Investec Bank Limited

Preliminary condensed consolidated financial results for the year ended 31 March 2018

Out of the Ordinary

Investec

2018

Consolidated income statement

For the year to 31 March R'million	Reviewed 2018	Audited 2017
Interest income	31 687	29 716
Interest expense	(24 125)	(22 297)
Net interest income	**7 562**	**7 419**
Fee and commission income	2 458	2 235
Fee and commission expense	(213)	(236)
Investment income	530	472
Share of post taxation profit of associates	777	306
Trading income/(loss) arising from		
– customer flow	356	486
– balance sheet management and other trading activities	(26)	70
Other operating income	2	2
Total operating income before impairment losses on loans and advances	**11 446**	**10 754**
Impairment losses on loans and advances	(720)	(657)
Operating income	**10 726**	**10 097**
Operating costs	(6 100)	(5 887)
Operating profit before acquired intangibles	**4 626**	**4 210**
Amortisation of acquired intangibles	(51)	(51)
Operating profit	**4 575**	**4 159**
Additional costs on acquisition of subsidiary	(100)	–
Profit before taxation	**4 475**	**4 159**
Taxation on operating profit before acquired intangibles	184	(944)
Taxation on acquired intangibles	14	14
Profit after taxation	**4 673**	**3 229**

Calculation of headline earnings

For the year to 31 March R'million	Reviewed 2018	Audited 2017
Profit after taxation	4 673	3 229
Preference dividends paid	(133)	(131)
Earnings attributable to ordinary shareholders	**4 540**	**3 098**
Headline adjustments	(94)	(29)
Gain on realisation of available-for-sale assets recycled through the income statement*	(94)	(61)
Loss on non-current assets held for sale*	–	32
Headline earnings attributable to ordinary shareholders	**4 446**	**3 069**

* *These amounts are net of taxation of (R36.6 million) [2017: (R14.6 million)].*

Consolidated statement of comprehensive income

For the year to 31 March R'million	Reviewed 2018	Audited 2017
Profit after taxation	4 673	3 229
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**	(99)	943
Fair value movements on available-for-sale assets taken directly to other comprehensive income**	494	701
Gain on realisation of available-for-sale assets recycled through the income statement**	(94)	(61)
Foreign currency adjustments on translating foreign operations	(637)	(479)
Total comprehensive income	**4 337**	**4 333**
Total comprehensive income attributable to ordinary shareholders	4 204	4 202
Total comprehensive income attributable to perpetual preference shareholders	133	131
Total comprehensive income	**4 337**	**4 333**

** *These amounts are net of taxation of (R266.1 million) [2017: (R381.8 million)].*

Condensed consolidated statement of changes in equity

For the year to 31 March R'million	Reviewed 2018	Audited 2017
Balance at the beginning of the year	**35 165**	**31 865**
Total comprehensive income	4 337	4 333
Dividends paid to ordinary shareholders	(1 304)	(900)
Dividends paid to perpetual preference shareholders	(133)	(131)
Issue of other Additional Tier 1 security instruments	350	–
Other equity movements	–	(2)
Balance at the end of the year	**38 415**	**35 165**

Condensed consolidated cash flow statement

For the year to 31 March R'million	Reviewed 2018	Audited 2017
Cash inflows from operations	4 185	4 210
Increase in operating assets	(21 277)	(10 324)
Increase in operating liabilities	15 244	9 335
Net cash (outflow)/inflow from operating activities	(1 848)	3 221
Net cash outflow from investing activities	(267)	(244)
Net cash (outflow)/inflow from financing activities***	(1 019)	1 320
Effects of exchange rate changes on cash and cash equivalents	(864)	(756)
Net (decrease)/increase in cash and cash equivalents	**(3 998)**	**3 541**
Cash and cash equivalents at the beginning of the year	30 024	26 483
Cash and cash equivalents at the end of the year	**26 026**	**30 024**

*** *The net cash outflow from financing activities of R1.0 billion was as a result of dividends paid of R1.4 billion, offset by the issue of other Additional Tier 1 securities of R0.4 billion.*

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).

Consolidated balance sheet

At 31 March R'million	Reviewed 2018	Audited 2017
Assets		
Cash and balances at central banks	9 187	8 353
Loans and advances to banks	17 265	31 937
Non-sovereign and non-bank cash placements	9 993	8 993
Reverse repurchase agreements and cash collateral on securities borrowed	20 480	26 627
Sovereign debt securities	62 403	47 822
Bank debt securities	8 051	7 758
Other debt securities	10 342	11 945
Derivative financial instruments	12 586	9 856
Securities arising from trading activities	875	653
Investment portfolio	7 943	7 204
Loans and advances to customers	247 474	225 669
Own originated loans and advances to customers securitised	6 830	7 776
Other loans and advances	265	310
Other securitised assets	241	100
Interests in associated undertakings	6 288	5 514
Deferred taxation assets	586	388
Other assets	6 686	5 266
Property and equipment	2 494	274
Investment properties	1	1
Goodwill	171	171
Intangible assets	412	508
Loans to group companies	13 499	18 106
Non-current assets held for sale	–	456
	444 072	**425 687**
Liabilities		
Deposits by banks	24 607	32 378
Derivative financial instruments	15 907	12 556
Other trading liabilities	2 305	1 667
Repurchase agreements and cash collateral on securities lent	8 395	7 825
Customer accounts (deposits)	321 893	303 397
Debt securities in issue	3 473	5 823
Liabilities arising on securitisation of own originated loans and advances	1 551	673
Current taxation liabilities	202	977
Deferred taxation liabilities	99	109
Other liabilities	6 844	5 995
Loans from group companies	7 007	5 942
	392 283	**377 342**
Subordinated liabilities	13 374	13 180
	405 657	**390 522**
Equity		
Ordinary share capital	32	32
Share premium	14 885	14 885
Other reserves	1 293	1 662
Retained income	21 855	18 586
Shareholders' equity excluding non-controlling interests	**38 065**	**35 165**
Other Additional Tier 1 securities in issue	350	–
Total equity	**38 415**	**35 165**
Total liabilities and equity	**444 072**	**425 687**

Liquidity coverage ratio disclosure

The objective of the liquidity coverage ratio (LCR) is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient high quality liquid assets to survive a significant stress scenario lasting 30 calendar days.

In accordance with the provisions of section 6(6) of the South African Banks Act 1990 (Act No. 94 of 1990), banks are directed to comply with the relevant LCR disclosure requirements. This disclosure Template LIQ1 is in accordance with Pillar 3 of the Basel III liquidity accord, as specified by BCBS d400 (2017) and Directive 01/2018.

The following table sets out the LCR for the group and bank:

R'million	Investec Bank Limited Solo – Total weighted value	Investec Bank Limited Consolidated Group – Total weighted value
High quality liquid assets (HQLA)	79 327	80 106
Net cash outflows	59 272	60 179
Actual LCR (%)	**133.9**	**133.2**
Required LCR (%)	90.0	90.0

The values in the table are calculated as the simple average of 90 calendar daily values over the period 1 January 2018 to 31 March 2018 for Investec Bank Limited (IBL) bank solo. Investec Bank Limited consolidated group use daily values for IBL bank solo, while those for other group entities use the average of January, February, March 2018 month-end values.

Net stable funding ratio

The objective of the net stable funding ratio (NSFR) is to promote the resilience in the banking sector by requiring banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities on an ongoing structural basis.

In accordance with the provisions of section 6(6) of the South African Banks Act 1990 (Act No. 94 of 1990), banks are directed to comply with the relevant NSFR disclosure requirements. This disclosure Template LIQ2 is in accordance with Pillar 3 of the Basel III liquidity accord, as specified by Directive 11/2015 and Directive 01/2018.

The following table sets out the NSFR for the group and bank:

R'million	Investec Bank Limited Solo – Total weighted value	Investec Bank Limited Consolidated Group – Total weighted value
Available stable funding (ASF)	268 129	281 049
Required stable funding (RSF)	247 436	256 344
Actual NSFR (%)	**108.4**	**109.6**
Required NSFR (%)	100.0	100.0

Commentary

These reviewed year-end condensed consolidated financial results are published to provide information to holders of Investec Bank Limited's listed non-redeemable, non-cumulative, non-participating preference shares.

Overview of results

Investec Bank Limited, a subsidiary of Investec Limited, posted an increase in headline earnings attributable to ordinary shareholders of 44.9% to R4 446 million (2017: R3 069 million).

The balance sheet remains sound with a capital adequacy ratio of 15.5% (31 March 2017: 15.4%). For full information on the Investec Group results, refer to the combined results of Investec plc and Investec Limited or the group's website http://www.investec.com.

Financial review

Unless the context indicates otherwise, all comparatives referred to in the financial review relate to the year ended 31 March 2017.

Salient operational features for the year under review include:

Total operating income before impairment losses on loans and advances increased by 6.4% to R11 446 million (2017: R10 754 million).
The components of operating income are analysed further below:

- Net interest income increased 1.9% to R7 562 million (2017: R7 419 million) benefiting from sound levels of lending activity across the banking businesses. This was somewhat offset by the roll off of higher yielding debt securities and increased subordinated debt.
- Net fee and commission income increased 12.3% to R2 245 million (2017: R1 999 million) supported by continued growth and activity levels in the private banking client base as well as a good performance from the corporate businesses.
- Investment income increased 12.3% to R530 million (2017: R472 million) supported by a sound performance from the bank's client-driven private equity portfolio.
- Share of post taxation profit of associates of R777 million (2017: R306 million) primarily reflects earnings in relation to the bank's investment in the IEP Group.
- Trading income arising from customer flow decreased by 26.7% to R356 million (2017: R486 million) as a consequence of losses incurred on Steinhoff (refer to additional information). Trading income from other trading activities reflected a loss of R26 million (2017: R70 million income) predominantly impacted by foreign currency translation.

Impairments on loans and advances increased from R657 million to R720 million, however, the credit loss ratio reduced to 0.28% (2017: 0.29%), remaining at the lower end of its long-term average trend. The percentage of default loans (net of impairments but before taking collateral into account) to core loans and advances amounted to 0.56% (2017: 1.03%). The ratio of collateral to default loans (net of impairments) remains satisfactory at 2.49 times (2017: 1.81 times).

The ratio of total operating costs to total operating income amounted to 53.3% (2017: 54.7%). Total operating expenses at R6 100 million were 3.6% higher than the prior year (2017: R5 887 million) reflecting continued investment into IT and digital initiatives and higher headcount to support increased activity and growth strategies; partly offset by the pending acquisition of the head office building and the related rental provision no longer required.

As a result of the foregoing factors operating profit before acquired intangibles increased by 9.9% to R4 626 million (2017: R4 210 million). Profit after taxation increased by 44.7% to R4 673 million (2017: R3 229 million) impacted by a lower tax rate following the release of provisions no longer required.

Additional information – Investec exposures to the Steinhoff Group of companies

On 11 December 2017 the group released an announcement on the Johannesburg Stock Exchange in relation to its exposures to Steinhoff International Holdings NV (Steinhoff), its subsidiaries and related entities. Trading and investment losses incurred in respect of these exposures amounted to R210 million in the current financial year, less than the estimate referred to in the December announcement. As noted in that announcement Investec has credit exposures largely to Steinhoff Africa Holdings (Pty) Ltd subsidiaries and Steinhoff Africa Retail Ltd, which represent a small portion of the group's balance sheet. Based on the information currently available to the group, Investec is not expecting to suffer any losses on these exposures.

Standards and interpretations issued but not yet effective

The following significant standards and interpretations, which have been issued but are not yet effective for the current financial year, are applicable to the group.

IFRS 9 Financial Instruments

IFRS 9 is effective and will be implemented by Investec Bank Limited from 1 April 2018. The bank will provide its detailed transitional disclosures when it publishes its annual report for the year ended 31 March 2018 on 29 June 2018.

IFRS 9 replaces IAS 39 and sets out the new requirements for the recognition and measurement of financial instruments. These requirements focus primarily on the classification and measurement of financial instruments and measurement of impairment losses based on an expected credit loss (ECL) model.

Investec Bank Limited currently applies the Standardised approach when calculating capital requirements. The impact of IFRS 9 on Investec Bank Limited's common equity tier 1 (CET 1) ratio is potentially more significant when compared to Internal Ratings Based approach banks, who already deduct from CET 1 capital any excess expected losses over impairment allowances.

Subject to finalisation, the adoption of IFRS 9 is expected to result in the following estimated impact for Investec Bank Limited.

Balance sheet impairment allowance and provisions

Total balance sheet impairment allowance and provisions are expected to increase by approximately R657 million from R1.5 billion as at 31 March 2018 to approximately R2.2 billion as at 1 April 2018. This is driven by an increase in stage 1, stage 2, and stage 3 impairments of approximately R811 million, partially offset by a reduction of approximately R154 million as a result of the changes in classification and measurement of certain of the bank's financial assets to fair value. The increase in impairment allowance and provisions is expected to reduce the CET 1 ratio by approximately 15bps on a fully loaded basis, or approximately 4bps on a day one impact transitional basis.

Changes in classification and measurement of certain financial assets

In addition, changes in classification and measurement of certain of the bank's other financial assets is expected to result in a decrease to equity of approximately R419 million (post taxation), with an approximate 13bps impact on the CET 1 ratio.

Taken together, the adoption of IFRS 9 is expected to result in a decrease in Investec Bank Limited's transitional CET 1 ratio of approximately 20bps from 10.9% to approximately 10.7%, in line with the group's target and in excess of minimum regulatory requirements. Investec Bank Limited confirmed to the SARB that it will use the transitional arrangements to absorb the full impact permissible of IFRS 9 in regulatory capital calculations.

IFRS 15 Revenue from contracts with customers

IFRS 15 is effective for annual periods beginning on or after 1 January 2018 and will be implemented by the group from 1 April 2018. IFRS 15 provides a principles-based approach for revenue recognition and introduces the concept of recognising revenue for obligations as they are satisfied. The group's current measurement and recognition principles are aligned to the standard and the group does not expect an impact to measurement principles currently applied. The impact of the disclosure requirements of the standard is currently being assessed.

Basis of preparation

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

The financial results have been prepared under the supervision of Nishlan Samujh, the group Chief Financial Officer. The annual financial statements for the year ended 31 March 2018 will be posted to stakeholders on 29 June 2018. These annual financial statements will be available on the group's website on the same date.

On behalf of the Board of Investec Bank Limited

Khumo Shuenyane	**Richard Wainwright**
Chairman	*Chief Executive Officer*

16 May 2018

Review conclusion

These preliminary condensed consolidated financial statements for the year ended 31 March 2018 have been reviewed by KPMG Inc. and Ernst & Young Inc., who expressed an unmodified review conclusion. A copy of the auditors' review report is available for inspection at the company's registered office together with the financial statements identified in the auditors' report.

The auditors' report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditors' engagement they should obtain a copy of the auditors' report together with the accompanying financial information from the issuer's registered office.

Analysis of assets and liabilities by measurement basis

At 31 March 2018 R'million	Total instruments at fair value	Total instruments at amortised cost	Non-financial instruments	Total
Group				
Assets				
Cash and balances at central banks	–	9 187	–	9 187
Loans and advances to banks	–	17 265	–	17 265
Non-sovereign and non-bank cash placements	574	9 419	–	9 993
Reverse repurchase agreements and cash collateral on securities borrowed	9 205	11 275	–	20 480
Sovereign debt securities	58 940	3 463	–	62 403
Bank debt securities	6 135	1 916	–	8 051
Other debt securities	9 053	1 289	–	10 342
Derivative financial instruments	12 586	–	–	12 586
Securities arising from trading activities	875	–	–	875
Investment portfolio	7 943	–	–	7 943
Loans and advances to customers	17 250	230 224	–	247 474
Own originated loans and advances to customers securitised	–	6 830	–	6 830
Other loans and advances	–	265	–	265
Other securitised assets	–	241	–	241
Interests in associated undertakings	–	–	6 288	6 288
Deferred taxation assets	–	–	586	586
Other assets	625	4 090	1 971	6 686
Property and equipment	–	–	2 494	2 494
Investment properties	–	–	1	1
Goodwill	–	–	171	171
Intangible assets	–	–	412	412
Loans to group companies	45	13 454	–	13 499
	123 231	**308 918**	**11 923**	**444 072**
Liabilities				
Deposits by banks	–	24 607	–	24 607
Derivative financial instruments	15 907	–	–	15 907
Other trading liabilities	2 305	–	–	2 305
Repurchase agreements and cash collateral on securities lent	917	7 478	–	8 395
Customer accounts (deposits)	39 485	282 408	–	321 893
Debt securities in issue	–	3 473	–	3 473
Liabilities arising on securitisation of own originated loans and advances	–	1 551	–	1 551
Current taxation liabilities	–	–	202	202
Deferred taxation liabilities	–	–	99	99
Other liabilities	291	3 377	3 176	6 844
Loans from group companies	–	7 007	–	7 007
	58 905	**329 901**	**3 477**	**392 283**
Subordinated liabilities	–	13 374	–	13 374
	58 905	**343 275**	**3 477**	**405 657**

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 (i.e. as prices) or indirectly (i.e. derived from prices)

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

		Fair value category		
At 31 March 2018 R'million	**Total instruments at fair value**	**Level 1**	**Level 2**	**Level 3**
Assets				
Non-sovereign and non-bank cash placements	574	–	574	–
Reverse repurchase agreements and cash collateral on securities borrowed	9 205	–	9 205	–
Sovereign debt securities	58 940	58 940	–	–
Bank debt securities	6 135	4 883	1 252	–
Other debt securities	9 053	4 146	4 907	–
Derivative financial instruments	12 586	–	12 564	22
Securities arising from trading activities	875	791	84	–
Investment portfolio	7 943	4 419	1 563	1 961
Loans and advances to customers	17 250	–	17 250	–
Other assets	625	625	–	–
Loans to group companies	45	–	45	–
	123 231	**73 804**	**47 444**	**1 983**
Liabilities				
Derivative financial instruments	15 907	–	15 907	–
Other trading liabilities	2 305	692	1 613	–
Repurchase agreements and cash collateral on securities lent	917	–	917	–
Customer accounts (deposits)	39 485	–	39 485	–
Other liabilities	291	–	291	–
	58 905	**692**	**58 213**	**–**
Net financial assets/(liabilities) at fair value	**64 326**	**73 112**	**(10 769)**	**1 983**

Transfers between level 1 and level 2

There were no transfers between level 1 and level 2 in the current year.

Level 3 instruments

The following table shows a reconciliation of the opening balances to the closing balances for level 3 financial instruments. All instruments are at fair value through profit or loss.

R'million	2018
Balance at 1 April 2017	3 295
Total losses recognised in the income statement	(135)
Purchases	542
Sales	(649)
Settlements	(95)
Transfers out of level 3	(950)
Foreign exchange adjustments	(25)
Balance at 31 March 2018	**1 983**

R950 million has been transferred out of level 3 into level 2 due to a listed share price input to the valuation model becoming available.

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/(losses) included in the income statement recognised on level 3 financial instruments:

For the year to 31 March 2018 R'million	Total	Realised	Unrealised
Total gains/(losses) recognised in the income statement			
Investment (loss)/income	(135)	399	(534)
	(135)	**399**	**(534)**

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:

					Reflected in the income statement	
At 31 March 2018	**Level 3 balance sheet value**	**Valuation method**	**Significant unobservable input changed**	**Range which unobservable input has been changed**	**Favourable changes R'million**	**Unfavourable changes R'million**
Assets						
Derivative financial instruments	22	Price earnings	EBITDA	(10)%/10%	2	(2)
Investment portfolio	1 961				942	(974)
		Price earnings	EBITDA	*	805	(734)
		Discounted cash flow	Precious and industrial metals prices	(10)%/6%	40	(68)
		Discounted cash flow	Cash flows	*	10	(30)
		Other	Various	**	87	(142)
Total	**1 983**				**944**	**(976)**

* *The EBITDA and cash flows have been stressed on an investment-by-investment basis in order to obtain favourable and unfavourable valuations.*

** *The valuation sensitivity for certain equity investments 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 purpose of this analysis as the sensitivity of the investments cannot be determined through the adjustment of a single input.*

In determining the value of level 3 financial instruments, the following is a principal input that can require judgement:

Price-earnings multiple

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

EBITDA

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

Precious and industrial metals

The price of precious and industrial metals is a key driver of future cash flows on these investments.

Measurement of financial assets and liabilities at level 2

The table below sets out information about the valuation techniques used at the end of the reporting year in measuring financial instruments categorised as level 2 in the fair value hierarchy:

	Valuation basis/techniques	**Main assumptions**
Assets		
Non-sovereign and non-bank cash placements	Discounted cash flow model	Yield curve
Reverse repurchase agreements and cash collateral on securities borrowed	Discounted cash flow model Black-Scholes	Yield curve Volatilities
Bank debt securities	Discounted cash flow model	Yield curve
Other debt securities	Discounted cash flow model	Yield curve
Derivative financial instruments	Discounted cash flow model Black-Scholes	Yield curve Volatilities
Securities arising from trading activities	Adjusted quoted price	Liquidity adjustment
Investment portfolio	Adjusted quoted price	Liquidity adjustment
Loans and advances to customers	Discounted cash flow model	Yield curve
Loans to group companies	Discounted cash flow model	Yield curve
Liabilities		
Derivative financial instruments	Discounted cash flow model Black-Scholes	Yield curve Volatilities
Other trading liabilities	Discounted cash flow model	Yield curve
Repurchase agreements and cash collateral on securities lent	Discounted cash flow model	Yield curve
Customer accounts (deposits)	Discounted cash flow model	Yield curve
Other liabilities	Discounted cash flow model	Yield curve

Fair value of financial assets and liabilities at amortised cost

The following table sets out the fair value of financial instruments held at amortised cost where the carrying value is not a reasonable approximation of fair value:

At 31 March 2018 R'million	Carrying amount	Fair value
Assets		
Sovereign debt securities	3 463	3 458
Bank debt securities	1 916	1 951
Other debt securities	1 289	1 292
Loans and advances to customers	230 224	230 234
Liabilities		
Deposits by banks	24 607	24 813
Repurchase agreements and cash collateral on securities lent	7 478	7 475
Customer accounts (deposits)	282 408	283 334
Debt securities in issue	3 473	3 479
Subordinated liabilities	13 374	14 725

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 30

Notice is hereby given that preference dividend number 30 has been declared by the Board from income reserves for the period 1 October 2017 to 31 March 2018 amounting to a gross preference dividend of 425.72498 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, 8 June 2018.

The relevant dates for the payment of dividend number 30 are as follows:

Last day to trade cum-dividend	Tuesday, 5 June 2018
Shares commence trading *ex*-dividend	Wednesday, 6 June 2018
Record date	Friday, 8 June 2018
Payment date	Monday, 18 June 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 6 June 2018 and Friday, 8 June 2018, 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 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 340.57998 cents per preference share for shareholders liable to pay the Dividend Tax and 425.72498 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

N van Wyk
Company Secretary

16 May 2018

Investec Bank Limited
(Registration number 1969/004763/06)
Share code: INLP ISIN: ZAE000048393

Registered office
100 Grayston Drive
Sandown, Sandton, 2196

Transfer secretaries
Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Company Secretary
N van Wyk

Sponsor: Investec Bank Limited

Directors
KL Shuenyane (Chairman)
DM Lawrence (Deputy Chairman)
S Koseff^ (Group Chief Executive)
B Kantor^ (Group Managing Director)
RJ Wainwright^ (Chief Executive Officer)
SE Abrahams, ZBM Bassa
GR Burger^, D Friedland
NA Samujh^, PRS Thomas, F Titi

^ Executive
B Tapnack resigned effective 15 May 2018
KL Shuenyane was appointed as chairman on 15 May 2018