

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

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

Investec plc and Investec Limited (combined results)

Unaudited combined consolidated financial results for the year ended 31 March 2015

This announcement covers the results of the Investec group for the year ended 31 March 2015.

Basis of presentation

Statutory basis

Statutory information is set out in a separate section in this announcement. The sale of businesses during the financial year (further detail is provided in the "Notes to the commentary section") 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 Start (Irish) mortgage business;
- the remaining legacy business in the UK.

A reconciliation between the statutory and ongoing income statement is provided.

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.

Overview of results

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 GBP5.8 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 on-line 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 GBP493.2 million (2014: GBP450.7 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 GBP113.7 million on the sale of subsidiaries.

Solid performance from the ongoing business

- Ongoing operating profit increased 15.0% to GBP580.7 million (2014: GBP504.9 million) – an increase of 22.6% 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 GBP124.1 billion (2014: GBP109.2 billion).
- Customer accounts (deposits) increased 7.3% to GBP22.6 billion (2014: GBP21.1 billion).
- Core loans and advances increased 15.4% to GBP16.5 billion (2014: GBP14.3 billion)

Continued to actively manage down the UK legacy portfolio

- The legacy portfolio reduced from GBP3.4 billion at 31 March 2014 to GBP0.7 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 GBP107.7 million (2014: GBP69.1 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 GBP10.0 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.

Stephen Koseff, Chief Executive Officer of Investec said:

"The group is in the best position it has been since the mid-2000s. We have delivered on all the strategic initiatives set out in 2013 and can now focus on growing our three core businesses, Asset Management, Wealth & Investment and Specialist Banking."

Bernard Kantor, Managing Director of Investec said:

"The ongoing results reflect a very satisfactory year. The performance of Wealth & Investment and Asset Management continues to reflect the quality of the businesses. Specialist Banking in South Africa had an excellent year while in London, the corporate business is performing well and the private bank has dealt with the over-riding majority of its legacy issues."

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Presentation/conference call details

A presentation on the results will commence at 9:00 UK time/10:00 SA time. Viewing options as below:

- Live on South African TV (Business day TV channel 412 DSTV)
- A live and delayed video webcast at www.investec.com
- Toll free numbers for the telephone conference facilities
 - SA participants: 0800 200 648
 - UK participants: 0808 162 4061
 - rest of Europe and other participants: +800 246 78 700
 - Australian participants: 1800 350 100
 - USA participants: 1855 481 6362

About Investec

Investec is an international specialist bank and asset manager that provides a diverse range of financial products and services to a niche client base in two principal markets, the United Kingdom and South Africa as well as certain other countries. The group was established in 1974 and currently has approximately 8 200 employees.

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

In July 2002 the Investec group implemented a dual listed company structure with listings on the London and Johannesburg Stock Exchanges. The combined group's current market capitalisation is approximately GBP5.4 billion.

Investec plc and Investec Limited (combined results)

Unaudited combined consolidated financial results for the year ended 31 March 2015

The commentary below largely focuses on the results of the ongoing business.

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 GBP580.7 million (2014: GBP504.9 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 Rand, 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 GBP409.9 million (2014: GBP371.9 million) – an increase of 17.9% on a currency neutral basis.
- Adjusted earnings per share (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 GBP39.4 million.
- Third party assets under management increased 13.7% to GBP124.1 billion (2014: GBP109.2 billion).
- Customer accounts (deposits) increased 7.3% to GBP22.6 billion (2014: GBP21.1 billion).
- Core loans and advances increased 15.4% to GBP16.5 billion (2014: GBP14.3 billion)

Business unit review – ongoing basis

Asset Management

Asset Management increased operating profit by 3.6% to GBP149.0 million (2014: GBP143.8 million) benefiting from higher average funds under management and net inflows of GBP3.1 billion. Total funds under management amount to GBP77.5 billion (2014: GBP68.0 billion). Operating margin has remained in line with the prior year at 34.2%.

Wealth & Investment

Wealth & Investment operating profit increased by 19.2% to GBP78.8 million (2014: GBP66.1 million) supported by higher average funds under management, net inflows of GBP2.7 billion and improved operating margins. Total funds under management amount to GBP46.1 billion (2014: GBP40.1 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 GBP392.3 million (2014: GBP331.4 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 in a detailed report published on the group's website: <http://www.investec.com>

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 GBP39.3 million (2014: GBP: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 GBP1,887.1 million (2014: GBP1,789.1 million).

Net interest income increased by 8.9% to GBP539.0 million (2014: GBP495.0 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 GBP1,090.4 million (2014: GBP969.5 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 GBP151.8 million (2014: GBP188.4 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 GBP106.6 million (2014: GBP103.5 million) whilst trading income from other trading activities reflected a loss of GBP13.0 million (2014: profit of GBP14.2 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 GBP64.3 million to GBP39.4 million. Since 31 March 2014 gross defaults have improved from GBP256.4 million to GBP247.1 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 GBP1,254.0 million (2014: GBP1,203.6 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; 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:

- GBP18.2 million profit attributable to non-controlling interests in the Asset Management business.
- GBP31.7 million profit attributable to non-controlling interests in the Investec Property Fund Limited.
- A reduction of GBP20.7 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 GBP4.0 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 GBP10.0 billion in cash and near cash balances (GBP5.0 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. The group's anticipated fully loaded Basel III common equity tier 1 capital adequacy ratios in both Investec plc and Investec Limited are reflected in the table below.

	31 Mar 2015	31 Mar 2014
Investec plc[^]		
Capital adequacy ratio	16.7%	15.3%
Tier 1 ratio	11.9%	10.5%
Common equity tier 1 ratio	10.2%	8.8%
Common equity tier 1 ratio (anticipated Basel III "fully loaded"*)	10.2%	8.8%
Leverage ratio (current)	7.7%	7.4%
Leverage ratio (anticipated Basel III "fully loaded"*)	6.6%	6.2%
Investec Limited		
Capital adequacy ratio	14.7%	14.9%
Tier 1 ratio	11.3%	11.0%
Common equity tier 1 ratio	9.6%	9.4%
Common equity tier 1 ratio (anticipated Basel III "fully loaded"*)	9.5%	9.3%
Leverage ratio (current*)	8.1%	7.8%
Leverage ratio (anticipated Basel III "fully loaded"*)	7.2%	6.7%

*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 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 this does not include the deduction of foreseeable dividends when calculating CET1 as now required under the CRR and EBA technical standards. The impact of the final proposed ordinary and preference dividends totalling GBP57 million for Investec plc would be around 50 bps.

Legacy business – overview of results

The group's legacy portfolio in the UK has been actively managed down from GBP3.4 billion at 31 March 2014 to GBP0.7 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 GBP107.7 million (2014: GBP69.1 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 GBP218 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.

On behalf of the boards of Investec plc and Investec Limited

Fani Titi	Stephen Koseff	Bernard Kantor
Chairman	Chief Executive Officer	Managing Director

20 May 2015

Notes to the commentary section above

- **Presentation of financial information**

Investec operates under a Dual Listed Companies (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. In the commentary above, all references to Investec or the group relate to the combined DLC group comprising Investec plc and Investec Limited.

- **Foreign currency impact**

The group's reporting currency is Pounds Sterling. Certain of the group's operations are conducted by entities outside the UK. The results of operations and the financial position of the individual companies are reported in the local currencies in which they are domiciled, including 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 the group's combined consolidated financial statements. 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 GBP1.00	Year to 31 Mar 2015		Year to 31 Mar 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 exchange rate over the period has depreciated by 10.5% and the closing rate has depreciated by 2.3% since 31 March 2014.

- **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 GBP122 million. This has resulted in the derecognition of approximately GBP1.7 billion of assets and approximately GBP1.7 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 GBP180 million in cash based on a tangible net asset value of the business of GBP165 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.

This has resulted in the derecognition of approximately GBP4.1 billion of assets and approximately GBP2 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:

	GBP'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 GBP4.7 million and an increase in taxation on operating profit before goodwill and deferred taxation liabilities of GBP1.0 million. The net impact on retained income at 31 March 2014 is an increase of GBP2.8 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 date.

- **Proviso**

- Please note that matters discussed in this announcement may contain forward looking statements which are subject to various risks and uncertainties and other factors, including, but not limited to:
 - the further development of standards and interpretations under IFRS applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS.
 - domestic and global economic and business conditions.
 - market related 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 announcement 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 announcement is available on the group’s website: www.investec.com

Unaudited combined consolidated financial results for the year ended 31 March 2015

Ongoing financial information

Ongoing summarised income statement

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

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

for the year to 31 March GBP'000	UK and Other	Southern Africa	Total group
2015			
Asset Management	75 491	73 484	148 975
Wealth & Investment	56 871	21 910	78 781
Specialist Banking	129 341	262 918	392 259
	261 703	358 312	620 015
Group costs	(30 048)	(9 264)	(39 312)
Total group	231 655	349 048	580 703
Other non-controlling interest – equity			11 701
Operating profit			592 404
2014*			
Asset Management	67 585	76 234	143 819
Wealth & Investment	46 065	20 034	66 099

Specialist Banking	121 491	209 925	331 416
	235 141	306 193	541 334
Group costs	(27 672)	(8 772)	(36 444)
Total group	207 469	297 421	504 890
Other non-controlling interest – equity			10 849
Operating profit			515 739

*Restated for IFRIC 21, inclusion of Australia in "UK and Other" and group costs detailed in the commentary section

Reconciliation from statutory summarised income statement to ongoing summarised income statement

for the year to 31 March 2015 (GBP'000)	Removal of:				
	Statutory as disclosed	UK legacy business excluding sale assets	Sale assets UK	Sale assets Australia	Ongoing business
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 other non-controlling interests	(11 701)	–	–	–	(11 701)
Profit attributable to Asset Management non-controlling interests	(18 184)	–	–	–	(18 184)
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 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 effective taxation rate of 19.6%

for the year to 31 March 2014 (GBP'000)	Removal of:				
	Statutory as disclosed	UK legacy business excluding sale assets	Sale assets UK	Sale assets Australia	Ongoing business
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 other non-controlling interests	(10 849)	–	–	–	(10 849)
Profit attributable to Asset Management non-controlling interests	(11 031)	–	–	–	(11 031)
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 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 effective taxation rate of 17.1%

Statutory financial information

Salient financial features

	Results in Pounds Sterling					Results in Rand		
	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	Results in Rand Year to 31 March 2015	Results in Rand Year to 31 March 2014	% change
Operating profit before taxation* (million)	493	451	9.3%	532	18.0%	8 817	7 309	20.6%
Earnings attributable to shareholders (million)	246	331	(25.7%)	273	(17.5%)	3 970	5 329	(25.5%)
Adjusted earnings attributable to shareholders** (million)	340	327	4.0%	368	12.5%	6 076	5 293	14.8%
Adjusted earnings per share**	39.4	37.9	4.0%	42.6	12.4%	703.8	613.8	14.7%
Ongoing adjusted earnings per share**	47.5	43.1	10.2%	51.1	18.6%	850.3	697.9	21.8%
Basic earnings per share	24.4	34.3	(28.9%)	27.3	(20.4%)	387.3	552.1	(29.8%)
Headline earnings per share	35.8	33.8	5.9%	38.5	13.6%	640.3	547.7	16.9%
Dividends per share	20.0p	19.0p	5.3%			362c	327c	10.7%
Cost to income ratio	67.6%	67.6%						
	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	Results in Rand At 31 March 2015	Results in Rand At 31 March 2014	% change
Net asset value per share	364.9	376.0	(3.0%)	365.2	(2.9%)	6 559	6 602	(0.7%)
Net tangible asset value per share	308.1	309.0	(0.3%)	308.4	(0.2%)	5 538	5 425	2.1%
Total equity (million)	4 040	4 016	0.6%	4 087	1.8%	72 625	70 505	3.0%
Total assets (million)	44 353	47 142	(5.9%)	44 981	(4.6%)	797 218	827 649	(3.7%)
Core loans and advances (million)	17 189	17 157	0.2%	17 430	1.6%	308 957	301 224	2.6%
Cash and near cash balances (million)	9 975	9 136	9.2%	10 090	10.4%	179 242	160 405	11.7%
Customer deposits (million)	22 615	22 610	0.0%	22 908	1.3%	406 485	396 951	2.4%
Third party assets under management (million)	124 106	109 189	13.7%	125 149	14.6%	2 230 197	1 917 347	16.3%
Recurring income as a % of total operating income	74.2%	70.7%						
Return on average adjusted shareholders' equity	10.6%	10.0%						
Return on average risk-weighted assets	1.25%	1.14%						
Credit loss ratio	0.68%	0.68%						
Defaults (net of impairments and before collateral) as a percentage of net core loans	2.07%	2.30%						
Loans and advances to customers as a percentage of customer deposits	74.0%	72.0%						

* 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

Statutory financial information
Combined consolidated income statement
for the year to 31 March

GBP'000	2015	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 disposals 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
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/(gain) 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	339 523	326 923
Headline adjustments	(30 753)	(35 362)

Headline earnings	308 770	291 561
Earnings per share (pence)		
– Basic	24.4	34.3
– Diluted	23.1	32.3
Statutory 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 commentary section*

Summarised combined consolidated statement of comprehensive income

for the year to 31 March

GBP'000	2015	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 benefit 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 commentary section*

[^]Net of taxation of GBP4.0million (31 March 2014: GBP7.8million)

Summarised combined consolidated cash flow statement

for the year to 31 March GBP'000	2015	2014*
Cash inflows from operations	617 363	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

*Restated for IFRIC 21 detailed in commentary section

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

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).

Combined consolidated balance sheet

At 31 March

GBP'000	2015	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 commentary section*

Summarised combined consolidated statement of changes in equity

for the year ended 31 March

GBP'000	2015	2014*
Balance at the beginning of the year	4 015 878	3 945 253
Total comprehensive income for the year	186 977	(66 911)
Share-based payments adjustments	63 475	66 905
Dividends paid to ordinary shareholders	(168 486)	(150 053)
Dividends declared to perpetual preference shareholders	(16 101)	(16 566)
Dividends paid to perpetual preference shareholders included in non-controlling interests	(18 702)	(18 702)
Dividends paid to non-controlling interests	(29 466)	(5 838)
Issue of ordinary shares	38 896	31 650
Issue of Other Additional Tier 1 securities in issue	30 012	–
Issue of equity by subsidiaries	19 725	35 477
Acquisition of non-controlling interests	39	(270)
Non-controlling interest relating to partial disposal of subsidiaries	43 129	166 940
Partial sale of subsidiary	(2 244)	–
Capital conversion of subsidiary	–	126 681
Movement of treasury shares	(122 637)	(98 688)
Balance at the end of the year	4 040 495	4 015 878

*Restated for IFRIC 21 detailed in commentary section

Combined consolidated segmental analysis

for the year to 31 March

GBP'000	UK and Other	Southern Africa	Total group
Segmental geographical and business analysis of operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests			
2015			
Asset Management	75 491	73 484	148 975
Wealth & Investment	56 871	21 910	78 781
Specialist Banking	41 795	262 918	304 713
	174 157	358 312	532 469
Group costs	(30 048)	(9 264)	(39 312)
Total group	144 109	349 048	493 157
Other non-controlling interest – equity			11 701
Operating profit			504 858

GBP'000	UK and Other	Southern Africa	Total group
Segmental geographical and business analysis of operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests			
2014*			
Asset Management	67 585	76 234	143 819
Wealth & Investment	46 065	20 034	66 099
Specialist Banking	67 277	209 925	277 202

	180 927	306 193	487 120
Group costs	(27 672)	(8 772)	(36 444)
Total group	153 255	297 421	450 676
Other non-controlling interest – equity			10 849
Operating profit			461 525

*Restated for IFRIC 21 and group costs detailed in commentary section

ADDITIONAL STATUTORY INFORMATION RELATING TO THE CONSOLIDATED INCOME STATEMENT

Impairment of goodwill

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

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.

Analysis of financial assets and liabilities by category of financial instrument

At 31 March 2015 GBP'000	Financial instruments at fair value	Financial instruments at amortised cost	Insurance related at fair value	Non-financial instruments	Total
Assets					
Cash and balances at central banks	1 302	2 528 260	–	–	2 529 562
Loans and advances to banks	178 907	2 866 957	–	–	3 045 864
Non-sovereign and non-bank cash placements	160	586 240	–	–	586 400
Reverse repurchase agreements and cash collateral on securities borrowed	959 361	852 795	–	–	1 812 156
Sovereign debt securities	2 760 898	197 743	–	–	2 958 641
Bank debt securities	485 530	675 525	–	–	1 161 055
Other debt securities	495 527	131 846	–	–	627 373
Derivative financial instruments	1 580 681	–	–	–	1 580 681
Securities arising from trading activities	1 086 349	–	–	–	1 086 349
Investment portfolio	947 846	–	–	–	947 846
Loans and advances to customers	707 376	16 032 887	–	–	16 740 263
Own originated loans and advances to customers securitised	–	448 647	–	–	448 647
Other loans and advances	–	574 830	–	–	574 830
Other securitised assets	627 928	152 668	–	–	780 596
Interests in associated undertakings	–	–	–	25 244	25 244
Deferred taxation assets	–	–	–	99 301	99 301
Other assets	81 977	1 305 644	–	354 092	1 741 713
Property and equipment	–	–	–	102 354	102 354
Investment properties	–	–	–	617 898	617 898
Goodwill	–	–	–	361 527	361 527
Intangible assets	–	–	–	147 227	147 227
Non-current assets held for resale	–	–	–	40 726	40 726
	9 913 842	26 354 042	–	1 748 369	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
	9 913 842	26 354 042	6 337 149	1 748 369	44 353 402
Liabilities					
Deposits by banks	–	1 908 294	–	–	1 908 294
Derivative financial instruments	1 544 168	–	–	–	1 544 168

Other trading liabilities	885 003	–	–	–	885 003
Repurchase agreements and cash collateral on securities lent	553 730	731 215	–	–	1 284 945
Customer accounts (deposits)	924 083	21 690 785	–	–	22 614 868
Debt securities in issue	473 037	1 236 332	–	–	1 709 369
Liabilities arising on securitisation of own originated loans and advances	–	109 953	–	–	109 953
Liabilities arising on securitisation of other assets	616 909	–	–	–	616 909
Current taxation liabilities	–	–	–	201 790	201 790
Deferred taxation liabilities	–	–	–	76 481	76 481
Other liabilities	135 268	1 239 985	–	470 426	1 845 679
	5 132 198	26 916 564	–	748 697	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
	5 132 198	26 916 564	6 337 149	748 697	39 134 608
Subordinated liabilities	–	1 178 299	–	–	1 178 299
	5 132 198	28 094 863	6 337 149	748 697	40 312 907

At 31 March 2015 GBP'000	Total instruments at fair value	Fair value category		
		Level 1	Level 2	Level 3
Assets				
Cash and balances at central banks	1 302	1 302	–	–
Loans and advances to banks	178 907	178 907	–	–
Non-sovereign and non-bank cash placements	160	–	160	–
Reverse repurchase agreements and cash collateral on securities borrowed	959 361	–	959 361	–
Sovereign debt securities	2 760 898	2 759 792	1 106	–
Bank debt securities	485 530	192 469	293 061	–
Other debt securities	495 527	379 690	97 793	18 044
Derivative financial instruments	1 580 681	204 626	1 332 534	43 521
Securities arising from trading activities	1 086 349	1 083 956	2 393	–
Investment portfolio	947 846	131 783	70 278	745 785
Loans and advances to customers	707 376	–	671 376	36 000
Other securitised assets	627 928	–	–	627 928
Other assets	81 977	81 910	67	–
	9 913 842	5 014 435	3 428 129	1 471 278
Liabilities				
Derivative financial instruments	1 544 168	328 214	1 213 288	2 666
Other trading liabilities	885 003	840 647	44 356	–
Repurchase agreements and cash collateral on securities lent	553 730	–	553 730	–
Customer accounts (deposits)	924 083	–	924 083	–
Debt securities in issue	473 037	–	473 037	–
Liabilities arising on securitisation of other assets	616 909	–	–	616 909
Other liabilities	135 268	96 865	38 403	–
	5 132 198	1 265 726	3 246 897	619 575
Net assets	4 781 644	3 748 709	181 232	851 703

For the year to 31 March GBP'000	Total level 3 financial instruments	Fair value through profit and loss instruments	Available- for-sale instruments
The following table is a reconciliation of the opening balances to the closing balances for fair value measurements in level 3 of the fair value hierarchy:			
Balance as at 1 April 2014	869 172	904 089	(34 917)
Total gains or losses	122 239	120 412	1 827
In the income statement	121 813	120 412	1 401
In the statement of comprehensive income	426	-	426
Purchases	152 975	123 092	29 883
Sales	(290 650)	(253 447)	(37 203)
Issues	(6 996)	(6 996)	-
Settlements	(68 982)	(52 553)	(16 429)
Transfers into level 3	63 545	21 416	42 129
Transfers out of level 3	545	545	-
Foreign exchange adjustments	9 855	4 437	5 418
Balance as at 31 March 2015	851 703	860 995	(9 292)

The following table quantifies the gains or (losses) included in the income statement and statement of other comprehensive income recognised on level 3 financial instruments:

For the year to 31 March 2015 GBP'000	Total	Realised	Unrealised
Total gains or (losses) included in the income statement for the year			
Fee and commission income	7 859	(51)	7 910
Investment income	101 304	81 979	19 325
Trading income arising from customer flow	13 999	-	13 999
Trading income arising from balance sheet management and other trading activities	(97)	877	(974)
Other operating loss	(1 252)	-	(1 252)
	121 813	82 805	39 008
Total gains included in other comprehensive income for the year			
Gains on realisation of available-for-sale assets recycled through the income statement	1 401	1 401	-
Fair value movements on available-for-sale assets taken directly to other comprehensive income	426	-	426
	1 827	1 401	426

he fair value of financial instruments in level 3 are measured using valuation techniques that incorporate assumptions that are not evidenced by prices from observable market data. The following table shows the sensitivity of these fair values to reasonably possible alternative assumptions, determined at a transactional level:

	Balance sheet value GBP'000	Significant unobservable input changed in valuation method	Range over which unobservable input has been stressed	Reflected in income statement	
				Favourable changes GBP'000	Unfavourable changes GBP'000
2015					
Assets					
Other debt securities	18 044			156	(205)
		Discount rates	(5%) – 5%	14	(60)
		Credit spreads	(2%) – 3%	114	(128)

		Other	(6%) – 5%	28	(17)
Derivative financial instruments	43 521			16 685	(11 121)
		Discount rates	(5%) – 5%	358	(283)
		Volatilities	(4%) – 3%	626	(1 536)
		Volatilities	(25%)/40%	3 227	(1 363)
		Credit spreads	(50bps)/50bps	1 279	(692)
		Cash flow adjustments	(3%) – 8%	7	(6)
		Price-earnings multiple	**	3 816	(4 074)
		Other	^	2 505	(457)
		Other	(11%) – 10%	4 867	(2 710)
Investment portfolio	706 843			173 264	(85 332)
		Price-earnings multiple	(10%) – 10%	1 517	(1 210)
		Price-earnings multiple	**	100 880	(54 829)
		EBITDA	5x EBITDA	6 958	(2 640)
		Other	^	18 296	(17 988)
		Other	(10%) – 10%	45 613	(8 665)
Loans and advances to customers	36 000			6 500	(1 347)
		Cash flows	(5%) – 5%	5 407	–
		Other	(9%) – 3%	1 093	(1 347)
Other securitised assets*	627 928			16 556	(11 495)
		Credit spreads	– 6 months/ +12 month adjustment to CDR curve	5 228	(167)
		Other		11 328	(11 328)
Liabilities					
Derivative financial instruments	(2 666)			1 830	(1 442)
		Cash flow adjustments	(2%) – 1%	1 830	(1 442)
Liabilities arising on securitisation of other assets*	(616 909)			19 021	(13 749)
		Credit default rates. Loss severity, prepayment rates	(5%) – 5%	5 228	(167)
		Other		13 793	(13 582)
	812 761			234 012	(124 691)

* The sensitivity of the fair value of liabilities arising on securitisation of other assets has been considered together with other securitised assets.

** The price-earnings multiple has been stressed on an investment by investment basis in order to obtain the aggressive and conservative valuations.

^ These valuation sensitivities have been stressed individually using varying scenario based techniques to obtain the aggressive and conservative valuations

	Balance sheet value GBP'000	Significant unobservable input changed	Range which unobservable input has been stressed	Reflected in other comprehensive income	
				Favourable changes GBP'000	Unfavourable changes GBP'000

2015					
Assets					
Investment portfolio	38 942			2 658	(2 058)
		EBITDA	(10%) – 10% or	2 658	(2 058)
			5x EBITDA		

Fair value of financial assets and liabilities at amortised cost

at 31 March 2015 GBP'000	Carrying amount	Fair value
Assets		
Cash and balances at central banks	2 528 260	2 528 260
Loans and advances to banks	2 866 957	2 866 957
Non-sovereign and non-bank cash placements	586 240	586 580
Reverse repurchase agreements and cash collateral on securities borrowed	852 795	852 795
Sovereign debt securities	197 743	202 949
Bank debt securities	675 525	709 768
Other debt securities	131 846	130 147
Loans and advances to customers	16 032 887	16 082 898
Own originated loans and advances to customers securitised	448 647	448 647
Other loans and advances	574 830	620 569
Other securitised assets	152 668	152 668
Other assets	1 305 644	1 305 519
	26 354 042	26 487 757
Liabilities		
Deposits by banks	1 908 294	1 920 130
Repurchase agreements and cash collateral on securities lent	731 215	730 508
Customer accounts (deposits)	21 690 785	21 739 660
Debt securities in issue	1 236 332	1 266 315
Liabilities arising on securitisation of own originated loans and advances	109 953	109 953
Other liabilities	1 239 985	1 237 888
Subordinated liabilities	1 178 299	1 180 558
	28 094 863	28 185 012

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

Payment date (on the JSE and LSE) Friday, 14 August 2015

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/Pound 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

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/Pound 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

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 cum-dividend	Friday, 05 June 2015
Shares commence trading ex-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 438.17123 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