

2016

INVESTEC PLC AND INVESTEC LIMITED (COMBINED RESULTS)

Unaudited combined
consolidated financial
results for the year to
31 March 2016



Out of the Ordinary®



Unaudited combined consolidated financial results for the year ended 31 March 2016

This announcement covers the results of the Investec group for the year ended 31 March 2016.

BASIS OF PRESENTATION

Statutory basis

Statutory information is set out in a separate section in this announcement. The sale of businesses during the previous financial year (further detail is provided in the "Notes to the commentary section") 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;
- 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.

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.

OVERVIEW OF RESULTS

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 GBP5.3 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 GBP505.6 million (2015: GBP493.2 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 GBP583.9 million (2015: GBP580.7 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 GBP121.7 billion (31 March 2015: GBP124.1 billion) – an increase of 3.8% on a currency neutral basis.
- Customer accounts (deposits) increased 6.3% to GBP24.0 billion (31 March 2015: GBP22.6 billion) - an increase of 16.6% on a currency neutral basis.
- Core loans and advances increased 6.3% to GBP17.5 billion (31 March 2015: GBP16.5 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 GBP695 million at 31 March 2015 to GBP583 million through redemptions and write-offs.
- The legacy business reported a loss before taxation of GBP78.3 million (2015: GBP107.7 million) with impairments on the legacy portfolio reducing 18.4% from GBP83.5 million to GBP68.1 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 GBP11.0 billion.

DIVIDEND INCREASE OF 5.0%

- The board proposes 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.

Stephen Koseff, Chief Executive Officer of Investec said:

"The decisive action we took within the Specialist Bank in prior years, supported by continued penetration of our target client base, has achieved strong results. Wealth and Investment's increased collaboration with the Private Banking business is proving successful. Asset Management have continued to see good net inflows across their client groups. Overall a good performance in a challenging environment reinforces our strategy of building a diversified business model."

Bernard Kantor, Managing Director of Investec said:

"These results demonstrate our ability to deliver a good and consistent performance even when faced with uncertain economic conditions. The growth of our loan book in both the UK and South Africa and net new fund inflows of over GBP5 billion is testament to the quality of our people and the strength of our client franchises."

FOR FURTHER INFORMATION PLEASE CONTACT:

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PRESENTATION/CONFERENCE CALL DETAILS

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

Viewing options as below:

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

ABOUT INVESTEC

Investec is an international specialist bank and asset manager that provides a diverse range of financial products and services to a niche client base in three principal markets – the UK and Europe, South Africa and Asia/Australia as well as certain other countries. The group was established in 1974 and currently has approximately 9 000 employees.

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

In July 2002 the Investec group implemented a dual listed company structure with listings on the London and Johannesburg Stock Exchanges. The combined group's current market capitalisation is approximately GBP4.3 billion.

**INVESTEC PLC AND INVESTEC LIMITED (COMBINED RESULTS)
UNAUDITED COMBINED CONSOLIDATED FINANCIAL RESULTS FOR THE
YEAR ENDED 31 MARCH 2016**

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

OVERALL GROUP PERFORMANCE – ONGOING BASIS

Operating profit before goodwill, acquired intangibles, non-operating items and taxation and after other non-controlling interests ("operating profit") increased 0.6% to GBP583.9 million (2015: GBP580.7 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 Rand, whilst 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 GBP423.1 million (2015: GBP409.9 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 GBP41.4 million.
- Third party assets under management decreased 2.0% to GBP121.7 billion (31 March 2015: GBP124.1 billion) – an increase of 3.8% on a currency neutral basis.
- Customer accounts (deposits) increased 6.3% to GBP24.0 billion (31 March 2015: GBP22.6 billion) - an increase of 16.6% on a currency neutral basis.
- Core loans and advances increased 6.3% to GBP17.5 billion (31 March 2015: GBP16.5 billion) - an increase of 17.3% on a currency neutral basis.

BUSINESS UNIT REVIEW – ONGOING BASIS**Asset Management**

Asset Management operating profit decreased by 9.5% to GBP134.8 million (2015: GBP149.0 million). The business benefited from solid net inflows of GBP3.2 billion. Earnings were impacted by market and currency weakness. Total funds under management amount to GBP75.7 billion (31 March 2015: GBP77.5 billion).

Wealth & Investment

Wealth & Investment operating profit increased by 8.8% to GBP85.7 million (2015: GBP78.8 million). The business benefited from higher average funds under management and solid net inflows of GBP2.1 billion. Total funds under management amount to GBP45.5 billion (31 March 2015: GBP46.1 billion).

Specialist Banking

Specialist Banking operating profit increased by 4.3% to GBP409.2 million (2015: GBP392.3 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 GBP7.2 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 in a detailed report published on the group's website: <http://www.investec.com>

Group costs

These largely relate to group brand and marketing costs and a portion of executive and support functions which are associated with group level activities. These costs are not incurred by the operating divisions and are necessary to support the operational functioning of the group. These costs amounted to GBP45.8 million (2015: GBP39.3 million).

FINANCIAL STATEMENT ANALYSIS – ONGOING BASIS**Total operating income**

Total operating income before impairment losses on loans and advances increased by 2.5% to GBP1,934.8 million (2015: GBP1,887.1 million).

Net interest income increased by 6.1% to GBP571.9 million (2015: GBP539.0 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 GBP1,058.3 million (2015: GBP1,090.4 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 GBP169.9 million (2015: GBP151.8 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 GBP110.9 million (2015: GBP106.6 million) whilst trading income from other trading activities reflected a profit of GBP11.6 million (2015: loss of GBP13.0 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 GBP39.4 million to GBP41.4 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 GBP247.1 million to GBP201.9 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 GBP1,272.1 million (2015: GBP1,254.0 million) reflecting: an increase in headcount and business infrastructure expenses across divisions to support increased activity and growth initiatives; 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:

- GBP16.5 million profit attributable to non-controlling interests in the Asset Management business.
- GBP37.6 million profit attributable to non-controlling interests in the Investec Property Fund Limited.
- A reduction of GBP2.5 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 GBP3.9 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 GBP11.0 billion in cash and near cash balances (GBP5.1 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 have been 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 in the table below.

	31 March 2016	31 March 2015
Investec plc[^]		
Capital adequacy ratio	15.1%	16.7%
Tier 1 ratio	10.7%	11.9%
Common equity tier 1 ratio	9.7%	10.2%
Common equity tier 1 ratio (anticipated Basel III "fully loaded"*)	9.7%	10.2%
Leverage ratio (current)	7.0%	7.7%
Leverage ratio (anticipated Basel III "fully loaded"*)	6.3%	6.6%
Investec Limited		
Capital adequacy ratio	14.0%	14.7%
Tier 1 ratio	10.7%	11.3%
Common equity tier 1 ratio	9.6%	9.6%
Common equity tier 1 ratio (anticipated Basel III "fully loaded"*)	9.6%	9.5%
Leverage ratio (current*)	6.9%	8.1%
Leverage ratio (anticipated Basel III "fully loaded"*)	6.3%	7.2%

* Based on the group's understanding of current and draft regulations, "fully loaded" is based on Basel III capital requirements as fully phased in by 2022.

[^] The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc this does not include the deduction of foreseeable dividends when calculating CET1 capital as now required under the CRR and EBA technical standards. The impact of the final proposed ordinary and preference dividends totalling GBP46 million for Investec plc would be 40bps lower. Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from the capital information, Investec Limited's common equity tier 1 ratio would be 16 bps lower.

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 GBP695 million to GBP583 million largely through redemptions and write-offs. The total legacy business over the year reported a loss before taxation of GBP78.3 million (2015:GBP107.7 million). The remaining legacy portfolio will continue to be managed down as the group sees opportunities to clear the portfolio. Management believe that the remaining legacy book will take a further two to four years to clear. Total net defaults in the legacy book amount to GBP143 million (31 March 2015: GBP185 million).

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.

ADDITIONAL INFORMATION - 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.

For the post-acquisition period, 1 July 2015 to 31 March 2016, the operating income of Blue Strata was GBP9.5 million and the profit before taxation amounted to GBP3.2 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.

On behalf of the boards of Investec plc and Investec Limited

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

18 May 2016

NOTES TO THE COMMENTARY SECTION ABOVE PRESENTATION OF FINANCIAL INFORMATION

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

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

Accordingly, the year-end results for Investec plc and Investec Limited present the results and financial position of the combined DLC group under International Financial Reporting Standards (IFRS), denominated in Pounds Sterling. In the commentary above, all references to Investec or the group relate to the combined DLC group comprising Investec plc and Investec Limited.

FOREIGN CURRENCY IMPACT

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

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

Currency per	Year to 31 March 2016		Year to 31 March 2015	
	Period end	Average	Period end	Average
GBP1.00				
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 period. The most significant impact arises from the volatility of the Rand. The average exchange rate over the period has depreciated by 16.3% and the closing rate has depreciated by 17.6% since 31 March 2015.

SALE OF INVESTEC BANK (AUSTRALIA) LIMITED

The sale of Investec Bank (Australia) Limited's Professional Finance and Asset Finance and Leasing businesses and its deposit book to Bank of Queensland Limited was effective 31 July 2014 for cash proceeds of GBP122 million. This resulted in the derecognition of approximately GBP1.7 billion of assets and approximately GBP1.7 billion of liabilities

associated with the businesses sold. The group continues to have a presence in Australia, focusing on its core activities of Specialised Finance, Corporate Advisory, Property Fund Management and Asset Management. The remaining business operates as a non-banking subsidiary of the Investec group. As a result, the group no longer reports the activities of its 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 the group announced the sale of its UK intermediated mortgage business Kensington Group plc ("Kensington") together with certain other Investec mortgage assets to funds managed by Blackstone Tactical Opportunities Advisors L.L.C. and TPG Special Situations Partners for GBP180 million in cash based on a tangible net asset value of the business of GBP165 million at 31 March 2014. This transaction became effective on 30 January 2015.

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

This resulted in the derecognition of approximately GBP4.1 billion of assets and approximately GBP2 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 taxation of GBP4.8 million was recognised during the current year.

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

Ongoing financial information
Ongoing summarised income statement

GBP'000	Year to 31 March 2016	Year to 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		

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

For the year to 31 March 2016 GBP'000	UK and Other	Southern Africa	Total group
2016			
Asset Management	76 853	57 930	134 783
Wealth & Investment	63 127	22 608	85 735
Specialist Banking	156 378	252 837	409 215
	296 358	333 375	629 733
Group costs	(35 160)	(10 645)	(45 805)
Total group	261 198	322 730	583 928
Other non-controlling interest – equity			35 201
Operating profit			619 129
2015			
Asset Management	75 491	73 484	148 975
Wealth & Investment	56 871	21 910	78 781
Specialist Banking	129 341	262 918	392 259
	261 703	358 312	620 015
Group costs	(30 048)	(9 264)	(39 312)
Total group	231 655	349 048	580 703
Other non-controlling interest – equity			11 701
Operating profit			592 404

Reconciliation from statutory summarised income statement to ongoing summarised income statement

For the year to 31 March 2016 GBP'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 other non-controlling interests	(35 201)	–	–	–	(35 201)
Profit attributable to Asset Management non-controlling interests	(16 529)	–	–	–	(16 529)
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 taxation rate of 19.1%.

For the year to 31 March 2015 GBP'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 other non-controlling interests	(11 701)	–	–	–	(11 701)
Profit attributable to Asset Management non-controlling interests	(18 184)	–	–	–	(18 184)
Operating profit before taxation	474 973	(107 669)	21 590	(1 467)	562 519
Taxation 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 statutory taxation rate of 19.6%.

**

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

Salient financial features

	Results in Pounds Sterling					Results in Rand		
	Year to 31 March 2016	Year to 31 March 2015	% change	Neutral currency Year to 31 March 2016	Neutral currency % change	Year to 31 March 2016	Year to 31 March 2015	% change
Operating profit before taxation* (million)	506	493	2.5%	560	13.5%	10 494	8 817	19.0%
Earnings attributable to shareholders (million)	368	246	50.0%	409	66.3%	7 635	3 970	92.3%
Adjusted earnings attributable to shareholders** (million)	360	340	6.0%	397	16.8%	7 459	6 076	22.8%
Adjusted earnings per share**	41.3p	39.4p	4.8%	45.6p	15.7%	857c	704c	21.7%
Basic earnings per share	38.5p	24.4p	57.8%	42.8p	75.4%	798c	387c	> 100.0%
Headline earnings per share	38.5p	35.8p	7.5%	41.3p	15.4%	796c	640c	24.4%
Dividends per share	21.0p	20.0p	5.0%	n/a	n/a	473c	362c	30.7%
Cost to income ratio	66.4%	67.6%		65.5%		66.4%	67.6%	

	Results in Pounds Sterling					Results in Rand		
	At 31 March 2016	At 31 March 2015	% change	Neutral currency At 31 March 2016	Neutral currency % change	At 31 March 2016	At 31 March 2015	% change
Net asset value per share	352.3p	364.9p	(3.5%)	370.6p	1.6%	7 444c	6 559c	13.5%
Net tangible asset value per share	294.3p	308.1p	(4.5%)	312.1p	1.3%	6 218c	5 538c	12.3%
Total equity (million)	3 859	4 040	(4.5%)	4 217	4.4%	81 543	72 625	12.3%
Total assets (million)	45 352	44 353	2.3%	50 066	12.9%	958 221	797 218	20.2%
Core loans and advances (million)	18 119	17 189	5.4%	19 929	15.9%	382 826	308 957	23.9%
Cash and near cash balances (million)	10 962	9 975	9.9%	12 001	20.3%	231 616	179 242	29.2%
Customer accounts (deposits) (million)	24 044	22 615	6.3%	26 369	16.6%	508 024	406 485	25.0%
Third party assets under management (million)	121 683	124 106	(2.0%)	128 791	3.8%	2 571 141	2 230 197	15.3%
Return on average adjusted shareholders' equity	11.5%	10.6%						
Return on average risk-weighted assets	1.34%	1.25%						
Defaults (net of impairments and before collateral) as a percentage of net core loans	1.54%	2.07%						
Loans and advances to customers as a percentage of customer deposits	73.6%	74.0%						
Credit loss ratio (income statement impairment charge as a % of average gross core loans and advances)	0.62%	0.68%						

* 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.

Combined consolidated income statement

GBP'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
Impairment of goodwill	1 577	5 337
Amortisation of acquired intangibles, net of taxation	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	359 732	339 523
Headline adjustments*	(25 012)	(30 753)
Headline earnings	334 720	308 770
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

* The headline earnings adjustments are made up of property revaluations, loss on disposal of subsidiaries, the impairment of goodwill and non-current assets held for sale and gains on available for sale instruments recycled through the income statement. This line represents the reconciling items from adjusted earnings to heading earnings.

Summarised combined consolidated statement of comprehensive income

GBP'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 to 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		
Re-measurement of net defined benefit pension liability	4 738	6 340
Total comprehensive income	113 001	186 977
Total comprehensive income attributable to ordinary shareholders	84 932	32 050
Total comprehensive (loss)/income attributable to non-controlling interests	(5 123)	120 124
Total comprehensive income attributable to perpetual preferred securities	33 192	34 803
Total comprehensive income	113 001	186 977

* Net of taxation of GBP26.2 million (year to 31 March 2015: GBP1.3 million).

Summarised combined consolidated cash flow statement

GBP'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).

Combined consolidated balance sheet

GBP'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
	3 360 287	3 500 837
Shareholders' equity excluding non-controlling interests		
Other Additional Tier 1 securities in issue	26 031	30 599
	472 989	509 059
Non-controlling interests		
– Perpetual preferred securities issued by subsidiaries	72 615	229 957
– Non-controlling interests in partially held subsidiaries	400 374	279 102
	3 859 307	4 040 495
Total equity	3 859 307	4 040 495
Total liabilities and equity	45 351 781	44 353 402

Summarised combined consolidated statement of changes in equity

GBP'000	Year to 31 March 2016	Year to 31 March 2015
Balance at the beginning of the year	4 040 495	4 015 878
Total comprehensive income for the year	113 001	186 977
Share-based payments adjustments	56 216	63 475
Dividends paid to ordinary shareholders	(180 009)	(168 486)
Dividends declared to perpetual preference shareholders	(14 519)	(16 101)
Dividends paid to perpetual preference shareholders included in non-controlling interests	(18 673)	(18 702)
Dividends paid to non-controlling interests	(39 835)	(29 466)
Issue of ordinary shares	54 720	38 896
Issue of Other Additional Tier 1 securities in issue	–	30 012
Issue of equity by subsidiaries	153 299	19 725
Buy-back of non-controlling interests	(142 111)	–
Acquisition of non-controlling interests	–	39
Non-controlling interest relating to partial disposal of subsidiaries	–	43 129
Partial sale of subsidiary	–	(2 244)
Movement of treasury shares	(163 277)	(122 637)
Balance at the end of the year	3 859 307	4 040 495

Combined consolidated segmental analysis

Year to 31 March GBP'000	UK and Other	Southern Africa	Total group
Segmental geographical and business analysis of operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests			
2016			
Asset Management	76 853	57 930	134 783
Wealth & Investment	63 127	22 608	85 735
Specialist Banking	78 043	252 837	330 880
	218 023	333 375	551 398
Unallocated group costs	(35 160)	(10 645)	(45 805)
Total group	182 863	322 730	505 593
Other non-controlling interest – equity			35 201
Operating profit			540 794
2015			
Asset Management	75 491	73 484	148 975
Wealth & Investment	56 871	21 910	78 781
Specialist Banking	41 795	262 918	304 713
	174 157	358 312	532 469
Unallocated group costs	(30 048)	(9 264)	(39 312)
Total group	144 109	349 048	493 157
Other non-controlling interest – equity			11 701
Operating profit			504 858

Analysis of financial assets and liabilities by category of financial instrument

At 31 March 2016 GBP'000	Total instruments at fair value	Total instruments at amortised cost	Insurance related linked instruments at fair value	Non-financial instruments	Total
Assets					
Cash and balances at central banks	1 123	3 006 146	–	–	3 007 269
Loans and advances to banks	149 478	2 349 107	–	–	2 498 585
Non-sovereign and non-bank cash placements	158	466 415	–	–	466 573
Reverse repurchase agreements and cash collateral on securities borrowed	1 438 209	1 058 916	–	–	2 497 125
Sovereign debt securities	3 032 909	175 953	–	–	3 208 862
Bank debt securities	348 318	548 537	–	–	896 855
Other debt securities	691 655	258 295	–	–	949 950
Derivative financial instruments	1 580 949	–	–	–	1 580 949
Securities arising from trading activities	1 119 074	–	–	–	1 119 074
Investment portfolio	660 795	–	–	–	660 795
Loans and advances to customers	666 610	17 014 962	–	–	17 681 572
Own originated loans and advances to customers securitised	–	437 243	–	–	437 243
Other loans and advances	–	321 617	–	–	321 617
Other securitised assets	147 590	12 705	–	–	160 295
Interests in associated undertakings	–	–	–	267 099	267 099
Deferred taxation assets	–	–	–	112 135	112 135
Other assets	381 210	1 215 965	–	495 486	2 092 661
Property and equipment	–	–	–	90 888	90 888
Investment properties	–	–	–	938 879	938 879
Goodwill	–	–	–	368 039	368 039
Intangible assets	–	–	–	148 280	148 280
	10 218 078	26 865 861	–	2 420 806	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
	10 218 078	26 865 861	5 847 036	2 420 806	45 351 781
Liabilities					
Deposits by banks	–	2 397 403	–	–	2 397 403
Derivative financial instruments	1 582 847	–	–	–	1 582 847
Other trading liabilities	957 418	–	–	–	957 418
Repurchase agreements and cash collateral on securities lent	272 908	698 738	–	–	971 646
Customer accounts (deposits)	570 751	23 473 530	–	–	24 044 281
Debt securities in issue	591 925	1 707 826	–	–	2 299 751
Liabilities arising on securitisation of own originated loans and advances	–	85 650	–	–	85 650
Liabilities arising on securitisation of other assets	120 851	–	–	–	120 851
Current taxation liabilities	–	–	–	192 255	192 255
Deferred taxation liabilities	–	–	–	55 486	55 486
Other liabilities	80 906	1 199 976	–	522 085	1 802 967
	4 177 606	29 563 123	–	769 826	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
	4 177 606	29 563 123	5 847 036	769 826	40 357 591
Subordinated liabilities	–	1 134 883	–	–	1 134 883
	4 177 606	30 698 006	5 847 036	769 826	41 492 474

Financial instruments carried at fair value

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation technique used. The different levels are identified as follows:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices)

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Assets and liabilities related to the long-term assurance business attributable to policyholders have been excluded from the analysis as the change in fair value of related assets is attributable to policyholders. These are all classified as level 1.

At 30 March 2016 GBP'000	Total instruments at fair value	Fair value category		
		Level 1	Level 2	Level 3
Assets				
Cash and balances at central banks	1 123	1 123	–	–
Loans and advances to banks	149 478	149 478	–	–
Non-sovereign and non-bank cash placements	158	–	158	–
Reverse repurchase agreements and cash collateral on securities borrowed	1 438 209	137 409	1 300 800	–
Sovereign debt securities	3 032 909	3 032 909	–	–
Bank debt securities	348 318	214 665	133 653	–
Other debt securities	691 655	500 583	180 142	10 930
Derivative financial instruments	1 580 949	–	1 530 790	50 159
Securities arising from trading activities	1 119 074	1 088 384	23 234	7 456
Investment portfolio	660 795	120 075	31 250	509 470
Loans and advances to customers	666 610	–	579 340	87 270
Other securitised assets	147 590	–	–	147 590
Other assets	381 210	381 210	–	–
	10 218 078	5 625 836	3 779 367	812 875
Liabilities				
Derivative financial instruments	1 582 847	–	1 581 492	1 355
Other trading liabilities	957 418	918 165	39 253	–
Repurchase agreements and cash collateral on securities lent	272 908	–	272 908	–
Customer accounts (deposits)	570 751	–	570 751	–
Debt securities in issue	591 925	–	591 925	–
Liabilities arising on securitisation of other assets	120 851	234	–	120 617
Other liabilities	80 906	48 712	32 194	–
	4 177 606	967 111	3 088 523	121 972
Net assets	6 040 472	4 658 725	690 844	690 903

Transfers between level 1 and level 2

During the year derivative financial assets and liabilities to the value of GBP116.9 million and GBP210.3 million respectively were transferred from level 1 to level 2 to reflect the level of modelling which is now being used to arrive at the fair value.

Level 2 financial assets and financial liabilities

The following table sets out the group's principal valuation techniques as at 31 March 2016 used in determining the fair value of its financial assets and financial liabilities that are classified within level 2 of the fair value hierarchy.

	Valuation basis/techniques	Main assumptions
Assets		
Non-sovereign and non-bank cash placements	Discounted cash flow model	Yield curves
Reverse repurchase agreements and cash collateral on securities borrowed	Discounted cash flow model, Hermite interpolation, Black-Scholes	Yield curves Volatilities
Bank debt securities	Discounted cash flow model	Yield curves NCD curves
Other debt securities	Discounted cash flow model	Yield curves and NCD curves, external prices, broker quotes
Derivative financial instruments	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Black-Scholes	Yield curves, risk free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Securities arising from trading activities	Standard industry derivative pricing model	Interest rate curves, implied bond spreads, equity volatilities
Investment portfolio	Discounted cash flow model, relative valuation model Comparable quoted inputs	Discount rate and fund unit price, net assets
Loans and advances to customers	Discounted cash flow model	Yield curves

	Valuation basis/techniques	Main assumptions
Liabilities		
Derivative financial instruments	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Black-Scholes	Yield curves, risk free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Other trading liabilities	Discounted cash flow model	Yield curves
Repurchase agreements and cash collateral on securities lent	Discounted cash flow model, Hermite interpolation	Yield curves
Customer accounts (deposits)	Discounted cash flow model	Yield curves
Debt securities in issue	Discounted cash flow model	Yield curves
Other liabilities	Discounted cash flow model	Yield curves

For the year to 31 March GBP'000	Total level 3 financial instruments	Fair value through profit or loss instruments	Available- for-sale instruments
The following table is a reconciliation of the opening balances to the closing balances for fair value measurements in level 3 of the fair value hierarchy:			
Balance as at 1 April 2015*	851 703	800 933	50 770
Total gains or losses	26 006	22 841	3 165
In the income statement	26 278	22 841	3 437
In the statement of comprehensive income	(272)	–	(272)
Purchases	172 555	163 611	8 944
Sales	(863 789)	(861 332)	(2 457)
Issues	3 475	3 475	–
Settlements	505 707	516 570	(10 863)
Transfers into level 3	31 362	28 626	2 736
Transfers out of level 3	11 520	11 520	–
Foreign exchange adjustments	(47 636)	(50 860)	3 224
Balance as at 31 March 2016	690 903	635 384	55 519

* Opening balances for fair value through profit or loss instruments and available-for-sale instruments have been adjusted by (GBP60) million and GBP60 million respectively.

For the year ended 31 March 2016, GBP16.1 million of assets were transferred from level 3 into level 2. The valuation methodologies were reviewed and observable inputs are used to determine the fair value. In addition, (GBP4.6) million has been transferred into level 2 as a result of the inputs to the valuation methods becoming more observable.

There were transfers from level 2 to the level 3 category to the value of GBP31.3 million because the significance of the unobservable inputs used to determine the fair value increased significantly to warrant a transfer.

The group transfers between levels within the fair value hierarchy when the significance of the unobservable inputs change or if the valuation methods change.

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

For the year to 31 March 2016 GBP'000	Total	Realised	Unrealised
Total gains or (losses) included in the income statement for the year			
Net interest income	238	238	–
Fee and commission income	4 938	4 938	–
Investment income	30 261	158 002	(127 741)
Trading income arising from customer flow	(9 159)	(9 863)	704
	26 278	153 315	(127 037)
Total gains included in other comprehensive income for the year			
Gains on realisation of available-for-sale assets recycled through the income statement	3 437	3 437	–
Fair value movements on available-for-sale assets taken directly to other comprehensive income	(272)	–	(272)
	3 165	3 437	(272)

Sensitivity of fair values to reasonably possible alternative assumptions by level 3 instrument type

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

At 31 March 2016	Balance sheet value GBP'000	Significant unobservable input changed in valuation method	Range over which unobservable input has been changed	Reflected in the income statement	
				Favourable changes GBP'000	Unfavourable changes GBP'000
Assets					
Other debt securities	10 930			525	(796)
		Cash flow adjustments	(1%) – 1%	525	(472)
		Other	(5%) – 5%	–	(324)
Derivative financial instruments	50 159			8 305	(5 501)
		Volatilities	(2%) – 2%	2 471	(1 015)
		Cash flow adjustments	(1%) – 1%	834	(1 701)
		Net asset value	(10%) – 10%	47	(47)
		Other	(10%) – 10%	4 953	(2 738)
Securities arising from trading activities	7 456	Cash flow adjustments	(1%) – 1%	1 380	(1 050)
Investment portfolio	477 854			64 695	(49 344)
		Price Earnings multiple	(10%) – 10%	232	(355)
		Price Earnings multiple	^^	5 084	(4 006)
		EBITDA	(10%) – 10%	3 971	(3 917)
		Other^	^	55 408	(41 066)
Loans and advances to customers	87 270			1 550	(9 400)
		Discount rates	(5%) – 5%	1 550	(987)
		Other	(5%) – 5%	–	(8 413)
Other securitised assets*	147 590			2 825	(2 876)
		Cash flow adjustments	(1%) – 1%	1 569	(1 727)
		Other	(1%) – 1%	1 256	(1 149)
Liabilities					
Derivative financial instruments	1 355			1 667	(797)
		Cash flow adjustments	(1%) – 1%	1 661	(790)
		Volatilities	(2%) – 2%	6	(7)
Liabilities arising on securitisation of other assets*	120 617	Cash flow adjustments	(1%) – 1%	1 356	(1 254)
	903 231			82 303	(71 018)
At 31 March 2016	Balance sheet value GBP'000	Significant unobservable input changed in valuation method	Range over which unobservable input has been stressed	Reflected in other comprehensive income	
Assets					
Investment portfolio	31 616	EBITDA	(10%) – 10%	5 668	(2 300)
		Other	(10%) – 10%	2 418	(1 340)
				3 250	(960)
Total comprehensive income	934 847			87 971	(73 318)

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

^ Other – The valuation sensitivity for the private equity and embedded derivatives (profit share) portfolios has been assessed by adjusting various inputs such as expected cash flows, discount rates, earnings multiples rather than a single input. It is deemed appropriate to reflect the outcome on a portfolio basis for the purposes of this analysis as the sensitivity of the investments cannot be determined through the adjustment of a single input.

^^ The price earnings multiple has been determined on an investment by investment basis in order to obtain an favourable and unfavourable valuation.

In determining the value of level 3 financial instruments, the following are the principal inputs that can require judgement:

Credit spreads

Credit spreads reflect the additional yield that a market participant would demand for taking exposure to the credit risk of an instrument. The credit spread for an instrument forms part of the yield used in a discounted cash flow calculation. In general a significant increase in a credit spread in isolation will result in a movement in fair value that is unfavourable for the holder of a financial instrument.

Discount rates

Discount rates are the interest rates used to discount future cash flows in a discounted cash flow valuation method. The discount rate takes into account time value of money and uncertainty of cash flows.

Volatilities

Volatility is a key input in the valuation of derivative products containing optionality. Volatility is a measure of the variability or uncertainty in returns

for a given derivative underlying. It represents an estimate of how much a particular underlying instrument, parameter or index will change in value over time.

Cash flows

Cash flows relate to the future cash flows which can be expected from the instrument and requires judgement.

EBITDA

A company's earnings before interest, taxes, depreciation and amortisation. This is the main input into a price earnings multiple valuation method.

Price earnings multiple

The price-to-earnings ratio is an equity valuation multiple. It is a key driver in the valuation of unlisted investments.

Fair value of financial assets and liabilities at amortised cost

At 31 March 2016

GBP'000	Carrying amount	Fair value
Assets		
Cash and balances at central banks	3 006 146	3 006 146
Loans and advances to banks	2 349 107	2 349 096
Non-sovereign and non-bank cash placements	466 415	466 415
Reverse repurchase agreements and cash collateral on securities borrowed	1 058 916	1 058 916
Sovereign debt securities	175 953	179 778
Bank debt securities	548 537	608 219
Other debt securities	258 295	245 060
Loans and advances to customers	17 014 962	17 042 997
Own originated loans and advances to customers securitised	437 243	437 243
Other loans and advances	321 617	297 611
Other securitised assets	12 705	12 705
Other assets	1 215 965	1 215 735
	26 865 861	26 919 921
Liabilities		
Deposits by banks	2 397 403	2 418 497
Repurchase agreements and cash collateral on securities lent	698 738	700 875
Customer accounts (deposits)	23 473 530	23 512 040
Debt securities in issue	1 707 826	1 682 986
Liabilities arising on securitisation of own originated loans and advances	85 650	85 650
Other liabilities	1 199 976	1 199 487
Subordinated liabilities	1 134 883	1 272 087
	30 698 006	30 871 622

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 that 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 11h00 (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 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 <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 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

Investec plc
Incorporated in England and Wales
Registration number 3633621
LSE ordinary share code: INVP
JSE ordinary 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.

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 11h00 (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 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 266.00000 cents per share less Dividend Tax of 39.90000 cents per share)

By order of the board

D Miller
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 11h00 (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

Payment date (on the JSE and CISX) 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, 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

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

Registered office:

2 Gresham Street, London
EC2V 7QP, United Kingdom

Transfer secretaries:

Computershare Investor Services (Pty) Ltd
70 Marshall Street, Johannesburg, 2001

Company Secretary:

D Miller•

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

Registered office:

100 Grayston Drive
Sandown, Sandton, 2196

Transfer secretaries:

Computershare Investor Services (Pty) Ltd
70 Marshall Street, Johannesburg, 2001

Company Secretary:

N van Wyk

Directors:

F Titi (Chairman),
S Koseff[□] (Chief Executive),
B Kantor[□] (Managing Director),
GR Burger[□], CA Carolus,
PKO Crosthwaite[•], HJ du Toit[□],
D Friedland, IR Kantor[△],
PRS Thomas, ZBM Bassa,
LC Bowden[•], CR Jacobs[^],
Lord Malloch – Brown KCMG[•],
KL Shuenyane

[□]Executive •British [△]Dutch [^]Irish

* B Fried resigned effective 01 April 2016 and H Fukuda OBE resigned effective 06 August 2015.

Sponsor:

Investec Bank Limited

