

2016

YEAR-END

results presentation



Out of the Ordinary®

 **Investec**



Specialist Banking

Asset Management

Wealth & Investment

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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.

OUR PHILOSOPHIES

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

WE value

DISTINCTIVE PERFORMANCE

- Outstanding talent – empowered, 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

WHAT we do

We are an international specialist bank and asset manager that provides a diverse range of financial products and services to a select 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.



OUR STRATEGIC GOALS and objectives are based on our aspiration to be recognised as a distinctive specialist bank and asset manager

THE INVESTEC DISTINCTION



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.



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.



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 while creating value for shareholders
- Cost and risk conscious.



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.

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 long-term internationalisation strategy

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

We have a very deliberate and focused client strategy:

- to leverage our unique client profile
- to provide the best integrated solution supported by our comprehensive digital offering.

Asset Management

- Maintain a balance between emerging markets and developed world income
- Continue to invest in the business and add capacity to improve competitiveness in the future.

Wealth & Investment

- Build and leverage the private office offering
- Strong integration with the private banking business
- Digitisation of the offering.

Specialist Banking

- Continue to build the private client and corporate and institutional client franchise businesses
- Leverage the integration with the Wealth & Investment business.

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:

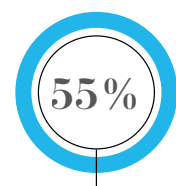
ASSET MANAGEMENT	SPECIALIST BANKING	WEALTH & INVESTMENT
Operating completely independently		
Corporate/institutional/government		Private client (high net worth/high income)/charities/trusts
<ul style="list-style-type: none"> – Investment management services to external clients 	<ul style="list-style-type: none"> – Lending – Transactional banking – Treasury and trading – Advisory – Investment activities 	<ul style="list-style-type: none"> – Investment management services – Independent financial planning advice



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.

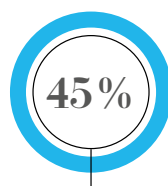
CAPITAL LIGHT ACTIVITIES



Contributed to group income

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

CAPITAL INTENSIVE ACTIVITIES



Contributed to group income

- Lending portfolios
- Investment portfolios
- Trading income
 - client flows
 - balance sheet management

Fee and commission income



Types of income



Net interest, investment and trading income



One

Overview of
results

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 year.

Currency per £1.00	31 March 2016		31 March 2015	
	Year end	Average	Year end	Average
South African Rand	21.13	20.72	17.97	17.82
Australian Dollar	1.87	2.04	1.95	1.85
Euro	1.26	1.37	1.38	1.28
US Dollar	1.44	1.50	1.49	1.62

Exchange rates between local currencies and Pounds Sterling have fluctuated over the year. The most significant impact arises from the volatility of the Rand. The average Rand: Pounds Sterling exchange rate over the year has depreciated by 16.3% and the closing rate has depreciated by 17.6% since 31 March 2015.

An overview of the operating environment impacting our business



South Africa

OUR VIEWS

South Africa remains institutionally sound, with solid ratings from the World Economic Forum's Global Competitiveness Survey, as the strength of its auditing and reporting standards are ranked first, and the regulation of its securities exchange (JSE) second, in the world

South Africa faced another difficult year in 2015, as the slump in the commodity cycle intensified, along with the weak performance of key trading partners (notably China), while domestically the most severe drought in 25 years occurred. The commodity and manufacturing sectors saw an industrial sector recession, and GDP growth consequently slipped further to 1.3% year on year from last year's 1.5% year on year. GDP per capita fell for the first time since the 2009 recession, dropping to R56 169 in real terms from R56 198 and gross national income per capita continued its declining trend which began in 2013.

1.3%	1.5%
2015/16 Economic growth	2014/15 Economic growth
2016 R56 169	2015 R56 198

GDP per capita has fallen

Furthermore, South Africa is also placed third in terms of the efficacy of its corporate boards, and has incubated a large number of companies to international level, with protection of minority shareholder interests also third globally. South Africa's banking sector is ranked eighth with deep, liquid, sophisticated markets and consistent, sound budgetary policies which allow South Africa to be a key contributor in the global bond market. The International Budget Partnership's latest Open Budget Index ranks South Africa third among 88 countries, after only New Zealand and Sweden. However, from 2011 South Africa has seen credit rating downgrades from S&P on the deterioration in economic growth, and some fiscal slippage as the ratios deteriorated, although very recently a more conservative Budget was seen under the new Finance Minister, Pravin Gordhan.

The financial market upheaval in mid-December 2015 wrought by the abrupt replacement of previous Finance Minister Nhlanhla Nene by temporary Finance Minister van Rooyen drove the domestic currency, JSE and bond yields to elevated risk-aversion levels. Despite the appointment soon thereafter of Pravin Gordhan to the Finance Minister role, the Rand went into the mid-January global debt, commodities and equities market rout severely weakened, reaching a historic low of close to R17.00/USD, with the JSE dropping to 45 493. The mid-January rout occurred on growing fears of global recession as the commodity cycle, global

trade volumes and world economic growth slumped lower. Foreigners have proved net sellers of South Africa's portfolio assets from mid-December to end March 2016 on domestic economic growth concerns, fears of credit rating downgrades and expectations of higher interest rates in the US. In particular, the credit rating agencies are reassessing South Africa's creditworthiness in terms of its downward economic growth trajectory and rising government debt ratios.

Indeed, the unsupportive global environment for a commodity exporter risks the South African economy stalling this year, if not entering a technical recession, along with the global economic slowdown. Besides the global headwinds, the domestic economy also faces some real constraints in terms of skills shortages, a restrictive labour market and infrastructure, although meaningful progress has begun on alleviating electricity supply constraints. South Africa has seen its World Bank ranking on the ease of doing business slip, but structural improvements would see the SADC giant reap faster growth, and so an improved ability to reduce unemployment and inequality, and eliminate poverty. The advent of 2016 heralded a closer working relationship between government and business, which if successful will allow a more rapid progression of upward social mobility, as occurred in the earlier years of the country's democracy.



United Kingdom

OUR VIEWS

GDP now stands at 7.3% above its pre-crisis peak.

2.2%	2.8%
2015/16	2014/15
Economic growth	Economic growth
2016	2015
R28 644	R28 132

GDP per capita has risen

The fiscal year witnessed a continued recovery in the UK economy, with Q1 2016 seeing the thirteenth consecutive quarter of expansion. Once again, the last year has seen household consumption as the driving factor behind the recovery, although investment also contributed positively.

1.7 million people are now unemployed in the UK, down one million from the peak of 2.7 million seen in 2011. Employment has been firm through the year, although the pace of employment growth slowed somewhat over H2 2015.

The inflation backdrop has been subdued, with headline CPI inflation falling into negative territory, troughing at -0.1%, and averaging just +0.1% across the fiscal year as a whole. There are two primary reasons for the softness in the inflation readings, one being the significant fall in energy prices since Q4 2014, the other being the

The continued recovery has also been evident in the labour market where the unemployment rate has fallen to 5.1%

strength in the Pounds Sterling over much of 2015. Given the temporary nature of these factors, inflation should gradually trend back to the Bank of England's target of 2% over the medium term.

UK monetary policy remained on hold throughout the period, with Bank rate steady at 0.50%, marking the seventh year of record low interest rates. At the same time the level of outstanding asset purchases was maintained at £375 billion. Given the current subdued nature of inflation, as well as rising downside risks to the global outlook there has been little appetite for raising interest rates among the Monetary Policy Committee, with any future tightening dependent on the committee's confidence that inflation is returning to target in the medium term.

Activity in the housing market continued to recover over the course of the year with transactions and mortgage approvals rising to within 10% of their long-run averages, underpinned by easing credit conditions and households' confidence in the outlook. Meanwhile, prices continued to trend upwards, standing 4.8% higher on year on year levels as the fundamental backdrop of a supply and demand imbalance supported prices.

As the financial year closed the biggest point of uncertainty hanging over the economy was the UK's referendum on EU membership, with the vote set to take place on 23 June 2016. Uncertainty over the vote outcome and the potential ramifications of a leave vote represents the primary risk to the UK outlook.

Australia

OUR VIEWS

Australian GDP continued to grow at an annual pace, slightly below trend at 2.5% in 2015 (2.6% over the financial year).

On a quarterly basis the year witnessed a degree of variation as swings in GDP were driven by weather-related export volatility.

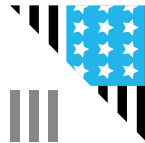
The Australian Dollar fell to its lowest level since 2009 during the year, reaching \$0.68 versus the US Dollar, as it continued to be correlated to movements in commodity prices, which for much of 2015/16 witnessed significant falls. Despite the fall in the Australian Dollar providing support to the export sector, headwinds to the economy remain, primarily from the decline in commodity prices. Certainly the low commodity price environment is hurting investment, with the latest official estimates suggesting that 2015/16 capital expenditure in the mining sector may be 30% lower than in 2014/15.

Rebalancing in the economy has continued over the year. Outside of the mining sector services have continued to see expansion, while household consumption has also witnessed positive growth, albeit at below trend levels. The labour market has also seen improvements with the unemployment rate falling to 5.7%, its lowest level since July 2013. Meanwhile the upward trend in house prices seen in recent years continued in 2015, with national prices rising over 9%.

Amidst headwinds to the economy, below trend growth and subdued inflation the Reserve Bank of Australia cut the official policy rate (Cash rate) to a new record low of 2.00% in May 2015.



An overview of the operating environment impacting our business (continued)



A range of indicators continued to show the labour market witnessing sustained strength as non-farm payrolls growth averaged US\$233 000 a month over the last year and unemployment fell to 5.0% from 5.4% at the end of the last fiscal year

United States

OUR VIEWS

The US economy grew by 2.4% in the calendar year 2015, equalling the expansion seen in 2014.

Given the tightening in labour market conditions wage growth has begun to firm, although it remains below historical trends.

Inflation has remained below the Federal Reserve's 2% goal over the year, with the targeted measure of inflation currently standing at just 0.8%. However, there are tentative signs that previous disinflationary pressures from a strong US Dollar over 2015 and falling energy prices are beginning to fade. Meanwhile domestic factors, including a strengthening labour market point to a background of inflationary pressures.

Growth in the first quarter of 2016 had been disappointing at an annualised rate of 0.5%, reflecting the continued drag from net trade, inventories and also business investment. In terms of the overall recovery, household consumption remains the predominant driver of growth and remains relatively robust.

Following more than seven years of record low interest rates, the Federal Reserve began tightening policy in December 2015, raising the Federal Funds Target range by 0.25% to 0.25% – 0.50%. However, as the financial year closed, the Federal Reserve had refrained from taking further action, citing potential downside risks from global economic and financial developments. Further policy tightening over the forthcoming period will be very much driven by the evolution of the economy and, in particular, inflation.



Eurozone

OUR VIEWS

Following a year of policy easing, 2015/16 witnessed the European Central Bank (ECB) going even further in providing monetary stimulus, driven by weak inflation and rising deflationary risks.

Over the fiscal year, headline CPI inflation averaged just +0.1%, a considerable margin below the ECB's target of 'below, but close to 2%' as the collapse in wholesale energy prices weighed and the still gradual recovery meant the inflation outlook remained subdued.

Having taken the historic step of introducing a negative deposit rate in June 2014, the ECB cut the key policy rates further, with the deposit rate ending the fiscal year at -0.40% and the main refinancing rate at 0.0%. Non-standard policy measures were also expanded with the central bank increasing the size of its asset purchase programme to €80 billion per month, which is now set to run until March 2017. The ECB also expanded the universe of eligible assets for purchase to corporate bonds, resulting in a significant rally in Euro-denominated corporate debt. Additionally, a new four-year secured lending facility (TLTRO II) was introduced, providing cheap funding to Eurozone banks.

The economic background has been one of gradual growth, with the Euro area registering its third consecutive year of expansion: calendar 2015 recorded GDP growth of 1.5%. Household consumption has been positive, helped by improving confidence and the level of unemployment gradually coming down, although the latter remains elevated at 10.2%. Meanwhile investment has also returned to growth. Credit growth has been encouraging over the year, with lending to both households and corporates firming to multi-year highs, supported by improving credit conditions.

Greece remained a point of concern over the year, as the introduction of capital controls, a referendum on a third bailout and the re-election of the leftist party Syriza in a coalition all contributed to a period of uncertainty. Ultimately a third (€86 billion) bailout package was agreed between the Greek government and its creditors. In a departure from previous Euro crisis episodes, while local Greek markets were impacted, contagion to the rest of the Eurozone was limited, with yields in peripheral Euro area markets contained. Away from Greece there was better news as Cyprus became the latest country to exit its assistance programme, following Ireland, Portugal and Spain which exited in prior years.



An overview of the operating environment impacting our business (continued)



Global stock markets

OUR VIEWS

Equity markets began the financial year in a buoyant mood, with the UK's FTSE 100 breaking through the significant 7 000 point milestone to set a new high during April 2015. These gains reflected the belief that global economic growth was set to accelerate and Europe and emerging economies were managing their challenges.

But that early optimism turned into a challenging year as a whole for financial markets, with the price of risky assets lower, in general, than when the year began. After a surge in the middle of 2015, the Shanghai share index in China was 20% lower by financial year end. In the Eurozone, the Euro Stoxx 50 index slid 19%. The UK's FTSE All Share declined 7%. In the US, the S&P 500 was more resilient, ending the year 0.4% lower. Commodity prices slid too, especially the oil price, where declines were driven partly by Saudi Arabia's continued bid to maintain market share by keeping output high and prices low.

This pattern of declines (oil supply issues notwithstanding) reflects two major global economic risks. The first relates to China, where issues came to a head last August. A depreciation of the Chinese Yuan triggered a sell-off in equity markets worldwide as investors fretted about a Chinese 'hard landing'. However, after a volatile few weeks, markets recovered as it turned out that global economic fundamentals appeared to remain relatively sound.

The second risk, of a broader, deflationary global slowdown, particularly in the Euro area, sharpened in January and February 2016. The immediate trigger for a downward lurch in global markets was a sell-off in Eurozone banking stocks. In part, this could have been driven by fears about the impact of the ECB's negative interest rate policy on banks' profitability. More generally, a worry emerged that central banks and other policymakers are running out of scope to combat economic stagnation and deflation.

Over and above these two global worries, the 'Nenegate' episode in South Africa in December 2015 caused the JSE All Share and Banking indices to fall by over 20% in a matter of days, with little recovery experienced over the month that followed, although the JSE All Share ended March 2016 in line with the prior year's level.

Partly as a result of last year's market gyrations, our view is that risks to the global outlook have become more tilted to the downside. Various organisations, such as the OECD, IMF and World Bank, appear to concur. But our view is that economic fundamentals remain on a steady, if unspectacular, footing – a view borne out by the 'hard' data, which have continued to point to sustained economic growth. Consistent with, and in part because of, the data remaining broadly on track, the last few weeks of the financial year saw equity markets recover most of their January and February losses.

Operating environment

THE TABLE BELOW PROVIDES AN OVERVIEW OF SOME KEY STATISTICS THAT SHOULD BE CONSIDERED WHEN REVIEWING OUR OPERATIONAL PERFORMANCE

	Year ended 31 March 2016	Year ended 31 March 2015	% change	Average over the year 1 April 2015 to 31 March 2016
Market indicators				
FTSE All share	3 395	3 664	(7.3%)	3 500
JSE All share	52 250	52 182	0.1%	51 705
S&P	2 060	2 068	(0.4%)	2 033
Nikkei	16 759	19 207	(12.7%)	18 844
Dow Jones	17 685	17 776	(0.5%)	17 306
Rates				
UK overnight	0.41%	0.42%		0.46%
UK 10 year	1.42%	1.58%		1.81%
UK clearing banks base rate	0.50%	0.50%		0.50%
LIBOR – three month	0.59%	0.57%		0.59%
SA R186	9.10%	7.80%		8.17%
Rand overnight	6.92%	6.30%		6.45%
SA prime overdraft rate	10.50%	9.25%		9.61%
JIBAR – three month	7.23%	6.11%		6.43%
US 10 year	1.79%	1.93%		2.12%
Commodities				
Gold	US\$1 233/oz	US\$1 188/oz	3.8%	US\$1 151/oz
Oil	US\$40/bbl	US\$56/bbl	(28.6%)	US\$49/bbl
Platinum	US\$976/oz	US\$1 129/oz	(13.6%)	US\$983/oz
Macro-economic				
UK GDP (% change over the period)	2.2%	2.8%		
UK per capita GDP (£, calendar year)	28 644	28 132	1.8%	
South Africa GDP (% change over the period)	1.3%	1.5%		
South Africa per capita GDP (real value in Rands, historical revised)	56 169	56 198	(0.1%)	

Sources: Datastream, Bloomberg, Office for National Statistics, SARB Quarterly Bulletin.

Basis of presentation

STATUTORY BASIS

Statutory information is set out on pages 60 to 72. The sale of businesses during the previous financial year (as explained on page 19) has had a significant effect on the comparability of the group's financial position and results. Consequently, comparison on a statutory basis of these full year results with the prior year 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 in the prior year, i.e. Investec Bank (Australia) Limited, the UK Kensington business and the Start (Irish) mortgage business; and
- the remaining legacy business in the UK.

This basis of presentation is consistent with the approach adopted for the prior year ended 31 March 2015. A reconciliation between the statutory and ongoing income statement is provided on page 21.

Overview of results

Unless the context indicates otherwise, all comparatives included in the commentary relate to the year ended 31 March 2015. Group results have been negatively impacted by the 16.3% depreciation of the average Rand: Pounds Sterling exchange rate over the period. Amounts represented on a currency neutral basis for income statement items assume that the relevant average exchange rates remain the same for the year to 31 March 2016 when compared to the prior year. Amounts represented on a currency neutral basis for balance sheet items assume that the relevant closing exchange rates remain the same as at 31 March 2016 when compared to 31 March 2015.

Sound performance notwithstanding challenging operating environments

- Macro uncertainty and volatility in the group's key operating geographies during the financial year impacted overall results.
- Net new fund inflows and reasonable levels of activity in the group's banking businesses supported sound performance.
- The Specialist Banking business reported results ahead of the prior year. Strong loan growth was supported by client activity in both the corporate and private banking businesses and the investment and debt securities portfolios delivered good results.
- The Asset Management and Wealth & Investment businesses reported solid net inflows of £5.3 billion.
- The group has successfully leveraged its ability to provide clients an international offering, increasing its client base and deepening its core franchise.
- Continued investment in infrastructure, digital platforms and increased headcount are supporting growth initiatives in the overall business.
- Geographical and operational diversity continues to support a stable recurring income base and earnings through varying market conditions.

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 2.5% to £505.6 million (2015: £493.2 million) – an increase of 13.5% on a currency neutral basis.
- Statutory adjusted earnings per share (EPS) before goodwill, acquired intangibles and non-operating items increased 4.8% from 39.4 pence to 41.3 pence – an increase of 15.7% on a currency neutral basis.

Satisfactory performance from the ongoing business

- Ongoing operating profit increased 0.6% to £583.9 million (2015: £580.7 million) – an increase of 9.9% on a currency neutral basis.
- Ongoing adjusted EPS before goodwill, acquired intangibles and non-operating items increased 2.3% from 47.5 pence to 48.6 pence – an increase of 11.4% on a currency neutral basis.
- Third party assets under management decreased 2.0% to £121.7 billion (31 March 2015: £124.1 billion) – an increase of 3.8% on a currency neutral basis.
- Customer accounts (deposits) increased 6.3% to £24.0 billion (31 March 2015: £22.6 billion) – an increase of 16.6% on a currency neutral basis.
- Core loans and advances increased 6.3% to £17.5 billion (31 March 2015: £16.5 billion) – an increase of 17.3% on a currency neutral basis.

The UK legacy portfolio continues to be actively managed down

- The legacy portfolio reduced from £695 million at 31 March 2015 to £583 million through redemptions and write-offs.
- The legacy business reported a loss before taxation of £78.3 million (2015: £107.7 million) with impairments on the legacy portfolio reducing 18.4% from £83.5 million to £68.1 million.

Maintained a sound balance sheet

- Capital remained well in excess of current regulatory requirements. The common equity tier 1 ratios of Investec Limited and Investec plc are slightly below the group's 2016 target of 10% as a consequence of strong growth in credit risk-weighted assets. Current leverage ratios remain sound at approximately 7% for both Investec Limited and Investec plc.
- Liquidity remained strong with cash and near cash balances amounting to £11.0 billion.

Dividend increase of 5.0%

- The board declared a final dividend of 11.5 pence per ordinary share equating to a full year dividend of 21.0 pence (2015: 20.0 pence) resulting in a dividend cover based on the group's adjusted EPS before goodwill and non-operating items of 2.0 times (2015: 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 0.6% to £583.9 million (2015: £580.7 million) – an increase of 9.9% on a currency neutral basis. Group results have been negatively impacted by the 16.3% depreciation of the average Rand: Pounds Sterling exchange rate over the period.

The combined South African businesses operating profit rose 8.0% in Rands, while the combined UK and Other businesses posted a 12.8% increase in operating profit in Pounds Sterling.

Salient features of the year under review are:

- Adjusted earnings attributable to shareholders before goodwill, acquired intangibles and non-operating items increased 3.2% to £423.1 million (2015: £409.9 million) – an increase of 12.4% on a currency neutral basis.
- Adjusted earnings per share (EPS) before goodwill, acquired intangibles and non-operating items increased 2.3% from 47.5 pence to 48.6 pence – an increase of 11.4% on a currency neutral basis.
- Recurring income as a percentage of total operating income amounted to 71.8% (2015: 71.9%).
- The credit loss charge as a percentage of average gross core loans and advances amounted to 0.26% (2015: 0.22%), with impairments increasing by 5.1% to £41.4 million.
- Third party assets under management decreased 2.0% to £121.7 billion (31 March 2015: £124.1 billion) – an increase of 3.8% on a currency neutral basis.
- Customer accounts (deposits) increased 6.3% to £24.0 billion (31 March 2015: £22.6 billion) – an increase of 16.6% on a currency neutral basis.

- Core loans and advances increased 6.3% to £17.5 billion (31 March 2015: £16.5 billion) – an increase of 17.3% on a currency neutral basis.

Business unit review – ongoing basis

ASSET MANAGEMENT

Asset Managements operating profit decreased by 9.5% to £134.8 million (2015: £149.0 million). The business benefited from solid net inflows of £3.2 billion. Earnings were impacted by market and currency weakness. Total funds under management amount to £75.7 billion (31 March 2015: £77.5 billion).

WEALTH & INVESTMENT

Wealth & Investments operating profit increased by 8.8% to £85.7 million (2015: £78.8 million). The business benefited from higher average funds under management and solid net inflows of £2.1 billion. Total funds under management amount to £45.5 billion (31 March 2015: £46.1 billion).

SPECIALIST BANKING

Specialist Bankings operating profit increased by 4.3% to £409.2 million (2015: £392.3 million).

The South African business reported an increase in operating profit in Rands of 12.7%. Net interest income was driven by loan book growth of 19.7% to R218.0 billion. The unlisted investment portfolio performed well during the year. The corporate and private banking businesses benefited from positive business momentum and franchise growth. The credit loss ratio on average core loans and advances amounted to 0.26% (2015: 0.28%), the lower end of its long term average trend, despite the business reporting a moderate increase in impairments.

The UK and Other businesses reported a 20.9% increase in operating profit. Good levels of activity supported strong loan growth and increased net interest income. The debt securities portfolio performed well during the year and the Hong Kong investment portfolio results improved. Core loans grew 13.4% to £7.2 billion and impairments increased, with the credit loss ratio amounting to 0.26% (2015: 0.12%).

Further information on key developments within each of the business units is provided on pages 35 to 58.

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. These costs amounted to £45.8 million (2015: £39.3 million).

Financial statement analysis – ongoing basis

TOTAL OPERATING INCOME

Total operating income before impairment losses on loans and advances increased by 2.5% to £1 934.8 million (2015: £1 887.1 million).

Net interest income increased by 6.1% to £571.9 million (2015: £539.0 million) due to strong book growth and an increase in margin earned on early redemption of loans, reflecting higher activity levels.

Net fee and commission income decreased by 2.9% to £1 058.3 million (2015: £1 090.4 million) largely as a result of lower fees earned in the UK corporate business following a strong prior year. The deal pipeline has however remained sound. This was partially offset by a good performance from the corporate treasury, corporate structuring and property fund management businesses in South Africa as well as the acquisition of Blue Strata (rebranded Investec Import Solutions). In addition, growth in fees in the global private banking business was supported by increased client activity.

Investment income increased by 11.9% to £169.9 million (2015: £151.8 million) as a result of higher earnings from the UK debt securities portfolio, improved results from the Hong Kong portfolio and a sound performance from the group's unlisted investment portfolio.

Trading income arising from customer flow increased by 4.0% to £110.9 million (2015: £106.6 million) while trading income from other trading activities reflected a profit of £11.6 million (2015: loss of £13.0 million), largely due to foreign currency gains (these are largely offset in non-controlling interests as further detailed below).

Other operating income includes associate income and income earned on operating lease rentals.



IMPAIRMENT LOSSES ON LOANS AND ADVANCES

Impairments on loans and advances increased from £39.4 million to £41.4 million with an increase in the group's credit loss ratio to 0.26% (2015: 0.22%). Since 31 March 2015 gross defaults have decreased from £247.1 million to £201.9 million. The percentage of default loans (net of impairments but before taking collateral into account) to core loans and advances amounted to 0.78% (31 March 2015: 1.04%).

OPERATING COSTS

The ratio of total operating costs to total operating income was 65.8% (2015: 66.5%). Total operating costs grew by 1.4% to £1 272.1 million (2015: £1 254.0 million) reflecting: an increase in headcount and business infrastructure expenses across divisions to support increased activity and growth initiatives; and an increase in variable remuneration given increased profitability in certain businesses.

TAXATION

The effective tax rate amounts to 19.1% (2015: 19.6%).

PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Profit attributable to non-controlling interests mainly comprises:

- £16.5 million profit attributable to non-controlling interests in the Asset Management business.
- £37.6 million profit attributable to non-controlling interests in the Investec Property Fund Limited.
- A reduction of £2.5 million relating to Euro-denominated preferred securities issued by a subsidiary of Investec plc which were reflected on the balance sheet as part of non-controlling interests. The transaction was 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. These securities were redeemed on 24 June 2015.

Balance sheet analysis

Since 31 March 2015:

- Total shareholders' equity (including non-controlling interests) decreased by 4.5% to £3.9 billion largely due to the depreciation of the Rand against Pounds Sterling.
- Net asset value per share decreased 3.4% to 352.3 pence and net tangible asset value per share (which excludes goodwill and intangible assets) decreased by 4.5% to 294.3 pence.
- The return on adjusted average shareholders' equity of the ongoing business increased from 13.8% to 13.9%.

LIQUIDITY AND FUNDING

As at 31 March 2016 the group held £11.0 billion in cash and near cash balances (£5.1 billion in Investec plc and R124.9 billion in Investec Limited), which amounted to 38.7% of its liability base. Loans and advances to customers as a percentage of customer deposits amounted to 73.5% (31 March 2015: 74.0%). The group has continued to diversify and improve the quality of its funding sources and remains very liquid. 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 has continued to see good progress from Investec Cash Investments leading to higher cash balances. Basel III LCR regulations were implemented from 1 January 2015. Investec Bank Limited (Solo basis) ended the period to 31 March 2016 with the three-month average of its LCR at 117.3%, 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% 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 on page 97.

Legacy business – overview of results

Since 31 March 2015 the group's legacy portfolio in the UK has continued to be actively managed down from £695 million to £583 million largely through redemptions and write-offs. The total legacy business over the year reported a loss before taxation of £78.3 million (2015: £107.7 million). 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 take a further two to four years to clear. Total net defaults in the legacy book amount to £143 million (31 March 2015: £185 million).

Outlook

Investec is positioned to maintain sustainable growth in its principal markets as the businesses develop with a strong client and operational focus. The macro environment remains volatile due to uncertainty in global markets, the pending EU membership referendum in the UK, and economic, political and social challenges in South Africa. Current levels of activity are, nevertheless, supporting group performance and Investec remains committed to providing shareholder value and exceptional client experience.

Additional information

SOUTH AFRICAN INVESTMENT VEHICLE

In South Africa a new investment vehicle, Investec Equity Partners (IEP), was created on 11 January 2016 in which Investec holds a 45% stake alongside other strategic investors who hold the remaining 55%. Investec Principal Investments transferred certain portfolio investments to the value of R7.6 billion to IEP. In exchange, Investec received R2.5 billion in cash and 45% of the shares in IEP (R5.1 billion), reflected as an associate on the balance sheet.

SALE OF BUSINESSES

Further detail is provided on page 19.

ACQUISITION OF THE BLUE STRATA GROUP

On 1 July 2015, Investec Bank Limited concluded transaction agreements with the management and shareholders of the Blue Strata group for the acquisition of the remaining 51.5% of the Blue Strata group, not already owned by it. Investec and Blue Strata have had a fruitful partnership over the past 13 years since Blue Strata's founding in 2002.

As import regulations and complexities increase, Blue Strata offers a compelling value proposition to clients by simplifying the import process, and Investec foresees exciting benefits unfolding in offering Blue Strata's services to more of Investec's existing client base. The full integration of the business into Investec offers the opportunity to unlock substantial benefits and will allow Blue Strata to accelerate its growth.

The assets and liabilities at the date of acquisition, goodwill arising and total consideration paid are shown below:

£'000	Fair value of assets and liabilities
Loans and advances to banks	3 690
Investment portfolio	2 241
Deferred taxation assets	338
Other assets	75 288
Property and equipment	1 330
Intangible assets	21 562
Assets	104 449
Current taxation liabilities	(14)
Deferred taxation liabilities	6 332
Other liabilities	13 431
Liabilities	19 749
Net fair value of assets acquired	84 700
Fair value of existing 48.5% equity interest held in Blue Strata	18 648
Issue of Investec Limited shares	19 240
Loan eliminated on consolidation	55 001
Fair value of consideration	92 889
Goodwill	8 189

For the post-acquisition period, 1 July 2015 to 31 March 2016, the operating income of Blue Strata was £9.5 million and the profit before taxation amounted to £3.2 million.

On behalf of the boards of Investec plc and Investec Limited



Fani Titi
Chairman



Stephen Koseff
Chief executive officer



Bernard Kantor
Managing director

18 May 2016

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 2016 are consistent with those adopted in the financial statements for the year ended 31 March 2015.

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 2016 will be posted to stakeholders on 30 June 2016. 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 18 May 2016.
- The information in the announcement for the year ended 31 March 2016, which was approved by the board of directors on 18 May 2016, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006. The 31 March 2015 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



Two

Unaudited ongoing
financial results

Introduction – understanding our results

SALE OF BUSINESSES

During the 2015 financial year the group sold a number of businesses namely, Investec Bank (Australia) Limited, Kensington Group plc and Start Mortgage Holdings Limited as set out below.

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 resulted in the derecognition of approximately £1.7 billion of assets and approximately £1.7 billion of liabilities associated with the businesses sold. We continue to have a presence in Australia, focusing on our core activities of Specialised Finance, Corporate Advisory, Property Fund Management and Asset Management. The remaining business operates as a non-banking subsidiary of the Investec group. As a result, we no longer report the activities of our Australian businesses separately, with these activities 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 we announced the sale of our 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 we announced the sale of our 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 resulted in the derecognition of approximately £4.1 billion of assets and approximately £2 billion of external liabilities associated with these businesses sold.

As part of the sale of Kensington, a final net settlement amount was paid after the 31 March 2015 year end. As a result of this payment, a further loss before tax of £4.8 million was recognised during the current period.

Impact of these sales on our operational performance

The sales of these businesses have had a significant effect on the comparability of our financial statutory position and results. As a result, comparison on a statutory basis of the 2015 year-end results with the 2016 year-end results would be less meaningful.

In order to present a more meaningful view of our performance, additional management information is presented on our ongoing businesses. The additional information presented on an ongoing basis excludes 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 statutory profit to derive ongoing operating profit:

- The results of the businesses sold as mentioned above
- The remaining legacy business in the UK (as set out on page 33).

This basis of presentation is consistent with the approach adopted for the year ended 31 March 2015.

A reconciliation between the statutory and ongoing income statement is provided on page 21.

Ongoing information

The tables that follow provide information on our ongoing results.

	Results in Pounds Sterling			Results in Rand		
	Year to 31 March 2016	Year to 31 March 2015	% change	Year to 31 March 2016	Year to 31 March 2015	% change
Operating profit before taxation* (million)	£583.9	£580.7	0.6%	R12 114	R10 374	16.8%
Adjusted earnings attributable to shareholders** (million)	£423.1	£409.9	3.2%	R8 773	R7 325	19.8%
Adjusted earnings per share**	48.6p	47.5p	2.3%	1 008c	849c	18.7%

* 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.



Consolidated summarised ongoing income statement

UNAUDITED ONGOING FINANCIAL STATEMENTS

For the year to £'000	31 March 2016	31 March 2015	Variance	% change
Net interest income	571 929	539 041	32 888	6.1%
Net fee and commission income	1 058 340	1 090 435	(32 095)	(2.9%)
Investment income	169 915	151 848	18 067	11.9%
Trading income arising from				
– customer flow	110 879	106 588	4 291	4.0%
– balance sheet management and other trading activities	11 617	(13 041)	24 658	> 100.0%
Other operating income	12 090	12 188	(98)	(0.8%)
Total operating income before impairment losses on loans and advances	1 934 770	1 887 059	47 711	2.5%
Impairment losses on loans and advances	(41 368)	(39 352)	(2 016)	5.1%
Operating income	1 893 402	1 847 707	45 695	2.5%
Operating costs	(1 272 108)	(1 254 009)	(18 099)	1.4%
Depreciation on operating leased assets	(2 165)	(1 294)	(871)	67.3%
Operating profit before goodwill, acquired intangibles and non-operating items	619 129	592 404	26 725	4.5%
Profit attributable to Asset Management non-controlling interests	(16 529)	(18 184)	1 655	(9.1%)
Profit attributable to other non-controlling interests	(35 201)	(11 701)	(23 500)	> 100.0%
Operating profit before taxation	567 399	562 519	4 880	0.9%
Taxation on operating profit before goodwill and acquired intangibles	(118 151)	(116 182)	(1 969)	1.7%
Preference dividends accrued	(26 130)	(36 427)	10 297	(28.3%)
Adjusted attributable earnings to ordinary shareholders	423 118	409 910	13 208	3.2%
Adjusted earnings per share (pence)	48.6	47.5		2.3%
Cost to income ratio	65.8%	66.5%		
Number of weighted average shares (million)	870.5	862.7		

Reconciliation from statutory summarised income statement to ongoing summarised income statement



UNAUDITED ONGOING FINANCIAL STATEMENTS

For the year to 31 March 2016 £'000	Removal of:**				Ongoing business
	Statutory as disclosed [^]	UK legacy business excluding sale assets	Sale assets UK	Sale assets Australia	
Net interest income	573 769	1 840	–	–	571 929
Net fee and commission income	1 061 625	3 285	–	–	1 058 340
Investment income	170 408	493	–	–	169 915
Trading income arising from					
– customer flow	110 227	(652)	–	–	110 879
– balance sheet management and other trading activities	11 377	(240)	–	–	11 617
Other operating income	12 090	–	–	–	12 090
Total operating income before impairment losses on loans and advances	1 939 496	4 726	–	–	1 934 770
Impairment losses on loans and advances	(109 516)	(68 148)			(41 368)
Operating income	1 829 980	(63 422)	–	–	1 893 402
Operating costs	(1 287 021)	(14 913)	–	–	(1 272 108)
Depreciation on operating leased assets	(2 165)	–	–	–	(2 165)
Operating profit before goodwill, acquired intangibles and non-operating items	540 794	(78 335)	–	–	619 129
Profit attributable to Asset Management non-controlling interests	(16 529)	–	–	–	(16 529)
Profit attributable to other non-controlling interests	(35 201)	–	–	–	(35 201)
Operating profit before taxation	489 064	(78 335)	–	–	567 399
Taxation on operating profit before goodwill and acquired intangibles*	(103 202)	14 949	–	–	(118 151)
Preference dividends accrued	(26 130)	–	–	–	(26 130)
Adjusted attributable earnings to ordinary shareholders	359 732	(63 386)	–	–	423 118
Adjusted earnings per share (pence)	41.3				48.6
Cost to income ratio	66.4%				65.8%
Number of weighted average shares (million)	870.5				870.5

* Applying the group's effective statutory taxation rate of 19.1%.

[^] Refer to page 60.

**

- 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.



Reconciliation from statutory summarised income statement to ongoing summarised income statement

(continued)

UNAUDITED ONGOING FINANCIAL STATEMENTS

For the year to 31 March 2015 £'000	Removal of:**				Ongoing business
	Statutory as disclosed^	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, acquired intangibles and non-operating items	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 on operating profit before goodwill and acquired intangibles*	(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
Adjusted earnings per share (pence)	39.4				47.5
Cost to income ratio	67.6%				66.5%
Number of weighted average shares (million)	862.7				862.7

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

^ Refer to page 60.

** • 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.

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

TWO

UNAUDITED ONGOING FINANCIAL STATEMENTS

For the year to 31 March 2016 £'000	Removal of:**				UK and Other Specialist Banking ongoing business
	UK and Other Specialist Banking statutory as disclosed^	UK legacy business excluding sale assets	Sale assets UK	Sales assets Australia	
Net interest income	256 591	1 840	–	–	254 751
Net fee and commission income	189 513	3 285	–	–	186 228
Investment income	56 303	493	–	–	55 810
Trading income arising from					
– customer flow	92 348	(652)	–	–	93 000
– balance sheet management and other trading activities	(9 875)	(240)	–	–	(9 635)
Other operating income	10 797	–	–	–	10 797
Total operating income before impairment losses on loans and advances	595 677	4 726	–	–	590 951
Impairment losses on loans and advances	(84 217)	(68 148)	–	–	(16 069)
Operating income	511 460	(63 422)	–	–	574 882
Operating costs	(435 771)	(14 913)	–	–	(420 858)
Depreciation on operating leased assets	(2 149)	–	–	–	(2 149)
Operating profit before goodwill, acquired intangibles and non-operating items	73 540	(78 335)	–	–	151 875
Profit attributable to other non-controlling interests	4 503	–	–	–	4 503
Operating profit before taxation	78 043	(78 335)	–	–	156 378

For the year to 31 March 2015 £'000	Removal of:**				UK and Other Specialist Banking ongoing business
	UK and Other Specialist Banking statutory as disclosed^	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, acquired intangibles and non-operating items	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

^ Refer to page 60.

** • 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.



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

UNAUDITED ONGOING FINANCIAL STATEMENTS

For the year to 31 March 2016 £'000	UK and Other	Southern Africa	Total group	% change	% of total
Asset Management	76 853	57 930	134 783	(9.5%)	23.1%
Wealth & Investment	63 127	22 608	85 735	8.8%	14.7%
Specialist Banking	156 378	252 837	409 215	4.3%	70.1%
	296 358	333 375	629 733	1.6%	107.9%
Group costs	(35 160)	(10 645)	(45 805)	16.5%	(7.9%)
Total group	261 198	322 730	583 928	0.6%	100.0%
Other non-controlling interest – equity			35 201		
Operating profit			619 129		
% change	12.8%	(7.5%)	0.6%		
% of total	44.7%	55.3%	100.0%		

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

A RECONCILIATION OF THE UK AND OTHER SPECIALIST BANKING'S OPERATING PROFIT: ONGOING VS STATUTORY BASIS

£'000	31 March 2016	31 March 2015	% change
Total ongoing UK and Other Specialist Banking per above	156 378	129 341	20.9%
UK legacy remaining	(78 335)	(107 669)	27.2%
UK sale assets	–	21 590	(> 100.0%)
Australian sale assets	–	(1 467)	> 100.0%
Total UK and Other Specialist Banking per statutory accounts	78 043	41 795	86.7%

*Ongoing segmental geographic analysis
– summarised income statement*



	31 March 2016			31 March 2015		
For the year to £'000	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total
Net interest income	259 105	312 824	571 929	231 546	307 495	539 041
Net fee and commission income	706 473	351 867	1 058 340	732 489	357 946	1 090 435
Investment income	61 627	108 288	169 915	21 304	130 544	151 848
Trading income arising from						
– customer flow	93 333	17 546	110 879	88 534	18 054	106 588
– balance sheet management and other trading activities	(7 743)	19 360	11 617	(27 803)	14 762	(13 041)
Other operating income	10 853	1 237	12 090	10 591	1 597	12 188
Total operating income before impairment losses on loans and advances	1 123 648	811 122	1 934 770	1 056 661	830 398	1 887 059
Impairment losses on loans and advances	(16 069)	(25 299)	(41 368)	(13 678)	(25 674)	(39 352)
Operating income	1 107 579	785 823	1 893 402	1 042 983	804 724	1 847 707
Operating costs	(848 735)	(423 373)	(1 272 108)	(826 890)	(427 119)	(1 254 009)
Depreciation on operating leased assets	(2 149)	(16)	(2 165)	(1 294)	–	(1 294)
Operating profit before goodwill, acquired intangibles and non-operating items	256 695	362 434	619 129	214 799	377 605	592 404
Profit attributable to other non-controlling interests	4 503	(39 704)	(35 201)	16 856	(28 557)	(11 701)
Operating profit before goodwill, acquired intangibles, non-operating items and after other non-controlling interests	261 198	322 730	583 928	231 655	349 048	580 703
Profit attributable to Asset Management non-controlling interests	(10 263)	(6 266)	(16 529)	(10 053)	(8 131)	(18 184)
Operating profit before goodwill, acquired intangibles, non-operating items and after non-controlling interests	250 935	316 464	567 399	221 602	340 917	562 519
Cost to income ratio	75.7%	52.2%	65.8%	78.4%	51.4%	66.5%

UNAUDITED ONGOING FINANCIAL STATEMENTS



Ongoing segmental business and geographic analysis – summarised income statement

UNAUDITED ONGOING FINANCIAL STATEMENTS

	Asset Management			Wealth & Investment			
For the year to 31 March 2016 £'000	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	
Net interest income	290	3 614	3 904	4 064	3 266	7 330	
Net fee and commission income	275 252	140 276	415 528	244 993	64 087	309 080	
Investment income	–	44	44	5 817	255	6 072	
Trading income arising from							
– customer flow	–	–	–	333	(17)	316	
– balance sheet management and other trading activities	1 656	12	1 668	236	273	509	
Other operating income	(1 135)	1 606	471	1 191	2	1 193	
Total operating income before impairment losses on loans and advances	276 063	145 552	421 615	256 634	67 866	324 500	
Impairment losses on loans and advances	–	–	–	–	–	–	
Operating income	276 063	145 552	421 615	256 634	67 866	324 500	
Operating costs	(199 210)	(87 622)	(286 832)	(193 507)	(45 258)	(238 765)	
Depreciation on operating leased assets	–	–	–	–	–	–	
Operating profit before goodwill, acquired intangibles and non-operating items	76 853	57 930	134 783	63 127	22 608	85 735	
Profit attributable to other non-controlling interests	–	–	–	–	–	–	
Operating profit before goodwill, acquired intangibles, non-operating items and after other non-controlling interests	76 853	57 930	134 783	63 127	22 608	85 735	
Profit attributable to Asset Management non-controlling interests	(10 263)	(6 266)	(16 529)	–	–	–	
Operating profit before goodwill, acquired intangibles, non-operating items and after non-controlling interests	66 590	51 664	118 254	63 127	22 608	85 735	
Cost to income ratio	72.2%	60.2%	68.0%	75.4%	66.7%	73.6%	

Ongoing segmental business and geographic analysis – summarised income statement



(continued)

Specialist Banking			Group costs			
UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	Total group
254 751	305 944	560 695	–	–	–	571 929
186 228	147 504	333 732	–	–	–	1 058 340
55 810	107 989	163 799	–	–	–	169 915
93 000	17 563	110 563	–	–	–	110 879
(9 635)	19 075	9 440	–	–	–	11 617
10 797	(371)	10 426	–	–	–	12 090
590 951	597 704	1 188 655	–	–	–	1 934 770
(16 069)	(25 299)	(41 368)	–	–	–	(41 368)
574 882	572 405	1 147 287	–	–	–	1 893 402
(420 858)	(279 848)	(700 706)	(35 160)	(10 645)	(45 805)	(1 272 108)
(2 149)	(16)	(2 165)	–	–	–	(2 165)
151 875	292 541	444 416	(35 160)	(10 645)	(45 805)	619 129
4 503	(39 704)	(35 201)	–	–	–	(35 201)
156 378	252 837	409 215	(35 160)	(10 645)	(45 805)	583 928
–	–	–	–	–	–	(16 529)
156 378	252 837	409 215	(35 160)	(10 645)	(45 805)	567 399
71.5%	46.8%	59.1%	n/a	n/a	n/a	65.8%

UNAUDITED ONGOING FINANCIAL STATEMENTS



Ongoing segmental business and geographic analysis – summarised income statement

(continued)

UNAUDITED ONGOING FINANCIAL STATEMENTS

	Asset Management			Wealth & Investment			
For the year to 31 March 2015 £'000	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, acquired intangibles and non-operating items	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, non-operating items 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, non-operating items and after non-controlling interests	65 438	65 353	130 791	56 871	21 910	78 781	
Cost to income ratio	71.9%	56.0%	65.8%	77.3%	64.9%	74.8%	

Ongoing segmental business and geographic analysis – summarised income statement



(continued)

Specialist Banking			Group costs			
UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	Total group
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	–	–	–	1 2 188
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%

UNAUDITED ONGOING FINANCIAL STATEMENTS



Return on equity – ongoing basis

£'000	31 March 2016	31 March 2015	Average	31 March 2014	Average
Calculation of average shareholders' equity					
Ordinary shareholders' equity	2 990 009	3 085 374	3 037 692	2 861 406	2 973 390
Goodwill and intangible assets (excluding software)	(503 996)	(494 111)	(499 054)	(577 816)	(535 964)
Adjusted tangible shareholders' equity	2 486 013	2 591 263	2 538 638	2 283 590	2 437 426

£'000	31 March 2016	31 March 2015
Operating profit*	619 129	592 404
Non-controlling interests	(51 730)	(29 885)
Accrued preference dividends, adjusted for currency hedge	(26 130)	(36 427)
Revised operating profit	541 269	526 092
Taxation on operating profit before goodwill and acquired intangibles	(118 151)	(116 182)
Adjusted attributable earnings to ordinary shareholders*	423 118	409 910
Pre-taxation return on average adjusted shareholders' equity	17.8%	17.7%
Post-taxation return on average adjusted shareholders' equity	13.9%	13.8%
Pre-taxation return on average adjusted tangible shareholders' equity	21.3%	21.6%
Post-taxation return on average adjusted tangible shareholders' equity	16.7%	16.8%

* Before goodwill, acquired intangibles and non-operating items.

Core loans and asset quality – ongoing business

TWO

AN ANALYSIS OF CORE LOANS AND ADVANCES TO CUSTOMERS AND ASSET QUALITY BY GEOGRAPHY – ONGOING BUSINESS

	UK and Other		Southern Africa		Total group	
£'000	31 March 2016	31 March 2015*	31 March 2016	31 March 2015*	31 March 2016	31 March 2015*
Gross core loans and advances to customers	7 242 345	6 378 070	10 358 572	10 191 424	17 600 917	16 569 494
Total impairments	(21 838)	(12 391)	(43 359)	(63 631)	(65 197)	(76 022)
Specific impairments	(20 838)	(11 391)	(32 240)	(54 086)	(53 078)	(65 477)
Portfolio impairments	(1 000)	(1 000)	(11 119)	(9 545)	(12 119)	(10 545)
Net core loans and advances to customers	7 220 507	6 365 679	10 315 213	10 127 793	17 535 720	16 493 472
Average gross core loans and advances to customers	6 810 208	5 872 862	10 274 998	9 598 894	17 085 206	15 471 756
Total income statement charge for impairments on core loans and advances	(17 806)	(7 241)	(25 576)	(27 359)	(43 382)	(34 600)
Gross default loans and advances to customers	49 795	38 843	152 135	208 247	201 930	247 090
Specific impairments	(20 838)	(11 391)	(32 240)	(54 086)	(53 078)	(65 477)
Portfolio impairments	(1 000)	(1 000)	(11 119)	(9 545)	(12 119)	(10 545)
Defaults net of impairments before collateral held	27 957	26 452	108 776	144 616	136 733	171 068
Collateral and other credit enhancements	34 777	28 736	175 051	207 561	209 828	236 297
Net default loans and advances to customers (limited to zero)	–	–	–	–	–	–
Ratios						
Total impairments as a % of gross core loans and advances to customers	0.30%	0.19%	0.42%	0.62%	0.37%	0.46%
Total impairments as a % of gross default loans	43.86%	31.90%	28.50%	30.56%	32.29%	30.77%
Gross defaults as a % of gross core loans and advances to customers	0.69%	0.61%	1.47%	2.04%	1.15%	1.49%
Defaults (net of impairments) as a % of net core loans and advances to customers	0.39%	0.42%	1.05%	1.43%	0.78%	1.04%
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)	0.26%	0.12%	0.26%	0.28%	0.26%	0.22%

* The 31 March 2015 disclosures have been adjusted to reflect the allocation of the portfolio impairment to the legacy portfolio in the UK.

UNAUDITED ONGOING FINANCIAL STATEMENTS



Core loans and asset quality – ongoing business

(continued)

A RECONCILIATION OF CORE LOANS AND ADVANCES: STATUTORY BASIS AND ONGOING BASIS

	Removal of:**		
	Statutory as disclosed^	UK Legacy business excluding sale assets	Ongoing business
31 March 2016 (£'000)			
Gross core loans and advances to customers	18 305 365	704 448	17 600 917
Total impairments	(186 550)	(121 353)	(65 197)
Specific impairments	(154 031)	(100 953)	(53 078)
Portfolio impairments	(32 519)	(20 400)	(12 119)
Net core loans and advances to customers	18 118 815	583 095	17 535 720
31 March 2015 (£'000)			
Gross core loans and advances to customers	17 440 985	871 491	16 569 494
Total impairments	(252 075)	(176 053)	(76 022)
Specific impairments	(208 348)	(142 871)	(65 477)
Portfolio impairments	(43 727)	(33 182)	(10 545)
Net core loans and advances to customers	17 188 910	695 438	16 493 472

^ Refer to page 105.

** The remaining legacy business in the UK.

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.

LEGACY BUSINESS – OVERVIEW OF RESULTS

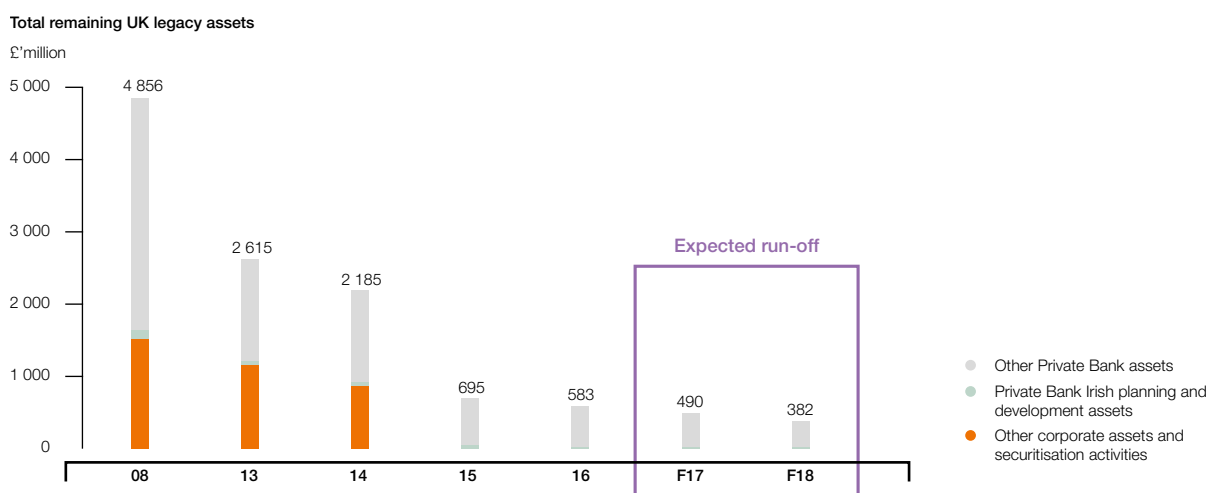
Since 31 March 2015 the group's legacy portfolio in the UK has continued to be actively managed down from £695 million to £583 million largely through redemptions and write-offs. The total legacy business over the year reported a loss before taxation of £78.3 million (2015: £107.7 million). The remaining 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 take a further two to four years to clear. Total net defaults in the legacy book amount to £143 million (31 March 2015: £185 million).

AN ANALYSIS OF ASSETS WITHIN THE LEGACY BUSINESS

£'million	31 March 2016 Total net assets (after impairments)	31 March 2016 Total balance sheet impairment	31 March 2015 Total net assets (after impairments)	31 March 2015 Total balance sheet impairment
Private Bank Irish planning and development assets	23	14	47	50
Other Private Bank assets	560	107	648	126
Total other legacy assets	583	121	695	176
Performing	440	–	510	–
Non-performing	143	121*	185	176*

* Included in balance sheet impairments is a group portfolio impairment of £20.4 million (31 March 2015: £33.2 million). The 31 March 2015 disclosures have been adjusted to reflect the allocation of this portfolio impairment to the legacy portfolio.

EXPECTED RUN-OFF OF LEGACY ASSETS





Three

Divisional and
segmental review

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

Equities
Fixed Income
Multi Asset
Alternative

Where we operate

Africa
Americas
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
Hong Kong
UK and Europe

SPECIALIST BANKING

What we do

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

Where we operate

Australia
Hong Kong
India
Southern Africa
UK and Europe
USA

Integrated global management structure

GLOBAL ROLES

Chief executive officer Managing director		Executive director Group risk and finance director		Hendrik du Toit Glynn Burger	
GEOGRAPHICAL BUSINESS LEADERS	South Africa Glynn Burger Richard Wainwright United Kingdom David van der Walt Steve Elliott	Specialist Banking	Asset Management	SUPPORT STRUCTURES	Banking and institutions
		Ciaran Whelan David van der Walt	Hendrik du Toit		David Lawrence
					Human resources and organisational development Marc Kahn
			Wealth & Investment		Corporate governance and compliance Bradley Tapnack
			Steve Elliott		Finance and risk management Glynn Burger
					Share schemes and secretarial Les Penfold



At Investec **ASSET MANAGEMENT**, we want to assist people around the globe retire with dignity or meet their financial objectives by offering specialist, active investment expertise. Our clients include some of the world's largest private and public sector pension funds, insurers and corporates, and range from foundations and central banks to intermediaries serving individual investors. Our business is to manage our clients' investments to the highest standard possible by exceeding their investment and client service expectations

Global head: Hendrik du Toit

Established in South Africa in 1991, 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 over 180 investment professionals applies clear investment philosophies and processes across multiple asset classes. Our client group is organised across five geographically defined units serving our clients around the globe. These teams are supported by our global operations platform.

ANNUAL HIGHLIGHTS

Net inflows of £3.2 billion (2015: £3.1 billion)	Assets under management £75.7 billion (2015: £77.5 billion)
Operating profit before non-controlling interests decreased by 9.5% to £134.8 million, contributing 26.7% to group profit	Operating margin 32.0% (2015: 34.2%)

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 to:
 - Investing
 - Client base
 - Operations platform
- Institutional and advisor focus
- Unique and clearly understood culture
- Stable and experienced leadership.

WHAT we do

Global executive committee

Chief executive officer
Hendrik du Toit

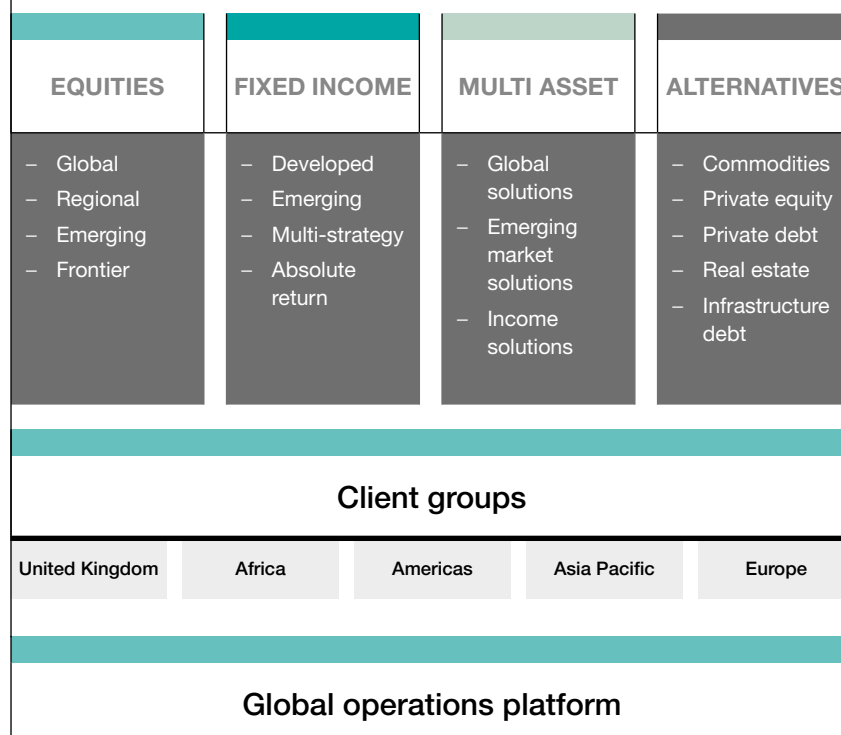
Chief operating officer
Kim McFarland

Global head of client group
John Green

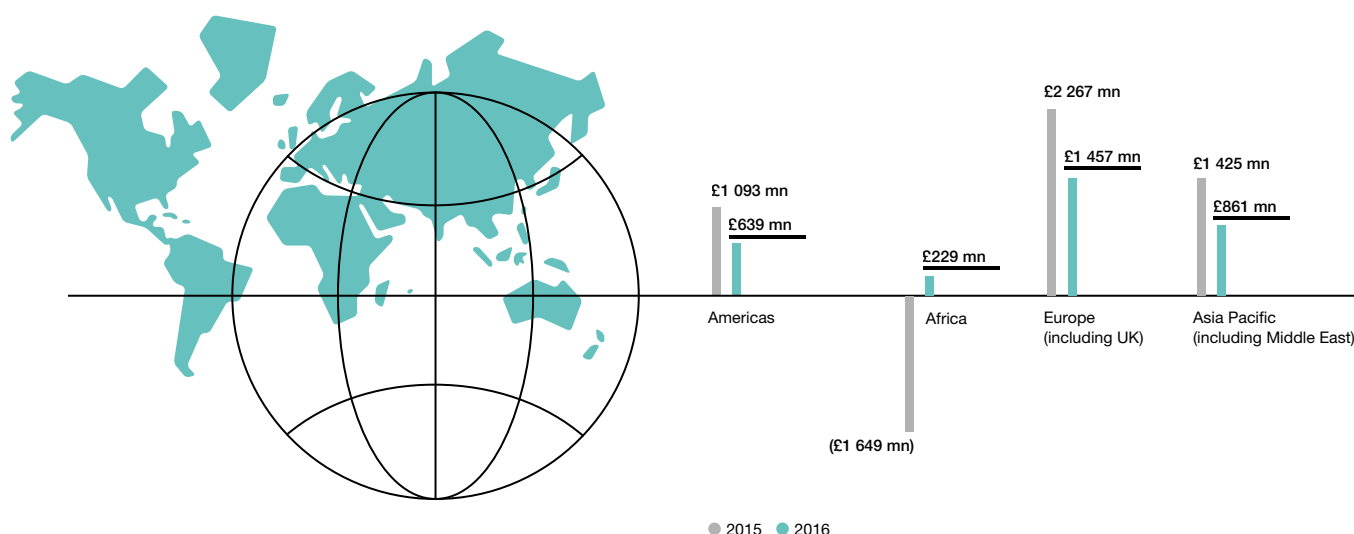
Co-chief investment officer
Domenico (Mimi) Ferrini

Co-chief investment officer
John McNab

Capabilities and organisational structure



WHERE we operate



NET FLOWS BY GEOGRAPHY

Financial years to 31 March 2015 and 31 March 2016.



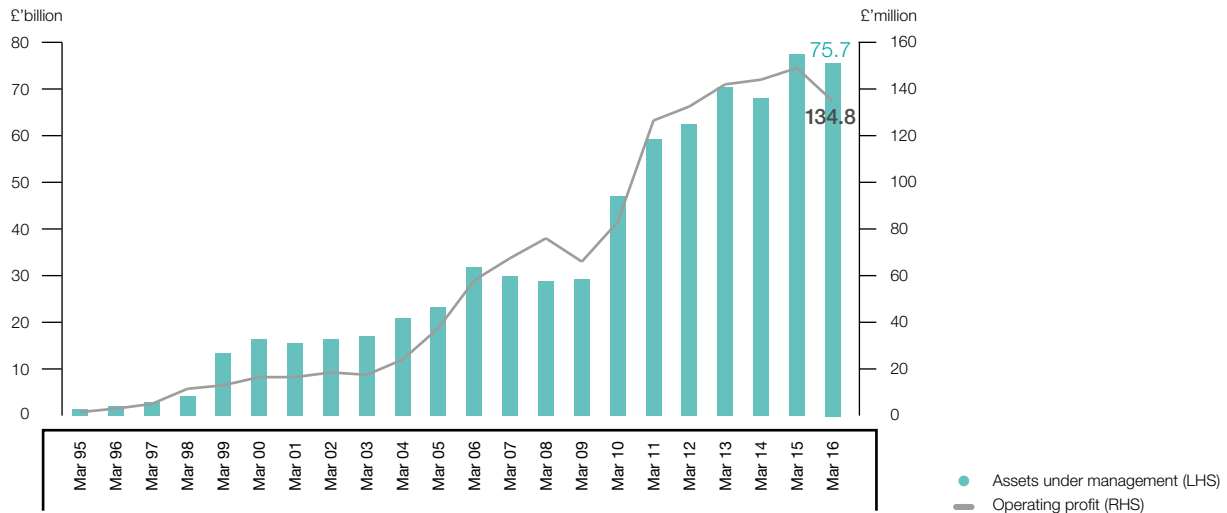
FINANCIAL ANALYSIS



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

** As calculated on page 101, based on regulatory capital requirements.

HISTORICAL FINANCIAL PERFORMANCE



Income statement analysis

£'000	31 March 2016	31 March 2015	Variance	% change
Net interest income	3 904	4 307	(403)	(9.4%)
Net fee and commission income	415 528	428 555	(13 027)	(3.0%)
Investment income	44	22	22	100.0%
Trading income arising from balance sheet management and other trading activities	1 668	1 485	183	12.3%
Other operating income	471	1 690	(1 219)	(72.1%)
Total operating income	421 615	436 059	(14 444)	(3.3%)
Operating costs	(286 832)	(287 084)	252	(0.1%)
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and before non-controlling interests	134 783	148 975	(14 192)	(9.5%)
Profit attributable to Asset Management non-controlling interests**	(16 529)	(18 184)	1 655	(9.1%)
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests	118 254	130 791	(12 537)	(9.6%)
UK and Other	66 590	65 438	1 152	1.8%
Southern Africa	51 664	65 353	(13 689)	(20.9%)
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests	118 254	130 791	(12 537)	(9.6%)
Selected returns and key statistics				
Ordinary shareholders' equity*	171 629	160 648	10 981	6.8%
ROE (pre-tax)*	79.1%	95.2%		
Return on tangible equity (pre-tax)*	173.1%	236.3%		
Operating margin	32.0%	34.2%		
Operating profit per employee (£'000)**	144.8	169.5	(24.7)	(14.6%)

* As calculated on pages 101 and 103, 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:

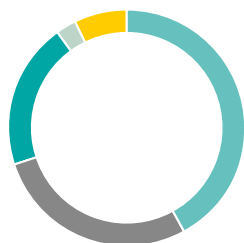
- Global market declines and volatility, emerging market currency weaknesses and, in particular, the Rand's depreciation impacted our net fee and commission income.
- Performance fees decreased over the year (to £25.5 million) as compared with the prior year (£30.5 million).
- Against this backdrop, our operating profit before non-controlling interests declined by 9.5%.
- However, we continue to invest for the long term and do not focus on short-term earnings.



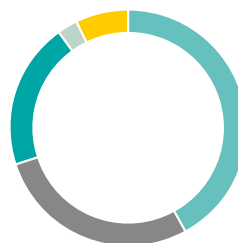
Assets under management and net flows

£'million	AUM 31 March 2016	Net inflows	AUM 31 March 2015
Equities	31 993	1 738	32 494
Fixed Income	21 485	1 196	21 950
Multi Asset	14 620	(98)	15 122
Alternatives	2 525	95	2 657
Third party funds on advisory platform	5 056	255	5 287
Total	75 679	3 186	77 510

ASSETS UNDER MANAGEMENT BY ASSET CLASS



31 March 2016



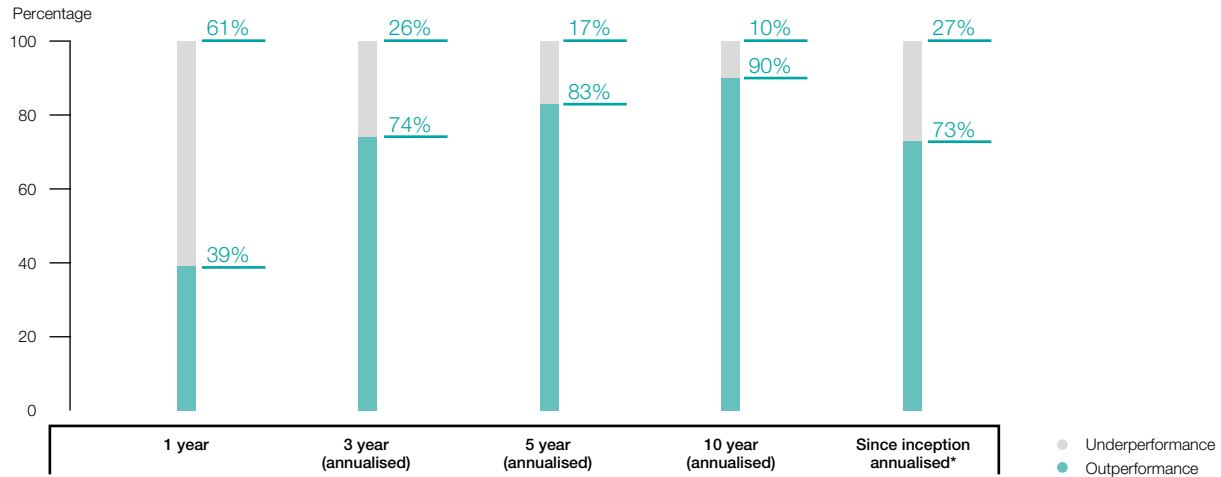
31 March 2015



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 ten-year periods, and since inception. Our long-term track record remains competitive.

OVERALL FIRM PERFORMANCE



Source: Calculated by Investec Asset Management from StatPro composites. Performance to 31 March 2016.

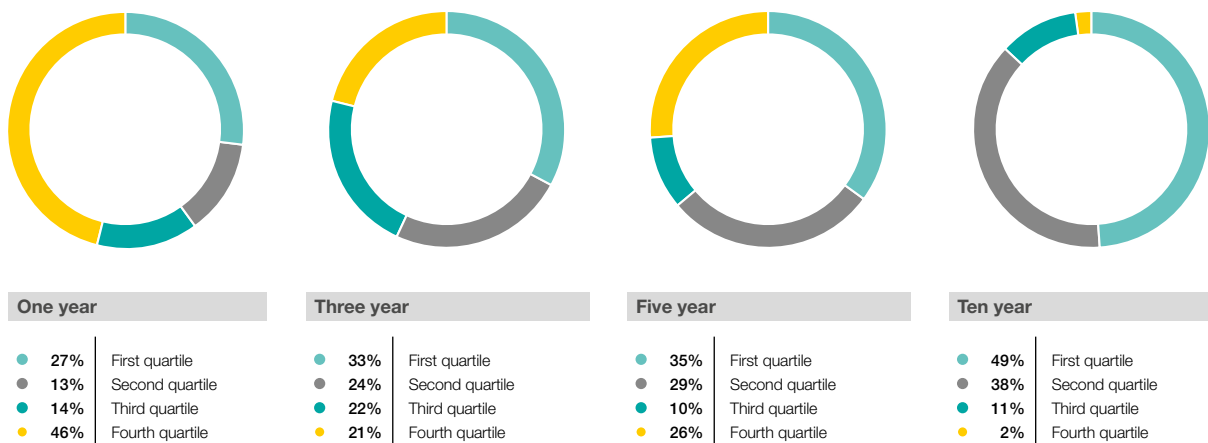
* Since inception date of each portfolio, only annualised if inception date is older than 12 months.

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

Winner of the Raging Bull Award for Top South African General Equity Fund
 Winner of the Raging Bull Award for Top Performing South African Multi Asset Equity Fund over the past two decades
 Winner of Global Investor's Asset Management Firm of the Year (Emerging Markets)
 Winner of Global Investor's Equity Manager of the Year (Emerging Markets)
 Winner of European Pensions' Emerging Markets Manager of the Year
 Winner of Professional Pensions' Investment Awards' Multi Asset Manager of the Year
 Winner of Professional Pensions' Investment Awards' Emerging Market Debt Manager of the Year

MUTUAL FUNDS INVESTMENT PERFORMANCE



Source: Calculated from Morningstar data by value; excludes cash and cash plus funds. Performance to 31 March 2016.

Note: All Investec Asset Management Fund ranges relative to other funds in the same sector.



QUESTIONS and answers

Hendrik du Toit

CHIEF EXECUTIVE OFFICER

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

Markets were characterised by weakness in financial asset prices, especially emerging market equities and currencies. The weakness in the Rand made a noticeable impact on our revenues. Clients are demanding more for the fees they pay. Although attractive and growing, our industry remains fiercely competitive which requires ongoing productivity increases to ensure margin retention. On top of this, regulatory initiatives continue across the globe, requiring additional investment in time, resources and reporting.

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

In spite of a difficult market environment, we concluded the year with net inflows of £3.2 billion which were achieved with good momentum in the Europe, Americas and Asia Pacific client groups. Furthermore, there was a turnaround in our Africa client group which generated positive net flows over the year, after outflows in the prior year.

We continued to attract and retain the very best talent in the business while maintaining stability across our firm. We have made good progress in diversifying our offering to the market, thereby improving the quality of our revenue stream.

On the back of excellent investment performance and renewed enthusiasm, our South African business is well positioned for a resumption of growth.

During the final quarter of the financial year, market conditions changed significantly, which impacted our investment performance figures negatively. In general, this was a tough quarter for active managers. However, as long-term investors using well-tested investment processes, we are confident that we will continue to deliver value for our clients.

● What are your strategic objectives in the coming financial year?

Our primary objective remains unchanged: we want to assist people around the globe to retire with dignity or meet their financial objectives. We aim to manage our clients' money to the highest possible standard and in line with their expectations and product and strategy specifications.

We will continue to organically develop our investment capabilities, operate across channels and approach our growth sustainably, based on client needs and medium to long-term targets. Over the coming year, we are particularly focused on building our Advisor business alongside our successful Institutional business and diversifying our growth drivers.

Above all, this is a people business and for this reason, we continue to invest in our people and nurture the culture that binds us together.

● What is your outlook for the coming financial year?

We have a long-term horizon and do not manage our business for the short term. We believe that the opportunity for growth over the next five years is significant.

After 25 successful years, our momentum is positive and we are confident about the long-term future of our business.

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 head: Eddie Clarke



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

The business specialises in wealth management, portfolio management, private office and stockbroking services for individuals, families, trusts and charities.

Investec Wealth & Investment is one of the UK's leading private client investment managers, the largest in South Africa, has a significant European presence and is developing its operations internationally.

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 with the development of 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 8.8% to £85.7 million, contributing 17.0% to group profit

Operating margin
26.4%
(2015: 25.2%)
positively impacted by investment gains

Assets under management down only 1.3% since March 2015 to £45.5 billion, despite falls in the UK equity markets and the impact of the weaker Rand

Net new flows of
£2.1 billion
(2015: £2.7 billion)

WHAT WE DO and where we operate

UK and Europe		
Investments and savings	Pensions and retirement	Financial planning
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Discretionary investment management for company pension and Self Invested Personal Pensions (SIPPs) Advice and guidance on pension schemes, life assurance and income protection schemes. 	<ul style="list-style-type: none"> Succession planning ISAs Retirement planning.
<p>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.</p> <p>Over 1 200 staff operate from offices located throughout the UK and Europe, with combined funds under management of £29.8 billion. Investec Wealth & Investment is one of the UK's leading providers of private client investment management services.</p>		
Southern Africa		
<p>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 R104.5 billion of discretionary and annuity managed assets and a further R227.0 billion of funds under various other forms of administration.</p>		



UK and Europe

Brand well recognised
Established platforms in the UK, Switzerland, Republic of Ireland and Guernsey
One of the UK's leading private client investment managers
Proven ability to attract and recruit investment managers

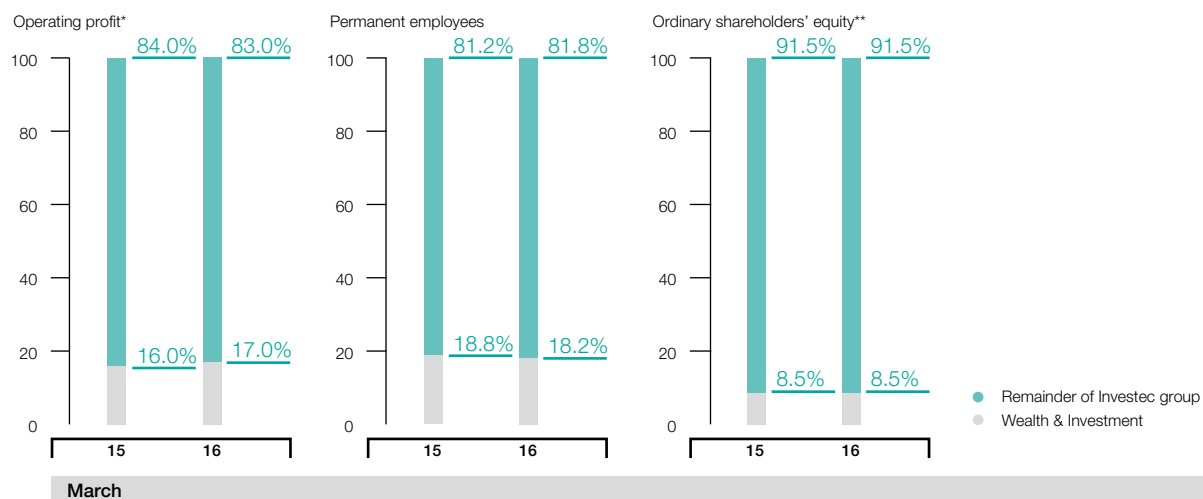
South Africa and Mauritius

Strong brand and positioning
Largest player in the South African market
Newly launched Wealth & Investment capability in Mauritius

Asia

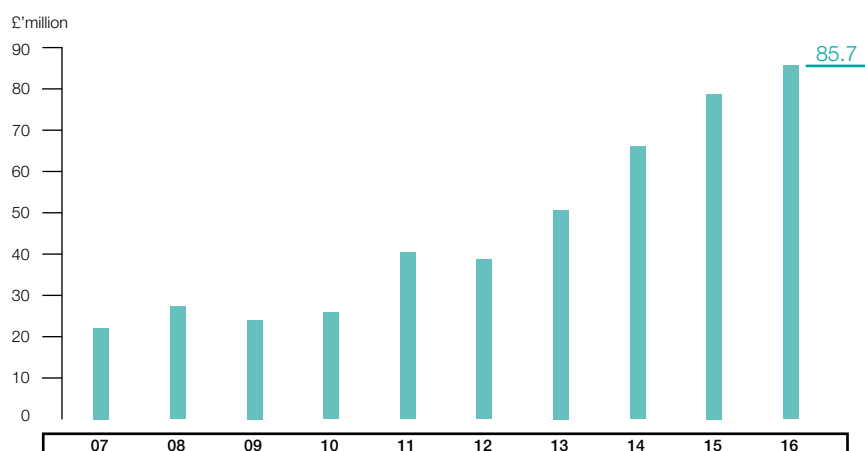
Developing Wealth & Investment capability in Hong Kong

FINANCIAL ANALYSIS



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

** As calculated on page 101, 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 2016	31 March 2015	Variance	% change
Net interest income	7 330	6 556	774	11.8%
Net fee and commission income	309 080	299 663	9 417	3.1%
Investment income	6 072	4 123	1 949	47.3%
Trading income arising from				
– customer flow	316	1 024	(708)	(69.1%)
– balance sheet management and other trading activities	509	574	(65)	(11.3%)
Other operating income	1 193	1 277	(84)	(6.6%)
Total operating income	324 500	313 217	11 283	3.6%
Operating costs	(238 765)	(234 436)	(4 329)	1.8%
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests	85 735	78 781	6 954	8.8%
UK and Europe	63 127	56 871	6 256	11.0%
Southern Africa	22 608	21 910	698	3.2%
Operating profit before goodwill, acquired intangibles, non-operating items, taxation after other non-controlling interests	85 735	78 781	6 954	8.8%
Selected returns and key statistics				
Ordinary shareholders' equity*	246 302	255 318	(9 016)	(3.5%)
ROE (pre-tax)*	30.7%	25.5%		
Return on tangible equity (pre-tax)*	187.9%	136.1%		
Operating margin	26.4%	25.2%		
Operating profit per employee (£'000)*	54.8	54.0		

* As calculated on pages 101 and 103, based on regulatory capital requirements.

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

- The UK and Europe business continued to generate solid net inflows of funds under management. Headline operating profit benefitted from a £6.1 million revaluation of the business's holding in the Irish Stock Exchange, with underlying operating profit remaining relatively flat despite weaker equity markets and a period of negative investor sentiment.
- The South African business posted an operating profit of R465 million, an increase of 19.2% (in Rand terms) over the prior year, benefiting from higher average funds under management and solid discretionary and annuity asset net inflows. The business has experienced an increase in costs, reflecting investment in operations to support future growth initiatives.

Analysis of key earnings drivers (funds under management)

£'million	31 March 2016	31 March 2015	% change
UK and Europe	29 769	29 562	0.7%
Discretionary	21 747	21 602	0.7%
Non-discretionary and other	8 022	7 960	0.8%
South Africa	15 690	16 514	(5.0%)
Discretionary and annuity assets	4 945	4 974	(0.6%)
Non-discretionary and other	10 745	11 540	(6.9%)
Total	45 459	46 076	(1.3%)

(continued)

UK AND EUROPE: ANALYSIS OF KEY DRIVERS (FUNDS UNDER MANAGEMENT AND FLOWS)

Funds under management

£'million	31 March 2016	31 March 2015	% change
Investec Wealth & Investment Limited (UK)	27 105	27 319	(0.8%)
Discretionary	21 120	21 128	–
Non-discretionary	5 985	5 971	0.2%
Other [#]	–	220	(100.0%)
Rest of Europe	2 664	2 243	18.8%
Discretionary	627	474	32.3%
Non-discretionary	2 037	1 769	15.1%
Total	29 769	29 562	0.7%

[#] Other comprised collectives funds which were disposed of during January 2016.

Further analysis of the Investec Wealth & Investment Limited UK business

Funds under management and flows

£'billion	31 March 2016	31 March 2015	% change
At the beginning of the year	27.32	24.18	
Inflows	3.38	2.90	
Outflows	(2.04)	(1.02)	
Market adjustment [^]	(1.26)	1.34	
Transfers ^{^^}	(0.03)	(0.08)	
Disposals [*]	(0.26)	–	
At the end of the year	27.11	27.32	(0.8%)
WMA Private Investors Balanced Index (at year end)	3 556	3 684	(3.5%)
Annualised underlying rate of net organic growth in total funds under management ^{**}	4.9%	7.8%	
% of total funds managed on a discretionary basis	77.9%	78.1%	

[^] Impact of market movement and relative performance.^{^^} Reflects the transfer of clients from Investec Bank Switzerland and the reclassification of assets between jurisdictions.^{*} Reflects the disposal of funds relating to certain non-core operations.^{**} Net organic inflows less outflows (excluding acquired inflows and exceptional outflows) as a percentage of opening funds under management.

SOUTH AFRICA: ANALYSIS OF KEY EARNINGS DRIVERS (FUNDS UNDER MANAGEMENT AND FLOWS)

Funds under management

R'million	31 March 2016	31 March 2015	% change
Discretionary and annuity assets	104 480	89 382	16.9%
Non-discretionary	227 033	207 379	9.5%
Total	331 513	296 761	11.7%

Net inflows at cost over the year

R'million	31 March 2016	31 March 2015
Discretionary and annuity assets	9 300	6 261
Non-discretionary	5 615	8 065
Total	14 915	14 326

QUESTIONS and answers

Steve Elliott

GLOBAL HEAD

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

The year ended 31 March 2016 was a challenging one for the global financial markets. 2015/16 was characterised by weak global growth, a declining oil price, inflationary and deflationary concerns, unpredictability around interest rate trajectories, and not least geopolitical uncertainty in our regions and the world.

Refer to pages 8 to 13 for further information.

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

In the UK, our drive to enhance the digital aspects of our offering to clients remains a key feature for the business currently. The substantial task of building our digital channel (Investec Click & Invest), which will provide a discretionary investment management service based on the concept of simplified advice, and was announced in the previous financial year, is continuing to make good progress.

We are looking forward to the launch of this new offering which will supplement our core investment management service and reach out to individuals who may not otherwise have formed part of our traditional client base. Enhancements to the digital aspects of our core offering also remain very much in focus as we seek to ensure that our bespoke services meet the varying needs of all of our clients now and in the future.

As we build and enhance our core services in an increasingly competitive and regulated marketplace, it is right that we look to review those areas of our business which do not form part of our central offering. During the year, we have completed or have commenced the discontinuation of a number of small non-core elements of our UK offering. These include the disposal of the UK's small fund management operation and certain specialist investment services, which were acquired in 2012 as part of the wider Williams de Broë business, along with Venture Capital Trust management services.

The level of regulatory pressure remains high in the UK marketplace for investment management businesses and consolidation in the sector continues. We have maintained our appetite to pursue opportunities to recruit experienced investment managers who are attracted by the strength of our offering, where they share our culture and values and have the ability to contribute to the future success of the business.

We remain focused on delivering the high standards of client service on which our strategy for organic growth is built, along with increasing the appeal of our services to a wider potential client base through initiatives such as our Private Office service and coordination of our services with those of the Investec Private Bank.

In South Africa, we continued the implementation of our One Place strategy, which focuses on servicing clients' local and international banking needs, a particularly important role through the recent turbulent period. We have done so by leveraging off our international capabilities in Ireland, Switzerland, Hong Kong, Guernsey and the United Kingdom.

The roll out of our self-directed investment platform, Online Portfolio Manager, to all Investec Private Clients in South Africa was completed and is gaining traction, offering seamless local and international online investing, with the addition of Tax Free Savings Products being added at the end of the last tax year in February 2016. Online Portfolio Manager remains a key strategic digital initiative as part of our One Place strategy for our Private Clients. Enhancements for 2016/17 will include new investment products and easy to use investment tools.

Investec remains the only brand in South Africa that can truly deliver banking and investments, locally and internationally, in One Place.

This is evidenced by international recognition from both *Euromoney* and the *Financial Times* of London three years in a row (2014, 2015 and 2016) – Investec being rated as the best Private Bank & Wealth Manager in South Africa. This showcases that our strategy continues to deliver on client needs and our focus achieves 'Out of the Ordinary' service delivery to our private clients.

We have successfully partnered, on an exclusive basis in South Africa, with The Carlyle Group, to offer our high net worth private clients, private equity to enhance and diversify their offshore assets. The development of 'Out of the Ordinary' exclusive investment opportunities for our high net worth private clients remains an important focus for us.

We identified an opportunity to help high net worth individuals with strategic philanthropy. Accordingly, we launched Investec Philanthropy Services in 2016, which offers a comprehensive 360 degree range of philanthropy services to individuals, families, businesses and non-profit organisations.

● What are your strategic objectives in the coming financial year?

Reaching key milestones in the development and launch of our digital offering in the UK remains a key objective for the forthcoming financial year as we move closer to the launch of the Click & Invest service.

The UK business remains committed to the development and expansion of its financial planning capability and we continue to see this as a key and increasingly important part of our service within the UK, as the complexity of the personal financial world continues to increase.

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 in South Africa and look to develop it further by investing in dedicated resources to drive and build the business. We are also looking at the Philanthropy service to manage charitable funds.

Broadening our international presence in a measured and evolutionary way is something we are continuing to prioritise. The launch of our Asian operation hosted by the group's existing Hong Kong presence has now been completed and we look forward to achieving measured growth in this new offering over the coming year. The initial focus will be on the expatriate market via professional advisors; over time we look to broaden both our offering and client base. We also remain committed to our internationalisation programme with Switzerland as one of the service centres for our international clients.

The Wealth & Investment team in Dublin is integrated within the global investment process to ensure that we can meet the requirements of clients in a growing Irish economy. We continue to expand our regional presence in Ireland, with our operations represented at the Investec Cork offices launched during February 2016.

The continued success of our core business is built on achieving and maintaining high and consistent standards of client service, supported by a robust and well-resourced research capability and investment process. Our strategic priorities for the forthcoming financial year include initiatives which focus on the continuous development of these important areas.

The past financial year has been marked by a period of turbulence in the financial markets. We have built a business that has proved its resilience to adverse conditions in the past and we remain focused on those aspects of our business which drive and maintain us throughout periods of increased uncertainty.

● What is your outlook for the coming financial year?

We continue to be mindful of the risk factors which remain in the global and domestic economies.

We are however confident in our strategy to invest for the future success of the business while remaining focused on the resilience of our business model to provide the balance that will optimise the performance of the business, over both the short and longer terms, while continuing to ensure that we deliver the most suitable client outcomes.



Specialist expertise delivered with dedication and energy

Global heads:

David van der Walt

Ciaran Whelan



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

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

OUR value proposition

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

ANNUAL HIGHLIGHTS

Operating profit (ongoing)
up 4.3% to
£409.2 million

Operating profit (statutory)
up 8.6% to
£330.9 million

12.5%
ROE (pre-tax) (statutory)
(2015: 10.7%)

Loans and advances (statutory)
£18.1 billion


16.1%
ROE (pre-tax) (ongoing)
(2015: 15.9%)

Customer deposits (statutory)
£24.0 billion

WHAT we do

Focus on helping our clients create and preserve wealth	A highly valued partner and advisor to our clients	
High income and high net worth private clients	Corporates/government/institutional clients	
Private Banking activities	Investment activities	Corporate and Institutional Banking activities
Transactional banking and foreign exchange Lending Deposits Investments	Principal investments Property investment fund management	Treasury and trading services Specialised lending, funds and debt capital markets Institutional research sales and trading Advisory
<ul style="list-style-type: none"> – Southern Africa – UK and Europe 	<ul style="list-style-type: none"> – Australia – Hong Kong – Southern Africa – UK and Europe – USA 	<ul style="list-style-type: none"> – Australia – Hong Kong – India – Southern Africa – UK and Europe – USA
Natural linkages between the private client and corporate businesses		

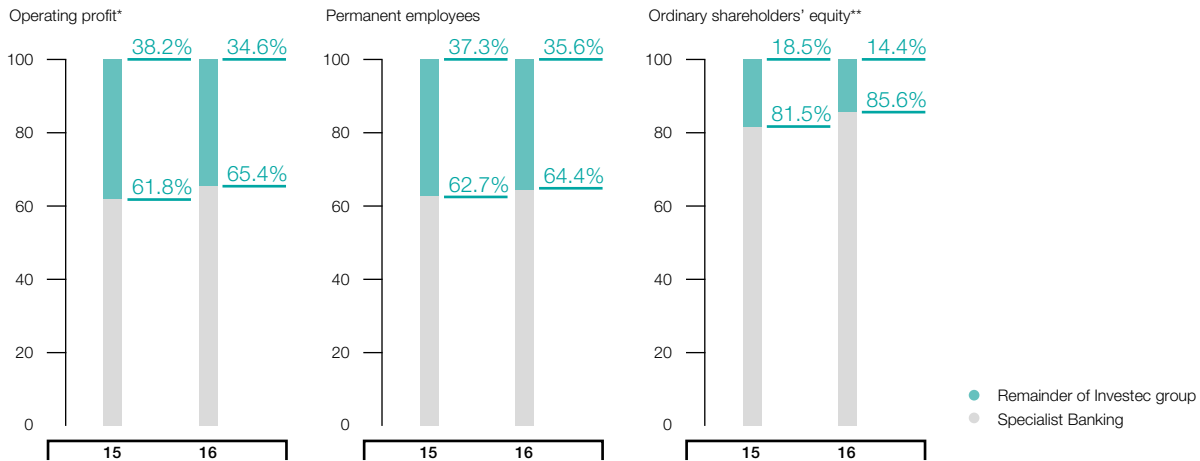
WHERE we operate

	North America	UK and Europe	Hong Kong
	Distribution platform Growing advisory and PFI capabilities	Brand well established Sustainable business on the back of client activity	Investment activities Distribution platform
	Mauritius		
	Established in 1997 Leading in corporate institutional and private client banking activities		
	Established a presence in 2010 Facilitates the link between India, UK and South Africa	Strong brand and positioning Leading in corporate institutional and private client banking activities	Experienced local teams in place with industry expertise Focus is on entrenching position as a boutique operation
	India	South Africa	Australia



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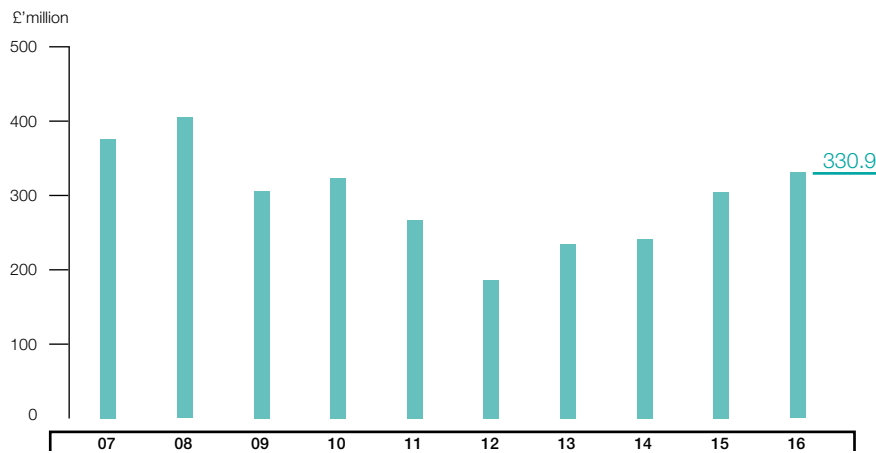
FINANCIAL ANALYSIS



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

** As calculated on page 101, based on regulatory capital requirements.

OPERATING PROFIT[^] — TRACK RECORD (STATUTORY)



[^] 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 2016	31 March 2015	Variance	% change
Net interest income	562 535	624 114	(61 579)	(9.9%)
Net fee and commission income	337 017	360 825	(23 808)	(6.6%)
Investment income	164 292	124 189	40 103	32.3%
Trading income arising from				
– customer flow	109 911	105 289	4 622	4.4%
– balance sheet management and other trading activities	9 200	(15 483)	24 683	> 100.0%
Other operating income	10 426	9 269	1 157	12.5%
Total operating income before impairment on loans and advances	1 193 381	1 208 203	(14 822)	(1.2%)
Impairment losses on loans and advances	(109 516)	(128 381)	18 865	(14.7%)
Operating income	1 083 865	1 079 822	4 043	0.4%
Operating costs	(715 619)	(761 873)	46 254	(6.1%)
Depreciation on operating leased assets	(2 165)	(1 535)	(630)	41.0%
Operating profit before goodwill, acquired intangibles and non-operating items and taxation	366 081	316 414	49 667	15.7%
Operating losses attributable to non-controlling interests	(35 201)	(11 701)	(23 500)	> 100.0%
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests	330 880	304 713	26 167	8.6%
UK and Other	78 043	41 795	36 248	86.7%
Ongoing^	156 378	129 341	27 037	20.9%
Legacy remaining^	(78 335)	(107 669)	29 334	27.2%
Sale assets^	–	20 123	(20 123)	(100.0%)
Southern Africa	252 837	262 918	(10 081)	(3.8%)
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests	330 880	304 713	26 167	8.6%
Selected returns and key statistics				
Ordinary shareholders' equity**	2 483 048	2 599 130	(116 082)	(4.5%)
Southern Africa	1 298 566	1 369 078	(70 512)	(5.2%)
Ongoing UK and Other	1 114 462	1 141 282	(26 820)	(2.3%)
Remaining Legacy	70 020	88 770	(18 750)	(21.1%)
Statutory ROE (pre-tax)**	12.5%	10.7%		
Ongoing ROE (pre-tax) **	16.1%	15.9%		
Southern Africa	17.4%	18.7%		
Ongoing UK and Other	14.2%	12.3%		
Cost to income ratio	60.1%	63.1%		
Operating profit per employee (£'000)**	59.9	57.4		

^ Detailed income statement provided on page 23.

** As calculated on pages 101 and 103, based on regulatory capital requirements.

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 growth in core loans and advances of 13.4% and an increase in margin earned on early redemption of loans, reflecting higher activity levels.
- Net fee and commission income declined largely as a result of lower corporate fees earned following a strong prior year. The deal pipeline has, however, remained sound. This was partially offset by a sound performance from the private banking businesses.
- Investment income increased due to higher earnings from the debt securities portfolio and improved results from the Hong Kong portfolio.
- Trading income from customer flow improved reflecting increased client activity.
- Other trading income includes the impact of accounting for the Euro-denominated preferred securities issued by a subsidiary of Investec plc, which were reflected on the balance sheet as part of non-controlling interests. The transaction was 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. These securities were redeemed on 24 June 2015.
- Other operating income includes associate income and income earned on operating lease rentals.
- Total operating income increased by 10.1%.
- Impairments increased marginally. Further information is provided on pages 106 and 107.
- Operating expenses increased by 2.8% largely as a result of an increase in headcount and system infrastructure costs, notably in support of growing the private banking business.



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

Note: 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 16.3% over the period. The Specialist Banking division reported operating profit before taxation of R5 290 million (2015: R4 693 million).
- Net interest income increased as a result of an increase in core loans and advances of 19.7%.
- Net fee and commission income improved as a result of good performances from the private banking and property fund management businesses. A solid performance from the corporate lending, structuring and treasury teams as well as the acquisition of Blue Strata (rebranded Investec Import Solutions) supported strong growth in corporate fees.
- Investment income was supported by a solid performance from the unlisted investments portfolio.
- Trading income arising from customer flow increased, reflecting higher activity levels.
- Total operating income increased by 16.0%.
- Impairments increased, however, the credit loss ratio improved marginally to 0.26% (2015: 0.28%). Further information is provided on pages 106 and 107.
- Operating expenses increased by 14.1% largely as a result of increased variable remuneration given improved profitability, and an increase in headcount and system infrastructure costs to support growth initiatives.

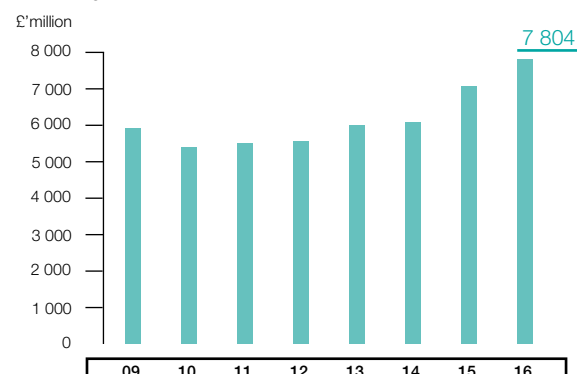
Analysis of key earnings drivers

NET CORE LOANS AND ADVANCES

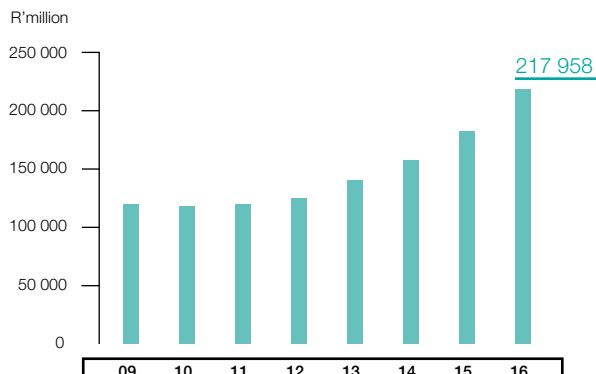
	£'million			Home currency (million)		
	31 March 2016	31 March 2015	% change	31 March 2016	31 March 2015	% change
UK	7 804	7 061	10.5%	£7 804	£7 061	10.5%
Southern Africa	10 315	10 128	1.8%	R217 958	R182 058	19.7%
Total	18 119	17 189	5.4%			

NET CORE LOANS AND ADVANCES

United Kingdom



Southern Africa



Trend reflects numbers as at the year ended 31 March.

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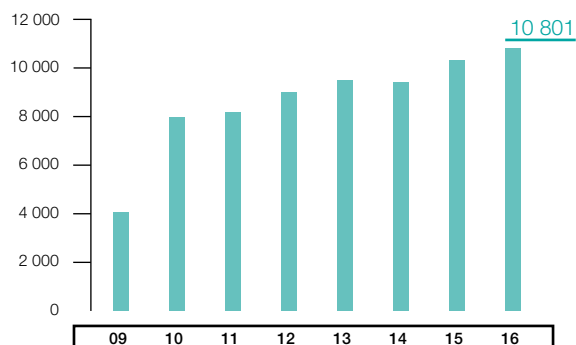
TOTAL DEPOSITS

	£'million			Home currency (million)		
	31 March 2016	31 March 2015	% change	31 March 2016	31 March 2015	% change
UK	10 801	10 298	4.9%	£10 801	£10 298	4.9%
Southern Africa	13 243	12 317	7.5%	R279 820	R221 377	26.4%
Total	24 044	22 615	6.3%			

TOTAL DEPOSITS

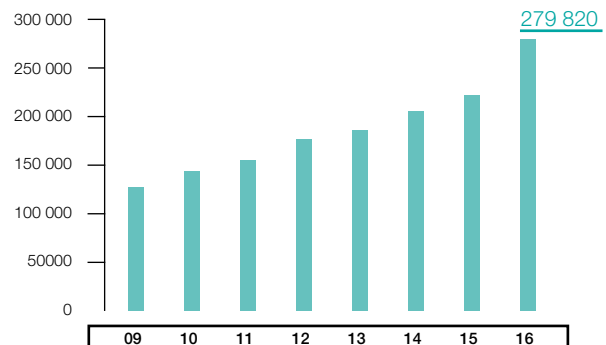
United Kingdom

£'million



Southern Africa

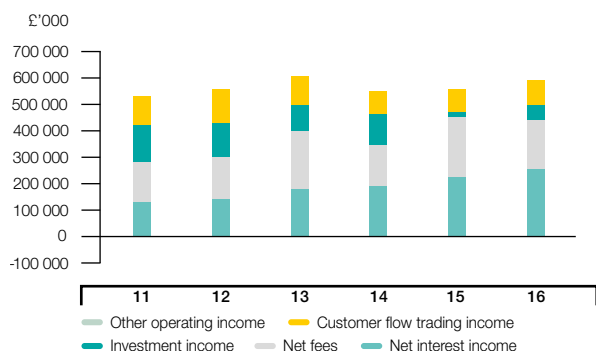
R'million



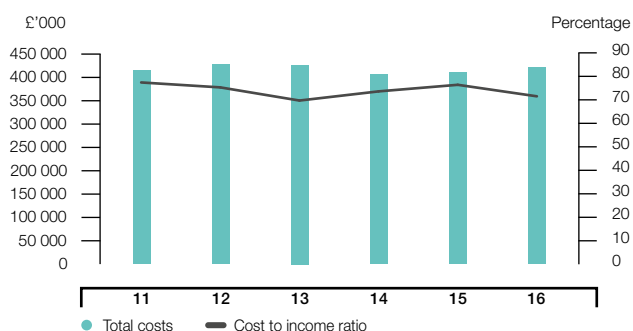
Trend reflects numbers as at the year ended 31 March.

UK Specialist Bank ongoing

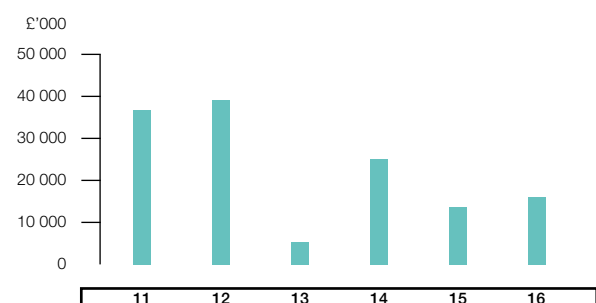
TOTAL OPERATING INCOME



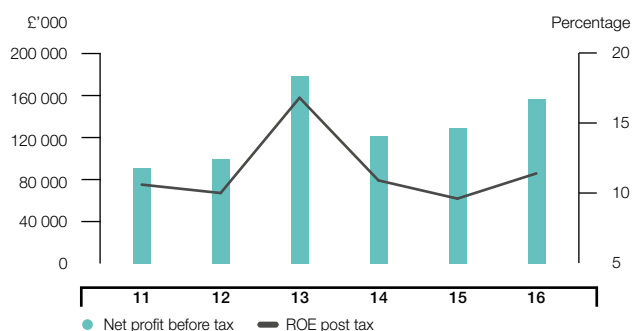
TOTAL COSTS



IMPAIRMENTS

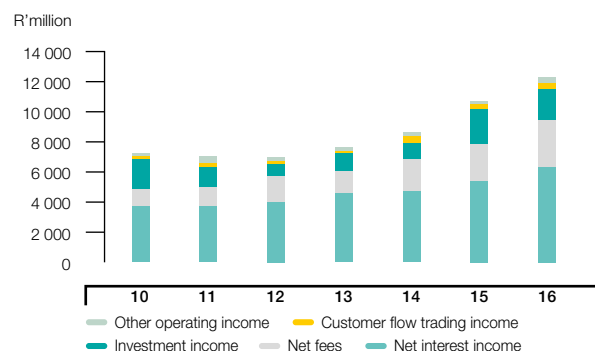


NET PROFIT BEFORE TAX AND ROE

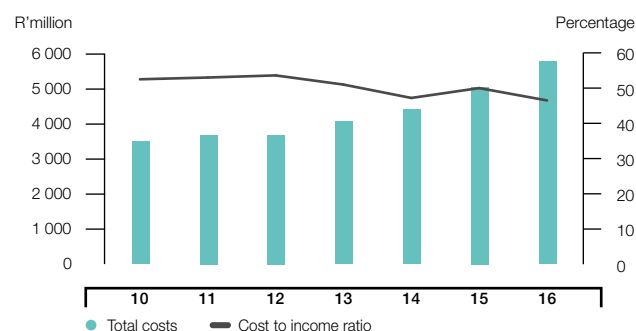


Southern Africa Specialist Bank ongoing

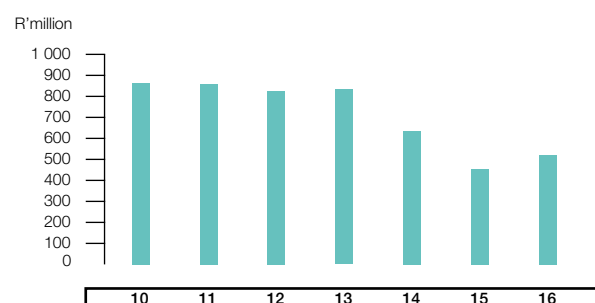
TOTAL OPERATING INCOME



TOTAL COSTS



IMPAIRMENTS



NET PROFIT BEFORE TAX AND ROE



Trends in the above graphs are for the year ended 31 March, unless otherwise stated.

QUESTIONS and answers

David van der Walt
Ciaran Whelan

GEOGRAPHICAL BUSINESS LEADERS

United Kingdom

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

The year ended 31 March 2016 was a challenging one for the global financial markets. 2015/16 was characterised by weak global growth, a declining oil price, inflationary and deflationary concerns, unpredictability around interest rate trajectories, and not least geopolitical uncertainty in our regions and the world. Refer to pages 8 to 13 for further information.

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

Notwithstanding the volatile markets, the Specialist Bank enjoyed high levels of activity and had a solid performance across the board.

Asset growth was well spread with no concentrations in any particular area. Overall property exposure reduced as a percentage of our book in line with our plans and the legacy book continued to reduce ahead of plan.

Although M&A activity was down on a relative basis, we were ranked number one in the mid-cap market for the number of deals and number four by value. In addition, we received a number of awards recognising our performance in the FX, structured products, asset finance and corporate lending businesses.

A number of credit rating agency upgrades were given in recognition of our good progress.

The Private Banking division continued to make progress in building its UK franchise and developing its client base. We have changed our target market to focus on high net worth and high income earners rather than a more general focus on professionals. We strengthened our direct and intermediary business channels, which resulted in record levels of new mortgage originations and acquisition of high net worth private clients.

The structured property finance business continued to successfully support selected high net worth seasoned property investors and developers. Transaction volumes remained healthy and a number of joint venture projects were successfully concluded.

● What are your strategic objectives in the coming financial year?

We will continue with our existing strategy of building and developing our client franchises with the primary focus on entrepreneurs, corporates and high net worth clients. The focus is on growing the client base and ensuring continued high levels of service to existing clients across our offering.

We will continue building out the infrastructure required to ensure our technology and digital offering matches the high standards of service we are targeting. In line with our ambition to grow the client base, we will be investing in various marketing strategies to ensure we reach our prospective clients.

● What is your outlook for the coming financial year?

The environment remains very volatile for both macro-economic and political reasons. Despite this, we are continuing to meet our objectives and if the status quo continues, we would expect to see good top line growth, which is to some extent offset by the investment in building out the private banking franchise.

In the event of a Brexit or failure of economic policy we would expect to see a significant slowdown in activity which would impact results negatively.



QUESTIONS and answers

Richard Wainright

GEOGRAPHICAL BUSINESS LEADER

Southern Africa

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

The year ended 31 March 2016 was a challenging one for the global financial markets. 2015/16 was characterised by weak global growth, a declining oil price, inflationary and deflationary concerns, unpredictability around interest rate trajectories, and not least geopolitical uncertainty in our regions and the world.

Refer to pages 8 to 13 for further information.

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

The South African specialist bank reported a positive performance with operating profit up 12.7% in Rands, driven by strong loan book growth in the corporate and private banking businesses. Good client activity supported the strong positive business momentum and franchise growth. The unlisted investment portfolio also performed well during the period.

We continue to benefit from the collaboration between the Private Bank and Wealth & Investment business, with international recognition from the *Financial Times* as the Best Private Bank and Wealth Manager in South Africa for the third year running. We have made good progress with our digitisation strategy which focuses on ensuring that we create a client experience that is both 'Out of the Ordinary' and 'high tech and high touch'. This is part of our strategy to deepen our strong relationships with our core client base, and offer them a broad spectrum of services and products.

● What are your strategic objectives in the coming financial year?

We continue to build our franchise in our core client segments. Building and developing our client franchises remains integral to the growth and development of our organisation and we are committed to optimising the client experience, ensuring our target clients do more with us as an organisation.

Our strategic focus in Southern Africa remains the following:

- To continue to organically grow the transactional banking, property and private capital businesses
- To diversify our revenue streams in the corporate and institutional market
- Build sustainability through a diversified portfolio of businesses.

● What is your outlook for the coming financial year?

Despite the current structural challenges in the South African economy, corporate activity continues to present opportunities. We have a strong financial sector and an active private sector, which will continue to support momentum in the specialist banking businesses.



Four

Unaudited statutory
financial results



Statutory combined consolidated income statement

UNAUDITED STATUTORY FINANCIAL RESULTS

£'000	Year to 31 March 2016	Year to 31 March 2015
Interest income	1 705 640	1 790 867
Interest expense	(1 131 871)	(1 155 890)
Net interest income	573 769	634 977
Fee and commission income	1 188 012	1 226 257
Fee and commission expense	(126 387)	(137 214)
Investment income	170 408	128 334
Trading income arising from		
– customer flow	110 227	106 313
– balance sheet management and other trading activities	11 377	(13 424)
Other operating income	12 090	12 236
Total operating income before impairment losses on loans and advances	1 939 496	1 957 479
Impairment losses on loans and advances	(109 516)	(128 381)
Operating income	1 829 980	1 829 098
Operating costs	(1 287 021)	(1 322 705)
Depreciation on operating leased assets	(2 165)	(1 535)
Operating profit before goodwill and acquired intangibles	540 794	504 858
Impairment of goodwill	(1 577)	(5 337)
Amortisation of acquired intangibles	(16 248)	(14 497)
Operating profit	522 969	485 024
Net loss on disposal of subsidiaries	(4 778)	(93 033)
Profit before taxation	518 191	391 991
Taxation on operating profit before goodwill and acquired intangibles	(103 202)	(99 023)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	5 197	(17 574)
Profit after taxation	420 186	275 394
Profit attributable to Asset Management non-controlling interests	(16 529)	(18 184)
Profit attributable to other non-controlling interests	(35 201)	(11 701)
Earnings attributable to shareholders	368 456	245 509
Earnings per share (pence)		
– Basic	38.5	24.4
– Diluted	36.7	23.1
Adjusted earnings per share (pence)		
– Basic	41.3	39.4
– Diluted	39.4	37.3
Dividends per share (pence)		
– Interim	9.5	8.5
– Final	11.5	11.5
Headline earnings per share (pence)		
– Basic	38.5	35.8
– Diluted	36.7	33.9
Number of weighted average shares (million)	870.5	862.7

Statutory combined consolidated statement of comprehensive income

FOUR

UNAUDITED STATUTORY FINANCIAL RESULTS

£'000	Year to 31 March 2016	Year to 31 March 2015
Profit after taxation	420 186	275 394
Other comprehensive income		
Items that may be reclassified to the income statement		
Fair value movements on cash flow hedges taken directly to other comprehensive income*	(31 934)	(32 816)
Gains on realisation of available-for-sale assets recycled through the income statement*	(1 961)	(4 660)
Fair value movements on available-for-sale assets taken directly to other comprehensive income*	(37 153)	1 037
Foreign currency adjustments on translating foreign operations	(240 875)	(58 318)
Items that will never be reclassified to the income statement		
Remeasurement of net defined pension asset	4 738	6 340
Total comprehensive income	113 001	186 977
Total comprehensive income attributable to ordinary shareholders	84 932	120 124
Total comprehensive (loss)/income attributable to non-controlling interests	(5 123)	32 050
Total comprehensive income attributable to perpetual preferred securities	33 192	34 803
Total comprehensive income	113 001	186 977

* Net of taxation of £26.2 million (2015: £1.3 million).



Statutory combined consolidated balance sheet

UNAUDITED STATUTORY FINANCIAL RESULTS

£'000	31 March 2016	31 March 2015
Assets		
Cash and balances at central banks	3 007 269	2 529 562
Loans and advances to banks	2 498 585	3 045 864
Non-sovereign and non-bank cash placements	466 573	586 400
Reverse repurchase agreements and cash collateral on securities borrowed	2 497 125	1 812 156
Sovereign debt securities	3 208 862	2 958 641
Bank debt securities	896 855	1 161 055
Other debt securities	949 950	627 373
Derivative financial instruments	1 580 949	1 580 681
Securities arising from trading activities	1 119 074	1 086 349
Investment portfolio	660 795	947 846
Loans and advances to customers	17 681 572	16 740 263
Own originated loans and advances to customers securitised	437 243	448 647
Other loans and advances	321 617	574 830
Other securitised assets	160 295	780 596
Interests in associated undertakings	267 099	25 244
Deferred taxation assets	112 135	99 301
Other assets	2 092 661	1 741 713
Property and equipment	90 888	102 354
Investment properties	938 879	617 898
Goodwill	368 039	361 527
Intangible assets	148 280	147 227
Non-current assets classified as held for sale	–	40 726
	39 504 745	38 016 253
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	5 847 036	6 337 149
	45 351 781	44 353 402
Liabilities		
Deposits by banks	2 397 403	1 908 294
Derivative financial instruments	1 582 847	1 544 168
Other trading liabilities	957 418	885 003
Repurchase agreements and cash collateral on securities lent	971 646	1 284 945
Customer accounts (deposits)	24 044 281	22 614 868
Debt securities in issue	2 299 751	1 709 369
Liabilities arising on securitisation of own originated loans and advances	85 650	109 953
Liabilities arising on securitisation of other assets	120 851	616 909
Current taxation liabilities	192 255	201 790
Deferred taxation liabilities	55 486	76 481
Other liabilities	1 802 967	1 845 679
	34 510 555	32 797 459
Liabilities to customers under investment contracts	5 845 503	6 335 326
Insurance liabilities, including unit-linked liabilities	1 533	1 823
	40 357 591	39 134 608
Subordinated liabilities	1 134 883	1 178 299
	41 492 474	40 312 907
Equity		
Ordinary share capital	228	226
Perpetual preference share capital	153	153
Share premium	2 239 364	2 258 148
Treasury shares	(125 717)	(68 065)
Other reserves	(784 051)	(563 985)
Retained income	2 030 310	1 874 360
Shareholders' equity excluding non-controlling interests	3 360 287	3 500 837
Other Additional Tier 1 securities in issue	26 031	30 599
Non-controlling interests	472 989	509 059
– Perpetual preferred securities issued by subsidiaries	72 615	229 957
– Non controlling interests in partially held subsidiaries	400 374	279 102
Total equity	3 859 307	4 040 495
Total liabilities and equity	45 351 781	44 353 402

Statutory summarised combined consolidated cash flow statement



£'000	Year to 31 March 2016	Year to 31 March 2015
Cash inflows from operations	596 621	617 363
Increase in operating assets	(4 580 570)	(2 312 292)
Increase in operating liabilities	4 602 620	2 291 132
Net cash inflow from operating activities	618 671	596 203
Net cash (outflow)/inflow from investing activities	(11 760)	193 737
Net cash outflow from financing activities	(347 741)	(259 012)
Effects of exchange rate changes on cash and cash equivalents	(171 718)	(17 091)
Net increase in cash and cash equivalents	87 452	513 837
Cash and cash equivalents at the beginning of the year	4 562 848	4 049 011
Cash and cash equivalents at the end of the year	4 650 300	4 562 848

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).



Statutory consolidated statement of changes in equity

UNAUDITED STATUTORY FINANCIAL RESULTS

£'000	Ordinary share capital	Perpetual preference share capital	Share premium	Treasury shares
At 1 April 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 taken directly to other comprehensive income	–	–	–	–
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 asset	–	–	–	–
Total comprehensive income	–	–	(4 212)	–
Share-based payments adjustments	–	–	–	–
Dividends paid to ordinary shareholders	–	–	–	–
Dividends declared to perpetual preference shareholders and Other Additional Tier 1 security holders	–	–	–	–
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 security holders	–	–	–	–
Dividends paid to non-controlling interests	–	–	–	–
Issue of ordinary shares	2	–	38 894	–
Issue of Other Additional Tier 1 securities in issue	–	–	–	–
Acquisition of non-controlling interests	–	–	–	–
Non-controlling interest relating to partial disposal of subsidiaries	–	–	–	–
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)
Movement in reserves 1 April 2015 – 31 March 2016				
Profit after taxation	–	–	–	–
Fair value movements on cash flow hedges taken directly to other comprehensive income	–	–	–	–
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	–	–	(26 438)	–
Remeasurement of net defined pension asset	–	–	–	–
Total comprehensive income	–	–	(26 438)	–
Share-based payments adjustments	–	–	–	–
Dividends paid to ordinary shareholders	–	–	–	–
Dividends declared to perpetual preference shareholders and Other Additional Tier 1 security holders	–	–	–	–
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 security holders	–	–	–	–
Dividends paid to non-controlling interests	–	–	–	–
Issue of ordinary shares	2	–	54 718	–
Issue of equity by subsidiaries	–	–	–	–
Reduction of non-controlling interests	–	–	–	–
Non-controlling interest relating to partial disposal of subsidiaries	–	–	–	–
Partial sale of subsidiary	–	–	–	–
Movement of treasury shares	–	–	(47 519)	(115 758)
Transfer to capital reserve	–	–	455	–
Transfer to regulatory general risk reserve	–	–	–	–
Transfer from share-based payment reserve to treasury shares	–	–	–	58 106
At 31 March 2016	228	153	2 239 364	(125 717)

Statutory consolidated statement of changes in equity

FOUR

(continued)

UNAUDITED STATUTORY FINANCIAL RESULTS

Other reserves						Share- holders' 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				
10 973	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
–	–	–	–	–	368 456	368 456	–	51 730	420 186
–	–	–	(31 934)	–	–	(31 934)	–	–	(31 934)
–	(1 961)	–	–	–	–	(1 961)	–	–	(1 961)
–	(37 153)	–	–	–	–	(37 153)	–	–	(37 153)
–	–	333	–	(158 673)	5 324	(179 454)	(4 568)	(56 853)	(240 875)
–	–	–	–	–	4 738	4 738	–	–	4 738
–	(39 114)	333	(31 934)	(158 673)	378 518	122 692	(4 568)	(5 123)	113 001
–	–	–	–	–	56 216	56 216	–	–	56 216
–	–	–	–	–	(180 009)	(180 009)	–	–	(180 009)
–	–	–	–	–	(33 192)	(33 192)	2 801	15 872	(14 519)
–	–	–	–	–	–	–	(2 801)	(15 872)	(18 673)
–	–	–	–	–	–	–	–	(39 835)	(39 835)
–	–	–	–	–	–	54 720	–	–	54 720
–	–	–	–	–	–	–	–	153 299	153 299
–	–	–	–	–	–	–	–	(142 111)	(142 111)
–	–	–	–	–	778	778	–	(778)	–
–	–	–	–	–	1 522	1 522	–	(1 522)	–
–	–	–	–	–	–	(163 277)	–	–	(163 277)
–	–	–	–	–	(455)	–	–	–	–
–	–	9 322	–	–	(9 322)	–	–	–	–
–	–	–	–	–	(58 106)	–	–	–	–
10 973	(34 879)	39 078	(108 475)	(690 748)	2 030 310	3 360 287	26 031	472 989	3 859 307



Statutory dividends and earnings per share

	31 March 2016	31 March 2015
Ordinary dividends – pence per share		
Interim	9.5	8.5
Final	11.5	11.5
Total	21.0	20.0
Earnings	£'000	£'000
Earnings attributable to shareholders	368 456	245 509
Preference dividends paid	(33 192)	(34 803)
Earnings and diluted earnings attributable to ordinary shareholders	335 264	210 706
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	906 490 426	897 466 433
Weighted average number of treasury shares	(35 964 483)	(34 815 248)
Weighted average number of shares in issue during the year	870 525 943	862 651 185
Weighted average number of shares resulting from future dilutive potential shares	42 748 491	47 937 173
Adjusted weighted number of shares potentially in issue	913 274 434	910 588 358
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	38.5	24.4
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	36.7	23.1
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	41.3	39.4
	£'000	£'000
Earnings attributable to shareholders	368 456	245 509
Impairment of goodwill	1 577	5 337
Amortisation of acquired intangibles	16 248	14 497
Net loss on disposal of subsidiaries	4 778	93 033
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	(5 197)	17 574
Preference dividends paid	(33 192)	(34 803)
Accrual adjustment on earnings attributable to other equity holders*	7 062	(1 211)
Currency hedge attributable to perpetual equity instruments*	–	(413)
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items	359 732	339 523

* 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)

UNAUDITED STATUTORY FINANCIAL RESULTS

	31 March 2016	31 March 2015
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	39.0	35.8
	£'000	£'000
Earnings attributable to shareholders	368 456	245 509
Impairment of goodwill	1 577	5 337
Net loss on disposal of subsidiaries	4 778	93 033
Taxation on acquisition/disposal/integration of subsidiaries	–	20 666
Preference dividends paid	(33 192)	(34 803)
Property revaluation, net of taxation and non-controlling interests**	(10 030)	(16 312)
Gains on available-for-sale instruments recycled through the income statement**	(1 961)	(4 660)
Loss on write down of non-current assets classified as held for sale**	5 092	–
Headline earnings attributable to ordinary shareholders**	334 720	308 770

** Taxation on headline earnings adjustments amounted to £1.9 million (2015: £7.2 million) with an impact of £9.4 million (2015: £7.4 million) on earnings attributable to non-controlling interests.

As discussed on page 7 exchange rates between local currencies and Pounds Sterling have fluctuated over the year. The most significant impact arises from the volatility of the Rand. The average Rand: Pounds Sterling exchange rate over the year has depreciated by 16.3% and the closing rate has depreciated by 17.6% since 31 March 2015. The following table provides an analysis of the impact of the Rand depreciation on our reported numbers.

Results in Pounds Sterling					
	Actual as reported Year to 31 March 2016	Actual as reported Year to 31 March 2015	Actual as reported % change	Neutral currency^ Year to 31 March 2016	Neutral currency % change
Operating profit before taxation* (million)	£506	£493	2.5%	£560	13.6%
Earnings attributable to shareholders (million)	£368	£246	50.0%	£409	66.3%
Adjusted earnings attributable to shareholders** (million)	£360	£340	6.0%	£397	16.8%
Adjusted earnings per share**	41.3p	39.4p	4.8%	45.6p	15.7%
Basic earnings per share	38.5p	24.4p	57.8%	42.8p	75.4%
Dividends per share	21.0p	20.0p	5.0%	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 exchange rate that was applied in the prior year, i.e. 17.82.

Results in Pounds Sterling					
	Actual as reported At 31 March 2016	Actual as reported At 31 March 2015	Actual as reported % change	Neutral currency^^ At 31 March 2016	Neutral currency % change
Net asset value per share	352.3p	364.9p	(3.5%)	370.6p	1.6%
Net tangible asset value per share	294.3p	308.1p	(4.5%)	312.1p	1.3%
Total equity (million)	£3 859	£4 040	(4.5%)	£4 217	4.4%
Total assets (million)	£45 352	£44 353	2.3%	£50 066	12.9%
Core loans and advances (million)	£18 119	£17 189	5.4%	£19 929	15.9%
Cash and near cash balances (million)	£10 962	£9 975	9.9%	£12 001	20.3%
Customer deposits (million)	£24 044	£22 615	6.3%	£26 369	16.6%
Third party assets under management (million)	£121 683	£124 106	(2.0%)	£128 791	3.8%

^^ For balance sheet items we have assumed that the Rand: Pounds Sterling closing exchange rate has remained neutral since 31 March 2015.

Exchange rate impact on statutory results

FOUR

(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 Rands		
	Year to 31 March 2016	Year to 31 March 2015	% change	Year to 31 March 2016	Year to 31 March 2015	% change
Operating profit before taxation* (million)	£506	£493	2.5%	R10 494	R8 817	19.0%
Earnings attributable to shareholders (million)	£368	£246	50.0%	R7 635	R3 970	92.3%
Adjusted earnings attributable to shareholders** (million)	£360	£340	6.0%	R7 459	R6 076	22.8%
Adjusted earnings per share**	41.3p	39.4p	4.8%	857c	704c	21.7%
Basic earnings per share	38.5p	24.4p	57.8%	798c	387c	> 100.0%
Headline earnings per share	38.5p	35.8p	7.5%	796c	640c	24.4%
Dividends per share	21.0p	20.0p	5.0%	473c	362c	30.7%

	At 31 March 2016	At 31 March 2015	% change	At 31 March 2016	At 31 March 2015	% change
Net asset value per share	352.3p	364.9p	(3.5%)	7 444c	6 559c	13.5%
Net tangible asset value per share	294.3p	308.1p	(4.5%)	6 218c	5 538c	12.3%
Total equity (million)	£3 859	£4 040	(4.5%)	R81 543	R72 625	12.3%
Total assets (million)	£45 352	£44 353	2.3%	R958 221	R797 218	20.2%
Core loans and advances (million)	£18 119	£17 189	5.4%	R382 826	R308 957	23.9%
Cash and near cash balances (million)	£10 962	£9 975	9.9%	R231 616	R179 242	29.2%
Customer deposits (million)	£24 044	£22 615	6.3%	R508 024	R406 485	25.0%
Third party assets under management (million)	£121 683	£124 106	(2.0%)	R2 571 141	R2 230 197	15.3%

* 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.

UNAUDITED STATUTORY FINANCIAL RESULTS

	31 March 2016	31 March 2015	% change
Income statement and selected returns			
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items (£'000)	359 732	339 523	6.0%
Headline earnings (£'000)	334 720	308 770	8.4%
Operating profit* (£'000)	505 593	493 157	2.5%
Operating profit: Southern Africa (% of total)*	63.8%	70.8%	
Operating profit: UK and Other (% of total)*	36.2%	29.2%	
Cost to income ratio	66.4%	67.6%	
Staff compensation to operating income ratio	47.0%	47.4%	
Return on average adjusted shareholders' equity (post-tax)	11.5%	10.6%	
Return on average adjusted tangible shareholders' equity (post-tax)	13.7%	12.7%	
Return on average risk-weighted assets	1.34%	1.25%	
Operating profit per employee (£'000)	58.7	59.7	
Net interest income as a % of operating income	29.6%	32.4%	
Non-interest income as a % of operating income	70.4%	67.6%	
Recurring income as a % of total operating income	71.7%	74.2%	
Effective operational tax rate	19.1%	19.6%	
Balance sheet			
Total capital resources (including subordinated liabilities) (£'million)	4 994	5 219	(4.3%)
Total shareholders' equity (including preference shares and non-controlling interests) (£'million)	3 859	4 040	(4.5%)
Shareholders' equity (excluding non-controlling interests) (£'million)	3 360	3 501	(4.0%)
Total assets (£'million)	45 352	44 353	2.3%
Net core loans and advances to customers (including own originated securitised assets) (£'million)	18 119	17 189	5.4%
Core loans and advances to customers as a % of total assets	40.0%	38.8%	
Cash and near cash balances (£'million)	10 962	9 975	9.9%
Customer accounts (deposits) (£'million)	24 044	22 615	6.3%
Third party assets under management (£'million)	121 683	124 106	(2.0%)
Capital adequacy ratio: Investec plc^	15.1%	16.7%	
Capital adequacy tier 1 ratio: Investec plc^	10.7%	11.9%	
Common equity tier 1 ratio: Investec plc^	9.7%	10.2%	
Leverage ratio: Investec plc^	7.0%	7.7%	
Capital adequacy ratio: Investec Limited^	14.0%	14.7%	
Capital adequacy tier 1 ratio: Investec Limited^	10.7%	11.3%	
Common equity tier 1 ratio: Limited^	9.6%	9.6%	
Leverage ratio: Investec Limited^	7.0%	8.1%	
Credit loss ratio (income statement impairment charge as a % of average gross core loans and advances)	0.62%	0.68%	
Defaults (net of impairments and before collateral) as a % of net core loans and advances to customers	1.54%	2.07%	
Gearing ratio (assets excluding assurance assets to total equity)	10.2x	9.4x	
Core loans to equity ratio	4.7x	4.3x	
Loans and advances to customers: customer deposits	73.6%	74.0%	
Salient financial features and key statistics			
Adjusted earnings per share (pence)	41.3	39.4	4.8%
Headline earnings per share (pence)	38.5	35.8	7.5%
Basic earnings per share (pence)	38.5	24.4	57.8%
Diluted earnings per share (pence)	36.7	23.1	58.9%
Dividends per share (pence)	21.0	20.0	5.0%
Dividend cover (times)	2.0	2.0	–
Net asset value per share (pence)	352.3	364.9	(3.5%)
Net tangible asset value per share (pence)	294.3	308.1	(4.5%)
Weighted number of ordinary shares in issue (million)	870.5	862.7	0.9%
Total number of shares in issue (million)	908.8	899.4	1.0%
Closing share price (pence)	513	561	(8.6%)
Market capitalisation (£'million)	4 662	5 045	(7.6%)
Number of employees in the group (including temps and contractors)	8 966	8 254	8.6%
Closing ZAR:£ exchange rate	21.13	17.97	17.6%
Average ZAR:£ exchange rate	20.72	17.82	16.3%

Refer to definitions and calculations on page 128.

* 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 97.



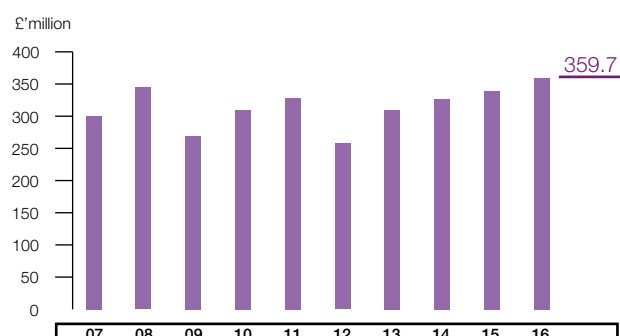
Up 4.8% to 41.3 pence

ADJUSTED EARNINGS PER SHARE



Up 6.0% to £359.7 million

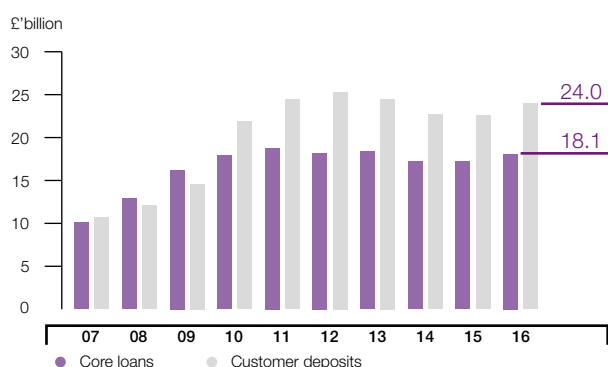
ADJUSTED EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS BEFORE GOODWILL, ACQUIRED INTANGIBLES AND NON-OPERATING ITEMS



Core loans: up 5.4% to £18.1 billion since 31 March 2015 – an increase of 15.9% on a currency neutral basis*

Deposits: up 6.3% to £24.0 billion since 31 March 2015 – an increase of 16.6% on a currency neutral basis*

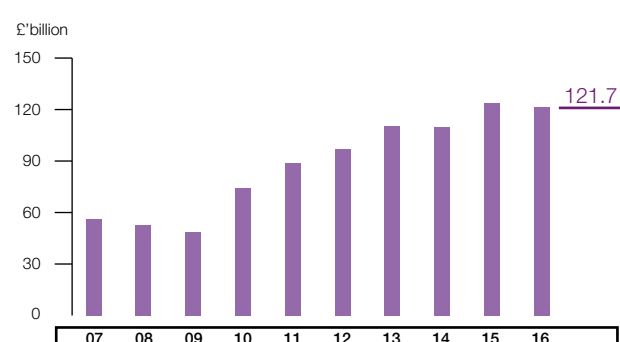
CORE LOANS AND CUSTOMER DEPOSITS



Down 2.0% to £121.7 billion since 31 March 2015 – an increase of 3.8% on a currency neutral basis*

Net inflows of £5.3 billion

THIRD-PARTY ASSETS UNDER MANAGEMENT

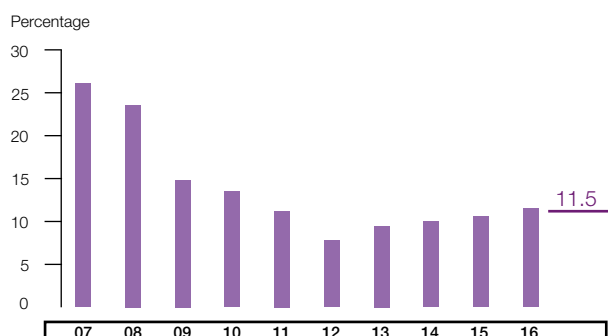


* Currency neutral basis: calculation assumes that the closing exchange rates of the group's relevant exchange rates, as reflected on page 7, remain the same at 31 March 2016 when compared to 31 March 2015.

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

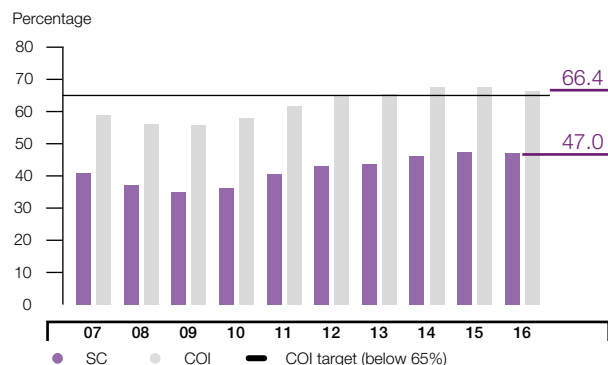
ROE*



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)



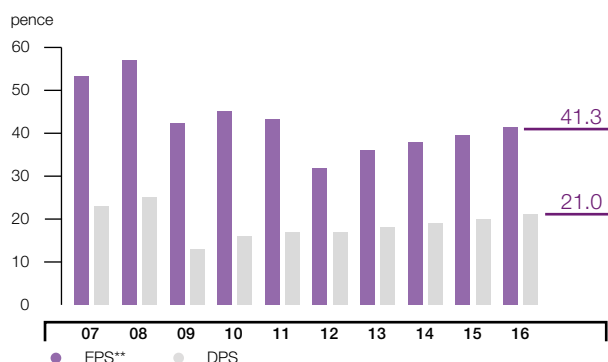
Target

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

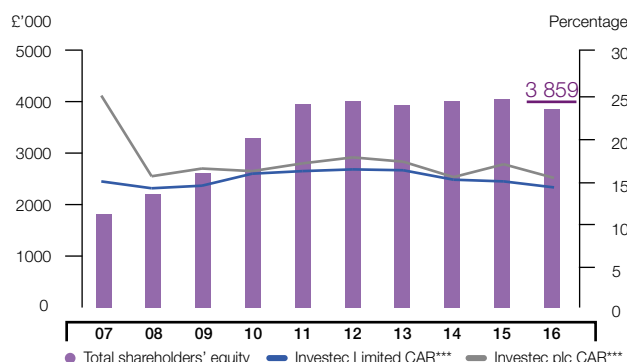
Target

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% and a common equity tier 1 ratio above 10.0%

ADJUSTED EARNINGS PER SHARE (EPS) AND DIVIDENDS PER SHARE (DPS)



TOTAL SHAREHOLDERS' EQUITY AND CAPITAL ADEQUACY RATIOS (CAR)



* ROE is post-tax return on adjusted average shareholders' equity as calculated on page 99.

** Adjusted EPS before goodwill, acquired intangibles and non-operating items as defined on page 128.

*** 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 has been reporting in terms of Basel III since 31 March 2014.

Note:

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



Five

Financial review and additional
information – statutory basis



Key income drivers

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

SPECIALIST
BANKING

Key income drivers	Income impacted primarily by	Income statement – primarily reflected as
– Lending activities.	<ul style="list-style-type: none"> – Size of loan portfolio – Clients' capital and infrastructural investments – Funding requirements – Client activity – Credit spreads – Shape of yield curve. 	<ul style="list-style-type: none"> – Net interest income – Fees and commissions – Investment income.
– Cash and near cash balances.	<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"> – Net interest income – Trading income arising from balance sheet management activities.
– Deposit and product structuring and distribution.	<ul style="list-style-type: none"> – Distribution channels – Ability to create innovative products – Regulatory requirements – Credit spreads. 	<ul style="list-style-type: none"> – Net interest income – Fees and commissions.
<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"> – 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"> – Net interest income – Investment income.
– Advisory services.	<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"> – Fees and commissions.
– Derivative sales, trading and hedging.	<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"> – Fees and commissions – Trading income arising from customer flow.
– Transactional banking services.	<ul style="list-style-type: none"> – Levels of activity – Ability to create innovative products – Appropriate systems infrastructure. 	<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.

For additional information pertaining to the management and monitoring of these risks, see our 2016 annual report.

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	<i>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.</i>

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 35 to 58.

TOTAL OPERATING INCOME

Total operating income before impairment losses on loans and advances declined by 0.9% to £1 939.5 million (2015: £1 957.5 million).

£'000	31 March 2016	% of total income	31 March 2015	% of total income	% change
Net interest income	573 769	29.6%	634 977	32.4%	(9.6%)
Net fee and commission income	1 061 625	54.7%	1 089 043	55.6%	(2.5%)
Investment income	170 408	8.8%	128 334	6.6%	32.8%
Trading income arising from					
– customer flow	110 227	5.7%	106 313	5.4%	3.7%
– balance sheet management and other trading activities	11 377	0.6%	(13 424)	(0.6%)	> 100.0%
Other operating income	12 090	0.6%	12 236	0.6%	(1.2%)
Total operating income before impairments	1 939 496	100.0%	1 957 479	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 2016	% of total income	31 March 2015	% of total income	% change
UK and Other	1 128 374	58.2%	1 127 081	57.6%	0.1%
Southern Africa	811 122	41.8%	830 398	42.4%	(2.3%)
Total operating income before impairments	1 939 496	100.0%	1 957 479	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.

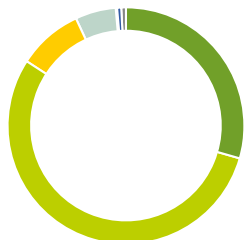
£'000	31 March 2016	% of total income	31 March 2015	% of total income	% change
Asset Management	421 615	21.7%	436 059	22.3%	(3.3%)
Wealth & Investment	324 500	16.7%	313 217	16.0%	3.6%
Specialist Banking	1 193 381	61.6%	1 208 203	61.7%	(1.2%)
Total operating income before impairments	1 939 496	100.0%	1 957 479	100.0%	(0.9%)



Financial review

(continued)

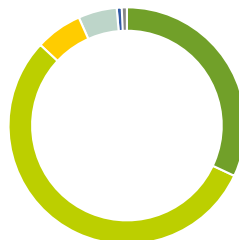
% OF TOTAL OPERATING INCOME BEFORE IMPAIRMENTS



31 March 2016

£1 939.5 million total operating income before impairments

29.6%	Net interest income
54.7%	Net fee and commission income
8.8%	Investment income
5.7%	Trading income arising from customer flow
0.6%	Trading income arising from balance sheet management and other trading activities
0.6%	Other operating income



31 March 2015

£1 957.5 million total operating income before impairments

32.4%	Net interest income
55.6%	Net fee and commission income
6.6%	Investment income
5.4%	Trading income arising from customer flow
0.6%	Trading income arising from balance sheet management and other trading activities
0.6%	Other operating income

NET INTEREST INCOME

Net interest income decreased by 9.6% to £573.8 million (2015: £635.0 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 strong book growth and an increase in margin earned on early redemption of loans, reflecting higher activity levels.

£'000	31 March 2016	31 March 2015	Variance	% change
Asset Management	3 904	4 307	(403)	(9.4%)
Wealth & Investment	7 330	6 556	774	11.8%
Specialist Banking	562 535	624 114	(61 579)	(9.9%)
Net interest income	573 769	634 977	(61 208)	(9.6%)

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

		UK and Other		Southern Africa		Total group	
For the year to 31 March 2016		Balance sheet value	Interest income	Balance sheet value	Interest income	Balance sheet value	Interest income
£'000	Notes						
Cash, near cash and bank debt and sovereign debt securities	1	5 622 577	47 481	6 952 692	292 563	12 575 269	340 044
Core loans and advances	2	7 803 602	427 601	10 315 213	826 999	18 118 815	1 254 600
Private client		3 510 327	150 060	6 856 533	550 044	10 366 860	700 104
Corporate, institutional and other clients		4 293 275	277 541	3 458 680	276 955	7 751 955	554 496
Other debt securities and other loans and advances		697 875	74 010	573 692	29 445	1 271 567	103 455
Other interest-earning assets	3	–	–	9 730	7 541	9 730	7 541
Total interest-earning assets		14 124 054	549 092	17 851 327	1 156 548	31 975 381	1 705 640

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. In the current year no securitised assets are held at amortised cost outside of Southern Africa.

(continued)

		UK and Other		Southern Africa		Total group	
		Balance sheet value	Interest expense	Balance sheet value	Interest expense	Balance sheet value	Interest expense
For the year to 31 March 2016	Notes						
£'000							
Deposits by banks and other debt-related securities	4	2 484 617	(106 707)	3 184 183	(85 888)	5 668 800	(192 595)
Customer accounts (deposits)		10 800 668	(124 569)	13 243 613	(703 399)	24 044 281	(827 968)
Other interest-bearing liabilities	5	–	–	85 884	(15 494)	85 884	(15 494)
Subordinated liabilities		597 309	(56 871)	537 574	(38 943)	1 134 883	(95 814)
Total interest-bearing liabilities		13 882 594	(288 147)	17 051 254	(843 724)	30 933 848	(1 131 871)
Net interest income			260 945		312 824		573 769
Net interest margin (local currency)			1.8%*		1.9%		

		UK and Other		Southern Africa		Total group	
		Balance sheet value	Interest income	Balance sheet value	Interest income	Balance sheet value	Interest income
For the year to 31 March 2015	Notes						
£'000							
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

		UK and Other		Southern Africa		Total group	
		Balance sheet value	Interest expense	Balance sheet value	Interest expense	Balance sheet value	Interest expense
For the year to 31 March 2015	Notes						
£'000							
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
Net interest margin (local currency)			2.0%		1.9%		

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. In the current year no securitised assets are held at amortised cost outside of Southern Africa.
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. In the current year no liabilities on securitisation are held at amortised cost outside of Southern Africa.

* Impacted by sales of businesses as discussed on page 19.



Financial review

(continued)

NET FEE AND COMMISSION INCOME

Net fee and commission income decreased by 2.5% to £1 061.6 million (2015: £1 089.0 million) largely as a result of lower fees earned in the UK corporate business following a strong prior year. The deal pipeline has however, remained sound. This was partially offset by a good performance from the corporate treasury, corporate structuring and property fund management businesses in South Africa as well as the acquisition of Blue Strata (rebranded Investec Import Solutions). In addition, growth in fees in the global private banking business was supported by increased client activity.

£'000	31 March 2016	31 March 2015	Variance	% change
Asset Management	415 528	428 555	(13 027)	(3.0%)
Wealth & Investment	309 080	299 663	9 417	3.1%
Specialist Banking	337 017	360 825	(23 808)	(6.6%)
Net fee and commission income	1 061 625	1 089 043	27 418	(2.5%)

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

For the year to 31 March 2016 £'000	UK and Other	Southern Africa	Total group
Asset management and Wealth management businesses net fee and commission income	520 245	204 363	724 608
Fund management fees/fees for assets under management	567 257	178 549	745 806
Private client transactional fees	54 258	34 664	88 922
Fee and commission expense	(101 270)	(8 850)	(110 120)
Specialist Banking net fee and commission income	189 513	147 504	337 017
Corporate and institutional transactional and advisory services	164 088	130 089	294 177
Private client transactional fees	28 141	30 966	59 107
Fee and commission expense	(2 716)	(13 551)	(16 267)
Net fee and commission income	709 758	351 867	1 061 625
Annuity fees (net of fees payable)	542 128	275 058	817 186
Deal fees	167 630	76 809	244 439

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

INVESTMENT INCOME

Investment income increased by 32.8% to £170.4 million (2015: £128.3 million) as a result of higher earnings from the UK debt securities portfolio, improved results from the Hong Kong portfolio and a sound performance from the group's unlisted investment portfolio.

£'000	31 March 2016	31 March 2015	Variance	% change
Asset Management	44	22	22	100.0%
Wealth & Investment	6 072	4 123	1 949	47.3%
Specialist Banking	164 292	124 189	40 103	32.3%
Investment income	170 408	128 334	42 074	32.8%

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

For the year to 31 March 2016 £'000	UK and Other	Southern Africa	Total group
Realised	44 135	240 167	284 302
Unrealised	(2 311)	(131 813)	(134 124)
Dividend income	15 419	13 037	28 456
Funding and other net related income/(costs)	4 877	(13 103)	(8 226)
Investment income	62 120	108 288	170 408

For the year to 31 March 2016 £'000	Investment portfolio (listed and unlisted equities)*	Debt securities (sovereign, bank and other)	Investment properties	Other asset categories	Total
UK and Other	41 300	23 675	1 282	(4 137)	62 120
Realised	10 319	31 143	–	2 673	44 135
Unrealised	15 562	(7 468)	1 282	(11 687)	(2 311)
Dividend income	15 419	–	–	–	15 419
Funding and other net related income	–	–	–	4 877	4 877
Southern Africa	76 824	9 166	20 628	1 670	108 288
Realised	227 043	3 052	9 121	951	240 167
Unrealised	(149 102)	6 114	11 507	(332)	(131 813)
Dividend income	12 977	–	–	60	13 037
Funding and other net related income	(14 094)	–	–	991	(13 103)
Total investment income/(loss)	118 124	32 841	21 910	(2 467)	170 408

* Including embedded derivatives (warrants and profit shares).



Financial review

(continued)

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	2 194	(8 107)	(5 913)
Investment income/(loss)	(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 costs	–	–	–	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 income	(13 212)	–	–	5 105	(8 107)
Total investment income/(loss)	75 591	(2 626)	38 636	16 733	128 334

* Including embedded derivatives (warrants and profit shares).

TRADING INCOME

Trading income arising from customer flow increased by 3.7% to £110.2 million (2015: £106.3 million) while trading income arising from other trading activities reflected a profit of £11.4 million (2015: loss of £13.4 million) largely due to foreign currency gains (these are largely offset in non-controlling interests as discussed on page 89).

Arising from customer flow

£'000	31 March 2016	31 March 2015	Variance	% change
Wealth & Investment	316	1 024	(708)	(69.1%)
Specialist Banking	109 911	105 289	4 622	4.4%
Trading income arising from customer flow	110 227	106 313	3 914	3.7%

(continued)

Arising from balance sheet management and other trading activities

£'000	31 March 2016	31 March 2015	Variance	% change
Asset Management	1 668	1 485	183	12.3%
Wealth & Investment	509	574	(65)	(11.3%)
Specialist Banking	9 200	(15 483)	24 683	> 100.0%
Trading profit/(loss) arising from balance sheet management and other trading activities	11 377	(13 424)	24 801	> 100.0%

OTHER OPERATING INCOME

Other operating income includes associate income and income earned on operating lease rentals.

IMPAIRMENT LOSSES ON LOANS AND ADVANCES

Impairments on loans and advances decreased from £128.4 million to £109.5 million, with the credit loss ratio on core loans and advances amounting to 0.62% (2015: 0.68%). Since 31 March 2015, gross defaults have improved from £608.4 million to £466.1 million due to redemptions and write-offs. The percentage of default loans (net of impairments, but before taking collateral into account) to core loans and advances amounted to 1.54% (2015: 2.07%). The ratio of collateral to default loans (net of impairments) remains satisfactory at 1.35 times (2015: 1.37 times). Further information is provided on page 105.

£'000	31 March 2016	31 March 2015	Variance	% change
UK and Other	(84 217)	(102 707)	18 490	(18.0%)
Southern Africa	(25 299)	(25 674)	375	(1.5%)
Total impairment losses on loans and advances	(109 516)	(128 381)	18 865	(14.7%)
Impairment losses on loans and advances in home currency				
Southern Africa (R'million)	(520)	(456)	(64)	14.0%

OPERATING COSTS

The ratio of total operating costs to total operating income was 66.4% (2015: 67.6%). Total operating costs declined by 2.7% to £1 287.0 million (2015: £1 322.7 million) reflecting: a reduction in costs arising from the sale of certain businesses; partially offset by – an increase in headcount and business infrastructure expenses across divisions to support increased activity and growth initiatives; and an increase in variable remuneration given increased profitability in certain businesses.

£'000	31 March 2016	% of total expenses	31 March 2015	% of total expenses	% change
Staff costs	(912 435)	70.8%	(927 980)	70.1%	(1.7%)
– fixed	(581 847)	45.1%	(590 896)	44.6%	(1.5%)
– variable	(330 588)	25.7%	(337 084)	25.5%	(1.9%)
Business expenses	(177 642)	13.8%	(193 529)	14.6%	(8.2%)
Premises expenses (excluding depreciation)	(58 847)	4.6%	(63 201)	4.8%	(6.9%)
Equipment expenses (excluding depreciation)	(57 780)	4.5%	(54 433)	4.1%	6.1%
Marketing expenses	(59 737)	4.6%	(58 833)	4.4%	1.5%
Depreciation and impairment of property, plant, equipment and software	(20 580)	1.6%	(24 729)	1.9%	(16.8%)
Total operating expenses	(1 287 021)	99.9%	(1 322 705)	99.9%	(2.7%)
Depreciation on operating leased assets	(2 165)	0.1%	(1 535)	0.1%	41.0%
Total expenses	(1 289 186)	100.0%	(1 324 240)	100.0%	(2.6%)



Financial review

(continued)

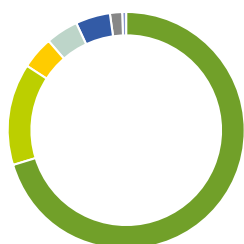
The following table sets out certain information on total expenses by geography for the year under review.

£'000	31 March 2016	% of total expenses	31 March 2015	% of total expenses	% change
UK and Other	(865 797)	67.2%	(897 121)	67.7%	(3.5%)
Southern Africa	(423 389)	32.8%	(427 119)	32.3%	(0.9%)
Total expenses	(1 289 186)	100.0%	(1 324 240)	100.0%	(2.6%)

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

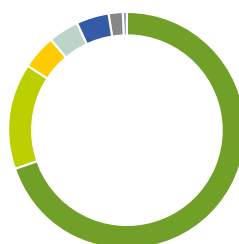
£'000	31 March 2016	% of total expenses	31 March 2015	% of total expenses	% change
Asset Management	(286 832)	22.2%	(287 084)	21.7%	(0.1%)
Wealth & Investment	(238 765)	18.5%	(234 436)	17.7%	1.8%
Specialist Banking	(717 784)	55.7%	(763 408)	57.6%	(6.0%)
Group costs	(45 805)	3.6%	(39 312)	3.0%	16.5%
Total expenses	(1 289 186)	100.0%	(1 324 240)	100.0%	2.6%

% OF TOTAL EXPENSES



31 March 2016
£1 289.2 million total expenses

70.8%	Staff costs
13.8%	Business expenses
4.6%	Premises expenses
4.5%	Equipment expenses
4.6%	Marketing expenses
1.6%	Depreciation
0.1%	Depreciation on operating leased assets



31 March 2015
£1 324.2 million total expenses

70.1%	Staff costs
14.6%	Business expenses
4.8%	Premises expenses
4.1%	Equipment expenses
4.4%	Marketing expenses
1.9%	Depreciation
0.1%	Depreciation on operating leased assets

(continued)

OPERATING PROFIT BEFORE GOODWILL, ACQUIRED INTANGIBLES, NON-OPERATING ITEMS 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 2.5% from £493.2 million to £505.6 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 2016 £'000	UK and Other	Southern Africa	Total group	% change	% of total
Asset Management	76 853	57 930	134 783	(9.5%)	26.7%
Wealth & Investment	63 127	22 608	85 735	8.8%	17.0%
Specialist Banking	78 043	252 837	330 880	8.6%	65.4%
	218 023	333 375	551 398	3.6%	109.1%
Group costs	(35 160)	(10 645)	(45 805)	16.5%	(9.1%)
Total group	182 863	322 730	505 593	2.5%	100.0%
Other non-controlling interest – equity			35 201		
Operating profit			540 794		
% change	26.9%	(7.5%)	2.5%		
% of total	36.2%	63.8%	100.0%		

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



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 Sterling)	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Operating margin	32.0%	34.2%	34.7%	34.5%	35.7%	37.0%
Net inflows in funds under management as a % of opening funds under management	4.1%	4.6%	3.7%	6.7%	8.8%	16.0%
Average income yield earned on funds under management [^]	0.55%	0.60%	0.60%	0.62%	0.62%	0.66%

WEALTH & INVESTMENT

Global business (in Pounds Sterling)	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Operating margin	26.4%	25.2%	22.9%	20.3%	19.7%	25.9%
Net organic growth in funds under management as a % of opening funds under management	4.5%	6.6%	3.5%	2.0%	(5.3%)	6.2%
Average income yield earned on funds under management [^]	0.71%	0.72%	0.71%	0.66%	0.61%	0.55%
UK and Other^{^^} (in Pounds Sterling)						
Operating margin	24.6%	22.7%	20.1%	17.3%	16.3%	24.5%
Net organic growth in funds under management as a % of opening funds under management	4.5%	7.1%	5.1%	1.3%	(7.4%)	3.5%
Average income yield earned on funds under management [^]	0.87%	0.89%	0.89%	0.86%	0.80%	0.68%
South Africa (in Rands)						
Operating margin	33.1%	35.1%	33.9%	31.3%	28.5%	28.9%
Net organic growth in discretionary funds under management as a % of opening discretionary funds under management	10.4%	8.5%	13.6%	13.9%	8.7%	6.0%
Average income yield earned on funds under management ^{^*}	0.45%	0.41%	0.41%	0.37%	0.39%	0.41%

* 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, Investec Wealth & Investment Ireland (formerly NCB), which was acquired on 12 June 2012 and Investec Wealth & Investment Channel Islands.

(continued)

SPECIALIST BANKING – STATUTORY BASIS

Global business (in Pounds Sterling)	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Cost to income ratio	60.1%*	63.1%*	63.2%*	63.1%	62.4%	60.1%
ROE post-tax [^]	10.1%	8.6%	7.9%	6.4%	5.1%	8.2%
ROE post-tax (ongoing business) [^]	13.0%	12.8%	11.9%	–	–	–
Growth in net core loans	5.4%	0.2% ^{^^}	(6.8%)	1.0%	(2.8%)	4.8%
Growth in risk-weighted assets	2.2%	(4.9%) ^{^^}	(6.0%)	4.7%	1.5%	13.3%
Defaults (net of impairments as a % of core loans)	1.54%	2.07%	2.30%	2.73%	3.31%	4.66%
Credit loss ratio on core loans	0.62%	0.68%	0.68%	0.84%	1.12%	1.27%
UK and Other[#] (in Pounds Sterling)						
Cost to income ratio	73.4%*	78.9%*	72.5%*	69.0%	68.3%	64.1%
ROE post-tax [^]	5.5%	2.1%	3.6%	1.7%	(1.8%)	2.6%
ROE post-tax (ongoing business) ^{**^}	11.4%	9.6%	10.9%	–	–	–
Growth in net core loans	10.5%	(14.1%) ^{^^}	(0.3%)	6.6%	0.3%	6.2%
Growth in risk-weighted assets	6.7%	(15.5%) ^{^^}	0.4%	7.7%	4.6%	9.6%
Defaults (net of impairments as a % of core loans)	2.19%	3.00%	3.21%	3.75%	4.10%	5.67%
Credit loss ratio on core loans	1.13%	1.16%	0.99%	1.16%	1.65%	2.05%
Southern Africa (in Rands)						
Cost to income ratio	46.5%*	47.2%*	51.0%*	55.5%	55.2%	54.7%
ROE post-tax [^]	15.1%*	15.2%*	12.5%*	10.0%	9.6%	10.7%
Growth in net core loans	19.7%	16.1%	10.6%	10.2%	6.6%	0.3%
Growth in risk-weighted assets	15.1%	8.3%	11.0%	16.5%	11.9%	13.8%
Defaults (net of impairments as a % of core loans)	1.05%	1.43%	1.46%	1.89%	2.73%	3.97%
Credit loss ratio on core loans	0.26%	0.28%	0.42%	0.61%	0.65%	0.71%

[^] 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 2016 was c.£1.1 billion in the UK and c.R27.4 billion in South Africa.

^{^^} Impacted by sale of assets.

* Excludes group costs.

** Further information is provided on pages 23 and 53.

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



Financial review

(continued)

IMPAIRMENT OF GOODWILL

The current year's goodwill impairment relates to certain asset management businesses acquired in prior years.

Goodwill and intangible assets analysis – balance sheet information

£'000	31 March 2016	31 March 2015
UK and Other	356 994	356 090
Asset Management	88 045	88 045
Wealth & Investment	242 672	242 126
Specialist Banking	26 277	25 919
Southern Africa	11 045	5 437
Asset Management	1 149	3 320
Wealth & Investment	1 616	1 877
Specialist Banking	8 280	240
Total goodwill	368 039	361 527
Intangible assets	148 280	147 227
Total goodwill and intangible assets	516 319	508 754

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 ON DISPOSAL OF SUBSIDIARIES

As part of the sale of Kensington (as discussed on page 19) a final net settlement amount was paid after the 31 March 2015 year end. As a result of this payment, a further loss before taxation of £4.8 million was recognised during the 2016 financial year.

TAXATION

The effective tax rate amounts to 19.1% (2015: 19.6%).

	Effective tax rates		31 March 2016 £'000	31 March 2015 £'000	% change
	2016	2015			
UK and Other	19.8%	22.3%	(35 335)	(28 362)	24.6%
Southern Africa	18.7%	18.7%	(67 867)	(70 661)	(4.0%)
Tax	19.1%	19.6%	(103 202)	(99 023)	4.2%

PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Profit attributable to non-controlling interests mainly comprises:

- £16.5 million profit attributable to non-controlling interests in the Asset Management business
- £37.6 million profit attributable to non-controlling interests in the Investec Property Fund Limited
- A reduction of £2.5 million relating to Euro-denominated preferred securities issued by a subsidiary of Investec plc which were reflected on the balance sheet as part of non-controlling interests. The transaction was 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. These securities were redeemed on 24 June 2015.

EARNINGS ATTRIBUTABLE TO SHAREHOLDERS

As a result of the foregoing factors, earnings attributable to shareholders increased from £245.5 million to £368.5 million.

DIVIDENDS AND EARNINGS PER SHARE

Information with respect to dividends and earnings per share is provided on pages 66 and 67 and pages 129 to 134.

Statutory balance sheet analysis

Since 31 March 2015:

- Total shareholders' equity (including non-controlling interests) decreased by 4.5% to £3.9 billion largely due to the depreciation of the Rand against Pounds Sterling.
- Net asset value per share decreased 3.4% to 352.3 pence and net tangible asset value per share (which excludes goodwill and intangible assets) decreased by 4.5% to 294.3 pence
- The return on adjusted average shareholders' equity increased from 10.6% to 11.5%.

ASSETS BY GEOGRAPHY



31 March 2016
£45 352 million total assets

● 40.8% UK and Other
● 59.2% Southern Africa



31 March 2015
£44 353 million total assets

● 40.5% UK and Other
● 59.5% Southern Africa



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 2016	31 March 2015
Shareholders' equity	3 360 287	3 500 837
Less: perpetual preference shares issued by holding companies	(300 258)	(326 693)
Less: goodwill and intangible assets (excluding software)	(503 996)	(494 111)
Net tangible asset value	2 556 033	2 680 033
Number of shares in issue (million)	908.8	899.4
Treasury shares (million)	(40.3)	(29.5)
Number of shares in issue in this calculation (million)	868.5	869.9
Net tangible asset value per share (pence)	294.3	308.1
Net asset value per share (pence)	352.3	364.9

Statutory return on risk-weighted assets

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

	31 March 2016	31 March 2015	Average	31 March 2014	Average
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items (£'000)	359 732	339 523		326 923	
Investec plc risk-weighted assets (£'million)	12 297	11 608	11 953	13 711	12 660
Investec Limited risk-weighted assets^ (£'million)	14 626	14 992	14 809	14 125	14 559
Total risk-weighted assets (£'million)	26 923	26 600	26 762	27 836	27 219
Return on average risk-weighted assets	1.34%	1.25%		1.14%	
^Investec Limited risk-weighted assets (R'million)	309 052	269 466	289 259	248 040	258 753

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.

(continued)

CAPITAL STRUCTURE AND CAPITAL ADEQUACY

At 31 March 2016	Investec plc* ^o £'million	IBP* ^o £'million	Investec Limited* [^] R'million	IBL* R'million
Tier 1 capital				
Shareholders' equity	1 698	1 827	28 444	30 331
Shareholders' equity per balance sheet	1 867	1 844	31 627	31 865
Perpetual preference share capital and share premium	(150)	–	(3 183)	(1 534)
Deconsolidation of special purpose entities	(19)	(17)	–	–
Non-controlling interests	10	(1)	–	–
Non-controlling interests per balance sheet	13	(1)	8 140	–
Non-controlling interests excluded for regulatory purposes	–	–	(8 140)	–
Surplus non-controlling interest disallowed in common equity tier 1	(3)	–	–	–
Regulatory adjustments to the accounting basis	(43)	(6)	1 842	1 839
Defined benefit pension fund adjustment	(37)	–	–	–
Additional value adjustments	(6)	(6)	–	–
Cash flow hedging reserve	–	–	1 842	1 839
Deductions	(478)	(386)	(762)	(695)
Goodwill and intangible assets net of deferred tax	(466)	(374)	(762)	(695)
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	1 187	1 434	29 524	31 475
Additional Tier 1 capital	130	–	3 418	920
Additional Tier 1 instruments	130	–	5 267	1 534
Phase out of non-qualifying Additional Tier 1 instruments	–	–	(1 887)	(614)
Non-qualifying surplus capital attributable to non-controlling interest	–	–	(36)	–
Non-controlling interest in non-banking entities	–	–	74	–
Tier 1 capital	1 317	1 434	32 942	32 395

* 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 totalling £46 million for Investec plc and £34 million for IBP would be 40bps and 30bps lower, respectively.

[^] Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's common equity tier 1 ratio would be 16bps lower.



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(continued)

CAPITAL STRUCTURE AND CAPITAL ADEQUACY (continued)

At 31 March 2016	Investec plc* ^o £'million	IBP* ^o £'million	Investec Limited* R'million	IBL* R'million
Tier 2 capital	535	590	10 253	10 726
Collective impairment allowances	–	–	229	229
Tier 2 instruments	610	590	11 357	10 732
Phase out of non-qualifying tier 2 instruments	–	–	(235)	(235)
Non-qualifying surplus capital attributable to non-controlling interests	(75)	–	(1 098)	–
Total regulatory capital	1 852	2 024	43 195	43 121
Risk-weighted assets	12 297	11 738	309 052	295 752
Capital ratios				
Common equity tier 1 ratio	9.7%	12.2%	9.6%	10.6%
Tier 1 ratio	10.7%	12.2%	10.7%	11.0%
Total capital adequacy ratio	15.1%	17.2%	14.0%	14.6%

* 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 totalling £46 million for Investec plc and £34 million for IBP would be 40bps and 30bps lower, respectively.

[^] Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's common equity tier 1 ratio would be 16bps lower.

(continued)

CAPITAL STRUCTURE AND CAPITAL ADEQUACY (continued)

At 31 March 2015	Investec plc** £'million	IBP** £'million	Investec Limited* R'million	IBL* R'million
Tier 1 capital				
Shareholders' equity	1 699	1 749	24 988	27 365
Shareholders' equity per balance sheet	1 914	1 800	28 811	28 899
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	9	–	–	–
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	(144)	–	–	–
Non-controlling interests in deconsolidated entities	–	(1)	–	–
Surplus non-controlling interest disallowed in common equity tier 1	(7)	–	–	–
Regulatory adjustments to the accounting basis	(44)	(15)	1 134	1 140
Defined benefit pension fund adjustment	(29)	–	–	–
Additional value adjustments	(15)	(15)	–	–
Cash flow hedging reserve	–	–	1 134	1 140
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	1 179	1 340	25 831	28 315
Additional Tier 1 capital	205	–	4 584	1 073
Additional Tier 1 instruments	274	–	5 267	1 534
Phase out of non-qualifying Additional Tier 1 instruments	(69)	–	(1 415)	(461)
Non-qualifying surplus capital attributable to non-controlling interests	–	–	(61)	–
Non-controlling interest in non-banking entities	–	–	793	–
Tier 1 capital	1 384	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.

° 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 £57 million for Investec plc and £15 million for IBP was 50bps and 10bps lower, 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	1 940	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.

° 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 £57 million for Investec plc and £15 million for IBP was 50bps and 10bps lower, respectively.

(continued)

CAPITAL REQUIREMENTS

At 31 March 2016	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
Capital requirements	984	939	32 064	30 684
Credit risk – prescribed standardised exposure classes	711	698	23 978	23 603
Corporates	341	338	13 402	13 278
Secured on real estate property	150	150	2 943	2 943
Short-term claims on institutions and corporates	–	–	4 905	4 876
Retail	44	44	483	483
Institutions	32	35	813	813
Other exposure classes	135	122	1 028	806
Securitisation exposures	9	9	404	404
Equity risk	8	8	4 104	4 005
Listed equities	3	3	334	305
Unlisted equities	5	5	3 770	3 700
Counterparty credit risk	41	41	569	569
Credit valuation adjustment risk	5	5	185	185
Market risk	76	74	501	475
Interest rate	27	27	66	66
Foreign exchange	23	21	212	212
Commodities	–	–	5	4
Equities	16	16	218	193
Options	10	10	–	–
Operational risk – standardised approach	143	113	2 727	1 847
At 31 March 2015				
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	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

* 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.



(continued)

RISK-WEIGHTED ASSETS

At 31 March 2016	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million
Risk-weighted assets	12 297	11 738	309 052	295 752
Credit risk – prescribed standardised exposure classes	8 883	8 720	231 113	227 504
Corporates	4 260	4 224	129 178	127 985
Secured on real estate property	1 876	1 876	28 361	28 361
Short-term claims on institutions and corporates	–	–	47 273	47 001
Retail	550	550	4 660	4 660
Institutions	397	439	7 838	7 838
Other exposure classes	1 693	1 524	9 910	7 766
Securitisation exposures	107	107	3 893	3 893
Equity risk	103	102	39 560	38 603
Listed equities	43	43	3 219	2 937
Unlisted equities	60	59	36 341	35 666
Counterparty credit risk	515	518	5 486	5 486
Credit valuation adjustment risk	57	58	1 783	1 783
Market risk	955	924	4 825	4 578
Interest rate	332	332	636	636
Foreign exchange	292	261	2 039	2 039
Commodities	–	–	46	46
Equities	201	201	2 104	1 857
Options	130	130	–	–
Operational risk – standardised approach	1 784	1 416	26 285	17 798
At 31 March 2015				
Risk-weighted assets	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	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

* 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.

(continued)

A SUMMARY OF CAPITAL ADEQUACY AND LEVERAGE RATIOS

As at 31 March 2016	Investec plc ^{o*}	IBP ^{o*}	Investec Limited ^{*^}	IBL [*]
Common equity tier 1 (as reported)	9.7%	12.2%	9.6%	10.6%
Common equity tier 1 ('fully loaded') ^{^^}	9.7%	12.2%	9.6%	10.6%
Tier 1 (as reported)	10.7%	12.2%	10.7%	11.0%
Total capital adequacy ratio (as reported)	15.1%	17.2%	14.0%	14.6%
Leverage ratio ^{**} – permanent capital	7.0%	7.7%	7.4% [#]	7.5% [#]
Leverage ratio ^{**} – current	7.0%	7.7%	6.9% [#]	7.3% [#]
Leverage ratio ^{**} – 'fully loaded' ^{^^}	6.3%	7.7%	6.3% [#]	7.1% [#]

As at 31 March 2015	Investec plc ^{o*}	IBP ^{o*}	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% [#]

Reconciliation of leverage ratios At 31 March 2016	Investec plc £'million*	IBP £'million*	Investec Limited R'million*	IBL R'million*
Total assets per accounting balance sheet	18 756	18 335	568 779	405 629
Deconsolidation of non-financial/other entities	(77)	(80)	(123 540)	–
Consolidation of banking associates	24	8	–	–
Total assets per regulatory balance sheet	18 703	18 263	445 239	405 629
Reversal of accounting values:				
Derivatives	(838)	(843)	(15 839)	(15 843)
Regulatory adjustments:	966	1 145	48 622	51 085
Derivatives market value	326	328	9 075	9 673
Derivative add-on amounts per the mark-to-market method	512	519	3 073	3 197
Securities financing transaction add-on for counterparty credit risk	126	126	389	389
Off-balance sheet items	595	554	37 595	38 521
Add-on for written credit derivatives	9	9	–	–
Exclusion of items already deducted from the capital measure	(602)	(391)	(1 510)	(695)
Exposure measure	18 831	18 565	478 022	440 871
Tier 1 capital	1 317	1 434	32 942	32 395
Leverage ratio^{**} – current	7.0%	7.7%	6.9%[#]	7.3%[#]
Tier 1 capital fully loaded	1 187	1 434	30 147	31 474
Leverage ratio^{**} – 'fully loaded'^{^^}	6.3%	7.7%	6.3%[#]	7.1%[#]

* 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.

^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 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 £46 million for Investec plc and £34 million for Investec Bank plc would be 40bps and 30bps lower, respectively. At 31 March 2015 the impact of the final proposed ordinary and preference dividends totalling £57 million for Investec plc and £15 million for IBP was 50bps and 10bps lower, 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.

[^] Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's common equity tier 1 ratio would be 16bps lower.



Financial review

(continued)

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	332 706
Deconsolidation of non-financial/other entities	(369)	(372)	(133 905)	–
Consolidation of banking associates	20	12	–	–
Total assets per regulatory balance sheet	17 923	17 583	359 728	332 706
Reversal of accounting values:				
Derivatives	(772)	(803)	(15 177)	(15 178)
Regulatory adjustments:	792	964	32 318	35 203
Derivatives market value	264	289	7 574	8 081
Derivative add-on amounts per the mark-to-market method	449	452	4 842	5 108
Securities financing transaction add-on for counterparty credit risk	324	324	(3 420)	(2 756)
Off-balance sheet items	315	301	24 253	24 960
Add-on for written credit derivatives	7	7	–	–
Exclusion of items already deducted from the capital measure	(567)	(409)	(931)	(190)
Exposure measure	17 943	17 744	376 869	352 731
Tier 1 capital	1 384	1 340	30 415	29 388
Leverage ratio** – current	7.7%	7.6%	8.1%[#]	8.3%[#]
Tier 1 capital 'fully loaded' ^{^^}	1 179	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.

^{^^} 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.

(continued)

Return on equity by country and business – statutory

£'000	31 March 2016	31 March 2015	Average	31 March 2014	Average
Calculation of average shareholders' equity					
Ordinary shareholders' equity	3 060 029	3 174 144	3 117 087	3 241 406	3 207 775
Goodwill and intangible assets (excluding software)	(503 996)	(494 111)	(499 054)	(577 816)	(535 964)
Adjusted tangible shareholders' equity	2 556 033	2 680 033	2 618 033	2 663 590	2 671 811

£'000	31 March 2016	31 March 2015
Operating profit*	540 794	504 858
Non-controlling interests	(51 730)	(29 885)
Accrued preference dividends, adjusted for currency hedge	(26 130)	(36 427)
Revised operating profit	462 934	438 546
Taxation on operating profit before goodwill and acquired intangibles	(103 202)	(99 023)
Adjusted attributable earnings to ordinary shareholders*	359 732	339 523
Pre-tax return on average adjusted shareholders' equity	14.9%	13.7%
Post-tax return on average adjusted shareholders' equity	11.5%	10.6%
Pre-tax return on average adjusted tangible shareholders' equity	17.7%	16.4%
Post-tax return on average adjusted tangible shareholders' equity	13.7%	12.7%

Return on equity on an ongoing basis is provided on page 30.

* Before goodwill, acquired intangibles and non-operating items.



Return on equity by geography

£'000	UK and Other	Southern Africa	Total group	UK and Other ongoing**
Operating profit*	178 360	362 434	540 794	256 695
Taxation on operating profit before goodwill and acquired intangibles	(35 335)	(67 867)	(103 202)	(50 284)
Non-controlling interests	(5 760)	(45 970)	(51 730)	(5 760)
Accrued preference dividend adjusted for currency hedge	(5 663)	(20 467)	(26 130)	(5 663)
Adjusted attributable earnings to ordinary shareholders – 31 March 2016	131 602	228 130	359 732	194 988
Adjusted attributable earnings to ordinary shareholders – 31 March 2015	90 810	248 713	339 523	161 197
Ordinary shareholders' equity – 31 March 2016	1 717 892	1 342 137	3 060 029	1 647 872
Goodwill and intangible assets (excluding software)	(475 300)	(28 696)	(503 996)	(475 300)
Tangible ordinary shareholders' equity – 31 March 2016	1 242 592	1 313 441	2 556 033	1 172 572
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
Average ordinary shareholders' equity – 31 March 2016	1 740 955	1 376 132	3 117 087	1 661 559
Average ordinary shareholders' equity – 31 March 2015	1 853 151	1 354 624	3 207 775	1 618 766
Average tangible shareholders' equity – 31 March 2016	1 258 967	1 359 066	2 618 033	1 179 572
Average tangible shareholders' equity – 31 March 2015	1 323 184	1 348 627	2 671 811	1 088 799
Post-tax return on average ordinary shareholders' equity – 31 March 2016	7.6%	16.6%	11.5%	11.7%
Post-tax return on average ordinary shareholders' equity – 31 March 2015	4.9%	18.4%	10.6%	10.0%
Post-tax return on average tangible shareholders' equity – 31 March 2016	10.5%	16.8%	13.7%	16.5%
Post-tax return on adjusted tangible shareholders' equity – 31 March 2015	6.9%	18.4%	12.7%	14.8%
Pre-tax return on adjusted average ordinary shareholders' equity – 31 March 2016	9.6%	21.5%	14.9%	14.8%
Pre-tax return on adjusted average ordinary shareholders' equity – 31 March 2015	6.4%	23.6%	13.7%	12.8%
Pre-tax return on average tangible ordinary shareholders' equity – 31 March 2016	13.3%	21.8%	17.7%	20.8%
Pre-tax return on average tangible ordinary shareholders' equity – 31 March 2015	9.0%	23.7%	16.4%	19.0%

* Before goodwill, acquired intangibles and non-operating items.

** Excluding the remaining UK legacy business as shown on page 33.

(continued)

Return on equity by business*

£'000	Asset Management	Wealth & Investment [^]	Specialist Banking	Specialist Banking ongoing ^{**}
Operating profit[#]	134 783	85 735	330 880	409 215
Notional return on regulatory capital	3 202	1 587	(4 789)	(4 789)
Notional cost of statutory capital	(4 887)	(9 139)	14 026	14 026
Cost of subordinated debt	(1 262)	(822)	2 084	2 084
Cost of preference shares	(499)	(237)	(25 394)	(25 394)
Adjusted earnings – 31 March 2016	131 337	77 124	316 807	395 142
Adjusted earnings – 31 March 2015	146 504	69 872	279 667	367 213
Ordinary shareholders' equity – 31 March 2016	171 629	246 302	2 483 048	2 413 028
Goodwill and intangible assets (excluding software)	(89 194)	(203 534)	(52 220)	(52 220)
Tangible ordinary shareholders' equity – 31 March 2016	82 435	42 768	2 430 828	2 360 808
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
Average ordinary shareholders' equity – 31 March 2016	166 139	250 810	2 541 088	2 461 693
Average ordinary shareholders' equity – 31 March 2015	153 886	273 984	2 620 856	2 304 617
Average tangible shareholders' equity – 31 March 2016	75 859	41 035	2 501 139	2 421 744
Average tangible shareholders' equity – 31 March 2015	62 008	51 336	2 558 469	2 242 229
Pre-tax return on adjusted average ordinary shareholders' equity – 31 March 2016	79.1%	30.7%	12.5%	16.1%
Pre-tax return on adjusted average ordinary shareholders' equity – 31 March 2015	95.2%	25.5%	10.7%	15.9%
Pre-tax return on average tangible ordinary shareholders' equity – 31 March 2016	173.1%	187.9%	12.7%	16.3%
Pre-tax return on average tangible ordinary shareholders' equity – 31 March 2015	236.3%	136.1%	10.9%	16.4%

* 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.

[^] 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 and intangible assets. These gains were excluded from group adjusted earnings.

^{**} Excluding the remaining UK legacy business as shown on page 33.

[#] Before goodwill, acquired intangibles, non-operating items and after other non-controlling interests.



Number of employees

By division – permanent employees	31 March 2016	31 March 2015
Asset Management		
UK and Other	473	457
Southern Africa*	992	977
Total	1 465	1 434
Wealth & Investment		
UK and Other	1 218	1 164
Southern Africa	314	297
Total	1 532	1 461
Specialist Banking		
UK and Other	1 912	1 841
Southern Africa	3 414	2 925
Australia	98	98
Total	5 424	4 864
Total number of permanent employees	8 421	7 759

* Includes Silica employees, its third party administration business.

By geography	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
UK and Other	3 603	3 462	3 231	3 357	3 214	2 635
Southern Africa	4 720	4 199	3 986	3 748	3 661	3 680
Australia	98	98	440	470	411	401
Temporary employees and contractors	545	495	601	576	495	521
Total number of employees	8 966	8 254	8 258	8 151	7 781	7 237

(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 2016	1 543	1 597	5 826	8 966
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
Average employees – year to 31 March 2016	1 525	1 565	5 520	8 610
Average employees – year to 31 March 2015	1 488	1 458	5 310	8 256
Operating profit* – year to 31 March 2016 (£'000)	134 783	85 735	330 880	551 398
Operating profit* – year to 31 March 2015 (£'000)	148 975	78 781	304 713	532 469
Operating profit per employee^ – 31 March 2016 (£'000)	88.4^^	54.8	59.9	58.7
Operating profit per employee^ – 31 March 2015 (£'000)	100.1^^	54.0	57.4	59.7

By geography	UK and Other	Southern Africa	Total group
Number of employees – 31 March 2016	3 869	5 097	8 966
Number of employees – 31 March 2015	3 729	4 525	8 254
Number of employees – 31 March 2014	3 854	4 404	8 258
Average employees – year to 31 March 2016	3 799	4 811	8 610
Average employees – year to 31 March 2015	3 791	4 465	8 256
Operating profit – year to 31 March 2016 (£'000)	182 863	322 730	505 593
Operating profit – year to 31 March 2015 (£'000)	144 109	349 048	493 157
Operating profit per employee^ – 31 March 2016 (£'000)	48.1	67.1	58.7
Operating profit per employee^ – 31 March 2015 (£'000)	38.0	78.2	59.7

* 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.



Total third party assets under management

£'million	31 March 2016	31 March 2015
Asset Management	75 679	77 510
UK and Other	51 076	50 622
Southern Africa	24 603	26 888
Wealth & Investment	45 459	46 076
UK and Other	29 769	29 562
Southern Africa	15 690	16 514
Property activities	436	412
Southern Africa	210	244
Australia	226	168
UK and other funds	109	108
	121 683	124 106

A FURTHER ANALYSIS OF THIRD PARTY ASSETS UNDER MANAGEMENT

At 31 March 2016 £'million	UK and Other	Southern Africa	Total
Asset Management	51 076	24 603	75 679
Mutual funds	18 289	11 388	29 677
Segregated mandates	32 787	13 215	46 002
Wealth & Investment	29 769	15 690	45 459
Discretionary	21 747	4 945	26 692
Non-discretionary	8 022	10 745	18 767
Property activities	226	210	436
UK and other funds	109	–	109
	81 180	40 503	121 683
At 31 March 2015 £'million	UK and Other	Southern Africa	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	7 960	11 540	19 500
Property activities	168	244	412
UK and other funds	108	–	108
	80 460	43 646	124 106

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.

At 31 March

£'000	2016	2015
Loans and advances to customers as per the balance sheet	17 681 572	16 740 263
Add: Own originated loans and advances securitised as per the balance sheet	437 243	448 647
Net core loans and advances to customers	18 118 815	17 188 910

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

At 31 March

£'000	2016	2015
Gross core loans and advances to customers	18 305 365	17 440 985
Total impairments	(186 550)	(252 075)
Specific impairments	(154 031)	(208 348)
Portfolio impairments	(32 519)	(43 727)
Net core loans and advances to customers	18 118 815	17 188 910
Average gross core loans and advances to customers	17 873 175	17 431 458
Current loans and advances to customers	17 713 634	16 650 156
Past due loans and advances to customers (1 – 60 days)	100 664	102 832
Special mention loans and advances to customers	24 998	79 636
Default loans and advances to customers	466 069	608 361
Gross core loans and advances to customers	18 305 365	17 440 985
Current loans and advances to customers	17 713 634	16 650 156
Default loans that are current and not impaired	70 718	70 589
Gross core loans and advances to customers that are past due but not impaired	178 238	244 095
Gross core loans and advances to customers that are impaired	342 775	476 145
Gross core loans and advances to customers	18 305 365	17 440 985
Total income statement charge for impairments on core loans and advances	(111 530)	(118 068)
Gross default loans and advances to customers	466 069	608 361
Specific impairments	(154 031)	(208 348)
Portfolio impairments	(32 519)	(43 727)
Defaults net of impairments	279 519	356 286
Aggregate collateral and other credit enhancements on defaults	377 575	488 258
Net default loans and advances to customers (limited to zero)	–	–
Ratios		
Total impairments as a % of gross core loans and advances to customers	1.02%	1.45%
Total impairments as a % of gross default loans	40.03%	41.44%
Gross defaults as a % of gross core loans and advances to customers	2.55%	3.49%
Defaults (net of impairments) as a % of net core loans and advances to customers	1.54%	2.07%
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)	0.62%	0.68%



Financial review

(continued)

ASSET QUALITY BY REGION

AN ANALYSIS OF CORE LOANS AND ADVANCES TO CUSTOMERS AND ASSET QUALITY BY GEOGRAPHY

	UK and Other		Southern Africa		Total group	
£'000	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Gross core loans and advances to customers	7 946 793	7 249 561	10 358 572	10 191 424	18 305 365	17 440 985
Total impairments	(143 191)	(188 444)	(43 359)	(63 631)	(186 550)	(252 075)
Specific impairments	(121 791)	(154 262)	(32 240)	(54 086)	(154 031)	(208 348)
Portfolio impairments	(21 400)	(34 182)	(11 119)	(9 545)	(32 519)	(43 727)
Net core loans and advances to customers	7 803 602	7 061 117	10 315 213	10 127 793	18 118 815	17 188 910
% of total	43.1%	41.1%	56.9%	58.9%	100.0%	100.0%
Average gross core loans and advances to customers	7 598 177	7 832 564	10 274 998	9 598 894	17 873 175	17 431 458
Current loans and advances to customers	7 561 596	6 733 402	10 152 038	9 916 754	17 713 634	16 650 156
Past due loans and advances to customers (1 – 60 days)	65 909	73 489	34 755	29 343	100 664	102 832
Special mention loans and advances to customers	5 354	42 556	19 644	37 080	24 998	79 636
Default loans and advances to customers	313 934	400 114	152 135	208 247	466 069	608 361
Gross core loans and advances to customers	7 946 793	7 249 561	10 358 572	10 191 424	18 305 365	17 440 985
Current loans and advances to customers	7 561 596	6 733 402	10 152 038	9 916 754	17 713 634	16 650 156
Default loans that are current and not impaired	29 639	26 785	41 079	43 804	70 718	70 589
Gross core loans and advances to customers that are past due but not impaired	99 383	146 428	78 855	97 667	178 238	244 095
Gross core loans and advances to customers that are impaired	256 175	342 946	86 600	133 199	342 775	476 145
Gross core loans and advances to customers	7 946 793	7 249 561	10 358 572	10 191 424	18 305 365	17 440 985
Total income statement charge for impairments on core loans and advances	(85 954)	(90 709)	(25 576)	(27 359)	(111 530)	(118 068)
Gross default loans and advances to customers	313 934	400 114	152 135	208 247	466 069	608 361
Specific impairments	(121 791)	(154 262)	(32 240)	(54 086)	(154 031)	(208 348)
Portfolio impairments	(21 400)	(34 182)	(11 119)	(9 545)	(32 519)	(43 727)
Defaults net of impairments	170 743	211 670	108 776	144 616	279 519	356 286
Aggregate collateral and other credit enhancements	202 524	280 697	175 051	207 561	377 575	488 258
Net default loans and advances to customers (limited to zero)	–	–	–	–	–	–

(continued)

ASSET QUALITY BY REGION (continued)

	UK and Other		Southern Africa		Total group	
£'000	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Ratios						
Total impairments as a % of gross core loans and advances to customers	1.80%	2.60%	0.42%	0.62%	1.02%	1.45%
Total impairments as a % of gross default loans	45.61%	47.10%	28.50%	30.56%	40.03%	41.44%
Gross defaults as a % of gross core loans and advances to customers	3.95%	5.52%	1.47%	2.04%	2.55%	3.49%
Defaults (net of impairments) as a % of net core loans and advances to customers	2.19%	3.00%	1.05%	1.43%	1.54%	2.07%
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)	1.13%	1.16%	0.26%	0.28%	0.62%	0.68%



Financial review

(continued)

AN ANALYSIS OF DEFAULT CORE LOANS AND ADVANCES AS AT 31 MARCH 2016

£'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	2 179 999	264 283	168 722	(101 064)	(65 891)
Commercial real estate	1 314 745	108 746	64 068	(45 030)	(28 293)
Commercial real estate – investment	1 096 376	61 090	43 958	(17 151)	(18 450)
Commercial real estate – development	109 086	11 138	3 647	(7 491)	(553)
Commercial vacant land and planning	109 283	36 518	16 463	(20 388)	(9 290)
Residential real estate	865 254	155 537	104 654	(56 034)	(37 598)
Residential real estate – investment	298 740	72 449	55 151	(20 907)	(11 646)
Residential real estate – development	516 352	56 651	30 390	(26 854)	(21 425)
Residential vacant land and planning	50 162	26 437	19 113	(8 273)	(4 527)
High net worth and other private client lending	1 458 552	19 532	18 650	(5 760)	(7 147)
Mortgages	1 146 241	4 307	7 489	(600)	(43)
High net worth and specialised lending	312 311	15 225	11 161	(5 160)	(7 104)
Corporate and other lending	4 308 242	30 119	15 152	(14 967)	(12 916)
Acquisition finance	899 190	–	–	–	(1 120)
Asset-based lending	296 389	–	–	–	–
Fund finance	673 379	–	–	–	–
Other corporates and financial institutions and governments	766 815	–	–	–	–
Asset finance	1 205 400	11 891	5 961	(5 930)	(3 683)
Small ticket asset finance	932 865	11 891	5 961	(5 930)	(3 683)
Large ticket asset finance	272 535	–	–	–	–
Project finance	449 266	3 708	3 708	–	(2 354)
Resource finance	17 803	14 520	5 483	(9 037)	(5 759)
Portfolio impairments				(21 400)	
Total	7 946 793	313 934	202 524	(143 191)	(85 954)

[^] Where a positive number represents a recovery or a provision released.

Southern Africa					Total group				
Gross core loans	Gross defaults	Aggregate collateral and other credit enhance- ments on defaults	Balance sheet impair- ments	Income state- ment impair- ments^	Gross core loans	Gross defaults	Aggregate collateral and other credit enhance- ments on defaults	Balance sheet impair- ments	Income statement impair- ments^
1 944 132	45 974	54 685	(6 395)	(3 897)	4 124 131	310 257	223 407	(107 459)	(69 788)
1 783 219	23 698	31 486	(4 405)	(3 403)	3 097 964	132 444	95 554	(49 435)	(31 696)
1 617 704	17 345	22 798	(2 980)	(1 957)	2 714 080	78 435	66 756	(20 131)	(20 407)
112 861	1 450	1 122	(470)	(395)	221 947	12 588	4 769	(7 961)	(948)
52 654	4 903	7 566	(955)	(1 051)	161 937	41 421	24 029	(21 343)	(10 341)
160 913	22 276	23 199	(1 990)	(494)	1 026 167	177 813	127 853	(58 024)	(38 092)
–	–	–	–	–	298 740	72 449	55 151	(20 907)	(11 646)
78 934	9 196	10 285	(92)	(3 446)	595 286	65 847	40 675	(26 946)	(24 871)
81 979	13 080	12 914	(1 898)	2 952	132 141	39 517	32 027	(10 171)	(1 575)
4 935 864	71 326	103 004	(8 117)	(13 813)	6 394 416	90 858	121 654	(13 877)	(20 960)
2 639 243	23 782	40 167	(1 911)	(2 307)	3 785 484	28 089	47 656	(2 511)	(2 350)
2 296 621	47 544	62 837	(6 206)	(11 506)	2 608 932	62 769	73 998	(11 366)	(18 610)
3 478 576	34 835	17 362	(17 728)	(7 866)	7 786 818	64 954	32 514	(32 695)	(20 782)
693 535	15 581	13 515	(3 305)	(4 784)	1 592 725	15 581	13 515	(3 305)	(5 904)
246 614	7 814	2 667	(6 751)	(2 485)	543 003	7 814	2 667	(6 751)	(2 485)
–	–	–	–	–	673 379	–	–	–	–
2 017 294	5 025	1 180	(1 256)	(940)	2 784 109	5 025	1 180	(1 256)	(940)
193 146	–	–	–	982	1 398 546	11 891	5 961	(5 930)	(2 701)
67 266	–	–	–	610	1 000 131	11 891	5 961	(5 930)	(3 073)
125 880	–	–	–	372	398 415	–	–	–	372
304 005	–	–	–	5 947	753 271	3 708	3 708	–	3 593
23 982	6 415	–	(6 416)	(6 586)	41 785	20 935	5 483	(15 453)	(12 345)
			(11 119)					(32 519)	
10 358 572	152 135	175 051	(43 359)	(25 576)	18 305 365	466 069	377 575	(186 550)	(111 530)



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)
High net worth and other private client lending	1 203 489	30 113	29 012	(11 048)	(12 139)
Mortgages	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 or a provision released.

(continued)

Southern Africa					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^
2 116 857	72 994	72 462	(19 791)	(10 055)	4 434 190	416 223	306 138	(154 242)	(75 532)
1 942 835	36 261	41 200	(10 219)	(8 061)	3 453 341	159 147	120 788	(61 736)	(39 254)
1 726 158	15 370	24 658	(1 746)	(2 100)	2 955 375	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)
4 647 469	83 302	106 385	(9 208)	(1 741)	5 850 958	113 415	135 397	(20 256)	(13 880)
2 764 265	25 663	41 973	(2 472)	(428)	3 716 882	33 640	54 988	(3 386)	(1 519)
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	(25 087)	(15 563)	7 156 117	78 723	46 723	(33 850)	(28 656)
906 000	26 784	17 389	(12 392)	(10 422)	1 637 195	26 784	17 389	(12 392)	(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)



Statutory segmental geographic analysis – income statement

For the year to 31 March 2016
£'000

	UK and Other	Southern Africa	Total group
Net interest income	260 945	312 824	573 769
Net fee and commission income	709 758	351 867	1 061 625
Investment income	62 120	108 288	170 408
Trading income arising from			
– customer flow	92 681	17 546	110 227
– balance sheet management and other trading activities	(7 983)	19 360	11 377
Other operating income	10 853	1 237	12 090
Total operating income before impairment on loans and advances	1 128 374	811 122	1 939 496
Impairment losses on loans and advances	(84 217)	(25 299)	(109 516)
Operating income	1 044 157	785 823	1 829 980
Operating costs	(863 648)	(423 373)	(1 287 021)
Depreciation on operating leased assets	(2 149)	(16)	(2 165)
Operating profit before goodwill and acquired intangibles	178 360	362 434	540 794
Loss/(profit) attributable to other non-controlling interests	4 503	(39 704)	(35 201)
Operating profit before goodwill, acquired intangibles and after other non-controlling interests	182 863	322 730	505 593
Profit attributable to Asset Management non-controlling interests	(10 263)	(6 266)	(16 529)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	172 600	316 464	489 064
Impairment of goodwill	–	(1 577)	(1 577)
Amortisation of acquired intangibles	(14 477)	(1 771)	(16 248)
Net (loss)/gain on disposal of subsidiaries	(4 805)	27	(4 778)
Earnings attributable to shareholders before taxation	153 318	313 143	466 461
Taxation on operating profit before goodwill and acquired intangibles	(35 335)	(67 867)	(103 202)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	4 701	496	5 197
Earnings attributable to shareholders	122 684	245 772	368 456
Selected returns and key statistics			
ROE (post-tax)	7.6%	16.6%	11.5%
Return on tangible equity (post-tax)	10.5%	16.8%	13.7%
Cost to income ratio	76.7%	52.2%	66.4%
Staff compensation to operating income	54.8%	36.2%	47.0%
Operating profit per employee (£'000)	48.1	67.1	58.7
Effective operational tax rate	19.8%	18.7%	19.1%
Total assets (£'million)	18 489	26 863	45 352

Statutory segmental geographic analysis – income statement

FIVE

(continued)

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 business and geographic analysis – income statement

	Asset Management			Wealth & Investment		
For the year to 31 March 2016 £'000	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total
Net interest income	290	3 614	3 904	4 064	3 266	7 330
Net fee and commission income	275 252	140 276	415 528	244 993	64 087	309 080
Investment income	–	44	44	5 817	255	6 072
Trading income arising from						
– customer flow	–	–	–	333	(17)	316
– balance sheet management and other trading activities	1 656	12	1 668	236	273	509
Other operating income	(1 135)	1 606	471	1 191	2	1 193
Total operating income before impairment losses on loans and advances	276 063	145 552	421 615	256 634	67 866	324 500
Impairment losses on loans and advances	–	–	–	–	–	–
Operating income	276 063	145 552	421 615	256 634	67 866	324 500
Operating costs	(199 210)	(87 622)	(286 832)	(193 507)	(45 258)	(238 765)
Depreciation on operating leased assets	–	–	–	–	–	–
Operating profit/(loss) before goodwill and acquired intangibles	76 853	57 930	134 783	63 127	22 608	85 735
(Profit)/loss attributable to other non-controlling interests	–	–	–	–	–	–
Operating profit/(loss) before goodwill, acquired intangibles and after other non-controlling interests	76 853	57 930	134 783	63 127	22 608	85 735
Profit attributable to Asset Management non-controlling interests	(10 263)	(6 266)	(16 529)	–	–	–
Operating profit/(loss) before goodwill, acquired intangibles and after non-controlling interests	66 590	51 664	118 254	63 127	22 608	85 735
Selected returns and key statistics						
Cost to income ratio	72.2%	60.2%	68.0%	75.4%	66.7%	73.6%
Staff compensation to operating income	54.3%	36.5%	48.2%	55.8%	46.3%	53.8%

Statutory segmental business and geographic analysis – income statement

FIVE

(continued)

Specialist Banking			Group costs			
UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	Total group
256 591	305 944	562 535	–	–	–	573 769
189 513	147 504	337 017	–	–	–	1 061 625
56 303	107 989	164 292	–	–	–	170 408
92 348	17 563	109 911	–	–	–	110 227
(9 875)	19 075	9 200	–	–	–	11 377
10 797	(371)	10 426	–	–	–	12 090
595 677	597 704	1 193 381	–	–	–	1 939 496
(84 217)	(25 299)	(109 516)	–	–	–	(109 516)
511 460	572 405	1 083 865	–	–	–	1 829 980
(435 771)	(279 848)	(715 619)	(35 160)	(10 645)	(45 805)	(1 287 021)
(2 149)	(16)	(2 165)	–	–	–	(2 165)
73 540	292 541	366 081	(35 160)	(10 645)	(45 805)	540 794
4 503	(39 704)	(35 201)	–	–	–	(35 201)
78 043	252 837	330 880	(35 160)	(10 645)	(45 805)	505 593
–	–	–	–	–	–	(16 529)
78 043	252 837	330 880	(35 160)	(10 645)	(45 805)	489 064
73.4%	46.8%	60.1%	n/a	n/a	n/a	66.4%
54.6%	35.0%	44.8%	n/a	n/a	n/a	47.0%



Statutory segmental business and geographic analysis – income statement

(continued)

	Asset Management			Wealth & Investment		
For the year to 31 March 2015 £'000	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/(loss) 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/(loss) 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/(loss) 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%

Statutory segmental business and geographic analysis – income statement

FIVE

(continued)

Specialist Banking			Group costs			
UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	Total group
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%	n/a	n/a	n/a	67.6%
55.6%	34.6%	45.2%	n/a	n/a	n/a	47.4%

FINANCIAL REVIEW AND ADDITIONAL INFORMATION – STATUTORY BASIS



Statutory segmental business analysis – income statement

For the year to 31 March 2016 £'000	Asset Management	Wealth & Investment	Specialist Banking	Group costs	Total group
Net interest income	3 904	7 330	562 535	–	573 769
Net fee and commission income	415 528	309 080	337 017	–	1 061 625
Investment income	44	6 072	164 292	–	170 408
Trading income arising from					
– customer flow	–	316	109 911	–	110 227
– balance sheet management and other trading activities	1 668	509	9 200	–	11 377
Other operating income	471	1 193	10 426	–	12 090
Total operating income before impairment on loans and advances	421 615	324 500	1 193 381	–	1 939 496
Impairment losses on loans and advances	–	–	(109 516)	–	(109 516)
Operating income	421 615	324 500	1 083 865	–	1 829 980
Operating costs	(286 832)	(238 765)	(715 619)	(45 805)	(1 287 021)
Depreciation on operating leased assets	–	–	(2 165)	–	(2 165)
Operating profit/(loss) before goodwill and acquired intangibles	134 783	85 735	366 081	(45 805)	540 794
Profit attributable to other non-controlling interests	–	–	(35 201)	–	(35 201)
Operating profit/(loss) before goodwill, acquired intangibles and after other non-controlling interests	134 783	85 735	330 880	(45 805)	505 593
Profit attributable to Asset Management non-controlling interests	(16 529)	–	–	–	(16 529)
Operating profit/(loss) before goodwill, acquired intangibles and after non-controlling interests	118 254	85 735	330 880	(45 805)	489 064
Selected returns and key statistics					
ROE (pre-tax)	79.1%	30.7%	12.5%	n/a	14.9%
Return on tangible equity (pre-tax)	173.1%	187.9%	12.7%	n/a	17.7%
Cost to income ratio	68.0%	73.6%	60.1%	n/a	66.4%
Staff compensation to operating income	48.2%	53.8%	44.8%	n/a	47.0%
Operating profit per employee (£'000)	88.3	54.8	59.9	n/a	58.7
Total assets (£'million)	579	1 794	42 979	n/a	45 352

Statutory segmental business analysis – income statement

FIVE

(continued)

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/(loss) 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 (pre-tax)	95.2%	25.5%	10.7%	n/a	13.7%
Return on tangible equity (pre-tax)	236.3%	136.1%	10.9%	n/a	16.4%
Cost to income ratio	65.8%	74.8%	63.1%	n/a	67.6%
Staff compensation to operating income	47.6%	55.9%	45.2%	n/a	47.4%
Operating profit per employee (£'000)	100.1	54.0	57.4	n/a	59.7
Total assets (£'million)	626	1 655	42 072	n/a	44 353



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

At 31 March 2016 £'000	UK and Other	Southern Africa	Total group
Assets			
Cash and balances at central banks	2 638 069	369 200	3 007 269
Loans and advances to banks	1 103 198	1 395 387	2 498 585
Non-sovereign and non-bank cash placements	–	466 573	466 573
Reverse repurchase agreements and cash collateral on securities borrowed	446 954	2 050 171	2 497 125
Sovereign debt securities	1 252 991	1 955 871	3 208 862
Bank debt securities	181 365	715 490	896 855
Other debt securities	393 652	556 298	949 950
Derivative financial instruments	831 295	749 654	1 580 949
Securities arising from trading activities	524 344	594 730	1 119 074
Investment portfolio	451 000	209 795	660 795
Loans and advances to customers	7 803 602	9 877 970	17 681 572
Own originated loans and advances to customers securitised	–	437 243	437 243
Other loans and advances	304 223	17 394	321 617
Other securitised assets	150 565	9 730	160 295
Interests in associated undertakings	23 587	243 512	267 099
Deferred taxation assets	85 050	27 085	112 135
Other assets	1 683 290	409 371	2 092 661
Property and equipment	56 374	34 514	90 888
Investment properties	79 051	859 828	938 879
Goodwill	356 994	11 045	368 039
Intangible assets	123 480	24 800	148 280
	18 489 084	21 015 661	39 504 745
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	–	5 847 036	5 847 036
	18 489 084	26 862 697	45 351 781
Liabilities			
Deposits by banks	501 259	1 896 144	2 397 403
Derivative financial instruments	947 502	635 345	1 582 847
Other trading liabilities	226 598	730 820	957 418
Repurchase agreements and cash collateral on securities lent	281 260	690 386	971 646
Customer accounts (deposits)	10 800 668	13 243 613	24 044 281
Debt securities in issue	1 702 098	597 653	2 299 751
Liabilities arising on securitisation of own originated loans and advances	–	85 650	85 650
Liabilities arising on securitisation of other assets	120 617	234	120 851
Current taxation liabilities	140 959	51 296	192 255
Deferred taxation liabilities	33 834	21 652	55 486
Other liabilities	1 318 156	484 811	1 802 967
	16 072 951	18 437 604	34 510 555
Liabilities to customers under investment contracts	–	5 845 503	5 845 503
Insurance liabilities, including unit-linked liabilities	–	1 533	1 533
	16 072 951	24 284 640	40 357 591
Subordinated liabilities	597 309	537 574	1 134 883
	16 670 260	24 822 214	41 492 474

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

FIVE

(continued)

FINANCIAL REVIEW AND ADDITIONAL INFORMATION – STATUTORY BASIS

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



Shareholder analysis

Investec ordinary shares

As at 31 March 2016, Investec plc and Investec Limited had 617.4 million and 291.4 million ordinary shares in issue respectively.

SPREAD OF ORDINARY SHAREHOLDERS AS AT 31 MARCH 2016

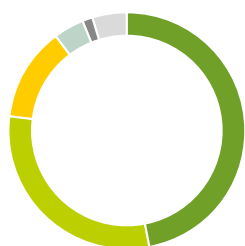
Investec plc ordinary shares in issue

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
15 391	1 – 500	54.0%	2 831 046	0.4%
4 666	501 – 1 000	16.4%	3 579 883	0.6%
5 445	1 001 – 5 000	19.1%	12 289 439	2.0%
995	5 001 – 10 000	3.5%	7 249 498	1.2%
1 146	10 001 – 50 000	4.0%	27 647 593	4.5%
309	50 001 – 100 000	1.1%	21 977 520	3.5%
554	100 001 and over	1.9%	541 843 885	87.8%
28 506		100.0%	617 418 864	100.0%

Investec Limited ordinary shares in issue

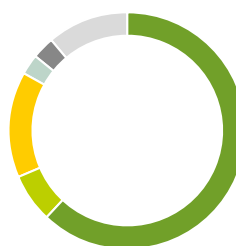
Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
3 383	1 – 500	42.1%	703 530	0.2%
1 382	501 – 1 000	17.2%	1 065 453	0.4%
1 724	1 001 – 5 000	21.5%	3 992 596	1.4%
418	5 001 – 10 000	5.2%	3 094 108	1.1%
690	10 001 – 50 000	8.6%	16 711 411	5.7%
162	50 001 – 100 000	2.0%	11 493 717	3.9%
270	100 001 and over	3.4%	254 302 891	87.3%
8 029		100.0%	291 363 706	100.0%

GEOGRAPHICAL HOLDING BY BENEFICIAL ORDINARY SHARE OWNER AS AT 31 MARCH 2016



Investec plc

47.0%	South Africa
30.0%	UK
12.8%	USA and Canada
4.1%	Rest of Europe
1.5%	Asia
4.6%	Other countries and unknown



Investec Limited

62.0%	South Africa
6.7%	UK
14.5%	USA and Canada
2.9%	Rest of Europe
2.8%	Asia
11.1%	Other countries and unknown

Largest ordinary shareholders as at 31 March 2016

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)	47 208 864	7.6%
2. BlackRock Inc (UK & US)	31 339 094	5.1%
3. Allan Gray (ZA)	31 199 907	5.1%
4. Old Mutual (ZA)	25 291 526	4.1%
5. Prudential Group (ZA)	22 287 014	3.6%
6. T Rowe Price Associates (UK)	21 301 483	3.5%
7. Royal London Mutual Assurance Society (UK)	17 606 939	2.9%
8. Investec Staff Share Schemes (UK)	16 141 177	2.6%
9. State Street Corporation (UK and US)	15 671 161	2.5%
10. Legal & General Investment Mgt (UK)	15 555 721	2.5%
	243 602 886	39.5%

The top 10 shareholders account for 39.5% 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)	34 648 763	11.9%
2. Investec Staff Share Schemes (ZA)	24 168 089	8.3%
3. Old Mutual (ZA)	20 128 341	6.9%
4. Allan Gray (ZA)	13 565 085	4.7%
5. Sanlam Group (ZA)	13 180 460	4.5%
6. Dimensional Fund Advisors (UK and US)	10 185 439	3.5%
7. Coronation Fund Mgrs (ZA)	8 827 801	3.0%
8. MMI Holdings (ZA)	8 462 492	2.9%
9. BlackRock Inc (UK and US)	8 343 386	2.9%
10. Vanguard Group (UK and US)	8 174 947	2.8%
	149 684 803	51.4%

The top 10 shareholders account for 51.4% of the total shareholding in Investec Limited. 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.



Shareholder analysis

(continued)

Share statistics

INVESTEC PLC

For the year ended	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Closing market price per share (Pounds Sterling)							
– year ended	5.13	5.61	4.85	4.59	3.82	4.78	5.39
– highest	6.47	6.06	5.08	5.14	5.22	5.50	5.62
– lowest	4.03	4.91	3.66	3.10	3.18	4.29	2.87
Number of ordinary shares in issue (million) ¹	617.4	613.6	608.8	605.2	598.3	537.2	471.1
Market capitalisation (£'million) ¹	3 167	3 442	2 953	2 778	2 286	2 568	2 539
Daily average volumes of share traded ('000)	1 474	2 170	1 985	1 305	1 683	1 634	1 933
Price earnings ratio ²	12.4	14.2	12.8	12.7	12.0	11.1	12.0
Dividend cover (times) ²	2.0	2.0	2.0	2.0	1.9	2.5	2.8
Dividend yield (%) ²	4.1	3.5	3.9	3.9	4.5	3.6	3.0
Earnings yield (%) ²	8.1	7.0	7.8	7.9	8.3	9.0	8.4

INVESTEC LIMITED

For the year ended	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Closing market price per share (Rands)							
– year ended	109.91	100.51	84.84	64.26	47.16	52.80	62.49
– highest	121.90	107.35	85.04	69.89	57.36	65.50	65.40
– lowest	93.91	86.02	59.00	41.31	42.00	49.49	37.51
Number of ordinary shares in issue (million) ³	291.4	285.7	282.9	279.6	276.0	272.8	269.8
Market capitalisation (R'million) ³	99 886	90 388	75 652	56 857	41 232	42 768	46 299
Market capitalisation (£'million) ³	4 662	5 045	4 325	4 061	3 340	3 872	3 378
Daily average volume of shares traded ('000)	963	739	810	980	1 033	794	1 068

¹ The LSE only include the shares in issue for Investec plc, i.e. currently 617.4 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 908.8 million shares in issue.

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 2016

Investec plc perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
110	1 – 500	11.3%	29 252	0.2%
144	501 – 1 000	14.7%	118 700	0.8%
478	1 001 – 5 000	48.9%	1 016 526	6.7%
80	5 001 – 10 000	8.2%	610 432	4.0%
106	10 001 – 50 000	10.8%	2 306 340	15.3%
29	50 001 – 100 000	3.0%	1 969 828	13.1%
30	100 001 and over	3.1%	9 030 071	59.9%
977		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
90	1 – 500	21.5%	25 015	1.1%
81	501 – 1 000	19.4%	63 148	2.8%
169	1 001 – 5 000	40.4%	383 494	16.8%
33	5 001 – 10 000	7.9%	253 326	11.1%
37	10 001 – 50 000	8.8%	747 193	32.8%
4	50 001 – 100 000	1.0%	237 910	10.5%
4	100 001 and over	1.0%	565 854	24.9%
418		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
919	1 – 500	17.0%	295 199	0.9%
1 297	501 – 1 000	24.0%	1 090 380	3.4%
2 374	1 001 – 5 000	44.0%	5 552 526	17.2%
393	5 001 – 10 000	7.4%	2 830 926	8.8%
350	10 001 – 50 000	6.5%	6 874 433	21.4%
22	50 001 – 100 000	0.4%	1 687 642	5.2%
38	100 001 and over	0.7%	13 883 393	43.1%
5 393		100.0%	32 214 499	100.0%



Shareholder analysis

(continued)

Investec Limited redeemable preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
975	1 – 500	87.4%	136 044	22.8%
69	501 – 1 000	6.2%	49 962	8.4%
49	1 001 – 5 000	4.4%	106 338	17.8%
11	5 001 – 10 000	1.0%	74 460	12.5%
10	10 001 – 50 000	0.9%	177 011	29.7%
1	50 001 – 100 000	0.1%	52 930	8.9%
–	100 001 and over	–	–	–
1 115		100.0%	596 745	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
749	1 – 500	20.4%	223 248	1.4%
1 051	501 – 1 000	28.7%	910 981	5.9%
1 412	1 001 – 5 000	38.5%	3 354 204	21.7%
228	5 001 – 10 000	6.2%	1 692 785	11.0%
187	10 001 – 50 000	5.1%	3 558 715	23.0%
19	50 001 – 100 000	0.5%	1 354 996	8.8%
21	100 001 and over	0.6%	4 352 701	28.2%
3 667		100.0%	15 447 630	100.0%

LARGEST PERPETUAL PREFERENCE SHAREHOLDERS AS AT 31 MARCH 2016

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

Investec plc perpetual preference shares

Pershing Nominees Limited (6.1%)

Chase Nominees Limited (Artemis) (6.6%)

Investec plc (Rand denominated) perpetual preference shares

NES Investments (Pty) Limited (5.3%)

Regent Insurance Company Limited (6.6%)

Old Mutual Foundation Trust (8.1%)

Investec Limited perpetual preference shares

Standard Chartered Bank – Coronation Strategic Income fund (5.2%)

Standard Chartered Bank – Coronation Capital Plus fund (5.4%)

Investec Limited redeemable preference shares

Febros Nominees (Pty) Ltd (14.6%)

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 2016.



Six

Annexures



Annexure 1 – Definitions

ADJUSTED SHAREHOLDERS' EQUITY

Refer to calculation on page 101

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 105

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 66

ADJUSTED EARNINGS PER ORDINARY SHARE BEFORE GOODWILL, ACQUIRED INTANGIBLES AND NON-OPERATING ITEMS

Refer to page 66

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 90

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 103

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 101

RETURN ON AVERAGE ADJUSTED TANGIBLE SHAREHOLDERS' EQUITY

Refer to calculation on page 101

RETURN ON RISK-WEIGHTED ASSETS

Adjusted earnings divided by average risk-weighted assets

RISK-WEIGHTED ASSETS

Calculated as the sum of risk-weighted assets for Investec plc and Investec Limited (converted into Pounds Sterling) as reflected on page 96

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 66

Investec plc

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

ORDINARY SHARE DIVIDEND ANNOUNCEMENT

In terms of the DLC structure, Investec plc shareholders registered on the United Kingdom share register 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 registered on the South African branch register 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.

Declaration of dividend number 28

Notice is hereby given that a final dividend number 28, being a gross dividend of 11.5 pence (2015: 11.5 pence) per ordinary share has been recommended by the board from income reserves in respect of the financial year ended 31 March 2016 payable to shareholders recorded in the members' register of the company at the close of business on Friday, 29 July 2016:

- for Investec plc shareholders, registered on the United Kingdom share register, through a dividend payment by Investec plc from income reserves of 11.5 pence per ordinary share
- for Investec plc shareholders, registered on the South African branch register, through a dividend payment by Investec plc from income reserves of 2.0 pence per ordinary share and through a dividend paid by Investec Limited, on the SA DAS share, payable from income reserves, equivalent to 9.5 pence per ordinary share.

The relevant dates for the payment of dividend number 28 are as follows:

Last day to trade *cum*-dividend

On the Johannesburg Stock Exchange (JSE)	Tuesday, 26 July 2016
On the London Stock Exchange (LSE)	Wednesday, 27 July 2016

Shares commence trading *ex*-dividend

On the Johannesburg Stock Exchange (JSE)	Wednesday, 27 July 2016
On the London Stock Exchange (LSE)	Thursday, 28 July 2016

Record date (on the JSE and LSE)

Friday, 29 July 2016

Payment date (on the JSE and LSE)

Wednesday, 10 August 2016

Share certificates on the South African branch register may not be dematerialised or rematerialised between Wednesday, 27 July 2016 and Friday, 29 July 2016, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 27 July 2016 and Friday, 29 July 2016, both dates inclusive.

on the South African branch register and the dividend paid by Investec Limited to Investec plc shareholders on the SA DAS share are subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)

- Shareholders registered on the South African branch register who are exempt from paying the Dividend Tax will receive a net dividend of 266.00000 cents per share, comprising 219.73913 cents per share paid by Investec Limited on the SA DAS share and 46.26087 cents per ordinary share paid by Investec plc
- Shareholders registered on the South African branch register who are not exempt from paying the Dividend Tax will receive a net dividend of 226.10000 cents per share (gross dividend of 266.10000 cents per share less Dividend Tax of 39.90000 cents per share).

By order of the board



D Miller
Company secretary
18 May 2016

Additional information for South African resident shareholders of Investec plc

- Shareholders registered on the South African branch register are advised that the distribution of 11.5 pence, equivalent to a gross dividend of 266.00000 cents per share, has been arrived at using the Rand/Pounds Sterling average buy/sell forward rate, as determined at 11:00 (SA time) on Wednesday, 18 May 2016
- Investec plc United Kingdom tax reference number: 2683967322360
- The issued ordinary share capital of Investec plc is 617 418 864 ordinary shares
- The dividend paid by Investec plc to South African resident shareholders registered



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 121

Notice is hereby given a final dividend number 121, being a gross dividend of 266.00000 cents (2015: 216.00000 cents) per ordinary share has been recommended by the board from income reserves in respect of the financial year ended 31 March 2016, payable to shareholders recorded in the shareholders' register of the company at the close of business on Friday, 29 July 2016.

The relevant dates for the payment of dividend number 121 are as follows:

Last day to trade <i>cum</i> -dividend	Tuesday, 26 July 2016
Shares commence trading <i>ex</i> -dividend	Wednesday, 27 July 2016
Record date	Friday, 29 July 2016
Payment date	Wednesday, 10 August 2016

The final gross dividend of 266.00000 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 11:00 (SA time) on Wednesday, 18 May 2016.

Share certificates may not be dematerialised or rematerialised between Wednesday, 27 July 2016 and Friday, 29 July 2016, both dates inclusive.

Additional information to take note of:

- Investec Limited South African tax reference number: 9800/181/71/2
- The issued ordinary share capital of Investec Limited is 291 363 706 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 266.00000 cents per ordinary share
- Shareholders who are not exempt from paying the Dividend Tax will receive a net dividend of 226.10000 cents per ordinary share (gross dividend of 266.00000 cents per ordinary share less Dividend Tax of 39.90000 cents per ordinary share).

By order of the board

N van Wyk
Company secretary
18 May 2016

Investec plc

Incorporated in England and Wales
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 20

Notice is hereby given that preference dividend number 20 has been declared from income reserves for the period 01 October 2015 to 31 March 2016 amounting to a gross preference dividend of 7.52055 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, 10 June 2016.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 7.52055 pence per preference share is equivalent to a gross dividend of 172.35822 cents per share, which has been determined using the Rand/Pounds Sterling average buy/sell forward rate as at 11:00 (SA Time) on Wednesday, 18 May 2016.

The relevant dates relating to the payment of dividend number 20 are as follows:

Last day to trade *cum*-dividend

On the Channel Islands Stock Exchange (CISX)	Wednesday, 08 June 2016
On the Johannesburg Stock Exchange (JSE)	Friday, 03 June 2016

Shares commence trading *ex*-dividend

On the Channel Islands Stock Exchange (CISX)	Thursday, 09 June 2016
On the Johannesburg Stock Exchange (JSE)	Monday, 06 June 2016

Record date (on the JSE and CISX)	Friday, 10 June 2016
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Payment date (on the JSE and CISX)	Monday, 20 June 2016
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Share certificates may not be dematerialised or rematerialised between Monday, 06 June 2016 and Friday, 10 June 2016, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Monday, 06 June 2016 and Friday, 10 June 2016, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Investec plc United Kingdom 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 shareholders recorded on the South African branch register is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- The net dividend amounts to 146.50449 cents per preference share for preference shareholders liable to pay the Dividend Tax and 172.35822 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board



D Miller

Company secretary
18 May 2016



Annexure 2 – Dividend announcements

(continued)

Investec plc

Incorporated in England and Wales
Registration number 3633621
JSE 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 10

Notice is hereby given that preference dividend number 10 has been declared from income reserves for the period 01 October 2015 to 31 March 2016 amounting to a gross preference dividend of 470.25000 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, 10 June 2016.

The relevant dates relating to the payment of dividend number 10 are as follows:

Last day to trade <i>cum</i> -dividend	Friday, 03 June 2016
Shares commence trading <i>ex</i> -dividend	Monday, 06 June 2016
Record date	Friday, 10 June 2016
Payment date	Monday, 20 June 2016

Share certificates may not be dematerialised or rematerialised between Monday, 06 June 2016 and Friday, 10 June 2016, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Investec plc United Kingdom tax reference number: 2683967322360
- The issued Rand-denominated preference share capital of Investec plc is 2 275 940 preference shares
- The dividend paid by Investec plc to shareholders recorded on the South African register is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- The net dividend amounts to 399.71250 cents per preference share for preference shareholders liable to pay the Dividend Tax and 470.25000 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

D Miller
Company secretary
18 May 2016

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 23

Notice is hereby given that preference dividend number 23 has been declared from income reserves for the period 01 October 2015 to 31 March 2016 amounting to a gross preference dividend of 384.96150 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, 10 June 2016.

The relevant dates for the payment of dividend number 23 are as follows:

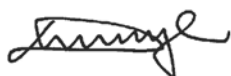
Last day to trade <i>cum</i> -dividend	Friday, 03 June 2016
Shares commence trading ex-dividend	Monday, 06 June 2016
Record date	Friday, 10 June 2016
Payment date	Monday, 20 June 2016

Share certificates may not be dematerialised or rematerialised between Monday, 06 June 2016 and Friday, 10 June 2016, both dates inclusive.

Additional information to take note of:

- Investec Limited South African 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 327.21728 cents per preference share for shareholders liable to pay the Dividend Tax and 384.96150 cents per preference share for preference shareholders exempt from paying the dividend tax.

By order of the board



N van Wyk
Company secretary
18 May 2016



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 26

Notice is hereby given that preference dividend number 26 has been declared by the board from income reserves for the period 01 October 2015 to 31 March 2016 amounting to a gross preference dividend of 412.48350 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, 10 June 2016.

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

Last day to trade <i>cum</i> -dividend	Friday, 03 June 2016
Shares commence trading <i>ex</i> -dividend	Monday, 06 June 2016
Record date	Friday, 10 June 2016
Payment date	Monday, 20 June 2016

Share certificates may not be dematerialised or rematerialised between Monday, 06 June 2016 and Friday, 10 June 2016, both dates inclusive.

Additional information to take note of:

- Investec Bank Limited 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 350.61098 cents per preference share for shareholders liable to pay the Dividend Tax and 412.48350 cents per preference share for preference shareholders exempt from paying the dividend tax.

By order of the board

N van Wyk
Company secretary
18 May 2016

Investec plc and Investec Limited

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REGISTRATION NUMBER

Investec plc

Registration number 3633621

Investec Limited

Registration number 1925/002833/06

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DIRECTORATE

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Bernard Kantor (managing director)
Glynn R Burger (group risk and finance director)
Hendrik J du Toit (chief executive officer, Investec Asset Management)

Non-executive directors

Fani Titi (chairman)
Zarina Bassa
Laurel Bowden
Cheryl A Carolus
Perry KO Crosthwaite (senior independent NED)
David Friedland
Charles Jacobs
Ian R Kantor
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