(154 262)	(176 866)	(54 086)	(61 360)	(208 348)	(238 226)
Net core loans and advances to customers	7 061 117	8 222 264	10 127 793	8 935 103	17 188 910	17 157 367
% of total	41.1%	47.9%	58.9%	52.1%	100.0%	100.0%
% change since 31 March 2014	(14.1%) ^^		13.3%		0.2%	
Average gross core loans and advances to customers	7 832 564	8 429 433	9 598 894	9 634 116	17 431 458	18 063 549
Current loans and advances to customers	6 733 402	7 681 073	9 916 754	8 724 114	16 650 156	16 405 187
Past due loans and advances to customers (1 – 60 days)	73 489	124 033	29 343	42 504	102 832	166 537
Special mention loans and advances to customers	42 556	153 485	37 080	38 042	79 636	191 527
Default loans and advances to customers	400 114	456 976	208 247	201 703	608 361	658 679
Gross core loans and advances to customers	7 249 561	8 415 567	10 191 424	9 006 363	17 440 985	17 421 930
Current loans and advances to customers	6 733 402	7 681 073	9 916 754	8 724 114	16 650 156	16 405 187
Default loans that are current and not impaired	26 785	21 254	43 804	9 221	70 589	30 475
Gross core loans and advances to customers not past due but not impaired	146 428	308 014	97 667	125 955	244 095	433 969
Gross core loans and advances to customers that are impaired	342 946	405 226	133 199	147 073	476 145	552 299
Gross core loans and advances to customers	7 249 561	8 415 567	10 191 424	9 006 363	17 440 985	17 421 930
Total income statement charge for impairments on core loans and advances	(90 709)	(83 232)	(27 359)	(39 241)	(118 068)	(122 473)
Gross default loans and advances to customers	400 114	456 976	208 247	201 703	608 361	658 679
Specific impairments	(154 262)	(176 866)	(54 086)	(61 360)	(208 348)	(238 226)
Portfolio impairments	(34 182)	(16 437)	(9 545)	(9 900)	(43 727)	(26 337)
Defaults net of impairments	211 670	263 673	144 616	130 443	356 286	394 116
Aggregate collateral and other credit enhancements	280 697	297 114	207 561	202 153	488 258	499 267
Net default loans and advances to customers (limited to zero)	–	–	–	–	–	–

[^] Includes Australia, which was previously reported separately. Refer to page 13.

^{^^} Impacted by divestments. Excluding these sales results in an increase of approximately 16%.

Financial review (continued)

Asset quality by region (continued)

	UK and Other		Southern Africa		Total group	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Ratios						
Total impairments as a % of gross core loans and advances to customers	2.60%	2.30%	0.62%	0.79%	1.45%	1.52%
Total impairments as a % of gross default loans	47.10%	42.30%	30.56%	35.33%	41.44%	40.17%
Gross defaults as a % of gross core loans and advances to customers	5.52%	5.43%	2.04%	2.24%	3.49%	3.78%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.00%	3.21%	1.43%	1.46%	2.07%	2.30%
Net defaults as a % of gross core loans and advances to customers	–	–	–	–	–	–
Credit loss ratio (i.e. income statement impairment charge as a % of average gross core loans and advances)	1.16%	0.99%	0.28%	0.42%	0.68%	0.68%

Financial review (continued)

An analysis of default core loans and advances as at 31 March 2015

£'000	UK and Other [^]				
	Gross core loans	Gross defaults	Aggregate collateral and other credit enhancements on defaults	Balance sheet impairments	Income statement impairments*
Lending collateralised by property	2 318 053	343 229	233 676	(134 451)	(65 477)
Commercial real estate	1 510 506	122 886	79 588	(51 517)	(31 193)
Commercial real estate – investment	1 229 217	58 142	50 302	(11 752)	(18 918)
Commercial real estate – development	147 707	20 129	6 544	(13 585)	(4 953)
Commercial vacant land and planning	133 582	44 615	22 742	(26 180)	(7 322)
Residential real estate	807 547	220 343	154 088	(82 934)	(34 284)
Residential real estate – investment	292 089	53 911	50 294	(10 756)	(5 738)
Residential real estate – development	425 258	116 163	74 975	(50 571)	(14 638)
Residential vacant land and planning	90 200	50 269	28 819	(21 607)	(13 908)
HNW and other private client lending	1 203 489	30 113	29 012	(11 048)	(12 139)
Mortgages (owner occupied)	952 617	7 977	13 015	(914)	(1 091)
High net worth and specialised lending	250 872	22 136	15 997	(10 134)	(11 048)
Corporate and other lending	3 728 019	26 772	18 009	(8 763)	(13 093)
Acquisition finance	731 195	–	–	–	1 231
Asset based lending	241 859	–	–	–	–
Fund finance	495 037	–	–	–	–
Other corporates and financial institutions and governments	719 049	–	–	–	(3 091)
Asset finance	1 119 165	8 346	3 642	(4 704)	(5 464)
Small ticket asset finance	835 773	8 346	3 642	(4 704)	(5 464)
Large ticket asset finance	283 392	–	–	–	–
Project finance	407 577	4 289	2 585	(1 704)	(719)
Resource finance	14 137	14 137	11 782	(2 355)	(5 050)
Portfolio impairments				(34 182)	
Total	7 249 561	400 114	280 697	(188 444)	(90 709)

* Where a positive number represents a recovery.

[^] Includes Australia, which was previously reported separately.

Southern Africa					Total group				
		Aggregate collateral and other credit enhancements on defaults	Balance sheet impairments	Income statement impairments			Aggregate collateral and other credit enhancements on defaults	Balance sheet impairments	Income statement impairments*
Gross core loans	Gross defaults				Gross core loans	Gross defaults			
2 116 116	72 994	72 462	(19 791)	(10 055)	4 434 169	416 223	306 138	(154 242)	(75 532)
1 943 094	36 261	41 200	(10 219)	(8 061)	3 453 600	159 147	120 788	(61 736)	(39 254)
1 726 417	15 370	24 658	(1 746)	(2 100)	2 955 634	73 512	74 960	(13 498)	(21 018)
131 974	4 020	4 217	(321)	(209)	279 681	24 149	10 761	(13 906)	(5 162)
84 703	16 871	12 325	(8 152)	(5 752)	218 285	61 486	35 067	(34 332)	(13 074)
173 022	36 733	31 262	(9 572)	(1 994)	980 569	257 076	185 350	(92 506)	(36 278)
-	-	-	-	-	292 089	53 911	50 294	(10 756)	(5 738)
88 448	19 262	18 510	(2 755)	(84)	513 706	135 425	93 485	(53 326)	(14 722)
84 574	17 471	12 752	(6 817)	(1 910)	174 774	67 740	41 571	(28 424)	(15 818)
4 647 210	83 302	106 385	(9 182)	(1 741)	5 850 699	113 415	135 397	(20 230)	(13 880)
2 764 006	25 663	41 973	(2 446)	(428)	3 716 623	33 640	54 988	(3 360)	(1519)
1 883 204	57 639	64 412	(6 736)	(1 313)	2 134 076	79 775	80 409	(16 870)	(12 361)
3 428 098	51 951	28 714	(25 113)	(15 563)	7 156 117	78 723	46 723	(33 876)	(28 656)
906 000	26 784	17 389	(12 418)	(10 422)	1 637 195	26 784	17 389	(12 418)	(9 191)
206 814	9 461	6 527	(6 399)	(2 055)	448 673	9 461	6 527	(6 399)	(2 055)
-	-	-	-	-	495 037	-	-	-	-
1 728 443	14 731	4 757	(5 360)	(3187)	2 447 492	14 731	4 757	(5 360)	(6 278)
246 702	3	41	37	(1 245)	1 365 867	8 349	3 683	(4 667)	(6 709)
68 319	3	41	37	(932)	904 092	8 349	3 683	(4 667)	(6 396)
178 383	-	-	-	(313)	461 775	-	-	-	(313)
311 357	972	-	(973)	1 346	718 934	5 261	2 585	(2 677)	627
28 782	-	-	-	-	42 919	14 137	11 782	(2 355)	(5 050)
			(9 545)		-	-	-	(43 727)	-
10 191 424	208 247	207 561	(63 631)	(27 359)	17 440 985	608 361	488 258	(252 075)	(118 068)

An analysis of core loans and advances by risk category at 31 March 2014

	UK and Other					Southern Africa				
	Gross core loans	Gross defaults	Aggregate collateral and other credit enhancements on defaults	Balance sheet impairments	Income statement impairments	Gross core loans	Gross defaults	Aggregate collateral and other credit enhancements on defaults	Balance sheet impairments	Income statement impairments
£'000										
Lending collateralised by property	2 438 703	366 798	229 846	(138 354)	(39 720)	2 022 944	105 079	97 690	(35 640)	(12 161)
Commercial real estate	1 623 173	128 026	76 647	(52 087)	(23 907)	1 855 220	42 658	51 175	(9 875)	(4 135)
Commercial real estate – investment	1 396 537	62 723	47 562	(13 684)	(14 549)	1 648 914	29 379	36 219	(6 278)	(1 965)
Commercial real estate – development	92 787	21 016	11 243	(10 466)	(3 182)	105 130	–	–	–	(1 021)
Commercial vacant land and planning	133 849	44 287	17 842	(27 937)	(6 176)	101 176	13 279	14 956	(3 597)	(1 149)
Residential real estate	815 530	238 772	153 199	(86 267)	(15 813)	167 724	62 421	46 515	(25 765)	(8 026)
Residential real estate – investment	327 607	39 344	29 945	(6 765)	(3 350)	–	–	–	–	–
Residential real estate – development	382 862	134 762	80 103	(56 463)	(8 765)	70 129	18 711	18 455	(2 767)	(2 828)
Residential vacant land and planning	105 061	64 666	43 151	(23 039)	(3 698)	97 595	43 710	28 060	(22 998)	(5 198)
High net worth and other private client lending	1 497 909	21 144	17 605	(5 706)	(10 238)	4 057 849	57 964	68 875	(13 879)	(21 957)
Mortgages (owner occupied)	1 143 043	4 786	6 115	(900)	(678)	2 455 188	35 247	46 649	(5 218)	(5 581)
High net worth and specialised lending	280 874	15 023	10 921	(4 041)	(9 529)	1 602 661	22 717	22 226	(8 661)	(16 376)
Professional finance	73 992	1 335	569	(765)	(31)	–	–	–	–	–
Corporate and other lending	2 737 789	38 368	15 411	(22 961)	(11 155)	2 925 570	38 660	35 588	(11 841)	(5 123)
Acquisition finance	666 069	11 603	4 133	(7 471)	(1 865)	694 168	30 014	31 703	(5 452)	515
Asset based lending	165 569	–	–	–	98	173 738	6 039	3 121	(4 547)	(2 193)
Fund finance	277 771	–	–	–	–	–	–	–	–	–
Other corporates and financial institutions and governments	327 983	4 241	2 821	(1 421)	(1 740)	1 636 858	2 607	764	(1 842)	2 446
Asset finance	878 937	9 832	5 455	(4 378)	(3 344)	200 466	–	–	–	(560)
Small ticket asset finance	665 264	7 849	1 983	(4 378)	(4 567)	57 380	–	–	–	–
Large ticket asset finance	213 673	1 983	3 472	–	1 223	143 086	–	–	–	(560)
Project finance	410 135	12 692	3 002	(9 691)	(4 304)	183 409	–	–	–	(5 331)
Resource finance	11 325	–	–	–	–	36 931	–	–	–	–
Portfolio impairments	–	–	–	(15 045)	–	–	–	–	(9 900)	–
Total	6 674 401	426 310	262 862	(182 066)	(61 113)	9 006 363	201 703	202 153	(71 260)	(39 241)

* Where a positive number represents a recovery.

Australia					Total group				
Gross core loans	Gross defaults	Aggregate collateral and other credit enhancements on defaults	Balance sheet impairments	Income statement impairments [^]	Gross core loans	Gross defaults	Aggregate collateral and other credit enhancements on defaults	Balance sheet impairments	Income statement impairments*
99 922	14 458	10 587	(5 535)	(9 153)	4 561 569	486 335	338 123	(179 529)	(61 034)
39 545	5 196	3 195	(2 002)	(3 395)	3 517 938	175 880	131 017	(63 964)	(31 437)
33 188	5 196	3 195	(2 002)	(3 395)	3 078 639	97 298	86 976	(21 964)	(19 909)
3 285	-	-	-	-	201 202	21 016	11 243	(10 466)	(4 203)
3 072	-	-	-	-	238 097	57 566	32 798	(31 534)	(7 325)
60 377	9 262	7 392	(3 533)	(5 758)	1 043 631	310 455	207 106	(115 565)	(29 597)
330	193	78	(115)	(120)	327 937	39 537	30 023	(6 880)	(3 470)
46 149	-	-	-	(690)	499 140	153 473	98 558	(59 230)	(12 283)
13 898	9 069	7 314	(3 418)	(4 948)	216 554	117 445	78 525	(49 455)	(13 844)
1 278 060	9 339	19 128	(1 978)	(3 692)	6 833 818	88 447	105 608	(21 563)	(35 887)
16 964	-	-	-	-	3 615 195	40 033	52 764	(6 118)	(6 259)
60 591	4 391	15 581	(576)	(455)	1 944 126	42 131	48 728	(13 278)	(26 360)
1 200 505	4 948	3 547	(1 402)	(3 237)	1 274 497	6 283	4 116	(2 167)	(3 268)
363 184	6 869	4 537	(2 332)	(9 274)	6 026 543	83 897	55 536	(37 134)	(25 552)
78 358	6 024	3 800	(2 224)	(8 728)	1 438 595	47 641	39 636	(15 147)	(10 078)
-	-	-	-	-	339 307	6 039	3 121	(4 547)	(2 095)
-	-	-	-	-	277 771	-	-	-	-
92 629	-	-	-	-	2 057 470	6 848	3 585	(3 263)	706
103 872	845	737	(108)	(556)	1 183 275	10 677	6 192	(4 486)	(4 460)
85 086	845	737	(108)	(556)	807 730	8 694	2 720	(4 486)	(5123)
18 786	-	-	-	-	375 545	1 983	3 472	-	663
28 506	-	-	-	10	622 050	12 692	3 002	(9 691)	(9 625)
59 819	-	-	-	-	108 075	-	-	-	-
-	-	-	(1 392)	-	-	-	-	(26 337)	-
1 741 166	30 666	34 252	(11 237)	(22 119)	17 421 930	658 679	499 267	(264 563)	(122 473)

Statutory segmental geographic analysis – income statement

For the year to 31 March 2015 £'000	UK and Other	Southern Africa	Total group
Net interest income	327 482	307 495	634 977
Net fee and commission income	731 097	357 946	1 089 043
Investment income	(2 210)	130 544	128 334
Trading income arising from			
– customer flow	88 259	18 054	106 313
– balance sheet management and other trading activities	(28 186)	14 762	(13 424)
Other operating income	10 639	1 597	12 236
Total operating income before impairment on loans and advances	1 127 081	830 398	1 957 479
Impairment losses on loans and advances	(102 707)	(25 674)	(128 381)
Operating income	1 024 374	804 724	1 829 098
Operating costs	(895 586)	(427 119)	(1 322 705)
Depreciation on operating leased assets	(1 535)	–	(1 535)
Operating profit before goodwill and acquired intangibles	127 253	377 605	504 858
Loss/(profit) attributable to other non-controlling interests	16 856	(28 557)	(11 701)
Operating profit before goodwill, acquired intangibles and after other non-controlling interests	144 109	349 048	493 157
Profit attributable to Asset Management non-controlling interests	(10 053)	(8 131)	(18 184)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	134 056	340 917	474 973
Impairment of goodwill	(4 376)	(961)	(5 337)
Amortisation of acquired intangibles	(14 497)	–	(14 497)
Net (loss)/gain on disposal of subsidiaries	(93 060)	27	(93 033)
Earnings attributable to shareholders before taxation	22 123	339 983	362 106
Taxation on operating profit before goodwill and acquired intangibles	(28 362)	(70 661)	(99 023)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	(17 574)	–	(17 574)
Earnings attributable to shareholders	(23 813)	269 322	245 509
Selected returns and key statistics			
ROE (post-tax)	4.9%	18.4%	10.6%
Return on tangible equity (post-tax)	6.9%	18.4%	12.7%
Cost to income ratio	79.6%	51.4%	67.6%
Staff compensation to operating income	56.1%	35.5%	47.4%
Operating profit per employee (£'000)	38.0	78.2	59.7
Effective operational tax rate	22.3%	18.7%	19.6%
Total assets (£'million)	17 969	26 384	44 353

Statutory segmental geographic analysis – income statement

(continued)

For the year to 31 March 2014 £'000	UK and Other	Southern Africa	Total group
Net interest income	356 734	294 945	651 679
Net fee and commission income	634 570	354 851	989 421
Investment income	99 099	67 710	166 809
Trading income arising from			
– customer flow	77 044	26 870	103 914
– balance sheet management and other trading activities	(9 308)	19 895	10 587
Other operating income	16 013	2 541	18 554
Total operating income before impairment on loans and advances	1 174 152	766 812	1 940 964
Impairment losses on loans and advances	(126 911)	(39 241)	(166 152)
Operating income	1 047 241	727 571	1 774 812
Operating costs	(890 662)	(416 581)	(1 307 243)
Depreciation on operating leased assets	(6 044)	–	(6 044)
Operating profit before goodwill and acquired intangibles	150 535	310 990	461 525
Loss/(profit) attributable to other non-controlling interests	2 720	(13 569)	(10 849)
Operating profit before goodwill, acquired intangibles and after other non-controlling interests	153 255	297 421	450 676
Profit attributable to Asset Management non-controlling interests	(5 535)	(5 496)	(11 031)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	147 720	291 925	439 645
Impairment of goodwill	(11 233)	(1 564)	(12 797)
Amortisation of acquired intangibles	(13 393)	–	(13 393)
Operating costs arising from integration, restructuring and partial disposal of subsidiaries	(18 919)	(1 971)	(20 890)
Net gain on disposal of subsidiaries	9 653	168	9 821
Earnings attributable to shareholders before taxation	113 828	288 558	402 386
Taxation on operating profit before goodwill and acquired intangibles	(30 770)	(48 140)	(78 910)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	7 289	–	7 289
Earnings attributable to shareholders	90 347	240 418	330 765
Selected returns and key statistics			
ROE (post-tax)	5.4%	16.5%	10.0%
Return tangible equity (post-tax)	7.8%	16.7%	12.3%
Cost to income ratio	76.2%	54.3%	67.6%
Staff compensation to operating income	51.5%	36.6%	46.3%
Operating profit per employee (£'000)	39.1	69.4	54.9
Effective operational tax rate	20.4%	15.5%	17.1%
Total assets (£'million)	22 061	25 081	47 142

Statutory segmental business and geographic analysis – income statement

For the year to 31 March 2015 £'000	Asset Management			Wealth & Investment		
	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total
Net interest income	300	4 007	4 307	6 209	347	6 556
Net fee and commission income	267 111	161 444	428 555	238 661	61 002	299 663
Investment income	–	22	22	3 486	637	4 123
Trading income arising from						
– customer flow	–	–	–	895	129	1 024
– balance sheet management and other trading activities	1 501	(16)	1 485	356	218	574
Other operating income	136	1 554	1 690	1 276	1	1 277
Total operating income before impairment losses on loans and advances	269 048	167 011	436 059	250 883	62 334	313 217
Impairment losses on loans and advances	–	–	–	–	–	–
Operating income	269 048	167 011	436 059	250 883	62 334	313 217
Operating costs	(193 557)	(93 527)	(287 084)	(194 012)	(40 424)	(234 436)
Depreciation on operating leased assets	–	–	–	–	–	–
Operating profit before goodwill and acquired intangibles	75 491	73 484	148 975	56 871	21 910	78 781
(Profit)/loss attributable to other non-controlling interests	–	–	–	–	–	–
Operating profit before goodwill, acquired intangibles and after other non-controlling interests	75 491	73 484	148 975	56 871	21 910	78 781
Profit attributable to Asset Management non-controlling interests	(10 053)	(8 131)	(18 184)	–	–	–
Operating profit before goodwill, acquired intangibles and after non-controlling interests	65 438	65 353	130 791	56 871	21 910	78 781
Selected returns and key statistics						
Cost to income ratio	71.9%	56.0%	65.8%	77.3%	64.9%	74.8%
Staff compensation to operating income	55.4%	34.9%	47.6%	58.5%	45.3%	55.9%

	Specialist Banking			Group costs			Total group
	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	
	320 973	303 141	624 114	–	–	–	634 977
	225 325	135 500	360 825	–	–	–	1 089 043
	(5 696)	129 885	124 189	–	–	–	128 334
	87 364	17 925	105 289	–	–	–	106 313
	(30 043)	14 560	(15 483)	–	–	–	(13 424)
	9 227	42	9 269	–	–	–	12 236
	607 150	601 053	1 208 203	–	–	–	1 957 479
	(102 707)	(25 674)	(128 381)	–	–	–	(128 381)
	504 443	575 379	1 079 822	–	–	–	1 829 098
	(477 969)	(283 904)	(761 873)	(30 048)	(9 264)	(39 312)	(1 322 705)
	(1 535)	–	(1 535)	–	–	–	(1 535)
	24 939	291 475	316 414	(30 048)	(9 264)	(39 312)	504 858
	16 856	(28 557)	(11 701)			–	(11 701)
	41 795	262 918	304 713	(30 048)	(9 264)	(39 312)	493 157
	–	–	–			–	(18 184)
	41 795	262 918	304 713	(30 048)	(9 264)	(39 312)	474 973
	78.9%	47.2%	63.1%				67.6%
	55.6%	34.6%	45.2%				47.4%

Statutory segmental business and geographic analysis

– income statement (continued)

For the year to 31 March 2014 £'000	Asset Management			Wealth & Investment		
	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total
Net interest income	277	3 641	3 918	7 987	(130)	7 857
Net fee and commission income	244 962	164 379	409 341	217 413	57 964	275 377
Investment income	–	28	28	1 875	308	2 183
Trading income arising from						
– customer flow	–	–	–	389	935	1 324
– balance sheet management and other trading activities	(2 314)	332	(1 982)	(72)	130	58
Other operating income	(129)	3 004	2 875	1 232	2	1 234
Total operating income before impairment losses on loans and advances	242 796	171 384	414 180	228 824	59 209	288 033
Impairment losses on loans and advances	–	–	–	–	–	–
Operating income	242 796	171 384	414 180	228 824	59 209	288 033
Operating costs	(175 211)	(95 150)	(270 361)	(182 759)	(39 175)	(221 934)
Depreciation on operating leased assets	–	–	–	–	–	–
Operating profit before goodwill and acquired intangibles	67 585	76 234	143 819	46 065	20 034	66 099
(Profit)/loss attributable to other non-controlling interests	–	–	–	–	–	–
Operating profit before goodwill, acquired intangibles and after other non-controlling interests	67 585	76 234	143 819	46 065	20 034	66 099
Profit attributable to Asset Management non-controlling interests	(5 535)	(5 496)	(11 031)	–	–	–
Operating profit before goodwill, acquired intangibles and after non-controlling interests	62 050	70 738	132 788	46 065	20 034	66 099
Selected returns and key statistics						
Cost to income ratio	72.2%	55.5%	65.3%	79.9%	66.2%	77.1%
Staff compensation to operating income	54.7%	37.8%	47.7%	58.4%	47.2%	56.1%

	Specialist Banking			Group costs			Total group
	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	
	348 470	291 434	639 904	–	–	–	651 679
	172 195	132 508	304 703	–	–	–	989 421
	97 224	67 374	164 598	–	–	–	166 809
	76 655	25 935	102 590	–	–	–	103 914
	(6 922)	19 433	12 511	–	–	–	10 587
	14 910	(465)	14 445	–	–	–	18 554
	702 532	536 219	1 238 751	–	–	–	1 940 964
	(126 911)	(39 241)	(166 152)	–	–	–	(166 152)
	575 621	496 978	1 072 599	–	–	–	1 774 812
	(505 020)	(273 484)	(778 504)	(27 672)	(8 772)	(36 444)	(1 307 243)
	(6 044)	–	(6 044)	–	–	–	(6 044)
	64 557	223 494	288 051	(27 672)	(8 772)	(36 444)	461 525
	2 720	(13 569)	(10 849)	–	–	–	(10 849)
	67 277	209 925	277 202	(27 672)	(8 772)	(36 444)	450 676
	–	–	–	–	–	–	(11 031)
	67 277	209 925	277 202	(27 672)	(8 772)	(36 444)	439 645
	72.5%	51.0%	63.2%				67.6%
	49.9%	35.1%	43.5%				46.3%

Additional detail on UK and other Specialist Banking – statutory income statement

For the year to 31 March 2015 £'000	UK Specialist Banking		
	UK and Other	Australia	Total
Net interest income	295 956	25 017	320 973
Net fee and commission income	187 201	38 124	225 325
Investment income	(7 685)	1 989	(5 696)
Trading income arising from			
– customer flow	85 399	1 965	87 364
– balance sheet management and other trading activities	(30 662)	619	(30 043)
Other operating income	9 065	162	9 227
Total operating income before impairment on loans and advances	539 274	67 876	607 150
Impairment losses on loans and advances	(94 925)	(7 782)	(102 707)
Operating income	444 349	60 094	504 443
Operating costs	(421 815)	(56 154)	(477 969)
Depreciation on operating leased assets	(1 535)	–	(1 535)
Operating profit before goodwill and acquired intangibles	20 999	3 940	24 939
Loss attributable to other non-controlling interests	16 856	–	16 856
Operating profit before goodwill, acquired intangibles and after other non-controlling interests	37 855	3 940	41 795
Selected returns and key statistics			
Cost to income ratio	78.4%	82.7%	78.9%
Staff compensation to operating income	55.4%	57.5%	55.6%

Additional detail on UK and other Specialist Banking – statutory income statement (continued)

For the year to 31 March 2014 £'000	UK Specialist Banking		
	UK and Other	Australia	Total group
Net interest income	276 955	71 515	348 470
Net fee and commission income	144 944	27 251	172 195
Investment income	97 665	(441)	97 224
Trading income arising from			
– customer flow	65 989	10 666	76 655
– balance sheet management and other trading activities	(4 143)	(2 779)	(6 922)
Other operating income	14 642	268	14 910
Total operating income before impairment on loans and advances	596 052	106 480	702 532
Impairment losses on loans and advances	(104 792)	(22 119)	(126 911)
Operating income	491 260	84 361	575 621
Operating costs	(406 803)	(98 217)	(505 020)
Depreciation on operating leased assets	(6 044)	–	(6 044)
Operating profit before goodwill and acquired intangibles	78 413	(13 856)	64 557
Loss attributable to other non-controlling interests	2 720	–	2 720
Operating profit before goodwill, acquired intangibles and after other non-controlling interests	81 133	(13 856)	67 277
Selected returns and key statistics			
Cost to income ratio	68.9%	92.2%	72.5%
Staff compensation to operating income	47.5%	63.2%	49.9%

Statutory segmental business analysis – income statement

For the year to 31 March 2015 £'000	Asset Management	Wealth & Investment	Specialist Banking	Group costs	Total group
Net interest income	4 307	6 556	624 114	–	634 977
Net fee and commission income	428 555	299 663	360 825	–	1 089 043
Investment income	22	4 123	124 189	–	128 334
Trading income arising from					
– customer flow	–	1 024	105 289	–	106 313
– balance sheet management and other trading activities	1 485	574	(15 483)	–	(13 424)
Other operating income	1 690	1 277	9 269	–	12 236
Total operating income before impairment on loans and advances	436 059	313 217	1 208 203	–	1 957 479
Impairment losses on loans and advances	–	–	(128 381)	–	(128 381)
Operating income	436 059	313 217	1 079 822	–	1 829 098
Operating costs	(287 084)	(234 436)	(761 873)	(39 312)	(1 322 705)
Depreciation on operating leased assets	–	–	(1 535)	–	(1 535)
Operating profit/(loss) before goodwill and acquired intangibles	148 975	78 781	316 414	(39 312)	504 858
Profit attributable to other non-controlling interests	–	–	(11 701)	–	(11 701)
Operating profit/(loss) before goodwill, acquired intangibles and after other non-controlling interests	148 975	78 781	304 713	(39 312)	493 157
Profit attributable to Asset Management non-controlling interests	(18 184)	–	–	–	(18 184)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	130 791	78 781	304 713	(39 312)	474 973
Selected returns and key statistics					
ROE	95.2%	25.5%	10.7%		13.7%
Return on tangible equity (pre-tax)	236.3%	136.1%	10.9%		16.4%
Cost to income ratio	65.8%	74.8%	63.1%		67.6%
Staff compensation to operating income	47.6%	55.9%	45.2%		47.4%
Operating profit per employee (£'000)	100.1	54.0	57.4		59.7
Total assets (£'million)	626	1 655	42 072		44 353

Statutory segmental business analysis – income statement (continued)

For the year to 31 March 2014 £'000	Asset Management	Wealth & Investment	Specialist Banking	Group costs	Total group
Net interest income	3 918	7 857	639 904	–	651 679
Net fee and commission income	409 341	275 377	304 703	–	989 421
Investment income	28	2 183	164 598	–	166 809
Trading income arising from					
– customer flow	–	1 324	102 590	–	103 914
– balance sheet management and other trading activities	(1 982)	58	12 511	–	10 587
Other operating income	2 875	1 234	14 445	–	18 554
Total operating income before impairment on loans and advances	414 180	288 033	1 238 751	–	1 940 964
Impairment losses on loans and advances	–	–	(166 152)	–	(166 152)
Operating income	414 180	288 033	1 072 599	–	1 774 812
Operating costs	(270 361)	(221 934)	(778 504)	(36 444)	(1 307 243)
Depreciation on operating leased assets	–	–	(6 044)	–	(6 044)
Operating profit before goodwill and acquired intangibles	143 819	66 099	288 051	(36 444)	461 525
Profit attributable to other non-controlling interests	–	–	(10 849)	–	(10 849)
Operating profit/(loss) before goodwill, acquired intangibles and after other non-controlling interests	143 819	66 099	277 202	(36 444)	450 676
Profit attributable to Asset Management non-controlling interests	(11 031)	–	–	–	(11 031)
Operating profit/(loss) before goodwill, acquired intangibles and after non-controlling interests	132 788	66 099	277 202	(36 444)	439 645
Selected returns and key statistics					
ROE (pre-tax)	104.1%	19.9%	9.5%		12.4%
Return on tangible equity (pre-tax)	328.5%	142.1%	9.9%		15.2%
Cost to income ratio	65.3%	77.1%	63.2%		67.6%
Staff compensation to operating income	47.7%	56.1%	43.5%		46.3%
Operating profit per employee (£'000)	105.1	48.7	50.6		54.9
Total assets (£'million)	555	1 919	44 668		47 142

Statutory combined consolidated segmental geographic analysis – balance sheet assets and liabilities

At 31 March 2015 £'000	UK and Other	Southern Africa	Total group
Assets			
Cash and balances at central banks	2 181 242	348 320	2 529 562
Loans and advances to banks	1 050 412	1 995 452	3 045 864
Non-sovereign and non-bank cash placements	–	586 400	586 400
Reverse repurchase agreements and cash collateral on securities borrowed	1 214 949	597 207	1 812 156
Sovereign debt securities	1 212 910	1 745 731	2 958 641
Bank debt securities	219 342	941 713	1 161 055
Other debt securities	222 485	404 888	627 373
Derivative financial instruments	736 297	844 384	1 580 681
Securities arising from trading activities	670 298	416 051	1 086 349
Investment portfolio	400 941	546 905	947 846
Loans and advances to customers	7 061 117	9 679 146	16 740 263
Own originated loans and advances to customers securitised	–	448 647	448 647
Other loans and advances	553 166	21 664	574 830
Other securitised assets	411 983	368 613	780 596
Interests in associated undertakings	21 931	3 313	25 244
Deferred taxation assets	73 618	25 683	99 301
Other assets	1 317 392	424 321	1 741 713
Property and equipment	63 069	39 285	102 354
Investment properties	65 736	552 162	617 898
Goodwill	356 090	5 437	361 527
Intangible assets	136 655	10 572	147 227
Non-current assets classified as held for sale	–	40 726	40 726
	17 969 633	20 046 620	38 016 253
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	–	6 337 149	6 337 149
	17 969 633	26 383 769	44 353 402
Liabilities			
Deposits by banks	207 963	1 700 331	1 908 294
Derivative financial instruments	854 247	689 921	1 544 168
Other trading liabilities	251 879	633 124	885 003
Repurchase agreements and cash collateral on securities lent	597 259	687 686	1 284 945
Customer accounts (deposits)	10 298 493	12 316 375	22 614 868
Debt securities in issue	1 191 986	517 383	1 709 369
Liabilities arising on securitisation of own originated loans and advances	–	109 953	109 953
Liabilities arising on securitisation of other assets	330 526	286 383	616 909
Current taxation liabilities	104 605	97 185	201 790
Deferred taxation liabilities	45 403	31 078	76 481
Other liabilities	1 411 727	433 952	1 845 679
	15 294 088	17 503 371	32 797 459
Liabilities to customers under investment contracts	–	6 335 326	6 335 326
Insurance liabilities, including unit-linked liabilities	–	1 823	1 823
	15 294 088	23 840 520	39 134 608
Subordinated liabilities	596 923	581 376	1 178 299
	15 891 011	24 421 896	40 312 907

Statutory combined consolidated segmental geographic analysis – balance sheet assets and liabilities (continued)

At 31 March 2014 £'000	UK and Other	Southern Africa	Australia	Total group
Assets				
Cash and balances at central banks	1 706 423	337 572	36 195	2 080 190
Loans and advances to banks	1 213 531	2 003 156	63 492	3 280 179
Non-sovereign and non-bank cash placements	–	515 189	–	515 189
Reverse repurchase agreements and cash collateral on securities borrowed	909 437	479 543	–	1 388 980
Sovereign debt securities	946 004	1 983 017	286 411	3 215 432
Bank debt securities	234 728	1 196 915	136 454	1 568 097
Other debt securities	221 063	376 150	8 165	605 378
Derivative financial instruments	868 270	700 545	50 600	1 619 415
Securities arising from trading activities	586 706	283 382	–	870 088
Investment portfolio	336 148	483 148	6 449	825 745
Loans and advances to customers	6 492 335	8 506 986	1 282 291	16 281 612
Own originated loans and advances to customers securitised	–	428 117	447 638	875 755
Other loans and advances	1 413 630	279 939	–	1 693 569
Other securitised assets	2 798 158	778 368	–	3 576 526
Interests in associated undertakings	17 947	2 950	3 419	24 316
Deferred taxation assets	65 971	26 033	39 138	131 142
Other assets	1 140 024	292 204	42 764	1 474 992
Property and equipment	59 377	42 815	6 546	108 738
Investment properties	61 715	447 513	–	509 228
Goodwill	397 756	6 560	29 255	433 571
Intangible assets	149 121	5 821	4 227	159 169
Non-current assets classified as held for sale	–	41 637	–	41 637
	19 618 344	19 217 560	2 443 044	41 278 948
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	–	5 862 959	–	5 862 959
	19 618 344	25 080 519	2 443 044	47 141 907
Liabilities				
Deposits by banks	1 416 696	1 304 474	–	2 721 170
Derivative financial instruments	598 218	527 362	44 652	1 170 232
Other trading liabilities	391 650	469 762	–	861 412
Repurchase agreements and cash collateral on securities lent	614 733	701 354	–	1 316 087
Customer accounts (deposits)	9 406 909	11 670 995	1 531 880	22 609 784
Debt securities in issue	1 003 759	487 254	105 617	1 596 630
Liabilities arising on securitisation of own originated loans and advances	–	280 450	449 084	729 534
Liabilities arising on securitisation of other assets	2 374 599	666 836	–	3 041 435
Current taxation liabilities	107 142	100 770	129	208 041
Deferred taxation liabilities	69 255	27 861	–	97 116
Other liabilities	1 153 598	384 062	35 217	1 572 877
	17 136 559	16 621 180	2 166 579	35 924 318
Liabilities to customers under investment contracts	–	5 861 389	–	5 861 389
Insurance liabilities, including unit-linked liabilities	–	1 570	–	1 570
	17 136 559	22 484 139	2 166 579	41 787 277
Subordinated liabilities	668 007	597 803	72 942	1 338 752
	17 804 566	23 081 942	2 239 521	43 126 029

Shareholder analysis

Investec ordinary shares

As at 31 March 2015, Investec plc and Investec Limited had 613.6 million and 285.7 million ordinary shares in issue respectively.

Spread of ordinary shareholders as at 31 March 2015

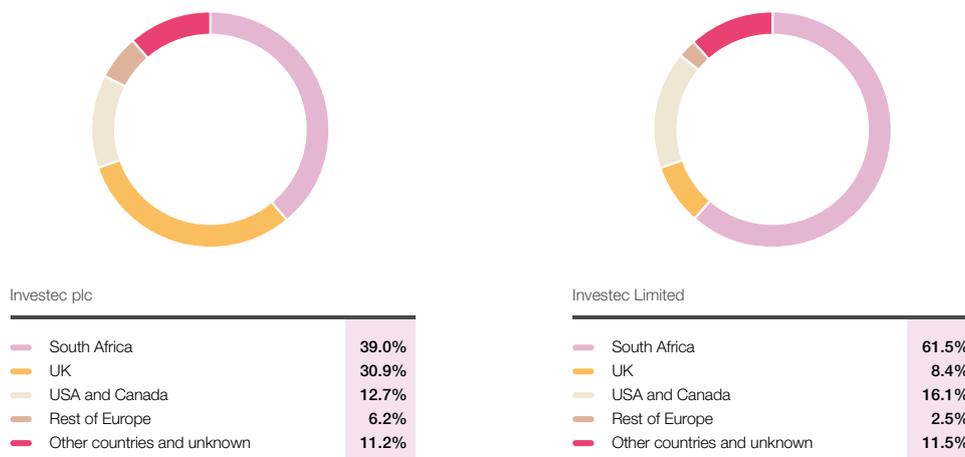
Investec plc ordinary shares in issue

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
13 872	1 – 500	52.9%	2 455 958	0.4%
4 284	501 – 1 000	16.4%	3 306 452	0.5%
5 224	1 001 – 5 000	19.9%	11 904 952	1.9%
960	5 001 – 10 000	3.7%	7 021 993	1.1%
1 013	10 001 – 50 000	3.9%	23 509 064	3.8%
297	50 001 – 100 000	1.1%	21 028 850	3.4%
542	100 001 and over	2.1%	544 382 373	88.9%
26 192		100.0%	613 609 642	100.0%

Investec Limited ordinary shares in issue

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
3 018	1 – 500	41.1%	656 916	0.2%
1 320	501 – 1 000	18.0%	1 022 894	0.4%
1 716	1 001 – 5 000	23.4%	3 966 211	1.4%
379	5 001 – 10 000	5.2%	2 821 930	1.0%
517	10 001 – 50 000	7.0%	12 611 455	4.4%
154	50 001 – 100 000	2.1%	11 035 521	3.8%
238	100 001 and over	3.2%	253 633 696	88.8%
7 342		100.0%	285 748 623	100.0%

Geographical holding by beneficial ordinary share owner as at 31 March 2015



Shareholder analysis (continued)

Largest ordinary shareholders as at 31 March 2015

In accordance with the terms provided for in section 793 of the UK Companies Act, 2006 and section 140A of the South African Companies Act, 1973, the group has conducted investigations into the registered holders of its ordinary shares (including nominee and asset management companies) and the results are as discussed below.

Investec plc

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	44 869 699	7.3%
2. Allan Gray (ZA)	40 919 413	6.7%
3. BlackRock Inc (UK and US)	30 602 600	5.0%
4. Sanlam Group (ZA)	23 730 568	3.9%
5. Old Mutual (ZA)	23 168 373	3.8%
6. T Rowe Price Associates (UK)	20 065 100	3.3%
7. Prudential Group (ZA)	19 544 351	3.2%
8. Legal & General Investment Mgt (UK)	15 362 770	2.5%
9. Royal London Mutual Assurance Society (UK)	15 278 506	2.5%
10. State Street Corporation (UK and US)	14 887 417	2.4%
	248 428 797	40.5%

The top 10 shareholders account for 40.5% of the total shareholding in Investec plc. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

Investec Limited

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	34 960 421	12.2%
2. Old Mutual (ZA)	21 575 597	7.6%
3. Investec Staff Share Scheme (ZA)	21 172 494	7.4%
4. Sanlam Group (ZA)	15 804 721	5.5%
5. Allan Gray (ZA)	14 322 145	5.0%
6. Entrepreneurial Development Trust (ZA)*	11 793 607	4.1%
7. BlackRock Inc (UK and US)	10 695 017	3.7%
8. Dimensional Fund Advisors (UK)	10 281 382	3.6%
9. Vanguard Group (US and UK)	7 846 243	2.7%
10. MMI Holdings (ZA)	7 178 025	2.5%
	155 629 652	54.5%

The top 10 shareholders account for 54.5% of the total shareholding in Investec plc. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

* In November 2003, Investec Limited implemented an empowerment transaction in which empowerment partners and an employee share scheme acquired 25.1% of the equity shareholding in Investec Limited.

Shareholder analysis (continued)

Share statistics

Investec plc

For the period ended	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
Closing market price per share (Pounds)							
– year ended	5.61	4.85	4.59	3.82	4.78	5.39	2.92
– highest	5.75	5.08	5.14	5.22	5.50	5.62	4.21
– lowest	5.61	3.66	3.10	3.18	4.29	2.87	1.69
Number of ordinary shares in issue (million) ¹	613.6	608.8	605.2	598.3	537.2	471.1	444.9
Market capitalisation (£'million) ¹	3 442	2 953	2 778	2 286	2 568	2 539	1 299
Daily average volumes of share traded ('000)	2 170	1 985	1 305	1 683	1 634	1 933	2 604
Price earnings ratio ²	14.2	12.8	12.7	12.0	11.1	12.0	6.9
Dividend cover (times) ²	2.0	2.0	2.0	1.9	2.5	2.8	3.3
Dividend yield (%) ²	3.5	3.9	3.9	4.5	3.6	3.0	4.5
Earnings yield (%) ²	7.0	7.8	7.9	8.3	9.0	8.4	14.5

Investec Limited

For the period ended	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
Closing market price per share (Rands)							
– year ended	100.51	84.84	64.26	47.16	52.80	62.49	38.86
– highest	103.15	85.04	69.89	57.36	65.50	65.40	63.19
– lowest	100.34	59.00	41.31	42.00	49.49	37.51	27.20
Number of ordinary shares in issue (million) ³	285.7	282.9	279.6	276.0	272.8	269.8	268.4
Market capitalisation (R'million) ³	90 388	75 652	56 857	41 232	42 768	46 299	27 715
Market capitalisation (£'million) ³	5 045	4 325	4 061	3 340	3 872	3 378	2 083
Daily average volume of shares traded ('000)	739	810	980	1 033	794	1 068	1 168

¹ The LSE only include the shares in issue for Investec plc, i.e. currently 613.6 million, in calculating market capitalisation, as Investec Limited is not incorporated in the UK.

² Calculations are based on the group's consolidated earnings per share before goodwill, acquired intangibles and non-operating items; and dividends per share as prepared in accordance with IFRS and denominated in Pounds Sterling.

³ The JSE Limited agreed to use the total number of shares in issue for the combined group, comprising Investec plc and Investec Limited in calculating market capitalisation, i.e. currently a total of 899.3 million shares in issue.

Shareholder analysis (continued)

Investec perpetual preference shares

Investec plc, Investec Limited and Investec Bank Limited have issued perpetual preference shares.

Spread of perpetual preference shareholders as at 31 March 2015

Investec plc perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
135	1 – 500	12.6%	35 263	0.2%
156	501 – 1 000	14.6%	128 958	0.9%
521	1 001 – 5 000	48.8%	1 108 245	7.3%
79	5 001 – 10 000	7.4%	600 669	4.0%
117	10 001 – 50 000	11.0%	2 556 637	17.0%
30	50 001 – 100 000	2.8%	2 108 240	14.0%
30	100 001 and over	2.8%	8 543 137	56.6%
1 068		100.0%	15 081 149	100.0%

Investec plc (Rand denominated) perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
85	1 – 500	23.0%	23 417	1.0%
71	501 – 1 000	19.2%	55 451	2.4%
150	1 001 – 5 000	40.5%	340 114	14.9%
26	5 001 – 10 000	7.0%	189 132	8.3%
28	10 001 – 50 000	7.6%	543 226	23.9%
5	50 001 – 100 000	1.4%	370 903	16.3%
5	100 001 and over	1.4%	753 697	33.1%
370		100.0%	2 275 940	100.0%

Investec Limited perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
851	1 – 500	15.7%	278 159	0.9%
1291	501 – 1 000	23.8%	1 104 921	3.4%
2445	1 001 – 5 000	45.0%	5 759 366	17.9%
421	5 001 – 10 000	7.8%	3 013 111	9.4%
362	10 001 – 50 000	6.7%	7 040 681	21.9%
22	50 001 – 100 000	0.4%	1 723 855	5.4%
37	100 001 and over	0.7%	13 294 406	41.3%
5 429		100.0%	32 214 499	100.0%

Shareholder analysis (continued)

Investec Limited redeemable preference shares

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
866	1 – 500	90.2%	121 031	29.6%
60	501 – 1 000	6.3%	41 620	10.2%
27	1 001 – 5 000	2.8%	57 709	14.1%
1	5 001 – 10 000	0.1%	10 000	2.4%
5	10 001 – 50 000	0.5%	77 959	19.1%
1	50 001 – 100 000	0.1%	100 000	24.5%
–	100 001 and over	–	–	–
960		100.0%	408 319	100.0%

Investec Bank Limited perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
812	1 – 500	21.2%	235 948	1.5%
1 081	501 – 1 000	28.2%	953 728	6.4%
1 476	1 001 – 5 000	38.5%	3 525 606	22.8%
245	5 001 – 10 000	6.4%	1 810 119	11.7%
180	10 001 – 50 000	4.7%	3 296 473	21.3%
16	50 001 – 100 000	0.4%	1 167 111	7.5%
23	100 001 and over	0.6%	4 458 645	28.8%
3 833		100.0%	15 477 630	100.0%

Largest perpetual preference shareholders as at 31 March 2015

Shareholders holding beneficial interests in excess of 5% of the issued preference shares are as follows:

Investec plc perpetual preference

Pershing Nominees Limited	5.6%
Chase Nominees Limited (Artemis)	10.6%

Investec plc (Rand denominated) perpetual preference shares

NES Investments (Pty) Limited	5.3%
Liberty Active Investment	6.5%
Regent Insurance Company	6.6%
Standard Chartered Bank – Cadiz Absolute Yield fund	9.6%

Investec Limited perpetual preference shares

Standard Chartered Bank – Coronation Capital Plus fund	5.2%
Standard Chartered Bank – Coronation Strategic Income fund	5.2%

Investec Limited redeemable preference shares

Investec Securities (Pty) Limited	8.6%
National Savings and Investment (Pty) Limited	24.5%

Investec Bank Limited perpetual preference shares

There were no shareholders holding beneficial interests in excess of 5% of the issued preference shares in Investec Bank Limited as at 31 March 2015.



6

Annexures



Annexure 1 Definitions

Adjusted shareholders' equity

Refer to calculation on page 93

Cost to income ratio

Operating costs divided by operating income (net of depreciation on leased assets). Depreciation on operating leased assets has been netted off against operating income

Core loans and advances

Net loans and advances to customers plus net own originated securitised assets

Refer to calculation on page 97

Dividend cover

Adjusted earnings per ordinary share before goodwill and non-operating items divided by dividends per ordinary share

Earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items (i.e. adjusted earnings)

Refer to page 58

Adjusted earnings per ordinary share before goodwill, acquired intangibles and non-operating items

Refer to page 58

Effective operational tax rate

Tax on profit on ordinary activities (excluding non-operating items) divided by operating profit

Market capitalisation

Total number of shares in issue (including Investec plc and Investec Limited) multiplied by the closing share price of Investec plc on the London Stock Exchange

Net tangible asset value per share

Refer to calculation on page 83

Non-operating items

Reflects profits and/or losses on termination, restructuring or disposal of group operations and acquisitions made

Operating profit

Operating income less administrative expenses, impairments for bad and doubtful debts and depreciation of tangible fixed assets. This amount is before goodwill, acquired intangibles and non-operating items

Operating profit per employee

Refer to calculation on page 94

Recurring income

Net interest income plus net annuity fees and commissions expressed as a percentage of total operating income

Return on average adjusted shareholders' equity

Refer to calculation on page 93

Return on average adjusted tangible shareholders' equity

Refer to calculation on page 93

Return on risk-weighted assets

Adjusted earnings divided by average risk-weighted assets

Risk-weighted assets

Is calculated as the sum of risk-weighted assets for Investec plc and Investec Limited (converted into Pounds Sterling) as reflected on page 83

Staff compensation to operating income ratio

All employee-related costs expressed as a percentage of operating income

Third party assets under administration

Includes third party assets under administration managed by the Wealth & Investment, Asset Management and Property businesses

Total capital resources

Includes shareholders' equity, subordinated liabilities and non-controlling interests

Total equity

Total shareholders' equity including non-controlling interests

Weighted number of ordinary shares in issue

The number of ordinary shares in issue at the beginning of the year increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the group less treasury shares. Refer to calculation on page 58

Annexure 2 Dividend announcements

Investec plc

Incorporated in England and Wales
Registration number 3633621
LSE share code: INVP
JSE share code: INP
ISIN: GB00B17BBQ50

Ordinary share dividend announcement

Declaration of dividend number 26

In terms of the DLC structure, Investec plc shareholders who are not South African resident shareholders may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and/or through dividends declared and paid on the SA DAN share issued by Investec Limited.

Investec plc shareholders who are South African residents, may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and/or through dividends declared and paid on the SA DAS share issued by Investec Limited.

Notice is hereby given that a final dividend number 26 being a gross dividend of 11.5 pence (2014: 11 pence) per ordinary share has been recommended by the board from income reserves in respect of the financial year ended 31 March 2015 payable to shareholders recorded in the members' register of the company at the close of business on Friday, 31 July 2015, which will be paid as follows:

- for non-South African resident Investec plc shareholders, through a dividend payment by Investec plc from income reserves of 11.5 pence per ordinary share
- for South African resident shareholders of Investec plc, through a dividend payment by Investec plc from income reserves of 2.5 pence per ordinary share and through a dividend paid by Investec Limited, on the SA DAS share, payable from income reserves, equivalent to 9 pence per ordinary share.

The relevant dates for the payment of dividend number 26 are as follows:

Last day to trade cum-dividend

On the London Stock Exchange (LSE)	Wednesday, 29 July 2015
On the Johannesburg Stock Exchange (JSE)	Friday, 24 July 2015

Shares commence trading ex-dividend

On the London Stock Exchange (LSE)	Thursday, 30 July 2015
On the Johannesburg Stock Exchange (JSE)	Monday, 27 July 2015

Record date (on the JSE and LSE)	Friday, 31 July 2015
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Payment date (on the JSE and LSE)	Friday, 14 August 2015
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Share certificates on the South African branch register may not be dematerialised or rematerialised between Monday, 27 July 2015 and Friday, 31 July 2015, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 27 July 2015 and Friday, 31 July 2015, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Shareholders registered on the South African register are advised that the distribution of 11.5 pence, equivalent to a gross dividend of 216 cents per share, has been arrived at using the Rand/Pounds Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Wednesday, 20 May 2015
- Investec plc UK tax reference number: 2683967322360
- The issued ordinary share capital of Investec plc is 613 609 642 ordinary shares

- The dividend paid by Investec plc to South African resident shareholders and the dividend paid by Investec Limited on the SA DAS share are subject to South African Dividend Tax of 15% (subject to any available exemptions as legislated)
- Shareholders registered on the South African register who are exempt from paying the Dividend Tax will receive a net dividend of 216 cents per share, comprising 169.04348 cents per share paid by Investec Limited on the SA DAS share and 46.95652 cents per ordinary share paid by Investec plc
- Shareholders registered on the South African register who are not exempt from paying the Dividend Tax will receive a net dividend of 183.60 cents per share (gross dividend of 216 cents per share less Dividend Tax of 32.4 cents per share).

By order of the board



D Miller
Company secretary

20 May 2015

Annexure 2 Dividend announcements (continued)

Investec Limited

Incorporated in the Republic of South Africa
Registration number 1925/002833/06
JSE ordinary share code: INL
NSX ordinary share code: IVD
BSE ordinary share code: INVESTEC
ISIN: ZAE000081949

Ordinary share dividend announcement

Declaration of dividend number 119

Notice is hereby given that a final dividend number 119, being a gross dividend of 216 cents (2014: 196 cents) per ordinary share has been recommended by the board from income reserves in respect of the financial year ended 31 March 2015 payable to shareholders recorded in the shareholders' register of the company at the close of business on Friday, 31 July 2015.

The relevant dates for the payment of dividend number 119 are as follows:

Last day to trade <i>cum</i> -dividend	Friday, 24 July 2015
Shares commence trading <i>ex</i> -dividend	Monday, 27 July 2015
Record date (on the JSE)	Friday, 31 July 2015
Payment date (on the JSE)	Friday, 14 August 2015

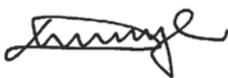
The final gross dividend of 216 cents per ordinary share has been determined by converting the Investec plc distribution of 11.5 pence per ordinary share into Rands using the Rand/Pounds Sterling average buy/sell forward rate at 11h00 (SA time) on Wednesday, 20 May 2015.

Share certificates may not be dematerialised or rematerialised between Monday, 27 July 2015 and Friday, 31 July 2015, both dates inclusive.

Additional information to take note of:

- Investec Limited company tax reference number: 9800/181/71/2
- The issued ordinary share capital of Investec Limited is 285 748 623 ordinary shares
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- Shareholders who are exempt from paying the Dividend Tax will receive a net dividend of 216 cents per ordinary share
- Shareholders who are not exempt from paying the Dividend Tax will receive a net dividend of 183.6 cents per ordinary share (gross dividend of 216 cents per ordinary share less Dividend Tax of 32.4 cents per ordinary share).

By order of the board



N van Wyk
Company secretary

20 May 2015

Annexure 2 Dividend announcements (continued)

Investec plc

Registration number 3633621
Share code: INPP
ISIN: GB00B19RX541

Preference share dividend announcement

Non-redeemable non-cumulative non-participating preference shares (preference shares)

Declaration of dividend number 18

Notice is hereby given that preference dividend number 18 has been declared for the period 01 October 2014 to 31 March 2015, amounting to a gross preference dividend of 7.47945 pence per preference share payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 12 June 2015.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 7.47945 pence per preference share is equivalent to a gross dividend of 139.126 cents per share, which has been determined using the Rand/Pounds Sterling average buy/sell forward rate as at 11h00 (SA time) on Wednesday, 20 May 2015.

The relevant dates relating to the payment of dividend number 18 are as follows:

Last day to trade *cum*-dividend

On the Channel Islands Stock Exchange (CISX)	Wednesday, 10 June 2015
On the Johannesburg Stock Exchange (JSE)	Friday, 05 June 2015

Shares commence trading *ex*-dividend

On the Channel Islands Stock Exchange (CISX)	Thursday, 11 June 2015
On the Johannesburg Stock Exchange (JSE)	Monday, 08 June 2015

Record date (on the JSE and CISX)	Friday, 12 June 2015
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Payment date (on the JSE and CISX)	Monday, 22 June 2015
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Share certificates may not be dematerialised or rematerialised between Monday, 08 June 2015 and Friday, 12 June 2015, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 08 June 2015 and Friday, 12 June 2015, both dates inclusive.

For SA resident preference shareholders, additional information to take note of:

- Investec plc tax reference number: 2683967322360
- The issued preference share capital of Investec plc is 15 081 149 preference shares
- The dividend paid by Investec plc to South African resident shareholders is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- The net dividend amounts to 118.25710 cents per preference share for preference shareholders liable to pay the Dividend Tax and 139.126 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board



D Miller
Company secretary

20 May 2015

Annexure 2 Dividend announcements (continued)

Investec plc

Registration number 3633621
Share code: INPPR
ISIN: GB00B4B0Q974

Rand-denominated preference share dividend announcement

Rand-denominated non-redeemable non-cumulative, non-participating perpetual preference shares (preference shares)

Declaration of dividend number 8

Notice is hereby given that preference dividend number 8 has been declared for the period 01 October 2014 to 31 March 2015, amounting to a gross preference dividend of 438.17123 cents per preference share payable to holders of the Rand denominated non-redeemable non-cumulative non-participating perpetual preference shares as recorded in the books of the company at the close of business on Friday, 12 June 2015.

The relevant dates relating to the payment of dividend number 8 are as follows:

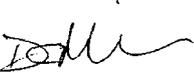
Last day to trade <i>cum</i> -dividend	Friday, 05 June 2015
Shares commence trading <i>ex</i> -dividend	Monday, 08 June 2015
Record date	Friday, 12 June 2015
Payment date	Monday, 22 June 2015

Share certificates may not be dematerialised or rematerialised between Monday, 08 June 2015 and Friday, 12 June 2015, both dates inclusive.

For SA resident preference shareholders, additional information to take note of:

- Investec plc tax reference number: 2683967322360
- The issued preference share capital of Investec plc is 2 275 940 preference shares
- The dividend paid by Investec plc to South African resident shareholders is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- The net dividend amounts to 372.44555 cents per preference share for preference shareholders liable to pay the Dividend Tax and 483.17123 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board



D Miller
Company secretary

20 May 2015

Annexure 2 Dividend announcements (continued)

Investec Limited

Incorporated in the Republic of South Africa
Registration number 1925/002833/06
JSE share code: INPR
NSX ordinary share code: IVD
BSE ordinary share code: INVESTEC
ISIN: ZAE000063814

Preference share dividend announcement

Non-redeemable non-cumulative non-participating preference shares (preference shares)

Declaration of dividend number 21

Notice is hereby given that preference dividend number 21 has been declared from income reserves for the period 01 October 2014 to 31 March 2015, amounting to a gross preference dividend of 358.70081 cents per share payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 12 June 2015.

The relevant dates for the payment of dividend number 21 are as follows:

Last day to trade <i>cum</i> -dividend	Friday, 05 June 2015
Shares commence trading <i>ex</i> -dividend	Monday, 08 June 2015
Record date	Friday, 12 June 2015
Payment date	Monday, 22 June 2015

Share certificates may not be dematerialised or rematerialised between Monday, 08 June 2015 and Friday, 12 June 2015, both dates inclusive.

Additional information to take note of:

- Investec Limited company tax reference number: 9800/181/71/2
- The issued preference share capital of Investec Limited is 32 214 499 preference shares in this specific class
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- The net dividend amounts to 304.89569 cents per preference share for shareholders liable to pay the Dividend Tax and 358.70081 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board



N van Wyk
Company secretary

20 May 2015

Annexure 2 Dividend announcements (continued)

Investec Bank Limited

Incorporated in the Republic of South Africa
Registration number 1969/004763/06
Share code: INLP
ISIN: ZAE000048393

Preference share dividend announcement

Non-redeemable non-cumulative non-participating preference shares (preference shares)

Declaration of dividend number 24

Notice is hereby given that preference dividend number 24 has been declared by the board from income reserves for the period 01 October 2014 to 31 March 2015 amounting to a gross preference dividend of 384.34536 cents per share payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 12 June 2015.

The relevant dates for the payment of dividend number 24 are as follows:

Last day to trade <i>cum</i> -dividend	Friday, 05 June 2015
Shares commence trading <i>ex</i> -dividend	Monday, 08 June 2015
Record date	Friday, 12 June 2015
Payment date	Monday, 22 June 2015

Share certificates may not be dematerialised or rematerialised between Monday, 08 June 2015 and Friday, 12 June 2015, both dates inclusive.

Additional information to take note of:

- Investec Bank Limited company tax reference number: 9675/053/71/5
- The issued preference share capital of Investec Bank Limited is 15 447 630 preference shares in this specific class
- The dividend paid by Investec Bank Limited is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- The net dividend amounts to 326.69356 cents per preference share for shareholders liable to pay the Dividend Tax and 384.34536 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board



N van Wyk
Company secretary

20 May 2015

