RESULTS PRESENTATION 2020

Year-end

Investec

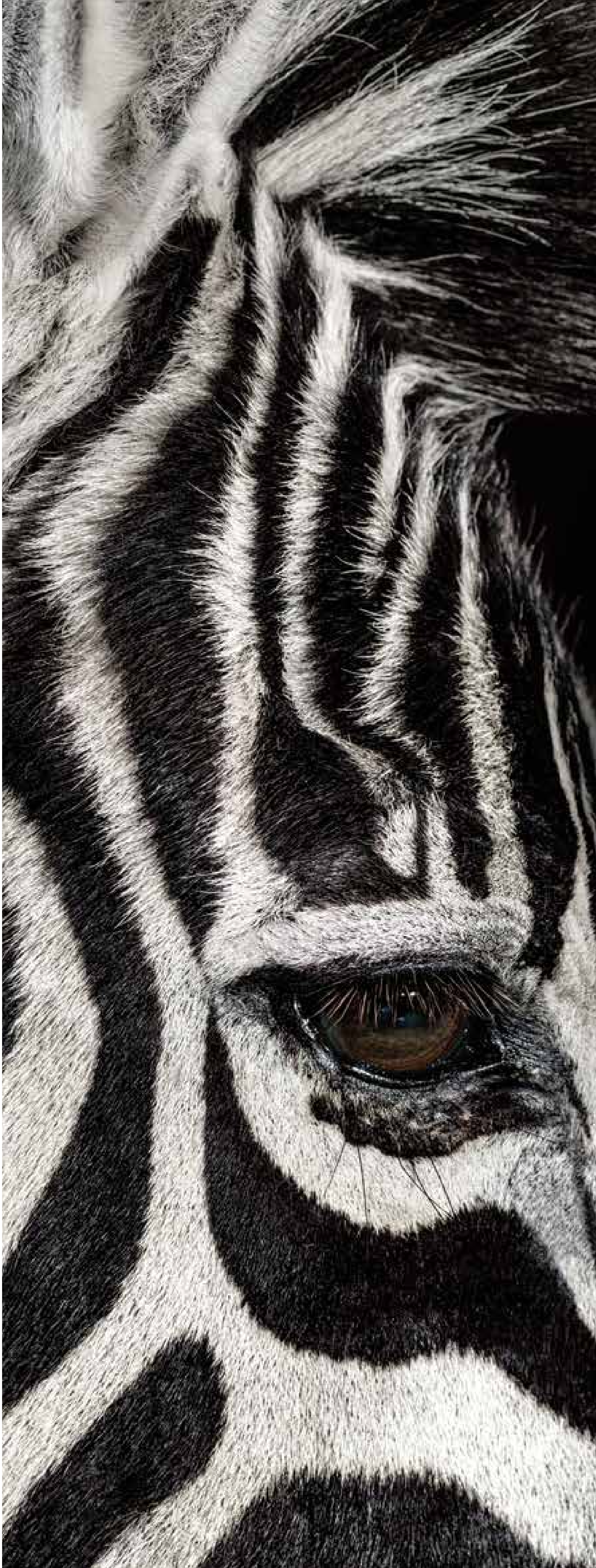
Cross reference tools

ALTERNATIVE PERFORMANCE MEASURES
We supplement our IFRS figures with alternative performance measures used by management internally and which provide valuable, relevant information. These measures are highlighted with the symbol
The description of alternative performance measures and their calculation is provided in the alternative performance measures section.

PAGE REFERENCES
Refers readers to information elsewhere in this report

WEBSITE
Indicates that additional information is available on our website: www.investec.com

UNAUDITED INFORMATION
Indicates information which has not been audited



CONTENTS

One Investec

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

Our long-term commitment is to One Investec; a client-focused strategy where, irrespective of specialisation or geography, we commit to offering our clients the full breadth and scale of our products and services.

We are focused on delivering profitable, impactful and sustainable solutions to our clients.

To deliver on One Investec, we will focus on imperative collaboration between the Banking and Wealth & Investment businesses; and continue to invest in and support these franchises. This will position Investec for sustainable long-term growth.

Our long-term strategic focus:

- We are committed to delivering exceptional service to our clients, creating long-term value for our shareholders and contributing meaningfully to our people, communities and the planet
- All relevant Investec resources and services are on offer in every single client transaction
- Sustain our distinctive, out of the ordinary culture, entrepreneurial spirit and freedom to operate, with the discipline and obligation to do things properly for the whole of Investec.

Investec Distinction

CLIENT FOCUSED APPROACH

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

SPECIALISED STRATEGY

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

SUSTAINABLE BUSINESS

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

STRONG CULTURE

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

OUR STRATEGIC OBJECTIVES

In order to deliver on our strategy we have identified five key strategic objectives outlined below:

THESE WILL ENABLE US TO SIMPLIFY, FOCUS AND GROW THE BUSINESS WITH DISCIPLINE.

Capital discipline	A more disciplined approach to capital allocation, particularly where businesses are non-core to overall long-term growth and capital strategy
Growth initiatives	Focus on growing our client base and building new sources of revenue
Improved cost management	Heightened rigour in identifying efficiencies in all areas of the business
Digitalisation	Enhancing digital capabilities to continue delivering an advanced high-tech, high-touch proposition
Greater Connectivity	Enhancing links among and between the Banking and Wealth & Investment businesses, across geographies

We are a domestically relevant, internationally connected banking and wealth & investment group

2 principal geographies

2 core areas of activity

8 700+ employees

£24.9 billion Core loans

£32.2 billion Customer deposits

£45.0 billion Third party FUM

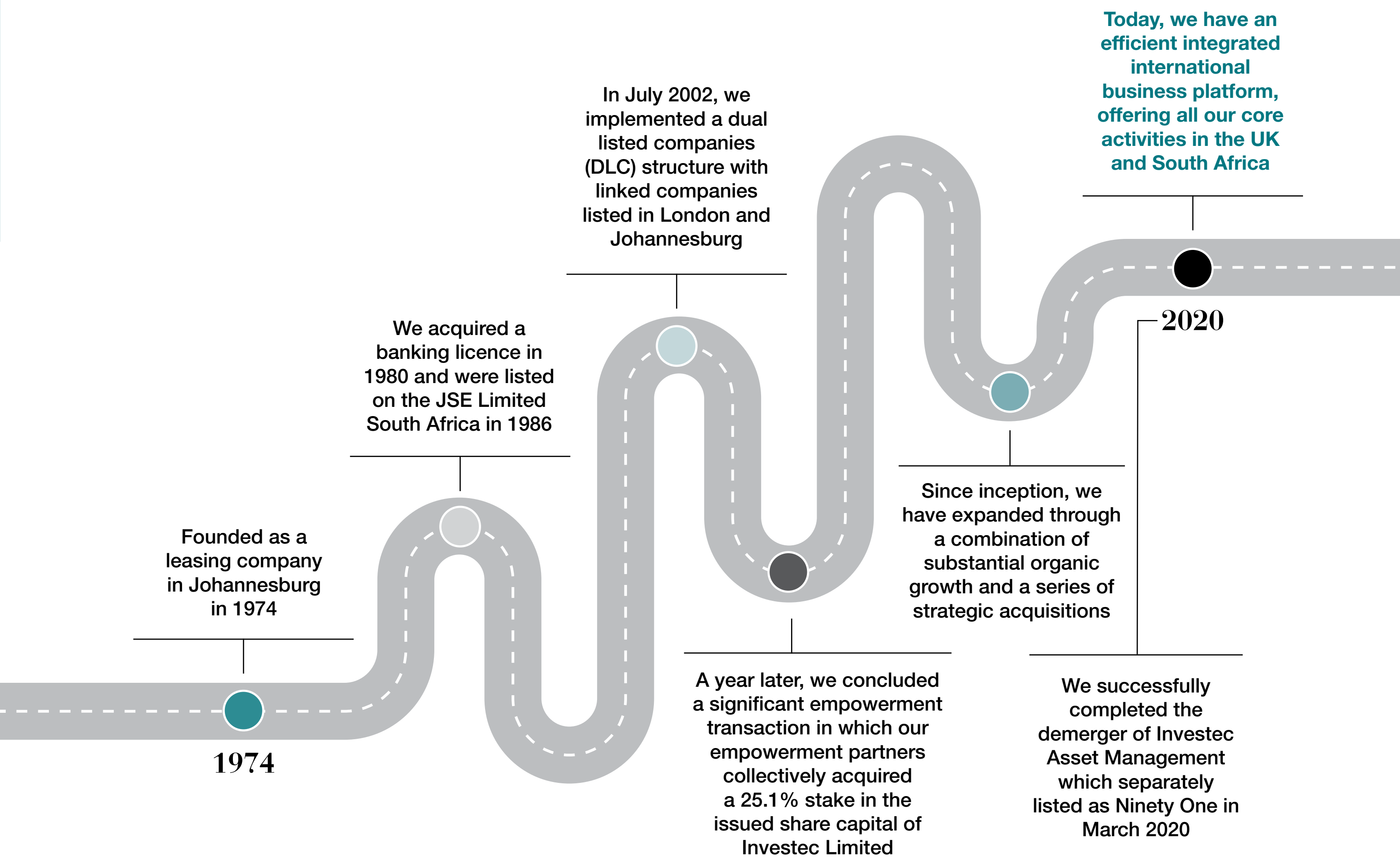
Corporate / Institutional / Government / Intermediary	Private client (HNW / high income) / charities / trusts
Specialist Banking	**Wealth & Investment**
Lending	Discretionary wealth management
Transactional banking	Investment advisory services
Treasury solutions	Financial planning
Advisory	Stockbroking / execution only
Investment activities	
Deposit raising activities	

We have market-leading distinctive client franchises

We provide a high level of client service enabled by advanced digital platforms

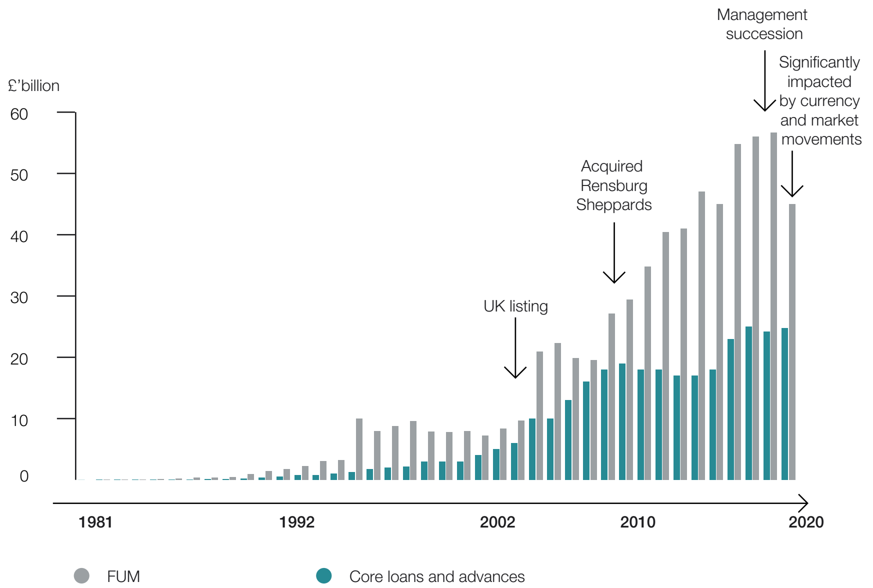
We are a people business backed by our out of the ordinary culture, and entrepreneurial spirit

OUR JOURNEY



A bank and investment manager with nearly 40 years of heritage

FUM and core loans and advances



- Focused on core markets
- Leading client franchises
- Growing connectivity between the bank and wealth business
- Well capitalised, lowly leveraged balance sheet
- Diversified mix of business by geography, income and business
- Highly scalable platform

Note: All figures on this page relate to continuing operations.

SUMMARY OF THE DEMERGER OF INVESTEC ASSET MANAGEMENT

Following the group's management succession announcement in February 2018, the Investec board, together with the executive team, conducted a comprehensive strategic review to ensure that the **group is well positioned to serve the long-term interests of its stakeholders.**

Conclusions from the strategic review

- Investec group comprises a number of successful businesses operating across two core geographies, with different capital requirements and growth trajectories
- Compelling current and potential linkages between the Specialist Banking and Wealth & Investment businesses (clear geographic and client overlap)
- Limited synergies between these businesses and Investec Asset Management

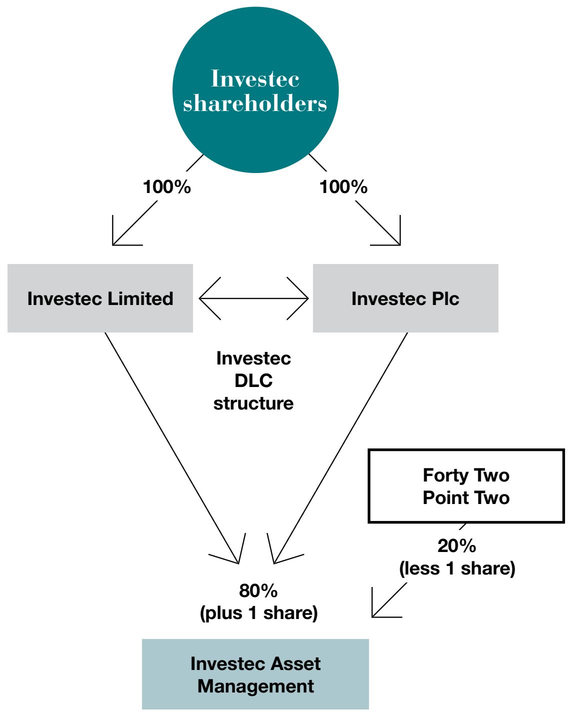
The board concluded that a demerger and separate listing of Investec Asset Management would **simplify the group** and allow both businesses to **focus on their respective growth trajectories;** resulting in **improved resource allocation, better operational performance and higher long-term growth.**

On 13 March 2020, Investec **successfully completed the demerger of its asset management business (Investec Asset Management),** which became separately listed as Ninety One on 16 March 2020.

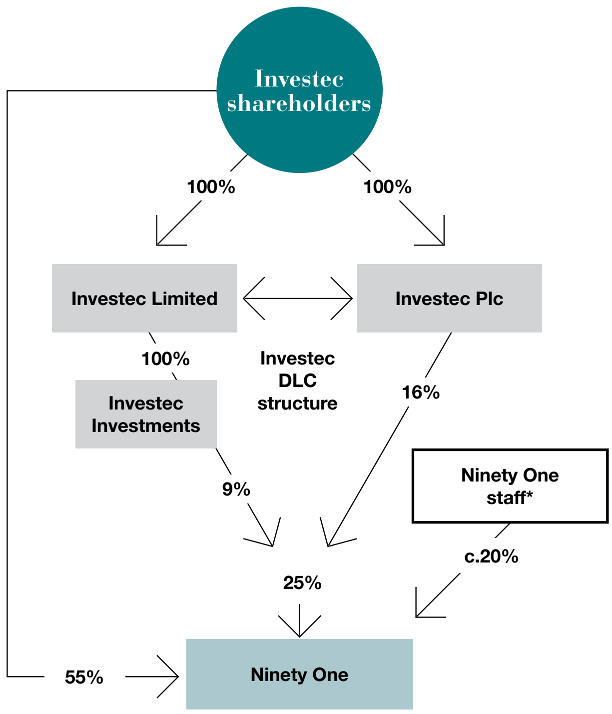
The effect of the demerger is to unbundle the asset management business from the Investec group and have two separately listed entitles.

- Prior to the demerger, the Investec group had an 80% shareholding in Investec Asset Management
- Pursuant to the demerger transaction, Investec distributed 55% of Ninety One to existing Investec shareholders. **Shareholders received one Ninety One share for every two Investec shares held**
- Investec decided not to proceed with its intended sell down of a 10% stake in Ninety One given market volatility at the time of Ninety One's listing
- Therefore, Investec **retained a 25% shareholding in Ninety One**. As a founding shareholder of Ninety One, the Boards of both Investec and Ninety One believe that it is appropriate for Investec to retain a modest shareholding in Ninety One. Investec believes Ninety One is an attractive business with meaningful intrinsic value. Retaining an equity stake allows Investec to participate in future value creation by Ninety One
- Investec's entire holding of Ninety One shares is subject to a lock up period of 180 days from the date of Ninety One's listing
- Approximately 20% of Ninety One continues to be held by Ninety One staff through Forty Two Point Two (the investment vehicle through which management and directors of Ninety One participate in the business) as well as Ninety One's employee benefit trusts.

PRE DEMERGER STRUCTURE:



POST DEMERGER STRUCTURE:



* *Consisting of Forty Point Two and Ninety One's employee benefit trusts*

Summary of financial impact

- Positive CET1 impact: Investec plc CET1 uplift of 0.59% and Investec Limited CET1 uplift of 0.40%
- Combined dividend capacity of Investec and Ninety One is unchanged as a result of the demerger
- The transaction resulted in a net gain for Investec of £806.4 million post taxation and transaction costs
- Accounting treatment: In FY2020, the results of the Ninety One group have been consolidated up to the effective date of the demerger (13 March 2020) and presented as discontinued operations. Thereafter, the retained 25% stake in the Ninety One group has been accounted for as an investment in associate and equity accounted within the earnings from continuing operations.

Further financial information on discontinued operations is provided on pages 55 to 56

Demerger transaction documents

The **Demerger Circular** as well as all published documents and announcements related to the demerger can be found on the group's website.

Demerger timeline of events:

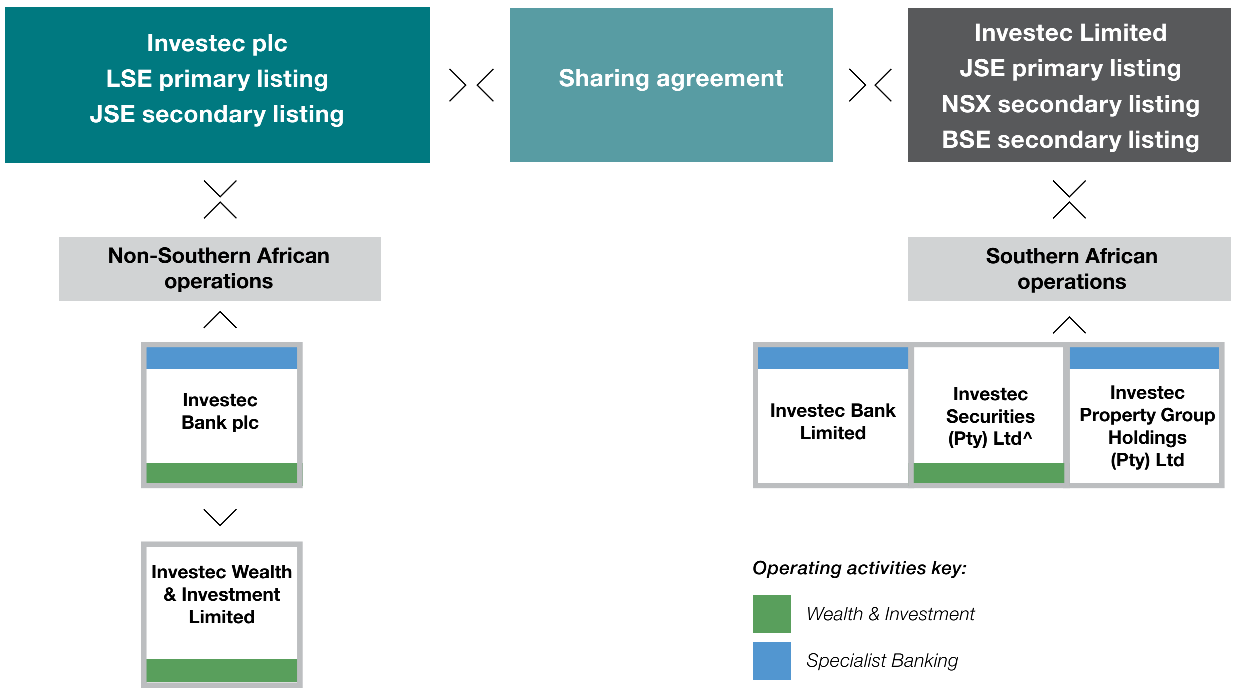
- Announcement of demerger: 14 September 2018
- Publication of Shareholder Circular: 29 November 2019
- Publication of Ninety One Registration Document: 31 January 2020
- General and Court Meetings: 10 February 2020 (resolutions passed with a 98% majority)
- Publication of Ninety One Prospectus: 2 March 2020
- Effective date of the demerger: 13 March 2020
- Admission of Ninety One Shares to LSE and JSE: 16 March 2020

During July 2002, Investec Group Limited (since renamed Investec Limited) implemented a dual listed companies (DLC) structure and listed its offshore business on the London Stock Exchange (LSE).

In terms of our DLC structure, Investec Limited is the holding company of our businesses in South Africa and Mauritius, and Investec plc is the holding company of our non-Southern African businesses. Investec Limited is listed on the Johannesburg Stock Exchange Limited (JSE) South Africa (since 1986) and Investec plc on the LSE (since 2002).

www ***A circular on the establishment of our DLC structure was issued on 20 June 2002 and is available on our website.***

Our DLC structure and main operating subsidiaries at 31 March 2020



^ *Houses the Wealth & Investment business.*

All shareholdings in the ordinary share capital of the subsidiaries shown are 100%.

In March 2020, Investec completed the demerger and separate listing of Ninety One (formerly known as Investec Asset Management). Investec retained a 25% shareholding in the Ninety One group, with 16% held through Investec plc and 9% held through Investec Limited.

www ***Further information on the demerger can be found on our website.***

Salient features of the DLC structure

- Investec plc and Investec Limited are separate legal entities and listings, but are bound together by contractual agreements and mechanisms
- Investec operates as if it is a single unified economic enterprise
- Shareholders have common economic and voting interests as if Investec plc and Investec Limited were a single company
- Creditors, however, are ring-fenced to either Investec plc or Investec Limited as there are no cross-guarantees between the companies.

1

OVERVIEW OF RESULTS

Basis of presentation

This overview covers the statutory results of the Investec group for the year ended 31 March 2020. The financial impact of strategic actions undertaken to simplify and focus the group has been separately disclosed from adjusted operating profit in line with the group's interim results. These actions include the closure, sale and restructure of certain businesses. Furthermore, during the year the group's asset management business was demerged and separately listed and has hence been accounted for as a discontinued operation. The prior year has been restated to reflect a like-for-like basis aiding comparability between periods. Unless stated otherwise, comparatives relate to the restated 2019 financial year.

Results overview by Investec Chief Executive, Fani Titi:

"In the course of the last two months, the social and economic impact of the COVID-19 pandemic on our customers and the markets in which we operate has affected the performance of the group. Earnings were characterised by growth in client-related revenues and much tighter cost containment. This was more than offset by significantly lower investment and trading revenues, and higher expected credit loss charges given the economic backdrop. Group adjusted operating profit of £608.9 million was 16.8% behind the prior year and adjusted earnings per share of 46.5p was 23.6% behind the prior year.

I have been hugely impressed by the response of our people in this time of crisis. Our focus has been on ensuring that our colleagues and clients receive the support they need and have come to expect from Investec. We are doing this from a position of strength, with robust levels of capital and liquidity, while working with governments and regulators to channel additional support into the real economy."

Financial performance

The financial year was characterised by weak economic fundamentals (Brexit-related uncertainties in the UK, geo-political tensions and persistent economic weakness in South Africa). This was exacerbated by the sudden and extreme COVID-19 related dislocation in global markets during the last quarter of the financial year, impacting our trading income, investment income (through fair value adjustments) and expected credit loss charges.

The group navigated this challenging backdrop with its client franchises showing resilience:

- ***Group adjusted operating profit*** of £608.9 million was 16.8% behind the prior year (2019: £731.9 million), while adjusted operating profit from continuing operations of £419.2 million was 24.1% behind the prior year (2019: £552.5 million). The COVID-19 impact on adjusted operating profit was £105 million.
- ***Core loans and advances*** were broadly flat at £24.9 billion, but increased 9.2% in neutral currency. Customer deposits increased 2.9% to £32.2 billion (31 March 2019: £31.3 billion), up 12.6% in neutral currency. Funds under management recorded net inflows of £599 million.
- ***Total operating income*** (before impairments) decreased 7.5% to £1,806.8 million (2019: £1,953.8 million) impacted by the aforementioned factors.
- ***Credit loss ratio*** increased to 0.52% (2019: 0.31%), primarily driven by COVID-19 related expected credit losses.
- ***Operating costs*** decreased 7.0% to £1,185.0 million (2019: £1,274.5 million) driven by cost containment across the business, resulting in a continuing operations cost to income ratio of 68.2% (2019: 67.3%).
- ***Return on equity (ROE)*** generated by the group was 11.0% (2019: 14.2%) and 8.3% on a continuing operations basis (2019: 12.0%).
- ***CET1:*** the Group maintained a sound capital position with a common equity tier 1 (CET1) ratio of 10.7% for Investec plc (standardised approach) and 10.9% for Investec Limited (FIRB approach) at 31 March 2020. The group retained a higher stake of 25% in Ninety One upon demerger.
- ***The fair value of the distribution*** of Ninety One shares to shareholders amounted to 73.4p per share.
- ***Net asset value per share*** at 31 March 2020 was 414.3p (2019: 434.1p), and Tangible net asset value per share was 377.6p (31 March 2019: 386.0p). Net asset value was positively impacted by profitability and the demerger but negatively impacted by the 17.8% depreciation of the Rand year on year.

COVID-19 impact

The operational response of our business to the disruptions caused by COVID-19 has been a robust, agile transition into remote working, enabling a seamless continuation of service to our clients. Approximately 95% of our employees across the world are currently working from home. To meet the challenges faced by our clients, we have mobilised our balance sheet and expertise to assist in finding the financial solutions or restructuring advice to help them through this period.

We have acted decisively to support our employees, clients and communities through this crisis, reaffirming Investec's position that "we live in society, not off it".

Strategy execution

The group continued to make progress in its stated strategy to simplify and focus the business in pursuit of disciplined growth in the long term. We completed the demerger of the asset management business, executed various actions relating to the closure, sale and restructure of certain non-core and subscale businesses, reduced operating costs and delivered loan book growth and client acquisition ahead of budget in the UK Private Banking business.

The longer-term impacts of this crisis are hard to judge at present, and may necessitate a review of the performance targets that were set for achievement in 2022. We are strategising for a "new normal" and will communicate further when in a position to do so. In the meantime, we remain focused on delivering our strategy and achieving a sustained improvement in our key financial metrics and outcomes for all our stakeholders

Dividends

In light of regulatory guidance provided to banks in both South Africa and the UK, the board has decided not to declare a final ordinary dividend, resulting in a full year dividend of 11.0 pence per ordinary share (2019: 24.5 pence with a dividend cover based on the group's adjusted EPS of 2.5 times).

Outlook

The outlook remains fluid and difficult to forecast with any reasonable degree of certainty in the light of the COVID-19 pandemic. We expect the year ahead to be challenging as the economic recovery from the devastating effects of COVID-19 is likely to be protracted. Client activity is likely to be muted, interest income impacted by lower interest rates and impairments likely to be elevated. We will continue to look for opportunity despite the current dislocations.

Continuous and close management oversight of the loan portfolio with ongoing stress testing, scenario modelling and client engagement to mitigate emerging risk will be key. As revenue pressures are likely to mount in light of the prevailing economic backdrop, we remain focused on controlling costs and improving efficiencies.

We entered this crisis with a robust balance sheet, characterised by a strong capital position, low gearing (strong leverage ratio) and good levels of liquidity which we continue to maintain.

We remain committed to supporting our people, our clients and communities. We remain focused on building the business for the long-term.

Financial highlights

- Our client franchises showed resilience. Over the year, core loans were broadly flat (up 9.2% in neutral currency), customer deposits increased 2.9% (up 12.6% in neutral currency) and the Wealth & Investment business achieved net inflows of £599 million.
- Group adjusted operating profit of £608.9 million was 16.8% behind the prior year (2019: £731.9 million) and adjusted earnings per share of 46.5p was 23.6% behind the prior year (2019: 60.9p).
- Adjusted operating profit from Continuing operations of £419.2 million was 24.1% behind the prior year (2019: £552.5 million) and Continuing adjusted earnings per share of 33.9p was 30.4% behind the prior year (2019: 48.7p).
- The impact of COVID-19 across operating income and expected credit losses, net of variable remuneration, was approximately £105 million (£50 million in the South African Specialist Bank and £55 million in the UK Specialist Bank).
- The reported results are slightly below the guided range, reflecting a severe deterioration in the operating environment since the guidance was given.
- **Specialist Banking:**
  - Satisfactory performance from lending franchises supported growth in net interest income. This was offset by weak equity capital markets activity, lower associate income and the effects of COVID-19 which negatively impacted investment income, trading income and impairments. Operating costs reduced reflecting a strong focus on cost discipline.
  - The South African business generated adjusted operating profit of £276.4 million (2019: £310.3 million), a decline of 10.9% (8.5% in Rands) against the prior year. The UK business reported adjusted operating profit of £106.7 million (2019: £191.6 million), 44.3% behind the prior year.
  - The group credit loss ratio increased to 0.52% from 0.31% in the prior year, with the increase primarily driven by COVID-19 related expected credit losses. Pre COVID-19, the credit loss ratio was calculated at 0.28% for 31 March 2020.
- **Wealth & Investment:**
  - Net inflows and higher average assets under management supported stable revenue. Costs increased primarily from higher regulatory levies and discretionary technology spend to support growth over the long term.
  - The South African adjusted operating profit of £26.8 million (2019: £26.3 million) was 2.3% (5.7% in Rands) ahead of the prior year. The UK adjusted operating profit of £63.0 million (2019: £70.6 million) was 10.8% behind the prior year.
- Against this backdrop, the group generated a return on equity (ROE) of 11.0% (2019: 14.2%). The continued execution of our strategic cost initiatives saw operating costs reduce, however lower operating income year on year resulted in an increase in the cost to income ratio from 67.3% to 68.2%.

- As at 31 March 2020, net asset value per share was 414.3p (31 March 2019: 434.1p) and tangible net asset value per share was 377.6p (31 March 2019: 386.0p). Net asset value was positively impacted by profitability and the demerger but negatively by the depreciation of the Rand.
- The group has retained strong cash and near cash balances of £12.7 billion at 31 March 2020 (representing 39% of customer deposits and 25% of total assets). Capital and leverage ratios remain sound, ahead of internal targets and regulatory requirements.

Financial highlights[1]	**31 March 2020**	31 March 2019[2]	% change	Neutral currency % change
Total group[1]				
Adjusted operating profit (£'m)	608.9	731.9	(16.8%)	(15.8%)
Adjusted earnings attributable to shareholders (£'m)	439.9	573.9	(23.4%)	(22.8%)
Adjusted basic earnings per share (pence)	46.5	60.9	(23.6%)	(23.0%)
Basic earnings per share (pence)	115.3	52.0	121.7%	132.7%
Headline earnings per share (pence)	29.2	52.6	(44.5%)	(40.7%)
ROE	11.0%	14.2%		
ROTE	12.2%	16.1%		
Net asset value per share (pence)	414.3	434.1	(4.6%)	0.6%
Tangible net asset value per share (pence)	377.6	386.0	(2.2%)	3.7%

Financial highlights[1]	**31 March 2020**	31 March 2019[2]	% change	Neutral currency % change
Continuing operations				
Adjusted operating profit (£'m)	419.2	552.5	(24.1%)	(23.0%)
Adjusted earnings attributable to shareholders (£'m)	320.7	458.8	(30.1%)	(29.2%)
Adjusted basic earnings per share (pence)	33.9	48.7	(30.4%)	(29.4%)
Basic earnings per share (pence)	17.5	40.4	(56.7%)	(57.2%)
Headline earnings per share (pence)	21.5	41.1	(47.7%)	(46.0%)
Credit loss ratio	0.52%	0.31%		
Cost to income ratio	68.2%	67.3%		
ROE	8.3%	12.0%		
ROTE	9.2%	13.3%		
Third party assets under management (£'bn)	45.0	55.8	(19.3%)	(15.5%)
Customer accounts (deposits) (£'bn)	32.2	31.3	2.9%	12.6%
Core loans and advances (£'bn)	24.9	24.9	(0.1%)	9.2%
Cash and near cash (£'bn)	12.7	13.3	(4.6%)	4.4%
Common equity tier 1 ratio - Investec Limited	10.9%	10.5%[3]		
Leverage ratio[4] – Investec Limited	6.4%	7.6%		
Common equity tier 1 ratio – Investec plc	10.7%	10.8%		
Leverage ratio[4] – Investec plc	7.8%	7.9%		

1 *Refer to definitions on pages 137 to 139.*
2 *Restated as detailed on page 58.*
3 *Investec Limited adopted the Foundation Internal Ratings Based (FIRB) approach, effective 1 April 2019, resulting in a pro-forma CET1 ratio of 11.6% had the FIRB approach been applied as of 31 March 2019.*
4 *Current Leverage ratios calculated on an end quarter basis.*

Strategic initiatives

The Group has made progress in the execution of its stated strategy to simplify and focus the business to create value over the long term:

- Completion of the demerger and listing of Ninety One (previously Investec Asset Management). This resulted in an increase in the CET1 ratio of 40bps for Investec Limited and 59bps for Investec plc. Investec decided not to proceed with the sell down of a 10% stake in Ninety One given market conditions at the time of Ninety One's listing.
- Decisive action to restructure, close and sell non-core and subscale businesses. In addition to the strategic actions taken in H1 2020 (see page 57 for a breakdown), additional write-downs were taken on certain exposures in the Hong Kong direct investment portfolio and additional costs related to businesses closed as part of the Irish business restructure were also taken.
- The net gain of these strategic actions of £711.3 million (2019: £71.5 million loss), including the gain and costs in relation to the demerger, has been disclosed separately from adjusted operating profit.
- Operating costs from continuing operations reduced by 7.0%. In the UK Specialist Bank, operating costs reduced by £95.9 million, of which fixed operating costs reduced by £31.6 million (6.9%) in FY2020.
- Whilst strategies to reduce the equity investment portfolio are underway, the current environment is not conducive for asset realisations as the group seeks to optimise the value of these investments.
- Conversion to the Foundation Internal Ratings Based (FIRB) measurement of credit capital in South Africa resulted in a 1.1% uplift to Investec Limited's CET 1 ratio, effective 1 April 2019. Investec Limited's application for conversion to the Advanced Internal Ratings Based (AIRB) approach is under review by the South African Prudential Authority and if successful is expected to result in a circa 2% uplift to the CET1 ratio.

Business unit review – Continuing operations

The adjusted operating profit from continuing operations decreased by 24.1% to £419.2 million (2019: £552.5 million). Further information detailing the performance of the Specialist Banking and Wealth & Investment businesses is provided below.

Specialist Banking

	Southern Africa					UK & Other			
			variance					variance	
Specialist Banking	**31 March 2020 £'m**	31 March 2019 £'m	£'m	%	% in Rands	**31 March 2020 £'m**	31 March 2019 £'m	£'m	%
Operating income	766.7	793.0	(26.3)	(3.3%)	0.0%	634.6	759.5	(124.9)	(16.4%)
ECL impairment charges	(57.5)	(41.9)	(15.6)	37.2%	45.6%	(75.8)	(24.5)	(51.3)	209.0%
Operating costs (including depreciation on operating leased assets)	(365.8)	(378.1)	12.3	(3.3%)	0.1%	(451.2)	(547.8)	96.6	(17.6%)
(Profit)/loss attributable to other NCI	(67.1)	(62.7)	(4.4)	7.0%	11.0%	(0.9)	4.5	(5.3)	(119.3%)
Adjusted operating profit	**276.4**	**310.3**	**(34.0)**	**(10.9%)**	**(8.5%)**	**106.7**	**191.6**	**(84.9)**	**(44.3%)**

Totals and variance determined in £'000.

Southern Africa Specialist Banking

The South African business reported a decrease in adjusted operating profit in Rands of 8.5%. The core client franchises reported revenue growth with private client interest and overall fee income up year on year. This, together with well-contained costs (flat year on year), supported earnings. This was offset by the base effects of a large realisation in an associate entity in the prior year, as well as the impact of the COVID-19 pandemic. COVID-19 resulted in a reduction in net operating income of £56 million (through higher impairment charges and negative fair value adjustments on certain portfolios) partially offset by a reduction in variable remuneration of £6 million; resulting in an overall decrease in adjusted operating profit of £50 million due to COVID-19.

The credit loss ratio increased to 0.38% (2019: 0.28%), with the increase primarily due to the deterioration of the macroeconomic scenarios (which were adjusted for COVID-19 and the South African sovereign downgrades). Pre COVID-19, the credit loss ratio was calculated at 0.21% for 31 March 2020.

Net core loans increased by 6.5% to R288.9 billion (31 March 2019: R271.2 billion), with growth in private client lending partially offset by subdued corporate client activity.

During the year the business made progress in executing previously identified growth initiatives, including the launch of a transactional business banking offering and expansion of the private client base through our Young Professionals strategy. In addition, we are seeing client traction in the Investec Life and Investec for Business propositions.

The transition to the FIRB approach at the start of the financial year enhanced our ability to price competitively. Our application to the South African Prudential Authority to implement the AIRB approach remains under review.

Whilst strategies to reduce the equity investment portfolio are underway, the current environment is not conducive for asset realisations as the group seeks to optimise the value of these investments.

Against this backdrop, the business reported a cost to income ratio of 52.3% (2019: 51.8%) and a ROE of 10.5% (2019: 12.8%). The ROE of the South African Specialist Bank excluding group investments (refer to page 86 to 89) was 12.0% (2019: 13.6%).

UK & Other Specialist Banking

The UK & Other business reported a decrease in adjusted operating profit of 44.3%, impacted by lower equity capital markets fees due to persistent market uncertainty throughout the year under review as well as the impact of the COVID-19 pandemic. The sudden and extreme market dislocation in March 2020, triggered by COVID-19, resulted in a reduction in net operating income of £99 million (through higher impairment charges, hedging losses from structured products of approximately £29 million, and negative fair value adjustments on certain portfolios) partially offset by a reduction in variable remuneration of £44 million; resulting in an overall decrease in adjusted operating profit of **£55 million** due to COVID-19.

Operating costs excluding variable remuneration reduced by £31.6 million (a 6.9% decrease) year on year, reflecting a strong focus on cost discipline and normalised premises charges.
In addition, variable remuneration was reduced as a consequence of a weaker performance, including the impact on performance from the COVID-19 pandemic.

The credit loss ratio increased to 0.69% (2019: 0.38%), driven primarily by the impact of the COVID-19 pandemic (in the form of a provision overlay reflecting a deterioration in the macro-economic scenarios applied and a specific impairment provision).
Pre COVID-19, the credit loss ratio was calculated at 0.34% for 31 March 2020.

The lending franchises performed well, despite the challenging macroeconomic backdrop that prevailed throughout the year under review. Net core loans increased by 12.9% to £11.9 billion (31 March 2019: £10.5 billion). The Corporate and Investment Banking and Specialist International Lending franchises saw reasonable levels of origination and sell-down activity with good fee generation. The Private Banking business had good traction in target client acquisition, retail funding and mortgage book growth (up 36.1% since 31 March 2019).

The cost to income ratio of 71.1% (2019: 71.6%) and the ROE of 6.3% (2019: 11.2%) were impacted by the foregoing factors.

Wealth & Investment

	Southern Africa					UK & Other			
Specialist Banking	**31 March 2020 £'m**	31 March 2019 £'m	variance £'m	variance %	% in Rands	**31 March 2020 £'m**	31 March 2019 £'m	variance £'m	variance %
Operating income	87.8	84.5	3.3	3.9%	7.9%	317.7	316.9	0.9	0.3%
Operating costs	(60.9)	(58.2)	(2.7)	4.6%	8.9%	(254.7)	(246.2)	(8.5)	3.5%
Adjusted operating profit	**26.8**	**26.3**	**0.6**	**2.3%**	**5.7%**	**63.0**	**70.6**	**(7.6)**	**(10.8%)**

Totals and variance determined in £'000.

Overall assets under management for the year decreased by 19.2% to £44.5 billion (31 March 2019: £55.1 billion) impacted by the extreme market volatility in the last quarter of the financial year as well as the sale of the Irish wealth management business in October 2019. The business achieved net inflows of £599 million.

The South African business performed well against a tough backdrop, with adjusted operating profit up 5.7% in Rands. Revenue was supported by higher average assets under management and by our offshore offering, as clients continued to seek international investment opportunities. The operating cost increase of 8.9% was above inflation due to certain once-off personnel costs. The cost to income ratio was 69.4% (2019: 68.9%).

The UK & Other business achieved positive net organic growth in assets under management in the prior and current year, particularly in our core discretionary managed services, underpinning steady operating income. This is despite challenging industry trading conditions where clients remained cautious, resulting in lower growth rates in net new funds across the industry. Overall fee income was impacted by the sale of the Irish Wealth business in October 2019. Higher discretionary technology investment costs and regulatory levies were the notable drivers of the operating cost increase of 3.5%. Overall, the UK & Other businesses reported a 10.8% decrease in adjusted operating profit, but with a marked improvement in the second half where adjusted operating profit decreased by 5.0% year on year, compared to the 16.2% decrease reported in the first half. The cost to income ratio was 80.2% (2019: 77.7%). The current operating environment requires the business to strike a balance between effective cost management and investing for the future. The business is committed to maintaining this balance and has put programmes in place to deliver on both objectives.

Group costs

Group costs increased by 16.1% to £53.8 million (2019: £46.3 million), driven primarily by a one-off cost relating to the exit of a contract, which will result in overall future cost savings in relation to the contract. Prior to this cost Group costs would have reduced year on year. We expect group costs in FY2021 to be below £35 million. Group costs now reflect a more equitable allocation across the two geographies.

Further information on key developments within each of the business units is provided on pages 66 to 69.

Discontinued Operations

On 13 March 2020, the Group successfully completed the demerger of its asset management business, which became separately listed as Ninety One on 16 March 2020. The results of the asset management business to 13 March 2020 have been consolidated into the group's results and reflected as Profit after tax from discontinued operations. Earnings from Ninety One from 16 March 2020 have been equity accounted and included in Share of post taxation profit of associates within continuing operations. For an analysis of the operational performance of Ninety One refer to its published results.

Financial statement analysis – Continuing operations

Total operating income

Total operating income before expected credit loss impairment charges decreased by 7.5% to £1,806.8 million (2019: £1,953.8 million).

Net interest income increased by 4.5% to £853.0 million (2019: £816.6 million) underpinned by private client activity and loan book growth.

Net fee and commission income decreased by 0.3% to £790.5 million (2019: £792.7 million). The South African and UK Wealth & Investment businesses reported an increase in annuity fees. Overall fees from the Wealth & Investment business were impacted by the sale of the Irish Wealth business in October 2019. The Specialist Bank reported lower fees impacted by the challenging macroeconomic environment in both South Africa and the UK.

Investment income decreased 63.6% to £39.3m million (2019: £107.8 million), reflecting the challenging macroeconomic backdrop during the year under review and the sudden extreme market dislocation in March 2020.

Share of post taxation profit of associates of £27.2 million (2019: £68.2 million) primarily reflects earnings in relation to the group's investment in the IEP Group. Prior year earnings had a large realisation which did not repeat in the current year. As of 16 March 2020 earnings from the group's 25% holding in Ninety One have been equity accounted and included in Share of post taxation profit of associates.

Trading income arising from customer flow amounted to £63.3 million (2019: £120.7 million). Reasonable activity levels were offset by losses arising from hedging of structured products in the UK (approximately £29 million) driven by the sudden global markets capitulation in March 2020 and the impact of market movements on Investec Property Fund's hedging instruments (largely offset in non-controlling interests).

Trading income from balance sheet management and other trading activities decreased 27.4% to £26.7 million (2019: £36.8 million). The decrease in the UK was primarily due to prior year asset sales and COVID-19 related market volatility in the current year. The year on year variance in South Africa was driven by COVID-19 related losses on certain trading portfolios, prior year translation gains on foreign currency assets which did not repeat in the current year, offset by currency translation gains in the current year on Investec Property Fund's UK and European investments (largely offset in non-controlling interests).

Expected credit loss (ECL) impairment charges

The total ECL impairment charges increased to £133.3 million (2019: £66.5 million). The main contributors to the increase were book growth and the impact of the COVID-19 pandemic; in the form of a provision overlay reflecting a deterioration in the macro-economic scenario forecasts applied and a specific impairment provision in the UK, and a deterioration of the macro-economic scenarios in South Africa (which were adjusted for COVID-19 and the South African sovereign downgrades). The increase in the UK charge was also impacted by the prior year release of provisions on non-core assets sold. The credit loss ratio increased to 0.52% (2019: 0.31%), with the ECL coverage ratio of our Stage 1 loan book also increasing to 0.4% from 0.2% in the prior year. Pre COVID-19, the credit loss ratio was calculated at 0.28% for 31 March 2020.

Since 31 March 2019, Stage 3 gross core loans and advances subject to ECL increased to £580 million from £521 million. Stage 3 net exposure as a percentage of net core loans and advances subject to ECL was 1.6% at 31 March 2020 (31 March 2019: 1.3%).

Operating costs

Operating costs decreased 7.0% to £1,185.0 million (2019: £1,274.5 million) driven by cost containment across the business (fixed costs and variable remuneration) and normalised premises costs. The cost to income ratio (net of non-controlling interests) was 68.2% (2019: 67.3%).

Taxation

The tax charge on adjusted operating profit from Continuing operations was £54.7 million (2019: £49.1 million), resulting in an effective tax rate of 11.9% (2019: 9.1%). The year-on-year increase was due to the normalisation of the effective tax rate in South Africa, partially offset by the release of provisions associated with settlements in the UK.

Impairment of associates and joint venture holdings

Management critically evaluated the equity accounted value of the group's investment in the IEP Group (IEP) and resultantly recognised an impairment of £45.4 million in the current year. The recoverable amount of the investment in IEP was determined by calculating Investec's stake of the sum of the fair values of the underlying investments held by IEP. This was done by determining the best estimates of the cash flows to be generated from the ultimate realisation of the underlying investments considering management's strategy with the investments, returns generated by the underlying investments, the nature of the assets and market considerations.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests of £68.0 million (2019: £58.2 million) relates to the profit attributable to non-controlling interests in the Investec Property Fund.

Financial impact of group restructures and closure and rundown of the Hong Kong direct investments business

In pursuit of the group's objective to simplify, focus and grow the business, a number of strategic actions have been effected during the year. Material actions include the closure of the Click & Invest operations, sale of the Irish Wealth & Investment business, restructure of the Irish branch, and the closure and rundown of the Hong Kong direct investments business. These strategic actions, as well as the gain and costs incurred in relation to the demerger of the asset management business, resulted in an after-tax gain of £711.3 million (2019: £71.5 million loss) (see page 57 for a further breakdown).

Balance sheet analysis

Since 31 March 2019:

- Ordinary shareholders' equity decreased by 6.3% to £3.9 billion, positively impacted by profitability and the demerger and negatively impacted by the depreciation of the Rand.
- Net asset value per share decreased 4.6% to 414.3 pence and net tangible asset value per share (which excludes goodwill and intangible assets) decreased 2.2% to 377.6 pence.
- The group's ROE decreased from 14.2% to 11.0%.
- Net core loans and advances of £24.9 billion were broadly flat year on year (up 9.2% in neutral currency). The South African book increased by 6.5% to R288.9 billion, with growth in private client lending offset by slower corporate lending activity. In the UK net core loans increased by 12.9% to £11.9 billion comprising well diversified growth across the corporate loan book as well as significant targeted growth in our High Net Worth mortgage book.

Liquidity and funding

As at 31 March 2020 the group held £12.7 billion in cash and near cash balances (£6.0 billion in Investec plc and R147.2 billion in Investec Limited) which amounted to 39% of customer deposits. Average cash balances increased in the UK largely driven by prefunding ahead of the closure of our Irish deposit raising business as a result of Brexit, as well as higher levels of group cash balances held since the onset of the COVID-19 pandemic. Loans and advances to customers as a percentage of customer deposits amounted to 76.3% (31 March 2019: 78.4%). The group comfortably exceeds Basel liquidity requirements for the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). Investec Bank Limited (solo basis) ended the period to 31 March 2020 with the three-month average of its LCR at 133.2% and an NSFR of 116.2%. Further detail with respect to the bank's LCR and NSFR in South Africa is provided on the website. For Investec plc and Investec Bank plc (solo basis) the LCR and NSFR are calculated using the relevant EU regulation, applying our own interpretations where required. The LCR reported to the PRA at 31 March 2020 was 396% for Investec plc and 411% for Investec Bank plc (solo basis). The internally calculated NSFR was 122% for Investec plc and 120% for Investec Bank plc (solo basis) at 31 March 2020.

Capital adequacy and leverage ratios

The group maintained a sound capital position with a common equity tier 1 (CET1) ratio of 10.7% for Investec plc (standardised approach) and 10.9% for Investec Limited (FIRB approach) at 31 March 2020. Leverage ratios are strong and remain ahead of the group's target of 6%. The group is targeting a minimum CET1 ratio above 10%, a Tier1 ratio above 11% and a total capital adequacy ratio range of 14% to 17% on a consolidated basis for each of Investec plc and Investec Limited respectively.

Completion of the demerger and listing of Ninety One (previously Investec Asset Management) resulted in an increase in the CET1 ratio of 40bps for Investec Limited and 59bps for Investec plc. Investec decided not to proceed with the sell down of a 10% stake in Ninety One given market volatility. The lower than guided capital impact is as a result of retaining this 10% stake.

Investec Limited adopted the FIRB approach effective 1 April 2019. Investec Limited's application for the conversion to AIRB is under review and if successful is expected to result in a circa 2% uplift to the CET1 ratio. Investec Limited's CET1 ratio includes a reduction of 85bps in the current year associated with our High Quality Liquid Assets and credit investment portfolios held at fair value through equity. This was a consequence of the sudden movement in credit spreads in March 2020, impacting valuations at 31 March 2020. More than half of this impact reversed post year end. In South Africa, on 6 April 2020, the South African Prudential Authority reduced the Pillar 2A capital requirement by 1% (0.5% in CET1), thereby increasing our surplus to regulatory requirements.

As part of the Prudential Regulation Authority's (PRA) most recent Individual Capital Adequacy Assessment Process (ICAAP), the Investec plc Pillar 2A capital requirement was reduced from 1.51% to 1.12%. This together with the reduction in the UK Countercyclical Capital Buffer (CCYB) (which was reduced by the PRA in light of the current economic environment) has resulted in a lower CET1 regulatory minimum for Investec plc, substantially increasing our regulatory capital surplus.

Refer to page 134 for further capital adequacy disclosures.

On behalf of the boards of Investec plc and Investec Limited

PKO Crosthwaite.

Perry Crosthwaite
Chairman

20 May 2020

Fani Titi
Chief Executive

Accounting policies, significant judgements and disclosures

These reviewed condensed 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 for the year to 31 March 2020 are consistent with those adopted in the financial statements for the year ended 31 March 2019 except as noted below.

On 1 April 2019 the group adopted IFRS 16 'Leases' which replaced IAS 17 'Leases'. The group's accounting as a lessor under IFRS 16 is substantially unchanged from its approach under IAS 17, apart from certain subleases which are now classified as finance lease receivables. For lessees, IFRS 16 removes the distinction between finance and operating leases and introduces a single lease accounting model that will, with some limited exemptions, apply to all leases and result in bringing them on balance sheet. The impact on adoption was the recognition of Right of Use assets of £233 million, finance lease receivables of £330 million relating to certain subleases, and lease liabilities of £597 million, with no impact on retained income. An existing accrual of £34 million was adjusted against the Right of Use assets.

The group remains committed to its objective to simplify and focus the business in pursuit of disciplined growth over the long term. In this regard the following strategic actions have been effected: Demerger of the asset management business, closure of the Click & Invest operations which formed part of the UK wealth management business, sale of the Irish Wealth & Investment business, restructure of the Irish branch, sale of the UK Property Fund, closure and rundown of the Hong Kong direct investments business.

The group has elected to separately disclose the financial impact of these strategic actions as the Financial Impact From Group Restructures and the rundown of portfolios where operations have ceased. Due to the significant change in the nature of the entity's operations, we consider it appropriate to present the information on a like-for-like basis, resulting in reclassifications for related items which were previously included in operating income and operating costs in the income statement.

In addition, from 1 April 2019, as a result of amendments to IAS 12 Income Taxes, tax relief on payments in relation to Other Additional Tier 1 securities has been recognised as a reduction in taxation on operating profit before goodwill, acquired intangibles and strategic actions, whereas it was previously recorded directly in retained income. Prior period comparatives have been restated, increasing the profit after taxation for the year to 31 March 2019 by £3.2 million.

These reclassifications in the income statement for the prior reported periods and the consequential restated comparatives have been shown in the Restatements table on page 58. The net effect on restated earnings attributable to shareholders relates solely to the tax previously included directly in equity which is now being reported in the income statement. The net effect on restated adjusted earnings per share relates to:

- the inclusion of the tax relief previously recorded directly in equity which is now being recognised in the income statement; and
- the exclusion of the financial impact of the strategic actions, which were included in adjusted operating profit in prior periods.

There has been no impact to Earnings per share or Headline earnings per share.

The effective date of the demerger of the Asset Management business was 13 March 2020 and admission of the Ninety One Limited shares and the Ninety One plc shares to the Johannesburg Stock Exchange and London Stock Exchange was effected on 16 March 2020. The global asset management business has been disclosed as a discontinued operation and the income statement for the prior year has been appropriately re-presented. Refer to the discontinued operations note for further detail.

The financial results have been prepared under the supervision of Nishlan Samujh, the Group Finance Director. The financial statements for the year to 31 March 2020 are available on the group's website: http://www.investec.com.

Subject to terms available at the following link: www.investec.co.uk/emaildisclaimer. By communicating electronically with us, you consent to these terms.

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:
  - changes in the political and/or economic environment that would materially affect the Investec group
  - changes in the economic environment caused by COVID-19, the resulting lockdowns and government programmes aimed to stimulate the economy
  - changes in legislation or regulation impacting the Investec group's operations or its accounting policies
  - changes in business conditions that will have a significant impact on the Investec group's operations
  - changes in exchange rates and/or tax rates from the prevailing rates outlined on page 18 and 20
  - changes in the structure of the markets, client demand or the competitive environment.
- A number of these factors are beyond the group's control.
- These factors may cause the group's actual future results, performance or achievements in the markets in which it operates to differ from those expressed or implied.
- Any forward looking statements made are based on the knowledge of the group at 20 May 2020.
- The information in the group's announcement for the year ended 31 March 2020, which was approved by the board of directors on 20 May 2020, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006. The 31 March 2019 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.

A full version of the group's announcement is available on the group's website: http://www.investec.com.

Financial assistance

Shareholders are referred to Special Resolution number 3, which was approved at the annual general meeting held on 8 August 2019, relating to the provision of direct or indirect financial assistance in terms of Section 45 of the South African Companies Act, No 71 of 2008 to related or inter-related companies. Shareholders are hereby notified that in terms of S45(5)(a) of the South African Companies Act, the boards of directors of Investec Limited and Investec Bank Limited provided such financial assistance during the period 1 October 2019 to 31 March 2020 to various group subsidiaries.

Basis of presentation

In light of the group's DLC structure as outlined on page 8, the directors of Investec Limited and Investec plc consider that for financial reporting purposes, the fairest presentation is achieved by combining the results and financial position of both Investec Limited and Investec plc. Accordingly, these year-end results reflect the results and financial position of the combined DLC group under International Financial Reporting Standards (IFRS), denominated in Pounds Sterling.

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

Exchange rates

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

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

	31 March 2020		**31 March 2019**	
Currency per £1.00	**Closing**	**Average**	Closing	Average
South African Rand	22.15	18.78	18.80	18.04
Australian Dollar	2.03	1.87	1.83	1.80
Euro	1.13	1.15	1.16	1.13
US Dollar	1.24	1.27	1.30	1.31

Exchange rates between local currencies and Pounds Sterling have fluctuated over the period. The most significant impact arises from the volatility of the Rand. The average Rand: Pound Sterling exchange rate over the period has depreciated by 4.1% against the comparative twelve month period ended 31 March 2019, and the closing rate has depreciated by 17.8% since 31 March 2019.

All income statement related items shown below have been reflected on a Continuing operations basis, unless otherwise specified.

	31 March 2020	31 March 2019*	% change
Income statement and selected returns			
Adjusted earnings attributable to ordinary shareholders (£'000)-Total group	439 862	573 896	(23.4%)
Adjusted earnings attributable to ordinary shareholders (£'000)	320 650	458 844	(30.1%)
Headline earnings (£'000)-Total group	276 118	495 616	(44.3%)
Headline earnings (£'000)	203 490	386 897	(47.4%)
Adjusted operating profit (£'000)-Total group	608 918	731 858	(16.8%)
Adjusted operating profit (£'000)	419 159	552 496	(24.1%)
Cost to income ratio	68.2%	67.3%	
Staff compensation to operating income ratio	45.5%	46.6%	
Return on average shareholders' equity (post-tax)-Total group	11.0%	14.2%	
Return on average shareholders' equity (post-tax)	8.3%	12.0%	
Return on average tangible shareholders' equity (post-tax)-Total group	12.2%	16.1%	
Return on average tangible shareholders' equity (post-tax)	9.2%	13.3%	
Return on average risk-weighted assets-Total group	1.38%	1.71%	
Return on average risk-weighted assets	1.01%	1.37%	
Net interest income as a % of operating income	47.2%	41.8%	
Non-interest income as a % of operating income	52.8%	58.2%	
Annuity income as a % of total operating income	77.2%	69.1%	
Effective operational tax rate-Total group	14.8%	12.2%	
Effective operational tax rate	11.9%	9.1%	
Balance sheet			
Total assets (£'million)	50 656	57 724	(12.2%)
Net core loans and advances (£'million)	24 911	24 941	(0.1%)
Cash and near cash balances (£'million)	12 683	13 288	(4.6%)
Customer accounts (deposits) (£'million)	32 221	31 307	2.9%
Third party assets under management (£'million)#	45 018	55 754	(19.3%)
Gearing ratio (assets excluding assurance assets to total equity)	10.3x	9.4x	
Core loans to equity ratio	5.1x	4.8x	
Loans and advances to customers as a % of customer deposits	76.3%	78.4%	
Credit loss ratio	0.52%	0.3%	
Stage 3 net of ECL as a % of net core loans and advances subject to ECL	1.6%	1.3%	
Share statistics			
Adjusted earnings per share (pence)-Total group	46.5	60.9	(23.6%)
Adjusted earnings per share (pence)	33.9	48.7	(30.4%)
Headline earnings per share (pence)-Total group	29.2	52.6	(44.5%)
Headline earnings per share (pence)	21.5	41.1	(47.7%)
Basic earnings per share (pence)-Total group	115.3	52.0	121.7%
Basic earnings per share (pence)	17.5	40.4	(56.8%)
Diluted earnings per share (pence)-Total group	114.4	50.9	124.9%
Diluted earnings per share (pence)	17.3	39.6	(56.2%)
Interim Dividends per share (pence)	11.0	11.0	0.0%
Final Dividends per share (pence)	**	13.5	
Dividend cover (times)	**	2.5	
Net asset value per share (pence)	414.3	434.1	(4.6%)
Net tangible asset value per share (pence)	377.6	386.0	(2.2%)
Weighted number of ordinary shares in issue (million)	945.8	942.2	0.4%
Total number of shares in issue (million)	1015.0	1001.0	1.4%
Capital ratios^			
Investec plc			
Total capital ratio	14.9%	15.7%	
Common equity tier 1 ratio	10.7%	10.8%	
Leverage ratio	7.8%	7.9%	
Investec Limited##			
Total capital adequacy ratio	15.0%	14.9%	
Common equity tier 1 ratio^^	10.9%	10.5%	
Leverage ratio^^	6.4%	7.6%	

Refer to alternative performance measures and definitions sections found on pages 137 to 139.

* *Restated as detailed on page 58.*

^ *The group's expected Basel III 'fully loaded' numbers are provided on page 134.*

\# *In order to be comparable with the 2020 financial year, the 2019 third party assets under management figure above reflects that of Continuing operations only (i.e. excludes third party assets under management related to the asset management business as at 31 March 2019)*

** *In light of regulatory guidance provided to banks in both South Africa and the UK, the board has decided not to declare a final ordinary dividend, resulting in a full year dividend of 11.0 pence per ordinary share (2019: 24.5 pence with a dividend cover based on the group's adjusted EPS of 2.5 times).*

^^ *Investec Limited's CET1 ratio includes a reduction of 85bps associated with our High Quality Liquid Assets and credit investment portfolios held at fair value through equity. This was a consequence of the sudden movement in credit spreads impacting valuations at 31 March 2020. More than half of this impact reversed post year end.*

\## *Investec Limited adopted the Foundation Internal Ratings Based(FIRB) approach, effective 1 April 2019, resulting in pro-forma total capital ratio of 16.0%, pro-forma CET1 ratio of 11.6% and pro-forma leverage ratio of 7,4% had the FIRB approach been applied as at 31 March 2019.*

EXCHANGE RATE IMPACT ON RESULTS

As noted on page 18 exchange rates between local currencies and Pounds Sterling have fluctuated over the period. The most significant impact arises from the volatility of the Rand. The average Rand: Pound Sterling exchange rate over the period has depreciated by by 4.1% against the comparative twelve month period ended 31 March 2019, and the closing rate has depreciated by 17.8% since 31 March 2019. The following tables provide an analysis of the impact of the Rand on our reported numbers.

	Results in Pounds Sterling					Results in Rands		
Total group	**Year to 31 March 2020**	Year to 31 March 2019*	% change	**Neutral currency^ Year to 31 March 2020**	Neutral currency % change	**Year to 31 March 2020**	Year to 31 March 2019*	% change
Adjusted operating profit before taxation (million)	£609	£732	(16.8%)	£616	(15.8%)	R11 307	R13 208	(14.4%)
Earnings attributable to shareholders (million)	£1135	£534	112.5%	£1189	122.7%	R21 938	R9 653	127.3%
Adjusted earnings attributable to shareholders (million)	£440	£574	(23.3%)	£443	(22.8%)	R8 198	R10 344	(20.7%)
Adjusted earnings per share	46.5p	60.9p	(23.6%)	46.9p	(23.0%)	867c	1098c	(21.0%)
Basic earnings per share	115.3p	52.0p	121.7%	121p	132.7%	2232c	939c	137.7%
Headline earnings per share	29.2p	52.6p	(44.5%)	31.2p	(40.7%)	536c	950c	(43.6%)
Interim dividend per share	11.0p	11.0p	0.0%	n/a	n/a	211c	206c	2.4%
Final dividend per share	**	13.5p	**	n/a	n/a	**	245c	**

	Results in Pounds Sterling					Results in Rands		
Continuing operations	**Year to 31 March 2020**	Year to 31 March 2019*	% change	**Neutral currency^ Year to 31 March 2020**	Neutral currency % change	**Year to 31 March 2020**	Year to 31 March 2019*	% change
Adjusted operating profit before taxation (million)	£419	£552	(24.1%)	£425	(23.0%)	R7 779	R9 970	(22.0%)
Earnings attributable to shareholders (million)	£210	£426	(50.7%)	£209	(50.9%)	R3 783	R7 596	(50.2%)
Adjusted earnings attributable to shareholders (million)	£321	£459	(30.1%)	£325	(29.2%)	R5 949	R8 287	(28.2%)
Adjusted earnings per share	33.9p	48.7p	(30.4%)	34.4p	(29.4%)	629c	880c	(28.5%)
Basic earnings per share	17.5p	40.4p	(56.7%)	17.3p	(57.2%)	312c	721c	(56.7%)
Headline earnings per share	21.5p	41.1p	(47.7%)	22.2p	(46.0%)	399c	732c	(45.5%)

	Results in Pounds Sterling					Results in Rands		
	At 31 March 2020	At 31 March 2019	% change	**Neutral currency^^ At 31 March 2020**	Neutral currency % change	**At 31 March 2020**	At 31 March 2019	% change
Net asset value per share	414.3p	434.1p	(4.6%)	436.8p	0.6%	9 178c	8 159c	12.5%
Net tangible asset value per share	377.6p	386.0p	(2.2%)	400.3p	3.7%	8 365c	7 256c	15.3%
Total equity (million)	£4 898	£5 251	(6.7%)	£5 343	1.8%	R108 495	R98 911	9.7%
Total assets (million)	£50 656	£57 724	(12.2%)	£55 279	(4.2%)	R1 122 162	R1 085 125	3.4%
Core loans and advances (million)	£24 911	£24 941	(0.1%)	£27 051	8.5%	R551 878	R468 882	17.7%
Cash and near cash balances (million)	£12 683	£13 288	(4.6%)	£13 869	4.4%	R280 960	R249 793	12.5%
Customer deposits (million)	£32 221	£31 307	2.9%	£35 260	12.6%	R713 774	R588 525	21.3%
Third party assets under management (million)#	£45 018	£55 754	(19.3%)	£47 116	(15.5%)	R997 149	R1 048 088	(4.9%)

* *Restated as detailed on page 58.*
^ *For income statement items we have used the average Rand: Pound Sterling exchange rate that was applied in the prior period, i.e. 18.04.*
^^ *For balance sheet items we have assumed that the Rand: Pound Sterling closing exchange rate has remained neutral since 31 March 2019.*
** *In light of regulatory guidance provided to banks in both South Africa and the UK, the board has decided not to declare a final ordinary dividend, resulting in a full year dividend of 11.0 pence per ordinary share (2019: 24.5 pence with a dividend cover based on the group's adjusted EPS of 2.5 times).*
\# *In order to be comparable with the 2020 financial year, the 2019 third party assets under management figure above reflects that of Continuing operations only (i.e. excludes third party assets under management related to the asset management business as at 31 March 2019)*

CONDENSED COMBINED CONSOLIDATED INCOME STATEMENT

1

For the year to 31 March £'000	Note**	2020	2019*
Interest income	2	2 698 420	2 631 822
Interest expense	2	(1 845 416)	(1 815 173)
Net interest income	2	**853 004**	**816 649**
Fee and commission income	3	837 590	831 663
Fee and commission expense	3	(47 118)	(39 005)
Investment income	4	39 268	107 819
Share of post taxation profit of associates and joint venture holdings	5	27 244	68 167
Trading income arising from			
– customer flow	6	63 254	120 662
– balance sheet management and other trading activities	6	26 720	36 829
Other operating income		6 877	11 036
Total operating income before expected credit loss impairment charges	1	**1 806 839**	**1 953 820**
Expected credit loss impairment charges	7	(133 301)	(66 458)
Operating income		**1 673 538**	**1 887 362**
Operating costs	8	(1 185 020)	(1 274 517)
Depreciation on operating leased assets		(1 407)	(2 157)
Operating profit before goodwill, acquired intangibles and strategic actions		**487 111**	**610 688**
Impairment of goodwill		(145)	(155)
Impairment of associates and joint venture holdings	5	(45 400)	–
Amortisation of acquired intangibles	9	(16 104)	(15 816)
Closure and rundown of the Hong Kong direct investments business	12	(89 257)	(65 593)
Operating profit		**336 205**	**529 124**
Financial impact of group restructures	12	(25 725)	(14 591)
Profit before taxation from continuing operations		**310 480**	**514 533**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	10	(54 690)	(49 128)
Taxation on acquired intangibles and strategic actions		21 693	18 399
Profit after taxation from continuing operations		**277 483**	**483 804**
Profit after taxation from discontinued operations	11	954 979	134 377
Profit after taxation		**1 232 462**	**618 181**
Profit attributable to other non-controlling interests		(67 952)	(58 192)
Profit attributable to non-controlling interests of discontinued operations		(29 347)	(25 658)
Earnings attributable to shareholders		**1 135 163**	**534 331**

* *The year to 31 March 2019 has been re-presented to reflect the discontinued operations (refer to page 56) and financial impact of strategic actions (refer to page 58).*
** *Refer to Financial review section for Notes.*

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

For the year to 31 March £'000	2020	2019*
Profit after taxation from continuing operations	277 483	483 804
Other comprehensive (loss)/ income from continuing operations:		
Items that may be reclassified to the income statement		
Fair value movements on cash flow hedges taken directly to other comprehensive income^	(40 304)	1 797
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income^	(140 604)	(7 116)
Gain on realisation of debt instruments at FVOCI recycled through the income statement^	(5 503)	(12 918)
Foreign currency adjustments on translating foreign operations	314 075	(293 574)
Items that will never be reclassified to the income statement		
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	(1 134)	(1 572)
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	(3 931)	–
Remeasurement of net defined benefit pension liability	(1 217)	(1 924)
Movement in post retirement benefit liabilities	51	–
Net gain attributable to own credit risk	9 515	8 887
Total comprehensive (loss)/income from continuing operations	**(219 719)**	**177 384**
Total comprehensive (loss)/income attributable to ordinary shareholders from continuing operations	(235 957)	151 177
Total comprehensive loss attributable to non-controlling interests from continuing operations	(28 022)	(18 560)
Total comprehensive income attributable to perpetual preferred securities from continuing operations	44 260	44 767
Total comprehensive (loss)/income from continuing operations	**(219 719)**	**177 384**
Profit after taxation from discontinued operations	954 979	134 377
Other comprehensive income from discontinued operations:		
Items that will never be reclassified to the income statement		
Foreign currency adjustments on translating foreign operations	(13 980)	(9 024)
Total comprehensive income from discontinued operations	**940 999**	**125 353**
Total comprehensive income attributable to ordinary shareholders from discontinued operations	914 448	101 500
Total comprehensive income attributable to non-controlling interests from discontinued operations	26 551	23 853
Total comprehensive income from discontinued operations	**940 999**	**125 353**
Profit after taxation from the total group	1 232 462	618 181
Other comprehensive income from the total group:		
Items that may be reclassified to the income statement		
Fair value movements on cash flow hedges taken directly to other comprehensive income^	(40 304)	1 797
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income^	(140 604)	(7 116)
Gain on realisation of debt instruments at FVOCI recycled through the income statement^	(5 503)	(12 918)
Foreign currency adjustments on translating foreign operations	(328 058)	(302 598)
Items that will never be reclassified to the income statement		
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	(1 134)	(1 572)
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	(3 931)	–
Re-measurement of net defined benefit pension asset	(1 217)	(1 924)
Movement in post retirement benefit liabilities	51	–
Net gain attributable to own credit risk	9 515	8 887
Total comprehensive income from the total group	**721 280**	**302 737**
Total comprehensive income attributable to ordinary shareholders	678 491	252 677
Total comprehensive (loss)/income attributable to non-controlling interests	(1 471)	5 293
Total comprehensive income attributable to perpetual preferred securities	44 260	44 767
Total comprehensive income from the total group	**721 280**	**302 737**

* *The year to 31 March 2019 has been re-presented to reflect the discontinued operations.*
^ *Net of taxation of £55.8 million (March 2019: £27.4 million).*

COMBINED CONSOLIDATED BALANCE SHEET

1

At 31 March £'000	2020	2019
Assets		
Cash and balances at central banks	3 932 048	4 992 820
Loans and advances to banks	2 666 851	2 322 821
Non-sovereign and non-bank cash placements	632 610	648 547
Reverse repurchase agreements and cash collateral on securities borrowed	2 964 603	1 768 748
Sovereign debt securities	4 593 893	4 538 223
Bank debt securities	604 921	717 313
Other debt securities	1 430 419	1 220 651
Derivative financial instruments	2 034 399	1 034 166
Securities arising from trading activities	1 044 445	1 859 254
Investment portfolio	998 935	1 028 976
Loans and advances to customers	24 588 074	24 534 753
Own originated loans and advances to customers securitised	324 638	407 869
Other loans and advances	132 486	195 693
Other securitised assets	134 865	133 804
Interests in associated undertakings	701 311	387 750
Deferred taxation assets	265 896	248 893
Other assets	1 934 428	1 735 956
Property and equipment	356 573	261 650
Investment properties	863 864	994 645
Goodwill	270 625	366 870
Intangible assets	86 300	107 237
Non-current assets classified as held for sale	58 905	–
	50 621 089	**49 506 639**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	35 227	8 217 573
	50 656 316	**57 724 212**
Liabilities		
Deposits by banks	3 498 254	3 016 306
Derivative financial instruments	2 248 849	1 277 233
Other trading liabilities	509 522	672 405
Repurchase agreements and cash collateral on securities lent	1 577 346	1 105 063
Customer accounts (deposits)	32 220 976	31 307 107
Debt securities in issue	1 737 191	3 073 320
Liabilities arising on securitisation of own originated loans and advances	76 696	91 522
Liabilities arising on securitisation of other assets	110 679	113 711
Current taxation liabilities	51 308	162 448
Deferred taxation liabilities	44 788	23 590
Other liabilities	2 211 487	1 765 649
	44 287 096	**42 608 354**
Liabilities to customers under investment contracts	32 845	8 214 634
Insurance liabilities, including unit-linked liabilities	2 382	2 939
	44 322 323	**50 825 927**
Subordinated liabilities	1 436 361	1 647 271
	45 758 684	**52 473 198**
Equity		
Ordinary share capital	247	245
Perpetual preference share capital	31	31
Share premium	1 686 339	2 471 506
Treasury shares	(272 881)	(189 134)
Other reserves	(976 297)	(577 491)
Retained income	3 593 384	2 611 256
Shareholders' equity excluding non-controlling interests	**4 030 823**	**4 316 413**
Other Additional Tier 1 securities in issue	295 593	303 728
Non-controlling interests	571 216	630 873
– Perpetual preferred securities issued by subsidiaries	69 259	81 616
– Non-controlling interests in partially held subsidiaries	501 957	549 257
Total equity	**4 897 632**	**5 251 014**
Total liabilities and equity	**50 656 316**	**57 724 212**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary share capital	Perpetual preference share capital	Share premium	Treasury shares
At 1 April 2018	**240**	**31**	**2 416 736**	**(160 132)**
Movement in reserves 1 April 2018 – 31 March 2019				
Profit after taxation	–	–	–	–
Effect of rate change on deferred taxation relating to adjustment for IFRS9	–	–	–	–
Fair value movements on cash flow hedges taken directly to other comprehensive income	–	–	–	–
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	–	–	–	–
Gain on realisation of FVOCI recycled through the income statement	–	–	–	–
Foreign currency adjustments on translating foreign operations	–	–	(22 187)	–
Gains attributable to own credit risk	–	–	–	–
Remeasurement of net defined pension asset	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**(22 187)**	**–**
Issue of ordinary shares	5	–	108 409	–
Issue of Other Additional Tier 1 security instruments	–	–	–	–
Net equity movements in interests in associated undertakings	–	–	–	–
Movement of treasury shares	–	–	(31 452)	(72 389)
Share-based payments adjustments	–	–	–	–
Transfer from share-based payments reserve to treasury shares	–	–	–	43 387
Transfer from regulatory general risk reserves	–	–	–	–
Transfer from own credit reserve on sale of subordinated liabilities	–	–	–	–
Partial disposal of group operations	–	–	–	–
Issue of equity by subsidiaries	–	–	–	–
Transfer from retained income to non-controlling interests	–	–	–	–
Dividends declared to other equity holders including other Additional Tier 1 securities	–	–	–	–
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 securities	–	–	–	–
Dividends paid to ordinary shareholders	–	–	–	–
Dividends paid to non-controlling interests	–	–	–	–
At 31 March 2019	**245**	**31**	**2 471 506**	**(189 134)**
Movement in reserves 1 April 2019 – 31 March 2020				
Profit after taxation	–	–	–	–
Effect of rate change on deferred taxation relating to adjustment for IFRS9	–	–	–	–
Fair value movements on cash flow hedges taken directly to other comprehensive income	–	–	–	–
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	–	–	–	–
Gain on realisation of debt instruments at FVOCI recycled through the income statement	–	–	–	–
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	–	–	–	–
Foreign currency adjustments on translating foreign operations	–	–	(25 638)	–
Net loss attributable to own credit risk	–	–	–	–
Remeasurement of net defined benefit pension liability	–	–	–	–
Movement in post retirement benefit liabilities	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**(25 638)**	**–**
Issue of ordinary shares	2	–	64 645	–
Net equity movements in interests in associated undertakings	–	–	–	–
Movement of treasury shares	–	–	–	(102 446)
Share-based payments adjustments	–	–	–	–
Transfer from share-based payments reserve to treasury shares	–	–	–	18 699
Transfer from regulatory general risk reserves	–	–	–	–
Capital reduction			(615 797)	
Non-controlling interest relating to disposal of subsidiaries	–	–	–	–
Movement in non-controlling interests due to share issues in subsidiary	–	–	–	–
Employee benefit liability recognised	–	–	–	–
Dividends declared to other equity holders including other Additional Tier 1 securities	–	–	–	–
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 securities	–	–	–	–
Dividends paid to ordinary shareholders	–	–	–	–
Dividends paid to non-controlling interests	–	–	–	–
Distribution to shareholders	–	–	(208 377)	–
At 31 March 2020	**247**	**31**	**1 686 339**	**(272 881)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(continued)

	Other reserves									
Capital reserve account	Fair value reserve	Regulatory general risk reserve	Cash flow hedge reserve	Foreign currency reserve	Own credit risk reserve	Retained income	**Shareholders' equity excluding non-controlling interests**	Other Additional Tier 1 securities in issue	Non-controlling interests	**Total equity**
10 447	**18 123**	**37 868**	**(60 637)**	**(358 862)**	**(53 657)**	**2 326 212**	**4 176 369**	**304 150**	**682 064**	**5 162 583**
–	–	–	–	–	–	534 331	534 331	–	83 850	618 181
–	(47)	–	–	–	(817)	(708)	(1 572)	–	–	(1 572)
–	–	–	1 797	–	–	–	1 797	–	–	1 797
–	(12 918)	–	–	–	–	–	(12 918)	–	–	(12 918)
–	(7 116)	–	–	–	–	–	(7 116)	–	–	(7 116)
–	1	–	–	(193 848)	–	(1 733)	(217 767)	(6 274)	(78 557)	(302 598)
–	–	–	–	–	8 887	–	8 887	–	–	8 887
–	–	–	–	–	–	(1 924)	(1 924)	–	–	(1 924)
–	**(20 080)**	**–**	**1 797**	**(193 848)**	**8 070**	**529 966**	**303 718**	**(6 274)**	**5 293**	**302 737**
–	–	–	–	–	–	–	108 414	–	–	108 414
–	–	–	–	–	–	–	–	5 852	–	5 852
–	–	–	–	–	–	(5 671)	(5 671)	–	–	(5 671)
–	–	–	–	–	–	–	(103 841)	–	–	(103 841)
–	–	–	–	–	–	72 714	72 714	–	–	72 714
–	–	–	–	–	–	(43 387)	–	–	–	–
–	–	7 564	–	–	–	(7 564)	–	–	–	–
–	–	–	–	–	25 724	(25 724)	–	–	–	–
–	–	–	–	–	–	(690)	(690)	–	690	–
–	–	–	–	–	–	–	–	–	4 319	4 319
–	–	–	–	–	–	48 239	48 239	–	2 404	50 643
–	–	–	–	–	–	(44 767)	(44 767)	22 727	7 298	(14 742)
–	–	–	–	–	–	–	–	(22 727)	(7 298)	(30 025)
–	–	–	–	–	–	(238 072)	(238 072)	–	–	(238 072)
–	–	–	–	–	–	–	–	–	(63 897)	(63 897)
10 447	**(1 957)**	**45 432**	**(58 840)**	**(552 710)**	**(19 863)**	**2 611 256**	**4 316 413**	**303 728**	**630 873**	**5 251 014**
–	–	–	–	–	–	1 135 163	1 135 163	–	97 299	1 232 462
–	(1 514)	–	–	–	(247)	–	(1 761)	–	–	(1 761)
–	–	–	(40 304)	–	–	–	(40 304)	–	–	(40 304)
–	(139 977)	–	–	–	–	–	(139 977)	–	–	(139 977)
–	(5 503)	–	–	–	–	–	(5 503)	–	–	(5 503)
–	(3 931)	–	–	–	–	–	(3 931)	–	–	(3 931)
–	–	–	–	(195 515)	–	–	(221 153)	(8 135)	(98 770)	(328 058)
–	–	–	–	–	9 515	–	9 515	–	–	9 515
–	–	–	–	–	–	(1 217)	(1 217)			(1 217)
–	–	–	–	–	–	51	51	–	–	51
–	**(150 925)**	**–**	**(40 304)**	**(195 515)**	**9 268**	**1 133 997**	**730 883**	**(8 135)**	**(1 471)**	**721 277**
–	–	–	–	–	–	–	64 647	–	–	64 647
–	–	–	–	–	–	(2 387)	(2 387)	–	–	(2 387)
(18 852)	–	–	–	–	–	–	(121 298)	–	–	(121 298)
–	–	–	–	–	–	46 599	46 599	–	–	46 599
–	–	–	–	–	–	(18 699)	–	–	–	–
–	–	(4 086)	–	–	–	4 086	–	–	–	–
						615 797	–	–	–	–
1 608	–	–	–	–	–	–	1 608	–	(28 708)	(27 100)
–	–	–	–	–	–	(4 372)	(4 372)		49 628	45 256
–	–	–	–	–	–	(14 833)	(14 833)	–	–	(14 833)
–	–	–	–	–	–	(44 260)	(44 260)	22 394	7 009	(14 857)
–	–	–	–	–	–	–	–	(22 394)	(7 009)	(29 403)
–	–	–	–	–	–	(244 323)	(244 323)	–	–	(244 323)
–	–	–	–	–	–	–	–	–	(79 106)	(79 106)
–	–	–	–	–	–	(489 477)	(697 854)	–	–	(697 854)
(6 797)	**(152 882)**	**41 346**	**(99 144)**	**(748 225)**	**(10 595)**	**3 593 384**	**4 030 823**	**295 593**	**571 216**	**4 897 632**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

At 31 March **£'000**	**2020**	2019
Cash inflow from operating activities	509 779	697 877
Decrease/(increase) in operating assets	(6 192 818)	(3 283 153)
(Decrease)/increase in operating liabilities	5 756 619	3 990 382
Net cash inflow from operating activities	**73 580**	**1 405 106**
Net cash inflow/(outflow) from investing activities	30 831	(65 425)
Net cash outflow from financing activities	(590 663)	(218 027)
Effects of exchange rates on cash and cash equivalents	(435 146)	(136 927)
Net (decrease)/increase in cash and cash equivalents	**(921 398)**	**984 727**
Cash and cash equivalents at the beginning of the year	7 115 106	6 130 379
Cash and cash equivalents at the end of the year	**6 193 708**	**7 115 106**

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).

EARNINGS PER SHARE – TOTAL GROUP

1

For the year to 31 March	2020	2019
Total group		
Earnings	**£'000**	**£'000**
Earnings attributable to shareholders	1 135 163	534 331
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(44 260)	(44 767)
Earnings and diluted earnings attributable to ordinary shareholders	**1 090 903**	**489 564**
Adjusted earnings		
Earnings attributable to shareholders	1 135 163	534 331
Impairment of goodwill	145	155
Impairment of associates and joint venture holdings	45 400	–
Amortisation of acquired intangibles	16 104	15 816
Closure and rundown of the Hong Kong direct investments business	89 257	65 593
Financial impact of group restructures	25 725	14 591
Gain on distribution net of implementation costs - discontinued operations	(820 233)	6 690
Taxation on acquired intangibles and strategic actions	(21 693)	(18 399)
Taxation on gain on distribution net of taxation	13 813	(357)
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(44 260)	(44 767)
Accrual adjustment on earnings attributable to other equity holders*	441	243
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items	**439 862**	**573 896**
Headline earnings		
Earnings attributable to shareholders	1 135 163	534 331
Impairment of goodwill	145	155
Impairment of associates and joint venture holdings	45 400	–
Gain on distribution	(867 409)	–
Financial impact of group restructure	(19 825)	
Taxation on gain on distribution	14 405	–
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(44 260)	(44 767)
Impairment of Intangible Assets	–	4 877
Property revaluation, net of taxation and non-controlling interests**	12 499	1 020
Headline earnings attributable to ordinary shareholders* **	**276 118**	**495 616**
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	1 012 202 675	995 747 608
Weighted average number of treasury shares	(66 382 078)	(53 541 700)
Weighted average number of shares in issue during the year	**945 820 597**	**942 205 908**
Weighted average number of shares resulting from future dilutive potential shares	7 598 533	19 859 140
Adjusted weighted number of shares potentially in issue	**953 419 130**	**962 065 048**
Earnings per share – pence	**115.3**	**52.0**
Diluted earnings per share – pence	**114.4**	**50.9**
Adjusted earnings per share – pence	**46.5**	**60.9**
Diluted adjusted earnings per share – pence	**46.1**	**59.7**
Headline earnings per share – pence* **	**29.2**	**52.6**
Diluted headline earnings per share – pence* **	**29.0**	**51.5**

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

** *Taxation on revaluation headline earnings adjustments amounted to £2.8 million (2019: £1.1 million) with an impact of £16.3 million 2019: (£1.4 million) on earnings attributable to non-controlling interests. The amount includes property revaluations included in equity accounted earnings.*

*** *Headline earnings per share has been calculated and is disclosed in accordance with the JSE listing requirements, and in terms of circular 1/2019 issued by the South African Institute of Chartered Accountants.*

EARNINGS PER SHARE – CONTINUING OPERATIONS

(continued)

For the year to 31 March	2020	2019
Continuing operations	**£'000**	**£'000**
Earnings from continuing operations		
Earnings attributable to shareholders from continuing operations	209 531	425 612
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(44 260)	(44 767)
Earnings and diluted earnings attributable to ordinary shareholders from continuing operations	**165 271**	**380 845**
Adjusted earnings from continuing operations		
Earnings attributable to shareholders from continuing operations	209 531	425 612
Impairment of goodwill	145	155
Impairment of associates and joint venture holdings	45 400	–
Amortisation of acquired intangibles	16 104	15 816
Closure and rundown of the Hong Kong direct investments business	89 257	65 593
Financial impact of group restructures	25 725	14 591
Taxation on acquired intangibles and strategic actions	(21 693)	(18 399)
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(44 260)	(44 767)
Accrual adjustment on earnings attributable to other equity holders*	441	243
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items from continuing operations	**320 650**	**458 844**
Headline earnings from continuing operations		
Earnings attributable to shareholders from continuing operations	209 531	425 612
Impairment of goodwill	145	155
Impairment of associates and joint venture holdings	45 400	–
Gain on disposal of group operations	(19 825)	–
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(44 260)	(44 767)
Impairment of Intangible Assets	–	4 877
Property revaluation, net of taxation and non-controlling interests**	12 499	1 020
Headline earnings attributable to ordinary shareholders from continuing operations* **	**203 490**	**386 897**
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	1 012 202 675	995 747 608
Weighted average number of treasury shares	(66 382 078)	(53 541 700)
Weighted average number of shares in issue during the year	**945 820 597**	**942 205 908**
Weighted average number of shares resulting from future dilutive potential shares	7 598 533	19 859 140
Adjusted weighted number of shares potentially in issue	**953 419 130**	**962 065 048**
Earnings per share from continuing operations – pence	**17.5**	**40.4**
Diluted earnings per share from continuing operations – pence	**17.3**	**39.6**
Adjusted earnings per share from continuing operations – pence	**33.9**	**48.7**
Diluted adjusted earnings per share from continuing operations – pence	**33.6**	**47.7**
Headline earnings per share from continuing operations – pence * **	**21.5**	**41.1**
Diluted headline earnings per share from continuing operations – pence * **	**21.3**	**40.2**

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

** *Taxation on revaluation headline earnings adjustments amounted to £2.8 million (2019: £1.1 million) with an impact of £16.3 million 2019: (£1.4 million) on earnings attributable to non-controlling interests. The amount includes property revaluations included in equity accounted earnings.*

*** *Headline earnings per share has been calculated and is disclosed in accordance with the JSE listing requirements, and in terms of circular 1/2019 issued by the South African Institute of Chartered Accountants.*

EARNINGS PER SHARE – DISCONTINUED OPERATIONS

(continued)

1

For the year to 31 March	2020	2019
Discontinued operations	**£'000**	£'000
Earnings from discontinued operations		
Earnings and diluted earnings attributable to ordinary shareholders from discontinued operations	**925 632**	**108 719**
Adjusted earnings from discontinued operations		
Earnings attributable to shareholders from discontinued operations	925 632	108 719
Gain on distribution net of implementation costs	(820 233)	6 690
Taxation on acquired intangibles and strategic actions – discontinued operations	13 813	(357)
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items from discontinued operations	**119 212**	**115 052**
Headline earnings from discontinued operations		
Earnings attributable to shareholders from discontinued operations	925 632	108 719
Gain on distribution – discontinued operations	(867 409)	–
Taxation on acquired intangibles and strategic actions – discontinued operations	14 405	–
Headline earnings attributable to ordinary shareholders from discontinued operations*	**72 628**	**108 719**
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	1 012 202 675	995 747 608
Weighted average number of treasury shares	(66 382 078)	(53 541 700)
Weighted average number of shares in issue during the year	**945 820 597**	**942 205 908**
Weighted average number of shares resulting from future dilutive potential shares	7 598 533	19 859 140
Adjusted weighted number of shares potentially in issue	**953 419 130**	**962 065 048**
Earnings per share from discontinued operations – pence	**97.9**	**11.5**
Diluted earnings per share from discontinued operations – pence	**97.1**	**11.3**
Adjusted earnings per share from discontinued operations – pence	**12.6**	**12.2**
Diluted adjusted earnings per share from discontinued operations – pence	**12.5**	**12.0**
Headline earnings per share from discontinued operations – pence *	**7.7**	**11.5**
Diluted headline earnings per share from discontinued operations – pence *	**7.6**	**11.3**

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

** *Taxation on revaluation headline earnings adjustments amounted to £2.8 million (2019: £1.1 million) with an impact of £16.3 million 2019: (£1.4 million) on earnings attributable to non-controlling interests. The amount includes property revaluations included in equity accounted earnings.*

*** *Headline earnings per share has been calculated and is disclosed in accordance with the JSE listing requirements, and in terms of circular 1/2019 issued by the South African Institute of Chartered Accountants.*

SEGMENTAL INCOME STATEMENT – GEOGRAPHIC ANALYSIS

For the year to 31 March 2020 £'000	UK and Other	Southern Africa	Total
Continuing operations			
Net interest income	397 385	455 619	853 004
Net fee and commission income	482 200	308 272	790 472
Investment income	6 375	32 893	39 268
Share of post taxation profit of associates and joint venture holdings	9 474	17 770	27 244
Trading income arising from			
– customer flow	50 980	12 274	63 254
– balance sheet management and other trading activities	(537)	27 257	26 720
Other operating income	6 464	413	6 877
Total operating income before expected credit losses	**952 341**	**854 498**	**1 806 839**
Expected credit loss impairment charges	(75 813)	(57 488)	(133 301)
Operating income	**876 528**	**797 010**	**1 673 538**
Operating costs	(740 792)	(444 228)	(1 185 020)
Depreciation on operating leased assets	(1 407)	–	(1 407)
Operating profit before goodwill, acquired intangibles and strategic actions	**134 329**	**352 782**	**487 111**
Profit attributable to other non-controlling interests	(864)	(67 088)	(67 952)
Adjusted operating profit	**133 465**	**285 694**	**419 159**
Impairment of goodwill	–	(145)	(145)
Impairment of associates and joint venture holdings	–	(45 400)	(45 400)
Amortisation of acquired intangibles	(13 206)	(2 898)	(16 104)
Closure and rundown of the Hong Kong direct investments business	(89 257)	–	(89 257)
Financial impact of group restructures	(25 725)	–	(25 725)
Earnings attributable to shareholders before taxation	**5 277**	**237 251**	**242 528**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	706	(55 396)	(54 690)
Taxation on acquired intangibles and strategic actions	20 926	767	21 693
Earnings attributable to shareholders from continuing operations	**26 909**	**182 622**	**209 531**
Discontinued operations			
Profit after taxation from discontinued operations	640 507	314 472	954 979
Profit attributable non-controlling interests of discontinuing operations	(18 106)	(11 241)	(29 347)
Earnings attributable to shareholders	**649 310**	**485 853**	**1 135 163**
Selected returns and key statistics from continuing operations			
ROE (post-tax)	6.0%	10.7%	8.3%
Return on tangible equity (post-tax)	7.4%	10.8%	9.2%
Cost to income ratio	78.0%	56.4%	68.2%
Staff compensation to operating income	54.2%	35.9%	45.5%
Adjusted operating profit per employee (£'000)	33.2	59.2	47.4
Effective operational tax rate	(0.6%)	16.5%	11.9%
Total assets (£'million)	24 745	25 911	50 656

For the year to 31 March 2019* £'000	UK and Other	Southern Africa	**Total**
Continuing operations			
Net interest income	385 826	430 823	816 649
Net fee and commission income	487 058	305 600	792 658
Investment income	90 533	17 286	107 819
Share of post taxation profit of associates and joint venture holdings	2 950	65 217	68 167
Trading income arising from			
– customer flow	86 766	33 896	120 662
– balance sheet management and other trading activities	12 725	24 104	36 829
Other operating income	10 476	560	11 036
Total operating income before expected credit losses	**1 076 334**	**877 486**	**1 953 820**
Expected credit loss impairment charges	(24 560)	(41 898)	(66 458)
Operating income	**1 051 774**	**835 588**	**1 887 362**
Operating costs	(823 374)	(451 143)	(1 274 517)
Depreciation on operating leased assets	(2 137)	(20)	(2 157)
Operating profit before goodwill, acquired intangibles and strategic actions	**226 263**	**384 425**	**610 688**
Profit attributable to other non-controlling interests	4 479	(62 671)	(58 192)
Adjusted operating profit	**230 742**	**321 754**	**552 496**
Impairment of goodwill	–	(155)	(155)
Amortisation of acquired intangibles	(12 958)	(2 858)	(15 816)
Closure and rundown of the Hong Kong direct investments business	(65 593)	–	(65 593)
Financial impact of group restructures	(14 591)	–	(14 591)
Earnings attributable to shareholders before taxation	**137 600**	**318 741**	**456 341**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(29 877)	(19 251)	(49 128)
Taxation on acquired intangibles and strategic actions	17 599	800	18 399
Earnings attributable to shareholders from continuing operations	**125 322**	**300 290**	**425 612**
Discontinued operations			
Profit after taxation from discontinued operations	83 210	51 167	134 377
Profit attributable non-controlling interests of discontinuing operations	(15 942)	(9 716)	(25 658)
Earnings attributable to shareholders	**192 590**	**341 741**	**534 331**
Selected returns and key statistics from continuing operations			
ROE (post-tax)	10.4%	13.3%	12.0%
Return on tangible equity (post-tax)	13.0%	13.4%	13.3%
Cost to income ratio	76.3%	55.4%	67.3%
Staff compensation to operating income	54.7%	36.8%	46.6%
Adjusted operating profit per employee (£'000)	57.2	68.2	63.1
Effective operational tax rate	13.4%	6.0%	9.1%
Total assets (£'million)	22 565	35 159	57 724

* *The year to 31 March 2019 has been re-presented to reflect the discontinued operations refer to page 56 and financial impact of strategic actions refer to page 58.*

SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS

	Wealth & Investment			Specialist Banking		
For the year to 31 March 2020 **£'000**	UK and Other	Southern Africa	**Total**	UK and Other	Southern Africa	**Total**
Net interest income	12 604	3 940	16 544	384 781	451 679	836 460
Net fee and commission income	304 412	84 173	388 585	177 788	224 099	401 887
Investment income	(436)	(148)	(584)	6 811	33 041	39 852
Share of post taxation profit of associates and joint venture holdings	–	–	–	9 474	17 770	27 244
Trading income arising from						
– customer flow	862	(186)	676	50 118	12 460	62 578
– balance sheet management and other trading activities	108	(29)	79	(645)	27 286	26 641
Other operating income	181	–	181	6 283	413	6 696
Total operating income before expected credit losses	**317 731**	**87 750**	**405 481**	**634 610**	**766 748**	**1 401 358**
Expected credit loss impairment charges	1	–	1	(75 814)	(57 488)	(133 302)
Operating income	**317 732**	**87 750**	**405 482**	**558 796**	**709 260**	**1 268 056**
Operating costs	(254 714)	(60 902)	(315 616)	(449 790)	(365 810)	(815 600)
Depreciation on operating leased assets	–	–	–	(1 407)	–	(1 407)
Operating profit before goodwill, acquired intangibles and strategic actions from continuing operations	**63 018**	**26 848**	**89 866**	**107 599**	**343 450**	**451 049**
Profit attributable to other non-controlling interests	–	–	–	(864)	(67 088)	(67 952)
Adjusted operating profit from continuing operations	**63 018**	**26 848**	**89 866**	**106 735**	**276 362**	**383 097**
Profit before taxation from discontinued operations	–	–	–	–	–	–
Profit attributable non-controlling interests of discontinuing operations	–	–	–	–	–	–
Operating profit before goodwill, acquired intangibles and after non-controlling interests	**63 018**	**26 848**	**89 866**	**106 735**	**276 362**	**383 097**
Selected returns and key statistics from continuing operations						
ROE (post-tax)	20.4%	91.1%	26.7%	6.3%	10.5%	8.6%
Return on tangible equity (post-tax)	60.1%	98.9%	68.2%	6.6%	10.6%	8.8%
Cost to income ratio	80.2%	69.4%	77.8%	71.1%	52.3%	61.2%
Staff compensation to operating income	58.3%	43.1%	55.1%	49.0%	35.0%	44.4%
Adjusted operating profit per employee (£'000)	42.6	65.8	47.6	37.8	66.8	55.1
Total assets (£'million)	986	332	1 318	23 759	25 579	49 338

SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS

(continued)

Group costs			Total		
UK and Other	Southern Africa	**Total**	UK and Other	Southern Africa	**Total**
–	–	–	397 385	455 619	853 004
–	–	–	482 200	308 272	790 472
–	–	–	6 375	32 893	39 268
–	–	–	9 474	17 770	27 244
			–	–	
–	–	–	50 980	12 274	63 254
–	–	–	(537)	27 257	26 720
–	–	–	6 464	413	6 877
–	**–**	**–**	**952 341**	**854 498**	**1 806 839**
–	–	–	(75 813)	(57 488)	(133 301)
–	**–**	**–**	**876 528**	**797 010**	**1 673 538**
(36 288)	(17 516)	(53 804)	(740 792)	(444 228)	(1 185 020)
–	–	–	(1 407)	–	(1 407)
(36 288)	**(17 516)**	**(53 804)**	**134 329**	**352 782**	**487 111**
–	–	–	(864)	(67 088)	(67 952)
(36 288)	**(17 516)**	**(53 804)**	**133 465**	**285 694**	**419 159**
–	–	–	109 103	80 656	189 759
–	–	–	(18 106)	(11 241)	(29 347)
(36 288)	**(17 516)**	**(53 804)**	**224 462**	**355 109**	**579 571**
n/a	n/a	n/a	6.0%	10.7%	8.3%
n/a	n/a	n/a	7.4%	10.8%	9.2%
n/a	n/a	n/a	78.0%	56.4%	68.2%
n/a	n/a	n/a	54.2%	35.9%	45.5%
n/a	n/a	n/a	33.2	59.2	47.4
n/a	n/a	n/a	24 745	25 911	50 656

SEGMENTAL INCOME STATEMENT – BUSINESS AND GEOGRAPHIC ANALYSIS

(continued)

For the year to 31 March 2019* £'000	Wealth & Investment UK and Other	Wealth & Investment Southern Africa	Wealth & Investment Total	Specialist Banking UK and Other	Specialist Banking Southern Africa	Specialist Banking Total
Net interest income	9 189	5 027	14 216	376 637	425 796	802 433
Net fee and commission income	305 346	79 015	384 361	181 712	226 585	408 297
Investment income	1 185	305	1 490	89 348	16 981	106 329
Share of post taxation profit of associates and joint venture holdings	–	–	–	2 950	65 217	68 167
Trading income arising from						
– customer flow	793	58	851	85 973	33 838	119 811
– balance sheet management and other trading activities	(1)	70	69	12 726	24 034	36 760
Other operating income	342	1	343	10 134	559	10 693
Total operating income before expected credit losses	**316 854**	**84 476**	**401 330**	**759 480**	**793 010**	**1 552 490**
Expected credit loss impairment charges	(24)	–	(24)	(24 536)	(41 898)	(66 434)
Operating income	**316 830**	**84 476**	**401 306**	**734 944**	**751 112**	**1 486 056**
Operating costs	(246 202)	(58 226)	(304 428)	(545 654)	(378 092)	(923 746)
Depreciation on operating leased assets	–	–	–	(2 137)	(20)	(2 157)
Operating profit before goodwill, acquired intangibles and strategic actions	**70 628**	**26 250**	**96 878**	**187 153**	**373 000**	**560 153**
Profit attributable to other non-controlling interests	–	–	–	4 479	(62 671)	(58 192)
Adjusted operating profit from continuing operations	**70 628**	**26 250**	**96 878**	**191 632**	**310 329**	**501 961**
Profit before taxation from discontinued operations	–	–	–	–	–	–
Profit attributable non-controlling interests of discontinuing operations	–	–	–	–	–	–
Operating profit before goodwill, acquired intangibles and after non-controlling interests	**70 628**	**26 250**	**96 878**	**191 632**	**310 329**	**501 961**
Selected returns and key statistics from continuing operations						
ROE (post-tax)	24.6%	118.2%	32.8%	11.2%	12.8%	12.2%
Return on tangible equity (post-tax)	23.7%	114.3%	31.6%	13.1%	12.9%	13.0%
Cost to income ratio	77.7%	68.9%	75.9%	71.6%	51.8%	61.9%
Staff compensation to operating income	57.6%	42.9%	54.5%	50.8%	36.2%	43.4%
Adjusted operating profit per employee (£'000)	47.6	66.9	51.6	67.8	76.7	73
Total assets (£'million)	865	499	1 364	21 159	26 351	47 510

* *The year to 31 March 2019 has been re-presented to reflect the discontinued operations refer to page 56 and financial impact of strategic actions refer to page 58.*

Group costs			Total		
UK and Other	Southern Africa	**Total**	UK and Other	Southern Africa	**Total**
–	–	–	385 826	430 823	816 649
–	–	–	487 058	305 600	792 658
–	–	–	90 533	17 286	107 819
–	–	–	2 950	65 217	68 167
–	–	–	86 766	33 896	120 662
–	–	–	12 725	24 104	36 829
–	–	–	10 476	560	11 036
–	**–**	**–**	**1 076 334**	**877 486**	**1 953 820**
–	–	–	(24 560)	(41 898)	(66 458)
–	**–**	**–**	**1 051 774**	**835 588**	**1 887 362**
(31 518)	(14 825)	(46 343)	(823 374)	(451 143)	(1 274 517)
–	–	–	(2 137)	(20)	(2 157)
(31 518)	**(14 825)**	**(46 343)**	**226 263**	**384 425**	**610 688**
–	–	–	4 479	(62 671)	(58 192)
(31 518)	**(14 825)**	**(46 343)**	**230 742**	**321 754**	**552 496**
–	–	–	107 835	71 527	179 362
–	–	–	(15 942)	(9 716)	(25 658)
(31 518)	**(14 825)**	**(46 343)**	**322 635**	**383 565**	**706 200**
n/a	n/a	n/a	10.4%	13.3%	12.0%
n/a	n/a	n/a	13.0%	13.4%	13.3%
n/a	n/a	n/a	76.3%	55.4%	67.3%
n/a	n/a	n/a	54.7%	36.8%	46.6%
n/a	n/a	n/a	57.2	68.2	63.1
n/a	n/a	n/a	22 565	35 159	57 724

SEGMENTAL BALANCE SHEET – GEOGRAPHIC ANALYSIS

At 31 March 2020 **£'000**	UK and Other	Southern Africa	**Total**
Assets			
Cash and balances at central banks	2 277 318	1 654 730	3 932 048
Loans and advances to banks	1 784 971	881 880	2 666 851
Non-sovereign and non-bank cash placements	–	632 610	632 610
Reverse repurchase agreements and cash collateral on securities borrowed	1 627 246	1 337 357	2 964 603
Sovereign debt securities	1 688 670	2 905 223	4 593 893
Bank debt securities	51 238	553 683	604 921
Other debt securities	647 778	782 641	1 430 419
Derivative financial instruments	1 247 518	786 881	2 034 399
Securities arising from trading activities	576 493	467 952	1 044 445
Investment portfolio	376 239	622 696	998 935
Loans and advances to customers	11 871 849	12 716 225	24 588 074
Own originated loans and advances to customers securitised	–	324 638	324 638
Other loans and advances	121 559	10 927	132 486
Other securitised assets	112 440	22 425	134 865
Interests in associated undertakings	279 736	421 575	701 311
Deferred taxation assets	130 656	135 240	265 896
Other assets	1 401 461	532 967	1 934 428
Property and equipment	216 955	139 618	356 573
Investment properties	–	863 864	863 864
Goodwill	261 183	9 442	270 625
Intangible assets	71 954	14 346	86 300
Non-current assets classified as held for sale	–	58 905	58 905
	24 745 264	**25 875 825**	**50 621 089**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	–	35 227	35 227
	24 745 264	**25 911 052**	**50 656 316**
Liabilities			
Deposits by banks	1 384 151	2 114 103	3 498 254
Derivative financial instruments	1 234 545	1 014 304	2 248 849
Other trading liabilities	118 572	390 950	509 522
Repurchase agreements and cash collateral on securities lent	375 387	1 201 959	1 577 346
Customer accounts (deposits)	15 272 245	16 948 731	32 220 976
Debt securities in issue	1 392 598	344 593	1 737 191
Liabilities arising on securitisation of own originated loans and advances	–	76 696	76 696
Liabilities arising on securitisation of other assets	110 679	–	110 679
Current taxation liabilities	26 904	24 404	51 308
Deferred taxation liabilities	21 438	23 350	44 788
Other liabilities	1 619 419	592 068	2 211 487
	21 555 938	**22 731 158**	**44 287 096**
Liabilities to customers under investment contracts	–	32 845	32 845
Insurance liabilities, including unit-linked liabilities	–	2 382	2 382
	21 555 938	**22 766 385**	**44 322 323**
Subordinated liabilities	787 030	649 331	1 436 361
	22 342 968	**23 415 716**	**45 758 684**

SEGMENTAL BALANCE SHEET – GEOGRAPHIC ANALYSIS

(continued)

1

At 31 March 2019 £'000	UK and Other	Southern Africa	Total
Assets			
Cash and balances at central banks	4 445 431	547 389	4 992 820
Loans and advances to banks	1 145 838	1 176 983	2 322 821
Non-sovereign and non-bank cash placements	–	648 547	648 547
Reverse repurchase agreements and cash collateral on securities borrowed	633 202	1 135 546	1 768 748
Sovereign debt securities	1 298 947	3 239 276	4 538 223
Bank debt securities	52 265	665 048	717 313
Other debt securities	498 265	722 386	1 220 651
Derivative financial instruments	622 397	411 769	1 034 166
Securities arising from trading activities	791 107	1 068 147	1 859 254
Investment portfolio	493 268	535 708	1 028 976
Loans and advances to customers	10 515 665	14 019 088	24 534 753
Own originated loans and advances to customers securitised	–	407 869	407 869
Other loans and advances	178 196	17 497	195 693
Other securitised assets	118 169	15 635	133 804
Interests in associated undertakings	53 451	334 299	387 750
Deferred taxation assets	148 351	100 542	248 893
Other assets	1 014 659	721 297	1 735 956
Property and equipment	99 796	161 854	261 650
Investment properties	14 500	980 145	994 645
Goodwill	356 048	10 822	366 870
Intangible assets	85 022	22 215	107 237
	22 564 577	**26 942 062**	**49 506 639**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	–	8 217 573	8 217 573
	22 564 577	**35 159 635**	**57 724 212**
Liabilities			
Deposits by banks	1 328 120	1 688 186	3 016 306
Derivative financial instruments	686 160	591 073	1 277 233
Other trading liabilities	80 217	592 188	672 405
Repurchase agreements and cash collateral on securities lent	294 675	810 388	1 105 063
Customer accounts (deposits)	13 136 539	18 170 568	31 307 107
Debt securities in issue	2 417 602	655 718	3 073 320
Liabilities arising on securitisation of own originated loans and advances	–	91 522	91 522
Liabilities arising on securitisation of other assets	113 711	–	113 711
Current taxation liabilities	131 896	30 552	162 448
Deferred taxation liabilities	20 706	2 884	23 590
Other liabilities	1 220 643	545 006	1 765 649
	19 430 269	**23 178 085**	**42 608 354**
Liabilities to customers under investment contracts	–	8 214 634	8 214 634
Insurance liabilities, including unit-linked liabilities	–	2 939	2 939
	19 430 269	**31 395 658**	**50 825 927**
Subordinated liabilities	803 699	843 572	1 647 271
	20 233 968	**32 239 230**	**52 473 198**

FIVE YEAR INCOME STATEMENTS - CONTINUING OPERATIONS

For the year to 31 March £'000	2020	2019*	2018*	2017*	2016*
Interest income	2 698 420	2 631 822	2 485 516	2 225 450	1 701 527
Interest expense	(1 845 416)	(1 815 173)	(1 730 589)	(1 550 673)	(1 131 662)
Net interest income	**853 004**	**816 649**	**754 927**	**674 777**	**569 865**
Fee and commission income	837 590	831 663	855 202	815 914	665 347
Fee and commission expense	(47 118)	(39 005)	(31 129)	(29 262)	(19 250)
Investment income	39 268	107 819	130 063	136 060	170 364
Share of post taxation profit of associates and joint venture holdings	27 244	68 167	46 823	18 890	1 811
Trading income arising from					
– customer flow	63 254	120 662	138 226	158 001	110 227
– balance sheet management and other trading activities	26 720	36 829	770	6 005	9 709
Other operating income	6 877	11 036	8 950	7 839	9 808
Total operating income before expected credit loss impairment charges	**1 806 839**	**1 953 820**	**1 903 832**	**1 788 224**	**1 517 881**
Expected credit loss impairment charges	(133 301)	(66 458)	(148 556)	(111 454)	(109 516)
Operating income	**1 673 538**	**1 887 362**	**1 755 276**	**1 676 770**	**1 408 365**
Operating costs	(1 185 020)	(1 274 517)	(1 271 107)	(1 180 065)	(1 000 189)
Depreciation on operating leased assets	(1 407)	(2 157)	(2 421)	(2 169)	(2 165)
Operating profit before goodwill, acquired intangibles and strategic actions	**487 111**	**610 688**	**481 748**	**494 536**	**406 011**
Impairment of goodwill	(145)	(155)	–	(3 135)	–
Impairment of associates and joint venture holdings	(45 400)	–	–	–	–
Amortisation of acquired intangibles	(16 104)	(15 816)	(16 255)	(17 197)	(16 248)
Closure and rundown of the Hong Kong direct investments business	(89 257)	(65 593)	–	–	–
Operating profit	**336 205**	**529 124**	**465 493**	**474 204**	**389 763**
Financial impact of group restructures	(25 725)	(14 591)	(6 039)	–	(4 778)
Profit before taxation from continuing operations	**310 480**	**514 533**	**459 454**	**474 204**	**384 985**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(54 690)	(49 128)	(21 242)	(82 911)	(76 225)
Taxation on acquired intangibles and strategic actions	21 693	18 399	3 253	4 070	5 197
Profit after taxation from continuing operations	**277 483**	**483 804**	**441 465**	**395 363**	**313 957**
Profit after taxation from discontinued operations	954 979	134 377	140 188	127 633	106 229
Profit after taxation	**1 232 462**	**618 181**	**581 653**	**522 996**	**420 186**
Profit attributable to other non-controlling interests	(67 952)	(58 192)	(52 288)	(60 239)	(35 201)
Profit attributable non-controlling interests of discontinuing operations	(29 347)	(25 658)	(23 817)	(20 291)	(16 529)
Earnings attributable to shareholders	**1 135 163**	**534 331**	**505 548**	**442 466**	**368 456**

* *The income statements have been re-presented to reflect the separate disclosure of discontinued operations (note 11) and for the year to 31 March 2019 the financial impact of strategic actions (note 12).*

At 31 March £'000	2020	2019	2018	2017	2016
Assets					
Cash and balances at central banks	3 932 048	4 992 820	4 040 512	3 351 702	3 007 269
Loans and advances to banks	2 666 851	2 322 821	2 165 533	3 191 041	2 498 585
Non-sovereign and non-bank cash placements	632 610	648 547	601 243	536 259	466 573
Reverse repurchase agreements and cash collateral on securities borrowed	2 964 603	1 768 748	2 207 477	2 358 970	2 497 125
Sovereign debt securities	4 593 893	4 538 223	4 910 027	3 804 627	3 208 862
Bank debt securities	604 921	717 313	587 164	639 189	896 855
Other debt securities	1 430 419	1 220 651	903 603	1 115 558	949 950
Derivative financial instruments	2 034 399	1 034 166	1 352 408	1 185 848	1 580 949
Securities arising from trading activities	1 044 445	1 859 254	1 434 391	1 376 668	1 119 074
Investment portfolio	998 935	1 028 976	885 499	835 899	660 795
Loans and advances to customers	24 588 074	24 534 753	24 673 009	22 189 975	17 681 572
Own originated loans and advances to customers securitised	324 638	407 869	459 088	517 162	437 243
Other loans and advances	132 486	195 693	347 809	355 248	321 617
Other securitised assets	134 865	133 804	148 387	148 964	160 295
Interests in associated undertakings	701 311	387 750	467 852	392 213	267 099
Deferred taxation assets	265 896	248 893	157 321	133 972	112 135
Other assets	1 934 428	1 735 956	1 876 116	1 900 480	2 092 661
Property and equipment	356 573	261 650	233 340	105 939	90 888
Investment properties	863 864	994 645	1 184 097	1 128 930	938 879
Goodwill	270 625	366 870	368 803	367 579	368 039
Intangible assets	86 300	107 237	125 389	143 261	148 280
Non-current assets classified as held for sale	58 905	–	–	27 218	–
	50 621 089	**49 506 639**	**49 129 068**	**45 806 702**	**39 504 745**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	35 227	8 217 573	8 487 776	7 728 130	5 847 036
	50 656 316	**57 724 212**	**57 616 844**	**53 534 832**	**45 351 781**
Liabilities					
Deposits by banks	3 498 254	3 016 306	2 931 267	2 736 066	2 397 403
Derivative financial instruments	2 248 849	1 277 233	1 471 563	1 296 206	1 582 847
Other trading liabilities	509 522	672 405	960 166	978 911	957 418
Repurchase agreements and cash collateral on securities lent	1 577 346	1 105 063	655 840	690 615	971 646
Customer accounts (deposits)	32 220 976	31 307 107	30 987 173	29 109 428	24 044 281
Debt securities in issue	1 737 191	3 073 320	2 717 187	2 386 180	2 299 751
Liabilities arising on securitisation of own originated loans and advances	76 696	91 522	136 812	90 125	85 650
Liabilities arising on securitisation of other assets	110 679	113 711	127 853	128 838	120 851
Current taxation liabilities	51 308	162 448	185 486	227 828	192 255
Deferred taxation liabilities	44 788	23 590	32 158	40 408	55 486
Other liabilities	2 211 487	1 765 649	2 012 268	1 910 830	1 802 967
	44 287 096	**42 608 354**	**42 217 773**	**39 595 435**	**34 510 555**
Liabilities to customers under investment contracts	32 845	8 214 634	8 484 296	7 725 604	5 845 503
Insurance liabilities, including unit-linked liabilities	2 382	2 939	3 480	2 526	1 533
	44 322 323	**50 825 927**	**50 705 549**	**47 323 565**	**40 357 591**
Subordinated liabilities	1 436 361	1 647 271	1 482 987	1 402 638	1 134 883
	45 758 684	**52 473 198**	**52 188 536**	**48 726 203**	**41 492 474**
Equity					
Ordinary share capital	247	245	240	237	228
Perpetual preference share capital	31	31	31	31	153
Share premium	1 686 339	2 471 506	2 416 736	2 341 228	2 239 364
Treasury shares	(272 881)	(189 134)	(160 132)	(126 879)	(125 717)
Other reserves	(976 297)	(577 491)	(345 606)	(310 275)	(784 051)
Retained income	3 593 384	2 611 256	2 530 825	2 226 751	2 030 310
Shareholders' equity excluding non-controlling interests	**4 030 823**	**4 316 413**	**4 442 094**	**4 131 093**	**3 360 287**
Other Additional Tier 1 securities in issue	295 593	303 728	304 150	32 798	26 031
Non-controlling interests	571 216	630 873	682 064	644 738	472 989
– Perpetual preferred securities issued by subsidiaries	69 259	81 616	92 312	91 492	72 615
– Non-controlling interests in partially held subsidiaries	501 957	549 257	589 752	553 246	400 374
Total equity	**4 897 632**	**5 251 014**	**5 428 308**	**4 808 629**	**3 859 307**
Total liabilities and equity	**50 656 316**	**57 724 212**	**57 616 844**	**53 534 832**	**45 351 781**

Salient features

For the year to 31 March £'000	2020	2019*	2018	2017	2016
Income statement and selected returns					
Adjusted earnings attributable to ordinary shareholders (£'000)	320 650	458 845	374 691	327 162	270 032
Adjusted operating profit (£'000)	419 159	552 496	429 460	434 297	370 810
Cost to income ratio	68.2%	67.3%	68.7%	68.4%	67.6%
Return on average shareholders' equity (post-tax)	8.3%	12.0%	9.8%	10.0%	9.3%
Return on average tangible shareholders' equity (post-tax)	9.2%	13.3%	10.9%	11.5%	10.9%
Return on average risk-weighted assets	1.0%	1.7%	1.5%	1.5%	1.3%
Net interest income as a % of operating income	47.2%	41.8%	39.7%	37.7%	37.5%
Non-interest income as a % of operating income	52.8%	58.2%	60.3%	62.3%	62.5%
Annuity income as a % of total operating income	77.2%	69.1%	66.0%	66.4%	70.6%
Effective operational tax rate	11.9%	9.1%	4.9%	17.4%	18.9%
Balance sheet					
Total assets (£'million)	50 656	57 724	57 617	53 535	45 352
Net core loans and advances (£'million)	24 911	24 941	25 132	22 707	18 119
Cash and near cash balances (£'million)	12 683	13 288	12 825	12 038	10 962
Customer accounts (deposits) (£'million)	32 221	31 307	30 987	29 109	24 044
Third party assets under management (£'million)	45 018	55 754	56 714	55 447	46 003
Gearing ratio (assets excluding assurance assets to total equity)	10.3x	9.4x	9.1x	9.5x	10.2x
Core loans to equity ratio	5.1x	4.8x	4.6x	4.7x	4.7x
Loans and advances to customers as a % of customer deposits	76.3%	78.4%	79.6%	76.2%	73.6%
Credit loss ratio**	0.52%	0.31%	0.61%	0.54%	0.62%
Stage 3 net of ECL as a % of net core loans and advances subject to ECL	1.6%	1.3%	1.17%	1.22%	1.54%
Share statistics					
Adjusted earnings per share (pence)	33.9	48.7	40.6	36.3	31.0
Basic earnings per share (pence)	17.5	40.4	38.6	38.9	28.2
Diluted earnings per share (pence)	17.3	39.6	37.5	37.3	26.9
Net asset value per share (pence)	414.3	434.1	452.5	431.0	352.3
Net tangible asset value per share (pence)	377.6	386.0	401.5	377.0	294.3
Weighted number of ordinary shares in issue (million)	945.8	942.2	923.5	900.4	870.5
Total number of shares in issue (million)	1 015.0	1 001.0	980.6	958.3	908.8
Capital ratios					
Investec plc					
Total capital ratio	14.9%	15.7%	15.4%	15.1%	15.1%
Common equity tier 1 ratio	10.7%	10.8%	11%	11.3%	9.7%
Leverage ratio	7.8%	7.9%	8.5%	7.8%	7.0%
Investec Limited					
Total capital adequacy ratio	15%	14.9%	14.6%	14.1%	14.0%
Common equity tier 1 ratio#	10.9%	10.5%	10.2%	9.9%	9.6%
Leverage ratio#	6.4%	7.6%	7.5%	7.3%	6.9%

Note: Refer to alternative performance measures and definitions sections found on pages 137 to 139.

* *The 2019 financial year information has been restated to exclude the financial impact of the rundown of the Hong Kong direct investments business and the impact of other group restructures (as detailed on page 58) in order to ensure a like-for-like basis with the 2020 financial year information. All other prior years have not been restated*

** *In 2020 and 2019: Expected credit loss impairment charges on gross core loans and advances subject to ECL as a % of average gross core loans and advances subject to ECL. In prior years: income statement impairment charge as a % of average gross core loans and advances.*

Investec Limited's CET1 ratio includes a reduction of 85bps associated with our High Quality Liquid Assets and credit investment portfolios held at fair value through equity. This was a consequence of the sudden movement in credit spreads impacting valuations at 31 March 2020. More than half of this impact reversed post year end.

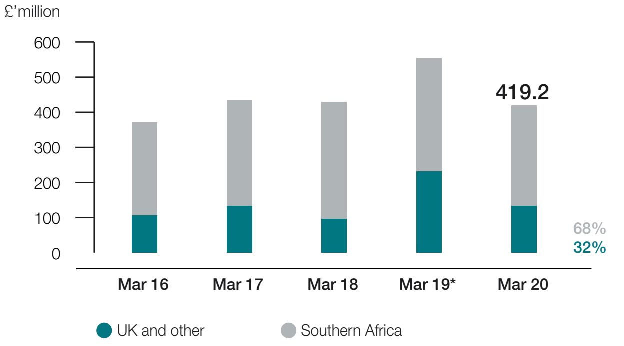
2

FINANCIAL REVIEW

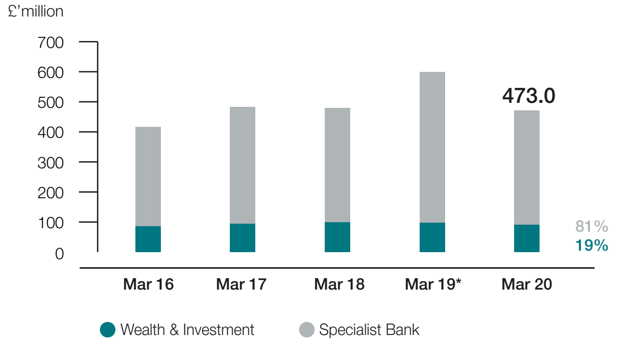
We have a diversified business model

We have built a solid international platform, with diversified revenue streams and geographic diversity

Adjusted operating profit (including group costs)

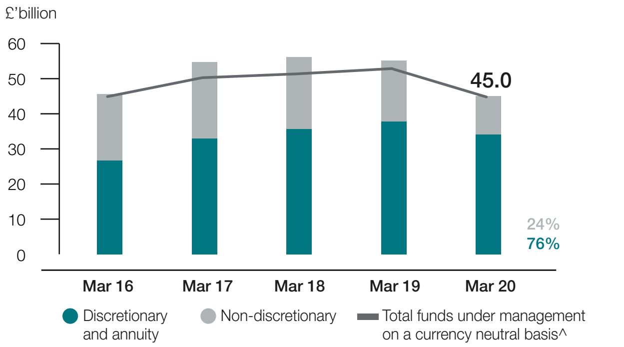


Adjusted operating profit (excluding group costs)

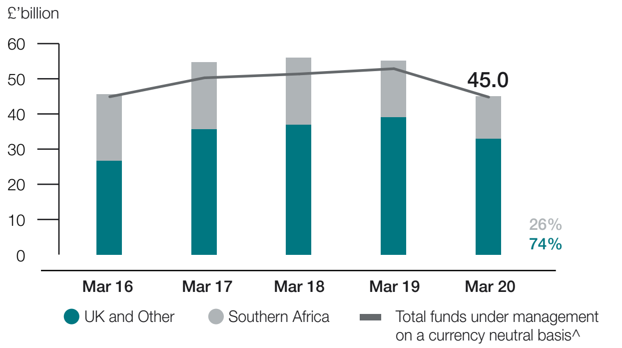


We continue to grow our key earnings drivers; overall levels impacted by currency and market movements

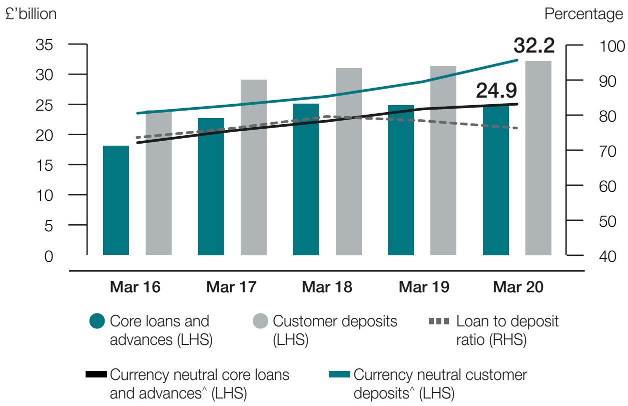
Funds under management



Funds under management by geography



Core loans and customer deposits

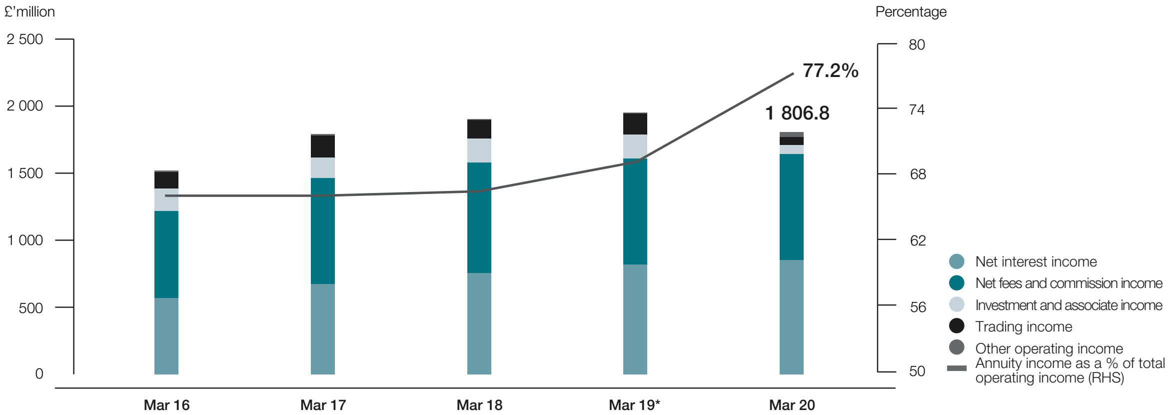


^ *This trend line is shown on a currency neutral basis using the closing Rand: Pound Sterling exchange rate applicable at 31 March 2020.*

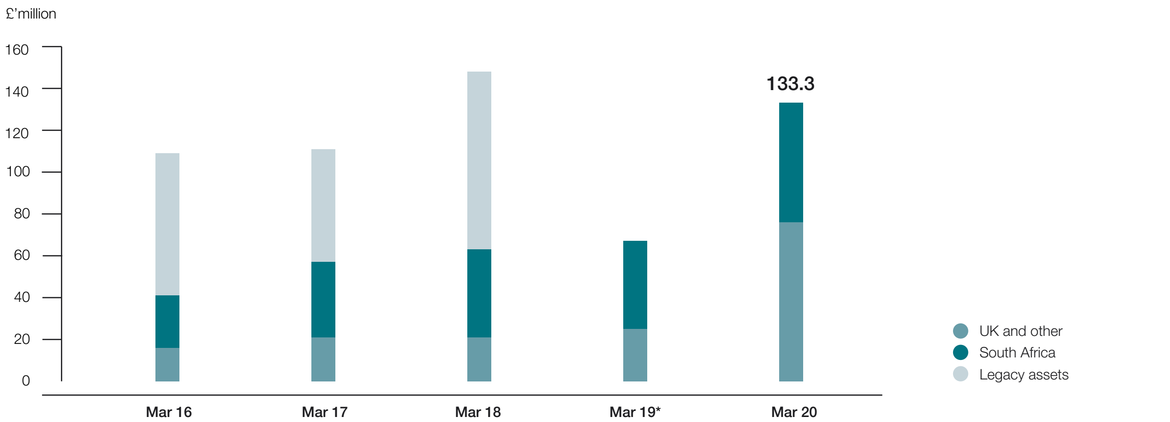
* *The 2019 financial year information has been restated to exclude the financial impact of the rundown of the Hong Kong direct investments business and the impact of other group restructures (as detailed on page 58) in order to ensure a like-for-like basis with the 2020 financial year information. All other prior years have not been restated.*

Revenue and credit losses impacted in current year by tough economic backdrop exacerbated by COVID-19

Total operating income

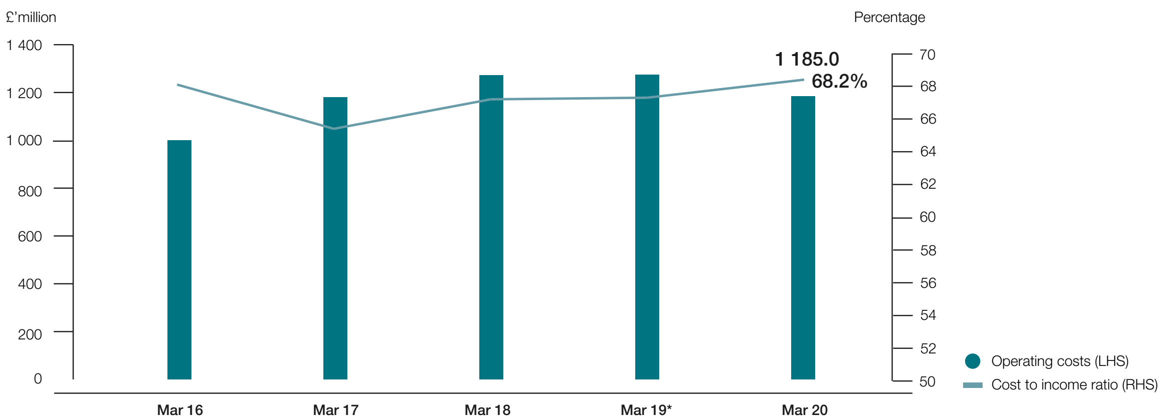


Credit loss impairment charges



Progress has been made in reducing operating costs in line with our strategic priority

Operating costs and cost to income ratio



* *The 2019 financial year information has been restated to exclude the financial impact of the rundown of the Hong Kong direct investments business and the impact of other group restructures (as detailed on page 58) in order to ensure a like-for-like basis with the 2020 financial year information. All other prior years have not been restated.*

Income statement analysis – continuing operations

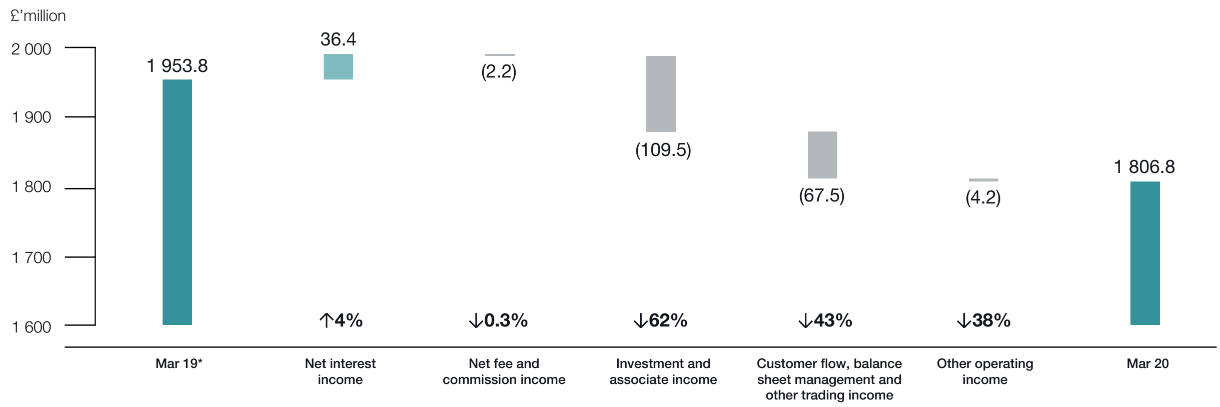
The overview that follows will highlight the main reasons for the variance in the major category line items on the face of the income statement during the year under review.

Further details on the key income drivers and significant variances in the various components of our operating income, expenses and profit can be found in the description of our principal businesses on pages 66 to 99.

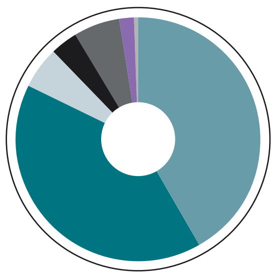
1. Total operating income before expected credit loss impairment charges

Total operating income before expected credit loss impairment charges decreased 7.5% to £1 806.8 million (2019*: £1 953.8 million).

A breakdown of total operating income before expected credit loss impairment charges by geography and division for the year under review can be found in our segmental disclosures on pages 30 to 37.

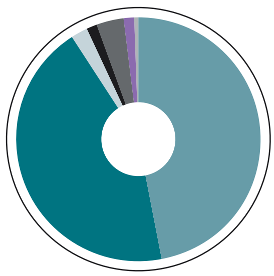


% of total operating income before expected credit losses



31 MARCH 2019
£1 953.8 million total operating income before expected credit losses

41.8%	Net interest income
40.6%	Net fee and commission income
5.5%	Investment income
3.5%	Share of post taxation profit of associates and joint venture holdings
6.2%	Trading income arising from customer flow
1.9%	Trading income arising from balance sheet management and other trading activities
0.5%	Other operating income



31 MARCH 2020
£1 806.8 million total operating income before expected credit losses

47.2%	Net interest income
43.7%	Net fee and commission income
2.2%	Investment income
1.5%	Share of post taxation profit of associates and joint venture holdings
3.5%	Trading income arising from customer flow
1.5%	Trading income arising from balance sheet management and other trading activities
0.4%	Other operating income

* *Restated as detailed on page 58.*

2. Net interest income

Net interest income increased by 4.5% to £853.0 million (2019^: £816.6 million) supported by private client activity and loan book growth.

Refer to pages 82 to 83 for further information on net interest income.

		UK and Other		Southern Africa		Total group	
For the year to 31 March 2020 £'000	Notes	Balance sheet value	Interest income	Balance sheet value	Interest income	**Balance sheet value**	**Interest income**
Cash, near cash and bank debt and sovereign debt securities	1	7 429 443	73 916	7 965 483	423 688	15 394 926	497 604
Loans and advances	2	11 871 849	591 615	13 040 863	1 418 686	24 912 712	2 010 301
Private Client		5 075 380	191 210	8 850 611	987 203	13 925 991	1 178 413
Corporate, institutional and other clients		6 796 469	400 405	4 190 252	431 483	10 986 721	831 888
Other debt securities and other loans and advances*		769 337	101 721	793 568	43 239	1 562 905	144 960
Other interest-earning assets	3	–	–	22 425	28 411	22 425	28 411
Finance lease receivables^		322 211	17 144	–	–	322 211	17 144
Total interest-earning assets		**20 392 840**	**784 396**	**21 822 339**	**1 914 024**	**42 215 179**	**2 698 420**

		UK and Other		Southern Africa		Total group	
For the year to 31 March 2020 £'000	Notes	Balance sheet value	Interest expense	Balance sheet value	Interest expense	**Balance sheet value**	**Interest expense**
Deposits by banks and other debt related securities#	4	3 152 136	(137 594)	3 660 655	(133 749)	6 812 791	(271 343)
Customer accounts (deposits)#		15 272 245	(184 747)	16 948 731	(1 242 248)	32 220 976	(1 426 995)
Other interest-bearing liabilities	5	–	–	76 696	(18 358)	76 696	(18 358)
Subordinated liabilities		787 030	(48 319)	649 331	(62 343)	1 436 361	(110 662)
Finance lease liabilities^		476 141	(16 351)	12 708	(1 707)	488 849	(18 058)
Total interest-bearing liabilities		**19 687 552**	**(387 011)**	**21 348 121**	**(1 458 405)**	**41 035 673**	**(1 845 416)**
Net interest income			**397 385**		**455 619**		**853 004**
Net interest margin			**2.02%**		**1.88% ****		

1 Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; non-sovereign and non-bank cash placements; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities; bank debt securities.
2 Comprises (as per the balance sheet) loans and advances to customers; own originated loans and advances to customers securitised.
3 Comprises (as per the balance sheet) other securitised assets.
4 Comprises (as per the balance sheet) deposits by banks; debt securities in issue; repurchase agreements and cash collateral on securities lent.
5 Comprises (as per the balance sheet) liabilities arising on securitisation of own originated loans and advance.
^ The group has adopted IFRS 16 from 1 April 2019. The impact has been to recognise interest income and interest expense on the unwind of finance lease receivables and lease liabilities respectively. The prior period comparatives have not been restated.
* Includes interest income and interest expense on derivative assets and liabilities used for hedging purposes. This results in interest income and interest expense being recognised with no associated balance sheet value.
** Impacted by debt funding issued by the Investec Property Fund in which the group has a 24.31% (2019: 26.57%) interest. Excluding this debt funding cost, the net interest margin amounted to 2.00% (2019: 2.02%).
# As at 31 March 2020, certain Investec structured products amounting to £823 million have been reclassified from Debt securities in issue to Customer deposits in order to better reflect the underlying characteristics, contractual terms and liquidity of these products. The prior year has not been restated.
^ Restated as detailed on page 58.

		UK and Other		Southern Africa		Total group	
For the year to 31 March 2019^ £'000	Notes	Balance sheet value	Interest income	Balance sheet value	Interest income	**Balance sheet value**	**Interest income**
Cash, near cash and bank debt and sovereign debt securities	1	7 575 683	61 873	7 412 789	427 364	14 988 472	489 237
Loans and advances	2	10 515 665	582 298	14 426 957	1 377 226	24 942 622	1 959 524
Private Client		4 197 181	165 397	9 837 641	953 296	14 034 822	1 118 693
Corporate, institutional and other clients		6 318 484	416 901	4 589 316	423 930	10 907 800	840 831
Other debt securities and other loans and advances*		676 461	78 843	739 883	49 559	1 416 344	128 402
Other interest-earning assets	3	–	–	15 635	54 659	15 635	54 659
Total interest-earning assets		**18 767 809**	**723 014**	**22 595 264**	**1 908 808**	**41 363 073**	**2 631 822**

		UK and Other		Southern Africa		Total group	
For the year to 31 March 2019^ £'000	Notes	Balance sheet value	Interest expense	Balance sheet value	Interest expense	**Balance sheet value**	**Interest expense**
Deposits by banks and other debt related securities*	4	4 040 397	(131 404)	3 154 292	(141 581)	7 194 689	(272 985)
Customer accounts (deposits)		13 136 539	(154 733)	18 170 568	(1 242 208)	31 307 107	(1 396 941)
Other interest-bearing liabilities	5	–	–	91 522	(23 371)	91 522	(23 371)
Subordinated liabilities		803 699	(51 051)	843 572	(70 825)	1 647 271	(121 876)
Total interest-bearing liabilities		**17 980 635**	**(337 188)**	**22 259 954**	**(1 477 985)**	**40 240 589**	**(1 815 173)**
Net interest income			**385 826**		**430 823**		**816 649**
Net interest margin			**2.16%**		**1.88%****		

1 Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; non-sovereign and non-bank cash placements; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities; bank debt securities.
2 Comprises (as per the balance sheet) loans and advances to customers; own originated loans and advances to customers securitised.
3 Comprises (as per the balance sheet) other securitised assets and Investec Import Solutions debtors. No securitised assets are held at amortised cost in UK and Other.
4 Comprises (as per the balance sheet) deposits by banks; debt securities in issue; repurchase agreements and cash collateral on securities lent.
5 Comprises (as per the balance sheet) liabilities arising on securitisation of own originated loans and advance.
^ Restated as detailed in note 58.
* Includes interest income and interest expense on derivative assets and liabilities used for hedging purposes. This results in interest income and interest expense being recognised with no associated balance sheet value.
** Impacted by debt funding issued by the Investec Property Fund in which the group had a 26.57% interest as at 31 March 2019, excluding this debt funding cost, the net interest margin amounted to 2.02%.

3. Net fee and commission income

Net fee and commission income remained broadly flat at £790.5 million (2019^: £792.7 million). The South African and UK Wealth & Investment businesses reported an increase in annuity fees. Overall fees from the Wealth & Investment business were impacted by the sale of the Irish Wealth business in October 2019. The Specialist Bank reported lower fees impacted by the challenging macroeconomic environment in both South Africa and the UK.

Refer to pages 72, 82 and 83 for further information on net fee and commission income.

For the year to 31 March 2020 **£'000**	UK and Other	Southern Africa	**Total Group**
Wealth & Investment net fee and commission income	**304 412**	**84 173**	**388 585**
Fund management fees/fees for assets under management	261 093	45 188	306 281
Private client transactional fees	43 997	40 884	84 881
Fee and commission expense	(678)	(1 899)	(2 577)
Specialist Banking net fee and commission income	**177 788**	**224 099**	**401 887**
Corporate and institutional transactional and advisory services	179 296	179 751	359 047
Private client transactional fees	11 650	75 731	87 381
Fee and commission expense	(13 158)	(31 383)	(44 541)
Net fee and commission income	**482 200**	**308 272**	**790 472**
Annuity fees (net of fees payable)	280 214	261 793	542 007
Deal fees	201 986	46 479	248 465

For the year to 31 March 2019^ **£'000**	UK and Other	Southern Africa	**Total Group**
Wealth & Investment net fee and commission income	**305 346**	**79 015**	**384 361**
Fund management fees/fees for assets under management	258 299	44 417	302 716
Private client transactional fees	47 771	36 612	84 383
Fee and commission expense	(724)	(2 014)	(2 738)
Specialist Banking net fee and commission income	**181 712**	**226 585**	**408 297**
Corporate and institutional transactional and advisory services	179 998	191 786	371 784
Private client transactional fees	10 646	62 134	72 780
Fee and commission expense	(8 932)	(27 335)	(36 267)
Net fee and commission income	**487 058**	**305 600**	**792 658**
Annuity fees (net of fees payable)	275 966	257 120	533 086
Deal fees	211 092	48 480	259 572

^ *Restated as detailed in note 58.*

4. Investment income

Investment income decreased to £39.3 million (2019^: £107.8 million) reflecting the challenging macroeconomic backdrop during the year under review and the sudden extreme market dislocation in March 2020.

Refer to pages 82 and 83 for further information on investment income.

For the year to 31 March 2020 £'000	Listed equities	Unlisted equities	Fair value loan investments	Warrants and profit shares	**Investment Portfolio**	Debt securities (sovereign, bank and other)	Investment and trading properties	Other	**Total**
The following table analyses investment income generated by the asset portfolio shown on the balance sheet									
UK and Other									
Realised	(765)	51 161	–	15 558	65 954	4 274	(3 616)	(257)	66 355
Unrealised*	(8 446)	(39 918)	–	(7 329)	(55 693)	(3 743)	1 814	(8 011)	(65 633)
Dividend income	7	2 892	–	–	2 899	–	–	–	2 899
Funding and other net related costs	–	–	–	–	–	–	2 754	–	2 754
	(9 204)	**14 135**	**–**	**8 229**	**13 160**	**531**	**952**	**(8 268)**	**6 375**
Southern Africa									
Realised	1 505	6 238	–	8 385	16 128	5 738	(313)	(53)	21 500
Unrealised*	(5 019)	(10 523)	59 967	(32)	44 393	5 899	(43 750)	(12 169)	(5 627)
Dividend income	9 957	12 015	–	–	21 972	–	–	50	22 022
Funding and other net related costs	–	(1 935)	–	–	(1 935)	–	(3 067)	–	(5 002)
	6 443	**5 795**	**59 967**	**8 353**	**80 558**	**11 637**	**(47 130)**	**(12 172)**	**32 893**
Investment income	**(2 761)**	**19 930**	**59 967**	**16 582**	**93 718**	**12 168**	**(46 178)**	**(20 440)**	**39 268**

For the year to 31 March 2019^ £'000	Listed equities	Unlisted equities	Fair value loan investments	Warrants and profit shares	**Investment Portfolio**	Debt securities (sovereign, bank and other)	Investment and trading properties	Other	**Total**
The following table analyses investment income generated by the asset portfolio shown on the balance sheet									
UK and Other									
Realised	(7 566)	22 251	–	18 373	33 058	7 313	(7 231)	(13 884)	19 256
Unrealised*	(9 771)	45 416	–	(769)	34 876	1 530	13 267	10 638	60 311
Dividend income	72	4 161	–	–	4 233	–	–	–	4 233
Funding and other net related costs	23	–	–	–	23	–	6 710	–	6 733
	(17 242)	**71 828**	**–**	**17 604**	**72 190**	**8 843**	**12 746**	**(3 246)**	**90 533**
Southern Africa									
Realised	20 681	22 669	–	12 089	55 439	7 235	30 609	(70)	93 213
Unrealised*	(18 069)	(62 656)	5 778	(914)	(75 861)	2 453	(43 875)	6 289	(110 994)
Dividend income	10 514	28 765	–	–	39 279	–	–	(45)	39 234
Funding and other net related costs	–	(2 222)	–	–	(2 222)	–	(1 945)	–	(4 167)
	13 126	**(13 444)**	**5 778**	**11 175**	**16 635**	**9 688**	**(15 211)**	**6 174**	**17 286**
Investment income	**(4 116)**	**58 384**	**5 778**	**28 779**	**88 825**	**18 531**	**(2 465)**	**2 928**	**107 819**

^ *Restated as detailed in note 58.*
* *In a year of realisation, any prior period mark-to-market gains/(losses) recognised are reversed in the unrealised line item.*

5. Interests in associated undertakings and joint venture holdings

Share of post taxation profit of associates of £27.2 million (2019*: £68.2 million) primarily reflects earnings in relation to the group's investment in the IEP Group. The year-on-year decline is a result of a large realisation in the prior year. As of 16 March 2020 earnings from the group's 25% holding in Ninety One have been equity accounted and included in Share of post taxation profit of associates.

Management critically evaluated the equity accounted value of the group's investment in the IEP Group (IEP) and resultantly recognised an impairment of £45.4 million in the current year. The recoverable amount of the investment in IEP was determined by calculating Investec's stake of the sum of the fair values of the underlying investments held by IEP. This was done by determining the best estimates of the cash flows to be generated from the ultimate realisation of the underlying investments considering management's strategy with the investments, returns generated by the underlying investments, the nature of the assets and market considerations.

6. Trading income

Trading income arising from customer flow amounted to £63.3 million (2019*: £120.7 million). Reasonable activity levels were offset by losses arising from hedging of structured products in the UK (approximately £29 million) driven by the sudden global markets capitulation in March 2020 and the impact of market movements on Investec Property Fund's hedging instruments (largely offset in non-controlling interests).

Trading income from balance sheet management and other trading activities decreased 27.4% to £26.7 million (2019*: £36.8 million). The decrease in the UK was primarily due to prior year asset sales and COVID-19 related market volatility in the current year. The year on year variance in South Africa was driven by COVID-19 related losses on certain trading portfolios, prior year translation gains on foreign currency assets which did not repeat in the current year, offset by currency translation gains in the current year on Investec Property Fund's UK and European investments (largely offset in non-controlling interests).

7. Expected credit loss (ECL) impairment charges

The total ECL impairment charges amounted to £133.3 million (2019*: £66.5 million). The main contributors to the increase in impairment charges were: book growth and the impact of the COVID-19 pandemic; in the form of a provision overlay reflecting a deterioration in the macro-economic scenario forecasts applied and a specific impairment provision in the UK, and a deterioration of the macro-economic scenarios in South Africa (which were adjusted for COVID-19 and the South African sovereign downgrades). The increase in the UK charge was also impacted by the prior year release of provisions on non-core assets sold. The credit loss ratio increased to 0.52% (2019: 0.31%), with the ECL coverage ratio of our Stage 1 loan book also increasing to 0.4% from 0.2% in the prior year. Pre COVID-19, the credit loss ratio was calculated at 0.28% for 31 March 2020. Refer to page 116 for further information on the macro-economic scenarios underpinning the group's ECL impairment charges.

Since 31 March 2019 gross core loan Stage 3 assets have increased to £580 million from £521 million. Net Stage 3 exposures as a percentage of net core loans subject to ECL was 1.6% (31 March 2019: 1.3%).

£'000	**31 March 2020**	31 March 2019	Variance	% change
UK and Other	75 813	24 560	51 253	208.7%
Southern Africa	57 488	41 898	15 590	37.2%
ECL impairment charges	**133 301**	**66 458**	**66 843**	**100.6%**
ECL impairment charges in home currency				
Southern Africa (R'million)	**1 109**	**761**	**348**	**45.7%**

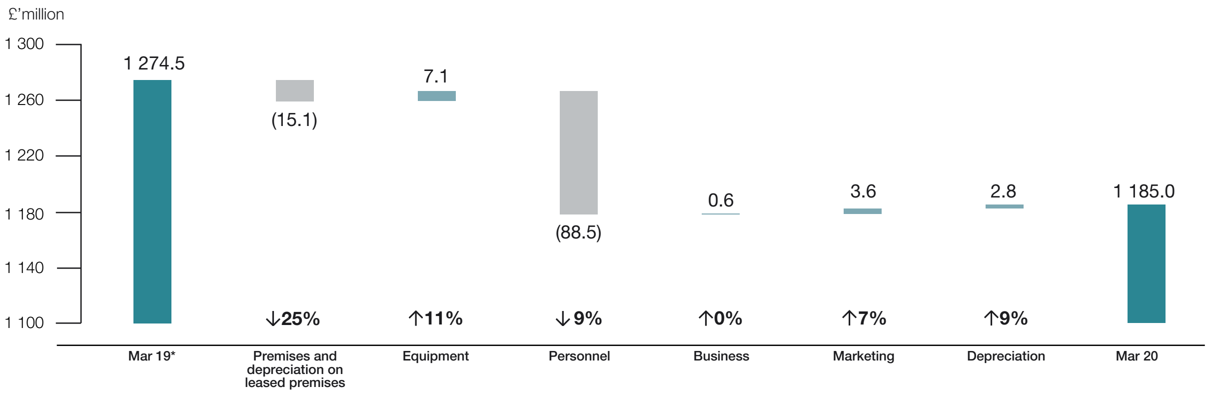
£'000	**31 March 2020**	31 March 2019
ECL impairment charges are recognised on the following assets:		
Loans and advances to customers	125 980	76 360
Own originated loans and advances to customers securitised	317	(55)
Core loans and advances	**126 297**	**76 305**
Other loans and advances	(33)	(2 882)
Other balance sheet assets	3 696	(6 111)
Off balance sheet commitments and guarantees	3 020	(854)
Total ECL impairment charges	**133 301**	**66 458**

8. Operating costs

Total operating costs decreased 7.0% to £1 185.0 million (2019*: £1 274.5 million) driven by cost containment across the business (fixed costs and variable remuneration) and normalised premises costs. The cost to income ratio (net of non-controlling interests) is slightly ahead of the prior year at 68.2% (2019*: 67.3%) despite the decrease in operating costs as a result of the aforementioned pressures on revenue.

Group costs increased by 16.1% to £53.8 million (2019: £46.3 million), driven primarily by a one-off cost relating to the exit of a contract, which will result in overall future cost savings in relation to the contract. Prior to this cost Group costs would have reduced year on year.

Operating costs



£'000	31 March 2020	31 March 2019*	Variance	% change
Wealth & Investment	(315 616)	(304 428)	(11 188)	3.7%
Specialist Banking	(815 600)	(923 746)	108 146	(11.7%)
Group costs	(53 804)	(46 343)	(7 461)	16.1%
Total operating costs	**(1 185 020)**	**(1 274 517)**	**89 497**	**(7.0%)**

The following tables set out information on total operating costs by business and geography for the period under review.

£'000	31 March 2020	31 March 2019*	Variance	% change
UK and Other	(740 792)	(823 374)	82 582	(10.0%)
Southern Africa	(444 228)	(451 143)	6 915	(1.5%)
Total operating costs	**(1 185 020)**	**(1 274 517)**	**89 497**	**(7.0%)**

£'000	31 March 2020	% of total operating costs	31 March 2019*	% of total operating costs	% change
Staff costs	(846 397)	71.4%	(934 895)	73.4%	(9.5%)
– fixed	(670 531)	56.6%	(729 815)	57.3%	(8.1%)
– variable	(175 866)	14.8%	(205 080)	16.1%	(14.2%)
Business expenses	(137 535)	11.6%	(136 907)	10.7%	0.5%
Equipment expenses (excluding depreciation)	(72 833)	6.2%	(65 708)	5.2%	10.8%
Premises expenses^	(44 600)	3.8%	(59 683)	4.7%	(25.3%)
Premises expenses (excluding depreciation)^	(25 556)	2.2%	(59 683)	4.7%	(57.2%)
Premises depreciation^	(19 044)	1.6%	–	0.0%	>100.0%
Marketing expenses	(51 285)	4.3%	(47 729)	3.7%	7.5%
Depreciation, amortisation and impairment on property, equipment and intangibles	(32 370)	2.7%	(29 595)	2.3%	9.4%
Total operating costs	**(1 185 020)**	**100.0%**	**(1 274 517)**	**100.0%**	**(7.0%)**

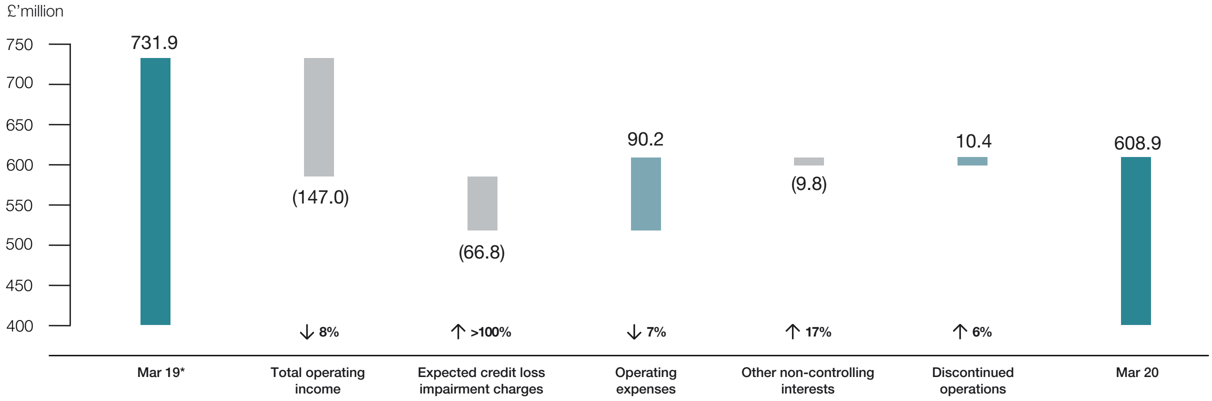
* *Restated as detailed on page 58.*

^ *The group adopted IFRS 16 from 1 April 2019. The impact has been an increase in the depreciation charge by £19 million as a result of recognising a right-of-use asset and a reduction in the premises expense in the year to 31 March 2020. The prior period comparatives have not been restated. Depreciation on premises is now being shown next to other premises expenses to aid comparability.*

Adjusted operating profit

As a result of the foregoing factors, adjusted operating profit from Continuing operations decreased by 24.1% from £552.5 million to £419.2 million.

Adjusted operating profit for the Total group including discontinued operations decreased by 16.8% from £731.9 million to £608.9 million.



Adjusted operating profit by business and geography

* Restated as detailed on page 58.

Adjusted operating profit

The following tables set out information on adjusted operating profit by geography and by division for the year under review.

For the year to 31 March £'000	UK and Other	Southern Africa	Total group	% change	% of total
2020					
Wealth & Investment	63 018	26 848	89 866	(7.2%)	14.8%
Specialist Banking	106 735	276 362	383 097	(23.7%)	62.9%
Specialist Banking excluding Group investments	102 644	263 729	366 373	(22.8%)	60.2%
Group Investments	4 091	12 633	16 724	(38.7%)	2.7%
Group costs	(36 288)	(17 516)	(53 804)	16.1%	(8.8%)
Continuing operations adjusted operating profit	**133 465**	**285 694**	**419 159**	**(24.1%)**	**68.8%**
Discontinued operations	109 103	80 656	189 759	5.8%	31.2%
Total group adjusted operating profit	**242 568**	**366 350**	**608 918**	**(16.8%)**	**100.0%**
Other non-controlling interests^			67 952		
Operating profit before non-controlling interests			**676 870**		
% change	**(28.4%)**	**(6.8%)**	**(16.8%)**		
% of total	**39.8%**	**60.2%**	**100.0%**		
2019*					
Wealth & Investment	70 628	26 250	96 878		13.2%
Specialist Banking	191 632	310 329	501 961		68.6%
Specialist Banking excluding Group investments	191 632	283 040	474 672		64.9%
Group Investments	–	27 289	27 289		3.7%
Group costs	(31 518)	(14 825)	(46 343)		(6.3%)
Continuing operations adjusted operating profit	**230 742**	**321 754**	**552 496**		**75.5%**
Discontinued operations	107 835	71 527	179 362		24.5%
Total group adjusted operating profit	**338 577**	**393 281**	**731 858**		**100.0%**
Other non-controlling interests^			58 192		
Operating profit before non-controlling interests			**790 050**		
% of total	**46.3%**	**53.7%**	**100.0%**		

* *Restated as detailed on page 58.*
^ *Profit attributable to other non-controlling interests predominantly relates to the Investec Property Fund Limited.*

Number of employees

By division – permanent employees	31 March 2020	31 March 2019
Wealth & Investment		
UK and Other	1 380	1 411
Southern Africa	371	359
Total	**1 751**	**1 770**
Specialist Banking		
UK and Other	2 492	2 445
Southern Africa	4 112	4 121
Total	**6 604**	**6 566**
Temporary employees and contractors	387	608
Total number of employees	**8 742**	**8 944**

Adjusted operating profit per employee

By division	Wealth & Investment	Specialist Banking
Number of total employees – 31 March 2020	**1 844**	**6 898**
Number of total employees – 31 March 2019	1 931	7 013
Number of total employees – 31 March 2018	1 821	6 733
Average total employees – year to 31 March 2020	**1 888**	**6 956**
Average total employees – year to 31 March 2019	1 876	6 873
Adjusted operating profit# – year to 31 March 2020	**89 866**	**383 097**
Adjusted operating profit# – year to 31 March 2019*	96 878	501 961
Adjusted operating profit per employee^ – year to 31 March 2020 (£'000)	**47.6**	**55.1**
Adjusted operating profit per employee^ – year to 31 March 2019* (£'000)	51.6	73.0

Adjusted operating profit excluding group costs.
^ *Based on average number of employees over the year.*

By geography	UK and Other	Southern Africa	Total group
Number of total employees – 31 March 2020	**3 942**	**4 800**	**8 742**
Number of total employees – 31 March 2019	4 099	4 845	8 944
Number of total employees – 31 March 2018	3 962	4 592	8 554
Average total employees – year to 31 March 2020	**4 021**	**4 823**	**8 843**
Average total employees – year to 31 March 2019	4 031	4 719	8 749
Adjusted operating profit – year to 31 March 2020	**133 465**	**285 694**	**419 159**
Adjusted operating profit – year to 31 March 2019*	230 742	321 754	552 496
Adjusted operating profit per employee^ – year to 31 March 2020 (£'000)	**33.2**	**59.2**	**47.4**
Adjusted operating profit per employee^ – year to 31 March 2019 (£'000)	57.2	68.2	63.1

^ *Based on average number of employees over the year.*
* *Restated as detailed on page 58.*

9. Goodwill and intangible assets

Amortisaton of acquired intangibles of £16.1 million (2019: £15.8 million) largely relates to the Wealth & Investment business and mainly comprises amortisation of amounts attributable to client relationships.

Key balance sheet movements in goodwill and acquired intangibles since 31 March 2019 relate to the demerger and separate listing of Investec Asset Management which took place in March 2020 and the sale of the Irish Wealth & Investment business in October 2019. Other decreases are predominantly due to the depreciation of the Rand.

Goodwill and intangible assets analysis by geography and line of business

£'000	31 March 2020	31 March 2019
UK and Other	**261 183**	**356 048**
Asset Management	–	88 045
Wealth & Investment	236 318	243 228
Specialist Banking	24 865	24 775
South Africa	**9 442**	**10 822**
Wealth & Investment	1 631	1 922
Specialist Banking	7 811	8 900
Intangible assets	**86 300**	**107 237**
Wealth & Investment	69 331	82 306
Specialist Banking	16 969	24 931
Total group	**356 925**	**474 107**

10. Taxation

The tax charge on adjusted operating profit from continuing operations was £54.7 million (2019*: £49.1 million), resulting in an effective tax rate of 11.9% (2019*: 9.1%). The year-on-year increase was due to the normalisation of the effective tax rate in South Africa, partially offset by the release of provisions associated with settlements in the UK.

	Effective tax rates				
	31 March 2020	31 March 2019*	**31 March 2020 £'000**	31 March 2019* £'000	% change
UK and Other	(0.6%)	13.4%	706	(29 877)	(102.4%)
Southern Africa	16.5%	6.0%	(55 396)	(19 251)	>100%
Tax	**11.9%**	**9.1%**	**(54 690)**	**(49 128)**	**11.3%**

* *Restated as detailed on page 58.*

COVID-19 financial impact

In summary COVID-19 had the following impact on the group's profit after tax: in the South African Specialist Bank COVID-19 resulted in a reduction in after tax operating profit of £41 million (through higher impairment charges and negative fair value adjustments on certain portfolios partially offset by a reduction in variable remuneration and related taxation). In the UK Specialist Bank COVID-19 resulted in a reduction in after tax operating profit of £45 million (through higher impairment charges, hedging losses from structured products, and negative fair value adjustments on certain portfolios partially offset by a reduction in variable remuneration and related taxation).

31 March 2020 £'million	UK & Other	Southern Africa	Total Specialist Bank
Investment and trading income	61	36	97
Increase in ECL	38	20	58
Operating costs	(44)	(6)	(50)
Adjusted operating profit	**55**	**50**	**105**
Related taxation	(10)	(9)	(19)
Net reduction on after tax operating profits	**45**	**41**	**86**

Asset Management business

On 13 March 2020, the group successfully completed the demerger of Ninety One (formerly known as Investec Asset Management), which became separately listed on 16 March 2020. The loss of control of Investec Asset Management was effected through the distribution of Ninety One shares to shareholders. Further details relating to the demerger are provided on pages 13.

Gain on loss of control of Ninety One	£'000
The gain is calculated as follows:	
Fair value of the distributions	697 854
Investment in associate measured at fair value (including holdings by Investec staff share schemes)	383 535
Net asset value of Asset Management derecognised previously consolidated at 13 March 2020 (including Goodwill)	(228 710)
Non-controlling interest derecognised previously included in the consolidation of Ninety One at 13 March 2020	28 708
Foreign currency translation reserve recycled to the income statement at 13 March 2020	(13 980)
Gain on the distribution of Ninety One shares (before tax)	**867 407**
Implementation costs	(47 174)
Gain on the distribution of Ninety One shares (before tax)	**820 233**
Taxation on gain	(14 405)
Related taxation	592
Gain on the distribution of Ninety One shares net of taxation and implementation costs	**806 420**
Major classes of assets and liabilities	
Insurance related assets	7 806 250
Loans and advances to banks	264 604
Remaining assets (including goodwill)	499 078
Remaining liabilities	(8 341 222)
	228 710

The table below presents the income statement from discontinued operations for the period to 13 March 2020 included in the total group income statement for the year ended 31 March 2020 and the year to 31 March 2019.

11. Combined consolidated income statement of discontinued operations

	Year to 31 March 2020			Year to 31 March 2019		
£'000	**UK and Other**	**Southern Africa**	**Total**	**UK and Other**	**Southern Africa**	**Total**
Net interest income	(2 235)	3 962	1 727	568	5 115	5 683
Net fee and commission income	392 591	191 388	583 979	378 180	178 721	556 901
Investment income	(2 042)	35	(2 007)	–	25	25
Trading income/(loss) arising from						
– balance sheet management and other trading activities	1 634	(76)	1 558	5 120	(62)	5 058
Other operating income	4 697	745	5 442	3 773	1 622	5 395
Total operating income before expected credit loss impairment charges	**394 645**	**196 054**	**590 699**	**387 641**	**185 421**	**573 062**
Expected credit loss impairment charges	–	–	–	7	(1)	6
Operating income	**394 645**	**196 054**	**590 699**	**387 648**	**185 420**	**573 068**
Operating costs	(285 542)	(115 398)	(400 940)	(279 813)	(113 893)	(393 706)
Operating profit before strategic actions and non-controlling interests	**109 103**	**80 656**	**189 759**	**107 835**	**71 527**	**179 362**
Profit attributable to non-controlling interests from discontinued operations	(18 106)	(11 241)	(29 347)	(15 942)	(9 716)	(25 658)
Operating profit	**90 997**	**69 415**	**160 412**	**91 893**	**61 811**	**153 704**
Gain on distribution net of implementation costs	549 263	270 970	820 233	(6 190)	(500)	(6 690)
Profit before taxation	**640 260**	**340 385**	**980 645**	**85 703**	**61 311**	**147 014**
Taxation on operating profit before strategic actions	(19 112)	(22 088)	(41 200)	(18 796)	(19 856)	(38 652)
Taxation on strategic actions	1 253	(15 066)	(13 813)	161	196	357
Earnings attributable to shareholders from discontinued operations	**622 401**	**303 231**	**925 632**	**67 068**	**41 651**	**108 719**

The group remains committed to its objective to simplify and focus the business in pursuit of disciplined growth over the long-term.

In this regard the following strategic actions have been effected:

- Demerger of the asset management business
- Closure of Click & Invest which formed part of the UK wealth management business
- Sale of the Irish Wealth & Investment business
- Restructure of the Irish branch
- Closure and rundown of the Hong Kong direct investments business.

We have elected to separately disclose the financial impact of these strategic actions as the financial impact from group restructures and the rundown of portfolios where operations have ceased. Due to the significant change in the nature of the entity's operations, we consider it appropriate to present the information on a like-for-like basis, resulting in reclassifications for related items which were previously included in operating income and operating costs in the income statement.

In addition, from 1 April 2019, as a result of amendments to IAS 12 Income Taxes, tax relief on payments in relation to Other Additional Tier 1 securities has been recognised as a reduction in taxation on operating profit before goodwill, acquired intangibles and strategic actions, whereas it was previously recorded directly in retained income. Prior period comparatives have been restated, increasing the profit after taxation for the year to 31 March 2019 by £3.2 million.

These reclassifications in the income statement for the prior reported period have been shown on page 58.

The net effect on restated earnings attributable to shareholders relates solely to the tax previously included directly in equity which is now being reported in the income statement.

The net effect on restated adjusted earnings per share relates to:

- the inclusion of the tax relief previously recorded directly in equity which is now being recognised in the income statement; and
- the exclusion of the financial impact of the strategic actions which were included in adjusted operating profit in prior periods. Refer to page 52 for the calculation of adjusted operating profit and page 27 to 29 for the calculation of adjusted earnings attributable to ordinary shareholders.

There has been no impact to Earnings per share or Headline earnings per share.

The effective date of the Asset Management business demerger was 13 March 2020 and admission of the Ninety One Limited shares and the Ninety One plc shares to the Johannesburg Stock Exchange and London Stock Exchange was effected on 16 March 2020. The global asset management business has been disclosed as a discontinued operation and the income statement for the prior period has been appropriately re-presented. Refer to page 56 for discontinued operations.

12. Financial impact of strategic actions

£'000	**Year to 31 March 2020**	Year to 31 March 2019
Closure and rundown of the Hong Kong direct investments business*	(89 257)	(65 593)
Financial impact of group restructures	(25 725)	(14 591)
Closure of Click & Invest	(4 309)	(14 265)
Sale of the Irish Wealth & Investment business	19 741	–
Restructure of the Irish branch	(41 110)	(326)
Other	(47)	–
Financial impact of strategic actions - continuing operations	**(114 982)**	**(80 184)**
Taxation on financial impact of strategic actions from continuing operations	19 856	15 023
Net financial impact of strategic actions - continuing operations	**(95 126)**	**(65 161)**
Gain on distribution of Ninety One shares net of taxation and implementation costs	806 420	(6 333)
Net financial impact of strategic actions - Total group	**711 294**	**(71 494)**

* *Included within the balance are fair value adjustments of £83.2 million (March 2019: £57.8 million).*

RESTATEMENTS

(continued)

£'000	Year to 31 March 2019 as previously reported	Re-presentation as a discontinued operation	Reclassification	**Year to 31 March 2019 restated**
Interest income	2 641 920	(5 677)	(4 421)	2 631 822
Interest expense	(1 826 493)	(6)	11 326	(1 815 173)
Net interest income	**815 427**	**(5 683)**	**6 905**	**816 649**
Fee and commission income	1 590 004	(731 401)	(26 940)	831 663
Fee and commission expense	(216 452)	174 500	2 947	(39 005)
Investment income	49 985	(25)	57 859	107 819
Share of post taxation profit of associates and joint venture holdings	68 317	–	(150)	68 167
Trading income arising from				
– customer flow	120 662	–	–	120 662
– balance sheet management and other trading activities	41 966	(5 058)	(79)	36 829
Other operating income	16 431	(5 395)	–	11 036
Total operating income before expected credit loss impairment charges	**2 486 340**	**(573 062)**	**40 542**	**1 953 820**
Expected credit loss impairment charges	(66 452)	(6)	–	(66 458)
Operating income	**2 419 888**	**(573 068)**	**40 542**	**1 887 362**
Operating costs	(1 695 012)	393 706	26 789	(1 274 517)
Depreciation on operating leased assets	(2 157)	–	–	(2 157)
Operating profit before goodwill, acquired intangibles and strategic actions	**722 719**	**(179 362)**	**67 331**	**610 688**
Impairment of goodwill	(155)	–	–	(155)
Amortisation of acquired intangibles	(15 816)	–	–	(15 816)
Closure and rundown of the Hong Kong direct investments business	–	–	(65 593)	(65 593)
Operating profit	**706 748**	**(179 362)**	**1 738**	**529 124**
Financial impact of group restructures	(19 543)	6 690	(1 738)	(14 591)
Profit before taxation	**687 205**	**(172 672)**	**–**	**514 533**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(78 210)	38 652	(9 570)	(49 128)
Taxation on goodwill, acquired intangibles and strategic actions	5 979	(357)	12 777	18 399
Profit after taxation from continuing operations	**614 974**	**(134 377)**	**3 207**	**483 804**
Profit after taxation from discontinued operations	**–**	**134 377**	**–**	**134 377**
Profit after taxation	**614 974**	**–**	**3 207**	**618 181**
Profit attributable to other non-controlling interests	(58 192)	–	–	(58 192)
Profit attributable to Asset Management non-controlling interests	(25 658)	–	–	(25 658)
Earnings attributable to shareholders	**531 124**	**–**	**3 207**	**534 331**
Earnings per share (pence)				
– Basic	52.0			52.0
– Diluted	50.9			50.9
– Basic for continuing operations	n/a			40.4
– Diluted for continuing operations	n/a			39.6
Adjusted earnings per share (pence)				
– Basic	55.1			60.9
– Diluted	54.0			59.7
– Basic for continuing operations	n/a			48.7
– Diluted for continuing operations	n/a			47.7
Headline earnings per share (pence)				
– Basic	52.6			52.6
– Diluted	51.5			51.5
– Basic for continuing operations	n/a			41.1
– Diluted for continuing operations	n/a			40.2

Net asset value per share

Net asset value per share amounted to 414.3 pence and net tangible asset value per share (which excludes goodwill and intangible assets) amounted to 377.6 pence. Net asset value was positively impacted by profitability and the demerger but negatively impacted by the 17.8% depreciation of the Rand year on year. The group's net asset value per share and net tangible asset value per share is reflected in the table below.

£'000	31 March 2020	31 March 2019
Shareholders' equity	4 030 823	4 316 413
Less: perpetual preference shares issued by holding companies	(168 518)	(194 156)
Ordinary shareholders' equity/net asset value	**3 862 305**	**4 122 257**
Less: goodwill and intangible assets (excluding software)	(342 282)	(456 397)
Tangible ordinary shareholders' equity/net tangible asset value	**3 520 023**	**3 665 860**
Number of shares in issue (million)	1 015.0	1 001.0
Treasury shares (million)	(82.8)	(51.3)
Number of shares in issue in this calculation (million)	**932.2**	**949.7**
Net asset value per share (pence)	**414.3**	**434.1**
Net tangible asset value per share (pence)	**377.6**	**386.0**

Return on equity

Total group £'000	**31 March 2020**	31 March 2019	Average	1 April 2018	Average
Ordinary shareholders' equity	**3 862 305**	**4 122 257**	**3 992 281**	**3 960 026**	**4 041 142**
Goodwill and intangible assets (excluding software)	(342 282)	(456 397)	(399 340)	(475 922)	(466 160)
Tangible ordinary shareholders' equity	**3 520 023**	**3 665 860**	**3 592 941**	**3 484 104**	**3 574 982**

Total group £'000	**31 March 2020**	31 March 2019*
Operating profit before goodwill, acquired intangibles and strategic actions	676 870	790 050
Non-controlling interests	(97 299)	(83 850)
Earnings attributable to perpetual preference and Other Additional Tier 1 security holders (other equity holders)	(43 819)	(44 524)
Adjusted earnings (pre-tax)	**535 752**	**661 676**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(95 890)	(87 780)
Adjusted earnings attributable to ordinary shareholders	**439 862**	**573 896**
Pre-tax return on average shareholders' equity (Pre-tax ROE)	13.4%	16.4%
Post-tax return on average shareholders' equity (Post-tax ROE)	11.0%	14.2%
Pre-tax return on average tangible shareholders' equity (Pre-tax ROTE)	14.9%	18.5%
Post-tax return on average tangible shareholders' equity (Pre-tax ROTE)	12.2%	16.1%

Continuing operations £'000	**31 March 2020**	31 March 2019	Average	1 April 2018	Average
Ordinary shareholders' equity	**3 862 305**	**3 917 960**	**3 871 201**	**3 760 610**	**3 839 285**
Goodwill and intangible assets (excluding software)	(342 282)	(368 352)	(392 949)	(387 877)	(378 115)
Tangible ordinary shareholders' equity	**3 520 023**	**3 549 608**	**3 478 252**	**3 372 733**	**3 461 170**

Continuing operations £'000	**31 March 2020**	31 March 2019*
Operating profit before goodwill, acquired intangibles and strategic actions	487 111	610 688
Non-controlling interests	(67 952)	(58 192)
Earnings attributable to perpetual preference and Other Additional Tier 1 security holders (other equity holders)	(43 819)	(44 524)
Adjusted earnings (pre-tax)	**375 340**	**507 972**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(54 690)	(49 128)
Adjusted earnings attributable to ordinary shareholders	**320 650**	**458 844**
Pre-tax return on average shareholders' equity (Pre-tax ROE)	9.7%	13.2%
Post-tax return on average shareholders' equity (Post-tax ROE)	8.3%	12.0%
Pre-tax return on average tangible shareholders' equity (Pre-tax ROTE)	10.8%	14.7%
Post-tax return on average tangible shareholders' equity (Pre-tax ROTE)	9.2%	13.3%

* *Restated as detailed on page 58.*

Return on equity by geography

	UK and Other		
£'000	Continuing operations	Discontinued operations	**Total group**
Operating profit before goodwill, acquired intangibles and strategic actions	134 329	109 103	243 432
Non-controlling interests	(864)	(18 106)	(18 970)
Earnings attributable to other equity holders	(17 419)	–	(17 419)
Adjusted earnings (pre-tax)	**116 046**	**90 997**	**207 043**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	706	(19 112)	(18 406)
Adjusted earnings attributable to ordinary shareholders – 31 March 2020	**116 752**	**71 885**	**188 637**
Adjusted earnings attributable to ordinary shareholders – 31 March 2019*	183 457	73 097	256 554
Ordinary shareholders' equity – 31 March 2020	**2 076 961**	**–**	**2 076 961**
Goodwill and intangible assets (excluding software)	(325 294)	–	(325 294)
Tangible ordinary shareholders' equity– 31 March 2020	**1 751 667**	**–**	**1 751 667**
Ordinary shareholders' equity – 31 March 2019	**1 843 096**	**154 319**	**1 997 415**
Goodwill and intangible assets (excluding software)	(345 901)	(88 045)	(433 946)
Tangible ordinary shareholders' equity – 31 March 2019	**1 497 195**	**66 274**	**1 563 469**
Average ordinary shareholders' equity – 31 March 2020	**1 960 029**	**77 160**	**2 037 189**
Average ordinary shareholders' equity – 31 March 2019	1 761 316	156 491	1 917 807
Average tangible ordinary shareholders' equity – 31 March 2020	**1 586 799**	**70 769**	**1 657 568**
Average tangible ordinary shareholders' equity – 31 March 2019	1 408 820	68 445	1 477 265
Post-tax ROE – 31 March 2020	**6.0%**	**93.2%**	**9.3%**
Post-tax ROE – 31 March 2019*	10.4%	46.7%	13.4%
Post-tax ROTE – 31 March 2020	**7.4%**	**101.6%**	**11.4%**
Post-tax ROTE – 31 March 2019*	13.0%	106.8%	17.4%
Pre-tax ROE– 31 March 2020	**5.9%**	**117.9%**	**10.2%**
Pre-tax ROE – 31 March 2019*	12.1%	58.7%	15.9%
Pre-tax ROTE – 31 March 2020	**7.3%**	**128.6%**	**12.5%**
Pre-tax ROTE – 31 March 2019*	15.1%	134.3%	20.7%

* *Restated as detailed on page 58.*

Southern Africa			Total Group		
Continuing operations	Discontinued operations	**Total group**	Continuing operations	Discontinued operations	**Total group**
352 782	80 656	433 438	487 111	189 759	676 870
(67 088)	(11 241)	(78 329)	(67 952)	(29 347)	(97 299)
(26 400)	–	(26 400)	(43 819)	–	(43 819)
259 294	**69 415**	**328 709**	**375 340**	**160 412**	**535 752**
(55 396)	(22 088)	(77 484)	(54 690)	(41 200)	(95 890)
203 898	**47 327**	**251 225**	**320 650**	**119 212**	**439 862**
275 387	41 955	317 342	458 844	115 052	573 896
1 785 344	**–**	**1 785 344**	**3 862 305**	**–**	**3 862 305**
(16 988)	–	(16 988)	(342 282)	–	(342 282)
1 768 356	**–**	**1 768 356**	**3 520 023**	**–**	**3 520 023**
2 074 864	**49 978**	**2 124 842**	**3 917 960**	**204 297**	**4 122 257**
(22 451)	–	(22 451)	(368 352)	(88 045)	(456 397)
2 052 413	**49 978**	**2 102 391**	**3 549 608**	**116 252**	**3 665 860**
1 911 171	**43 921**	**1 955 092**	**3 871 200**	**121 081**	**3 992 281**
2 077 967	45 368	2 123 335	3 839 283	201 859	4 041 142
1 891 453	**43 920**	**1 935 373**	**3 478 252**	**114 689**	**3 592 941**
2 052 349	45 368	2 097 717	3 461 169	113 813	3 574 982
10.7%	**107.8%**	**12.8%**	**8.3%**	**98.5%**	**11.0%**
13.3%	92.5%	14.9%	12.0%	57.0%	14.2%
10.8%	**107.8%**	**13.0%**	**9.2%**	**103.9%**	**12.2%**
13.4%	92.5%	15.1%	13.3%	101.1%	16.1%
13.6%	**158.0%**	**16.8%**	**9.7%**	**132.5%**	**13.4%**
14.2%	136.2%	16.8%	13.2%	76.1%	16.4%
13.7%	**158.0%**	**17.0%**	**10.8%**	**139.9%**	**14.9%**
14.4%	136.2%	17.0%	14.7%	135.0%	18.5%

RETURN ON EQUITY BY BUSINESS AND GEOGRAPHY*

£'000	Specialist Bank						
	UK excluding Group Investments	UK Group Investments	UK and Other	SA excluding Group Investments	SA Group Investments	Southern Africa	Total
Adjusted operating profit	**102 644**	**4 091**	**106 735**	**263 729**	**12 633**	**276 362**	**383 097**
Notional return on regulatory capital	(4 206)	–	(4 206)	(1 634)	–	(1 634)	(5 840)
Notional cost of statutory capital	4 967	–	4 967	–	–	–	4 967
Cost of subordinated debt	734	–	734	344	–	344	1 078
Earnings attributable to other equity holders	(16 943)	–	(16 943)	(26 113)	–	(26 113)	(43 056)
Adjusted earnings (pre-tax) - 2020	**87 196**	**4 091**	**91 287**	**236 326**	**12 633**	**248 959**	**340 246**
Tax on operating profit before goodwill, acquired intangibles and strategic actions	7 776	–	7 776	(47 886)	(3 425)	(51 311)	(43 535)
Adjusted earnings attributable to ordinary shareholders – 2020	**94 972**	**4 091**	**99 063**	**188 440**	**9 208**	**197 648**	**296 711**
Adjusted earnings (pre-tax) – 2019**	**179 206**	**–**	**179 206**	**255 123**	**27 289**	**282 412**	**461 618**
Adjusted earnings attributable to ordinary shareholders – 2019**	**155 498**	**–**	**155 498**	**232 211**	**30 608**	**262 818**	**418 317**
Ordinary shareholders' equity – 2020	**1 578 704**	**97 640**	**1 676 344**	**1 469 690**	**291 085**	**1 760 775**	**3 437 119**
Goodwill and intangible assets (excluding software)	(24 866)	–	(24 866)	(15 357)	–	(15 357)	(40 223)
Tangible ordinary shareholders' equity – 2020	**1 553 838**	**97 640**	**1 651 478**	**1 454 333**	**291 085**	**1 745 418**	**3 396 896**
Ordinary shareholders' equity – 2019	1 463 048	–	1 463 048	1 713 771	340 430	2 054 201	3 517 249
Goodwill and intangible assets (excluding software)	(22 441)	–	(22 441)	(20 529)	–	(20 529)	(42 970)
Tangible ordinary shareholders' equity – 2019	1 440 607	–	1 440 607	1 693 242	340 430	2 033 672	3 474 279
Average ordinary shareholders' equity – 2020	**1 520 876**	**48 820**	**1 569 696**	**1 572 798**	**315 758**	**1 888 556**	**3 458 252**
Average ordinary shareholders' equity – 2019	1 384 765	–	1 384 765	1 703 058	353 989	2 057 047	3 441 812
Average tangible ordinary shareholders' equity – 2020	**1 459 590**	**48 820**	**1 508 410**	**1 554 855**	**315 758**	**1 870 613**	**3 379 023**
Average tangible ordinary shareholders' equity – 2019	1 182 679	–	1 182 679	1 676 720	353 989	2 030 709	3 213 388
Pre-tax ROE– 31 March 2020	**5.7%**	**8.4%**	**5.8%**	**15.0%**	**4.0%**	**13.2%**	**9.8%**
Pre-tax ROE – 31 March 2019**	12.9%	n/a	12.9%	15.0%	7.7%	13.7%	13.4%
Post-tax ROE – 31 March 2020	**6.2%**	**8.4%**	**6.3%**	**12.0%**	**2.9%**	**10.5%**	**8.6%**
Post-tax ROE – 31 March 2019**	11.2%	–	11.2%	13.6%	8.6%	12.8%	12.2%
Pre-tax ROTE – 31 March 2020	**6.0%**	**8.4%**	**6.1%**	**15.2%**	**4.0%**	**13.3%**	**10.1%**
Pre-tax ROTE – 31 March 2019**	15.2%	–	15.2%	15.2%	7.7%	13.9%	14.4%
Post-tax ROTE – 31 March 2020	**6.5%**	**8.4%**	**6.6%**	**12.1%**	**2.9%**	**10.6%**	**8.8%**
Post-tax ROTE – 31 March 2019**	13.1%	–	13.1%	13.8%	8.6%	12.9%	13.0%

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

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

** *Restated as detailed on page 58.*

RETURN ON EQUITY BY BUSINESS AND GEOGRAPHY*

(continued)

	Wealth & Investment			Group costs			Wealth & Investment goodwill adjustment^			Total group		
	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total	UK and Other	Southern Africa	Total
	63 018	26 848	89 866	(36 288)	(17 516)	(53 804)	–	–	–	133 465	285 694	419 159
	4 206	1 634	5 840	–	–	–	–	–	–	–	–	–
	(4 967)	–	(4 967)	–	–	–	–	–	–	–	–	–
	(734)	(344)	(1 078)	–	–	–	–	–	–	–	–	–
	(476)	(287)	(763)	–	–	–	–	–	–	(17 419)	(26 400)	(43 819)
	61 047	27 851	88 898	(36 288)	(17 516)	(53 804)	–	–	–	116 046	259 294	375 340
	(13 965)	(7 238)	(21 203)	6 895	3 153	10 048	–	–	–	706	(55 396)	(54 690)
	47 082	20 613	67 695	(29 393)	(14 363)	(43 756)	–	–	–	116 752	203 898	320 650
	65 645	27 052	92 697	(31 518)	(14 825)	(46 343)	–	–	–	213 333	294 639	507 972
	53 489	24 726	78 214	(25 530)	(12 157)	(37 686)	–	–	–	183 457	275 387	458 844
	241 567	24 569	266 136	–	–	–	159 050	–	159 050	2 076 961	1 785 344	3 862 305
	(141 378)	(1 631)	(143 009)	–	–	–	(159 050)	–	(159 050)	(325 294)	(16 988)	(342 282)
	100 189	22 938	123 127	–	–	–	–	–	–	1 751 667	1 768 356	3 520 023
	220 998	20 663	241 661	–	–	–	159 050	–	159 050	1 843 096	2 074 864	3 917 960
	(164 410)	(1 922)	(166 332)	–	–	–	(159 050)	–	(159 050)	(345 901)	(22 451)	(368 352)
	56 588	18 741	75 329	–	–	–	–	–	–	1 497 195	2 052 413	3 549 608
	231 283	22 615	253 898	–	–	–	159 050	–	159 050	1 960 029	1 911 171	3 871 200
	217 501	20 920	238 421	–	–	–	159 050	–	159 050	1 761 316	2 077 967	3 839 283
	78 389	20 840	99 229	–	–	–	–	–	–	1 586 799	1 891 453	3 478 252
	226 141	21 640	247 781	–	–	–	–	–	–	1 408 820	2 052 349	3 461 169
	26.4%	123.1%	35.0%	–	–	–	–	–	–	5.9%	13.6%	9.7%
	30.2%	129.3%	38.9%	–	–	–	–	–	–	12.1%	14.2%	13.2%
	20.4%	91.1%	26.7%	–	–	–	–	–	–	6.0%	10.7%	8.3%
	24.6%	118.2%	32.8%							10.4%	13.3%	12.0%
	77.9%	133.6%	89.6%							7.3%	13.7%	10.8%
	29.0%	125.0%	37.4%							15.1%	14.4%	14.7%
	60.1%	98.9%	68.2%							7.4%	10.8%	9.2%
	23.7%	114.3%	31.6%	–	–	–	–	–	–	13.0%	13.4%	13.3%

Return on risk-weighted assets

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

	31 March 2020	31 March 2019*	Average risk-weighted assets	31 March 2018	Average risk-weighted assets
Adjusted earnings attributable to ordinary shareholders (£'000) – Total group	**439 862**	**573 896**		**491 062**	
Adjusted earnings attributable to ordinary shareholders (£'000) – Continuing operations	**320 650**	**458 844**		**374 691**	
Investec plc risk-weighted assets (£'million)	16 285	15 313	15 799	14 411	14 862
Investec Limited risk-weighted assets (£'million)	15 247	16 945	16 096	20 366	18 655
Total risk-weighted assets (£'million)	**31 532**	**32 258**	**31 895**	**34 777**	**33 517**
Return on risk-weighted assets – Total group	**1.38%**	**1.71%**		**1.45%**	
Return on risk-weighted assets – Continuing operations	**1.01%**	**1.37%**		**1.11%**	
Investec Limited risk-weighted assets (R'million)	337 755	318 533	328 144	338 484	328 509

* *Restated as detailed on page 58.*

Total third party assets under management

£'million	**31 March 2020**	31 March 2019	% change
Wealth & Investment	**44 510**	**55 121**	**(19.3%)**
UK and Other	**33 117**	**36 671**	**(9.7%)**
Discretionary	27 599	29 966	(7.9%)
Non-discretionary	5 518	6 705	(17.7%)
Southern Africa	**11 393**	**16 003**	**(28.8%)**
Discretionary and annuity assets	5 982	6 999	(14.5%)
Non-discretionary	5 411	9 004	(39.9%)
Ireland*	**–**	**2 447**	**(100.0%)**
Specialist Bank	**508**	**633**	**(19.7%)**
	45 018	**55 754**	**(19.3%)**

* *The Irish Wealth & Investment business, which was sold during the year included funds under management totalling £2.4 billion (£0.8 billion discretionary and £1.6 billion non-discretionary) as at 31 March 2019.*

3

DIVISIONAL REVIEW

We partner with private, institutional and corporate clients offering international banking, investment and wealth management services in two principal markets, South Africa and the UK as well as certain other countries.

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

Wealth & Investment

Key income drivers	Income impacted primarily by	Income statement – primarily reflected as
• Investment management fees levied as a percentage of assets under management • Commissions earned for executing transactions for clients.	• Movement in the value of assets underlying client portfolios • The level of investment activity undertaken on behalf of clients, which, in turn, is affected by, among other things, the performance of the global stock markets (which drives investment opportunities), the equity investment risk appetite of our clients, tax considerations and market liquidity.	• Fees and commissions.

Specialist Banking

Key income drivers	Income impacted primarily by	Income statement – primarily reflected as
• Lending activities.	• Size of loan portfolio • Clients' capital and infrastructural investments • Client activity • Credit spreads • Interest rate environment.	• Net interest income • Fees and commissions • Investment income.
• Cash and near cash balances.	• Capital employed in the business and capital adequacy targets • Asset and liability management policies and risk appetite • Regulatory requirements • Credit spreads • Interest rate environment.	• Net interest income • Trading income arising from balance sheet management activities.
• Deposit and product structuring and distribution.	• Distribution channels • Client numbers • Ability to create innovative products • Regulatory requirements • Credit spreads • Interest rate environment.	• Net interest income • Fees and commissions.
• Investments made (including listed and unlisted equities; debt securities; investment properties) • Gains or losses on investments • Dividends received.	• Macro- and micro-economic market conditions • Availability of profitable exit routes • Whether appropriate market conditions exist to maximise gains on sale • Attractive investment opportunities • Credit spreads • Interest rate environment.	• Net interest income • Investment income • Share of post taxation profit of associates.
• Advisory services.	• The demand for our specialised advisory services, which, in turn, is affected by applicable, regulatory and other macro- and micro-economic fundamentals.	• Fees and commissions.
• Derivative sales, trading and hedging.	• Client activity, including lending activity • Client numbers • Market conditions/volatility • Asset and liability creation • Product innovation.	• Fees and commissions • Trading income arising from customer flow.
• Transactional banking services.	• Levels of activity • Ability to create innovative products • Appropriate systems infrastructure • Interest rate environment.	• Net interest income • Fees and commissions.

Key income drivers in our core businesses

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

Wealth & Investment

Global business (in Pounds Sterling)	**31 March 2020**	31 March 2019**	31 March 2018	31 March 2017	31 March 2016
Operating margin	22.2%	24.1%	24.3%	25.9%	26.4%
Net flows in funds under management as a % of opening funds under management	1.1%	0.7%	3.6%	2.7%	4.5%
Average income yield earned on funds under management^	0.81%	0.72%	0.73%	0.72%	0.71%
UK and Other^^ (in Pounds Sterling)					
Operating margin	19.8%	22.3%	22.0%	23.5%	24.6%
Net flows in funds under management as a % of opening funds under management	1.2%	0.4%	5.0%	4.2%	4.5%
Average income yield earned on funds under management^	0.88%	0.83%	0.87%	0.85%	0.87%
Southern Africa (in Rands)					
Operating margin	30.4%	31.1%	32.3%	33.8%	33.1%
Net organic growth in discretionary and annuity funds under management as a % of opening funds under management	6.1%	4.0%	4.6%	8.1%	10.4%
Average income yield earned on funds under management^*	0.60%	0.49%	0.49%	0.47%	0.45%

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

^^ *'Other' comprises the Wealth operations in Switzerland, Channel Islands, Ireland (up until its sale in October 2019) and Hong Kong (up until closure in July 2019). Excluding 'Other' Investec Wealth & Investment UK has an operating margin of 22.4% (31 March 2019: 26.3%) and achieved net organic growth in discretionary funds under management as a % of opening discretionary funds under management of 1.9%.*

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

** *Restated as detailed on page 58.*

Specialist Banking

Global business (in Pounds Sterling)	31 March 2020	31 March 2019**	31 March 2018	31 March 2017	31 March 2016
Cost to income ratio	61.2%	61.9%	63.4%	63.3%	61.9%
ROE post-tax^	8.6%	12.2%	9.2%	10.5%	10.1%
ROE post-tax^ (ongoing business)	n/a	n/a	11.7%	12.6%	13.0%
Growth in net core loans	(0.1%)	(0.8%)	10.7%	25.3%	5.4%
Currency neutral growth in net core loans	9.2%	6.8%	5.3%	7.6%	–
Growth in risk-weighted assets	(6.6%)°	(0.7%)	5.6%	22.2%	2.2%
Stage 3/defaults net of ECL as a % of net core loans and advances subject to ECL*	1.6%	1.3%	1.2%	1.2%	1.5%
Credit loss ratio on core loans	0.52%	0.31%	0.61%	0.54%	0.62%
UK and Other^^ (in Pounds Sterling)					
Cost to income ratio	71.1%	71.6%	76.7%	74.8%	72.9%
ROE post-tax^	6.3%	11.2%	3.2%	7.0%	5.5%
ROE post-tax^ (ongoing business)^	n/a	n/a	8.5%	11.5%	11.4%
ROE post tax excluding Group investments#	6.2%	11.2%	n/d	n/d	n/d
Growth in net core loans	12.9%	8.5%	12.4%	10.5%	10.5%
Growth in risk-weighted assets	10.8%	6.2%	8.2%	8.4%	6.7%
Stage 3/defaults net of ECL as a % of net core loans and advances subject to ECL*	2.4%	2.2%	2.2%	1.6%	2.2%
Credit loss ratio on core loans	0.69%	0.38%	1.14%	0.90%	1.13%
Southern Africa (in Rands)					
Cost to income ratio	52.3%	51.7%	50.6%	51.1%	49.9%
ROE post-tax^	10.5%	12.8%	14.6%	12.7%	15.1%
ROE post tax excluding Group investments#	12.0%	13.6%	n/d	n/d	n/d
Growth in net core loans	6.5%	5.6%	8.7%	8.4%	19.7%
Growth in risk-weighted assets	(5.4%)°	7.2%	3.0%	6.2%	15.1%
Stage 3/defaults net of ECL as a % of net core loans and advances subject to ECL*	0.9%	0.8%	0.6%	1.0%	1.1%
Credit loss ratio on core loans	0.36%	0.28%	0.28%	0.29%	0.26%

^ *Refer to pages 62 to 63 for the calculation of divisional ROEs.*
* *All information post 1 April 2018 has been presented on an IFRS 9 basis. Adoption of IFRS 9 required a move from an incurred loss model to an expected credit loss methodology. Comparative information has been presented on an IAS 39 basis.*
# *Refer to pages 86 to 89 for further information on Group's investments*
** *Restated as detailed on page 58.*
° *Investec Limited adopted the Foundation Internal Ratings Based (FIRB) approach for the measurement of credit capital effective 1 April 2019. Risk weighted assets in prior periods were calculated using the Standardised approach.*
Where n/a is not applicable
Where n/d is not disclosed

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

At 31 March 2020

UK head
Jonathan Wragg^

South Africa head
Henry Blumenthal

Net inflows of
£0.6bn
(2019: £0.4bn)

Assets under management
£44.5 bn
(2019: £55.1bn)

Operating margin
22.2%
(2019*: 24.1%)

Adjusted operating profit amounted to
£89.9mn
(2019*: £96.9mn)

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

Investec Wealth & Investment is one of the UK's leading private client investment managers, and one of the largest managers of private wealth in South Africa.

Our value proposition

- Investec Wealth & Investment has been built via the acquisition and integration of businesses and organic growth over a long period of time
- Well-established platforms in the UK, South Africa, Switzerland, and Guernsey
- The business has four distinct channels: direct, intermediaries, charities, and international
- Strategy to enhance our range of services for the benefit of our clients
- Focus is on organic growth in our key markets, and by acquisition where there is a good strategic and cultural fit.

* *Restated as detailed on page 58.*
^ *Jonathan Wragg stepped down from his role as UK Head on 1 April 2020 and will be succeeded subject to regulatory approval by Ciaran Whelan.*

Where we operate

UK and Other

One of the UK's leading private client investment managers

Brand well recognised

Established platforms and distribution in the UK, Switzerland, and Guernsey

Proven ability to attract and recruit investment managers

£33.1 billion FUM

South Africa and Mauritius

Strong brand and positioning

One of the largest managers of private wealth in South Africa

Further developing Wealth & Investment capability in Mauritius

R252.4 billion FUM

What we do

UK and Europe

Investment and savings

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

Pensions and retirement

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

Financial planning

- Retirement planning
- Succession planning
- Bespoke advice and independent financial reviews.

Southern Africa

Investec Wealth & Investment operates from eight offices across South Africa and provides portfolio management, wealth management and stockbroking services for private clients, charities, pension funds and trusts.

Income statement analysis

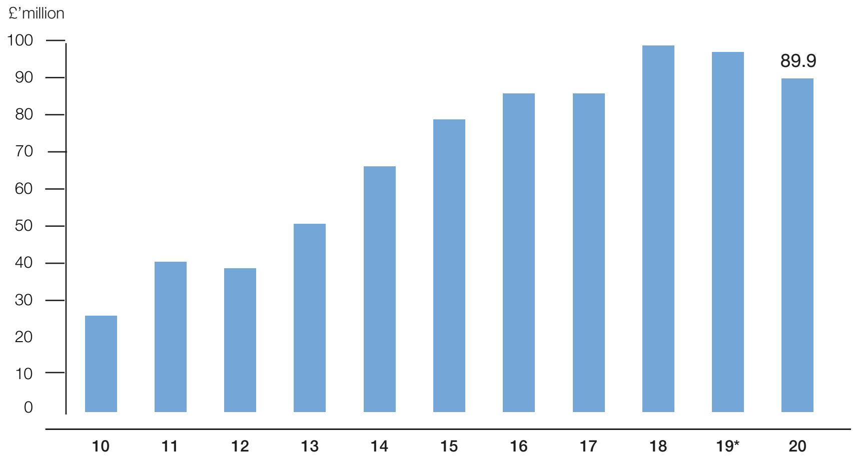
£'000	31 March 2020	31 March 2019^	Variance	% change
Net interest income	16 544	14 216	2 328	16.4%
Net fee and commission income	388 585	384 361	4 224	1.1%
Investment (loss)/ income	(584)	1 490	(2 074)	(>100.0%)
Trading income arising from				
– customer flow	676	851	(175)	(20.6%)
– balance sheet management and other trading activities	79	69	10	14.5%
Other operating income	181	343	(162)	(47.2%)
Total operating income before expected credit losses	**405 481**	**401 330**	**4 151**	**1.0%**
Expected credit loss impairment charges	1	(24)	25	(>100.0%)
Operating income	**405 482**	**401 306**	**4 176**	**1.0%**
Operating costs	(315 616)	(304 428)	(11 188)	3.7%
Adjusted operating profit	**89 866**	**96 878**	**(7 012)**	**(7.2%)**
UK and Other	63 018	70 628	(7 610)	(10.8%)
Southern Africa	26 848	26 250	598	2.3%
Adjusted operating profit	**89 866**	**96 878**	**(7 012)**	**(7.2%)**
Selected returns and key statistics				
Ordinary shareholders' equity*	266 136	241 661	24 475	10.1%
ROE (post tax)*	26.7%	32.8%		
Return on tangible equity (post tax) *	68.2%	31.6%		
Operating margin	22.2%	24.1%		
Operating profit per employee (£'000)*	47.6	51.6		

* *As calculated on pages 62 and 63, based on regulatory capital requirements.*
^ *Restated as detailed on page 58.*

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

- The UK & Other business achieved positive net organic growth in assets under management in the prior and current year, particularly in our core discretionary managed services, resulting in steady operating income. This is despite challenging trading conditions in the UK where clients remained cautious, evident in lower growth rates in net new funds across the industry. Overall fees from the Wealth & Investment business were impacted by the sale of the Irish Wealth business in October 2019. Higher discretionary technology investment costs and regulatory levies were the notable drivers of the 3.5% increase in operating costs. Overall, adjusted operating profit decreased 10.8% to £63.0 million, but with a marked improvement in the second half where adjusted operating profit decreased by 5% year on year, compared to the 16.2% decrease reported in the first half of the 2020 financial year.
- The South African business performed well against a tough backdrop, with adjusted operating profit up 5.7% in Rands. Revenue was supported by our offshore offering, as clients continued to seek international investment opportunities. The operating costs increase of 8.9% was above inflation due to certain once-off personnel costs.

Adjusted operating profit — track record^



^ *Trend reflects numbers as at the year ended 31 March. Amounts are shown before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests.*

Analysis of key earnings drivers (funds under management)

£'million	31 March 2020	31 March 2019	% change
UK and Other	**33 117**	**36 671**	**(9.7%)**
Discretionary	27 599	29 966	(7.9%)
Non-discretionary and other	5 518	6 705	(17.7%)
Southern Africa	**11 393**	**16 003**	**(28.8%)**
Discretionary and annuity assets	5 982	6 999	(14.5%)
Non-discretionary and other	5 411	9 004	(39.9%)
Ireland*	**–**	**2 447**	**(100.0%)**
Total	**44 510**	**55 121**	**(19.3%)**

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

Funds under management

£'million	31 March 2020	31 March 2019	% change
Investec Wealth & Investment Limited (UK)	**31 892**	**35 300**	**(9.7%)**
Discretionary	27 137	29 415	(7.7%)
Non-discretionary	4 755	5 885	(19.2%)
Other*	**1 225**	**3 818**	**(67.9%)**
Discretionary	462	1 395	(66.9%)
Non-discretionary	763	2 423	(68.5%)
Total	**33 117**	**39 118**	**(15.3%)**

* *The comparatives at 31 March 2019 included funds under management totalling £2.4 billion (£0.8 billion discretionary and £1.6 billion non-discretionary) in respect of the Irish Wealth & Investment business, which was sold during the year.*

Net inflows at cost over the year

£'million	31 March 2020	31 March 2019
Discretionary	546	731
Non-discretionary	(62)	(593)
Total	**484**	**138**

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

Funds under management

R'million	31 March 2020	31 March 2019	% change
Discretionary and annuity assets	132 515	131 564	0.7%
Non-discretionary	119 869	169 263	(29.2%)
Total	**252 384**	**300 827**	**(16.1%)**

Net inflows at cost over the year

R'million	31 March 2020	31 March 2019
Discretionary and annuity assets	8 015	4 659
Non-discretionary	(5 850)^	(550)
Total	**2 165**	**4 109**

^ *Includes an outflow of R7.5 billion of assets transferred to our specialised securities division not included in Wealth & Investment assets.*

Q&A

Jonathan Wragg *Ciaran Whelan*

UK and Other business leaders

Q *How did the operating environment impact your business over the past financial year?*

The events of the last quarter and the sudden market contraction in March, as a result of growing concerns regarding COVID-19, continue to dominate the current operating environment and did somewhat impact business performance in the last part of the year.

In the UK, prior to the onset of COVID-19, equity indices had already exhibited a degree of volatility during the period. Most of the year was characterised by uncertainty over the outcome of Brexit discussions and the heightened level of geo-political risks. Given this backdrop, UK private clients and intermediaries exercised caution, resulting in lower rates of growth in net new funds across the industry.

Following the conclusive election result in the UK in December, markets rose in anticipation of a future trade agreement and with greater confidence in the outcome. This resulted in a short-term increase in private client activity prior to the onset of COVID-19. It is notable that our business continued to achieve positive net organic growth in funds under management in the UK for the financial year.

We have long-standing relationships with the majority of our clients who have been with us through previous periods of extreme market volatility and who have shown considerable trust, resilience and understanding, with net inflows being experienced in the month of March. Our key focus has been on providing the advice and expertise which they expect and deserve, especially at times like these.

Q *What progress was made in the past financial year in respect of the group's key strategic objectives?*

Over the past year, we focused on the group's key strategic commitments to ensure progress and delivery of our 2022 targets, while continuing to focus on maintaining and building the resilience of the business.

Capital allocation

We retained our disciplined approach to capital allocation – the decision to close the UK Click & Invest digital service in May 2019 demonstrated our commitment to this objective. In addition, and in light of changes to Investec's Irish business model brought about by Brexit planning, we sold our Irish wealth management business during the period.

With the onset of COVID-19, we reinforced this focus on capital stewardship. We have always maintained a high degree of liquidity and balance sheet strength, which stand us in good stead for the current, and any future, stress.

Growth initiatives

During the year, we established a new strategic transformation team to drive growth and implement our initiatives at speed. A key priority was the development of a new service offering to address future wealth planning needs of both existing and new clients. A pilot launch will commence in May 2020.

At a regional level, we have continued the strategy of hiring individuals to support growth and we have established a new office in Bristol, a strategic location in the South West, migrating the existing office in Bath.

Within our intermediaries division, a key source of growth, we took the decision to expand our offering and are launching a new Managed Portfolio Service for IFAs, available on leading platforms, to complement our successful and award winning Discretionary Fund Management (DFM) service.

Cost management

We faced upward cost pressures in the industry and specifically an unanticipated significant increase in the Financial Services Compensation Scheme (FSCS) levy, of almost double the prior year. In light of this and the current operating environment, management has had to strike a balance between effective cost management and the need to invest in the business for the future.

The latter included the recruitment of additional client facing staff in pursuit of long-term growth and expansion of our advice capability. In addition, planned increases in technology headcount peaked in the first half of the year to support specific regulatory and business driven projects, however, this has since been managed down, with this trend expected to continue into the next financial year.

On a company wide basis, in the second half of the year we launched a targeted programme to realise savings across a number of business areas.

Connectivity

Connectivity between the Specialist Banking and Wealth & Investment businesses remains a key focus and we identified specific client segments as priority for collaboration.

We have strengthened our international wealth proposition which will be led out of the UK, but will draw together all the relevant services of Investec across Specialist Banking and Wealth & Investment businesses internationally.

Between the UK and South African businesses, our Global Investment Strategy integrates our investment process across the regions, thus leveraging our expertise in South Africa and the UK. In addition, during the course of the year we strengthened our ESG research process, in line with a greater consciousness for ethical, sustainable and sound governance-based investments.

Digitalisation

We have accelerated our investment in our critical technology and digital programmes.

In September, we launched a new platform to streamline and enhance client documentation and investment proposals. A further development was to reduce the amount of paperwork for clients, with an increased number of clients subscribing to our online services. We also completed the migration to the new Investec online portal and the roll out of our upgraded electronic filing systems.

As a result of COVID-19, the vast majority of our staff have been working from home and keeping in regular contact with clients remotely. Our systems have proven robust and the transition to remote working has been relatively seamless.

Q *What were the key challenges in your business over the past year?*

In the first part of the year we navigated a challenging operating environment; managing the uncertainty caused by Brexit and the US/China trade tensions. Clients were naturally unsettled during that period and our priority was to ensure that they were well serviced and well prepared.

Clearly the most significant challenge has come at the end of the financial year and has been the impact on clients, staff and other stakeholders from COVID-19. We are extremely proud of the way that our people have risen to this challenge and the flexibility shown in finding ways to engage clients and to meet their responsibilities.

Q *What are your strategic objectives in the coming financial year?*

Our purpose is to help relieve clients from the burden (and potential anxiety) of looking after their financial affairs and we believe this role will be even more important in the recovery period following COVID-19.

Whilst it is not possible to predict exactly how we may need to navigate the post-COVID-19 environment, our fundamental objectives remain unchanged:

- Commitment to delivering 'One Investec', through enhanced collaboration across the global Wealth & Investment business as well as with the wider Investec group
- Acceleration of our Financial Planning and Advice capabilities as the demand for wider advice continues to grow
- Delivering excellent client service and increasing the scope of our offering for intermediary clients, which should accelerate our growth in this segment
- Continued enhancements to our digital and technology platforms in order to ensure that we are fit for the future, not just the present
- Vigilance regarding cost control.

Q *How do you incorporate climate, environmental and social considerations into your business?*

Investec Wealth & Investment is committed to managing its portfolios in a prudent and responsible manner to ensure the long-term health and stability of the market as a whole. Our investment process has long taken into consideration a number of key factors such as financial and non-financial performance and risk, capital structure and corporate governance metrics. We believe that failing to adhere to sound business practices will harm a company from a financial point of view, or in terms of reputation, with a consequent negative impact on investment returns. This is bolstered by input from third party service providers who score each of the companies in our core research universe on a variety of ESG metrics including environmental credentials, business ethics and human rights issues. This allows us to add a quantitative ESG overlay to our normal assessment of a company's investment appeal in the broadest sense.

Further to this, the charities business has always had a key focus on responsible investing. ESG factors are incorporated into our standard investment process, from which all clients benefit. We also have the ability to add specific additional restrictions on a client-by-client basis, which is a key benefit of our bespoke approach. We have been working with charities in the UK for more than 80 years and currently manage £2.9 billion on behalf of nearly 1 169 charities. We work closely with each charity client to create an investment portfolio that is tailored to their needs, aims and ethical considerations.

What is your outlook for the coming financial year?

Much of the future outlook is clearly dependent on the development of the COVID-19 virus and progress in controlling the pandemic. The outcome of this effort and the consequent impact on financial markets, will be the largest determinant of the impact on performance of the business in the coming financial year.

Nevertheless, we approach the future confident that we have the skills and experience to navigate these unprecedented circumstances. The business has strong foundations, honed over many years and the support of a very loyal client franchise, both direct and via intermediaries. The balance sheet is resilient and liquidity robust.

We also expect that there will be opportunities emerging from the pandemic – increasing demand for advice and more rapid digitalisation, for example – and we are positioning ourselves to capitalise on those.

The new financial year has started with a leadership transition; after more than 20 years with Investec, including the past decade as chief executive officer (CEO) of the UK Wealth & Investment business, Jonathan Wragg stepped down from his position as CEO on 1 April 2020. He is succeeded by Ciaran Whelan (acting Investec group head of risk) subject to regulatory approval. Jonathan and Ciaran will be working together through a handover period to 30 June 2020. The group thanks Jonathan for his many years of dedication, commitment, and the work that he has done in helping to build the UK Wealth & Investment business.

To conclude, most importantly, our prime objective remains to support and stay close to our clients, to ensure we continue to deliver the excellence of service that they expect and value.

Q&A

Henry Blumenthal

Southern Africa business leader

Q *How did the operating environment impact your business over the past financial year?*

The operating environment in South Africa has been characterised by persistent market volatility, structural challenges, and weak growth. Notwithstanding this, we have generated significant inflows from our discretionary and annuity client base during the year. Clients continued to internationalise their investment portfolios leveraging off our unique offering which allows clients to invest and bank locally and in the UK, all in One Place™.

The immediate reaction of financial markets to the COVID-19 pandemic and consequent action taken across the globe to "flatten the curve" resulted in a contraction of equity markets globally as well as a weakening of the Rand. This impacted overall levels of assets under management at financial year-end.

The operational response of our business has been a robust, agile transition into remote working, enabling a seamless continuation of service to our clients.

Q *What progress was made in the past financial year in respect of the group's key strategic objectives?*

Over the course of the year, we expanded our fiduciary and estate planning offering and continued with the development of our High Net Worth private client value proposition in conjunction with the Private Banking business. This, together with our increased focus on alternative assets, contributed to further developing our strategic offering. Furthermore, segmenting our client base has created space to enhance the efficiency and effectiveness of our business.

Our international offering has gained further traction, providing clients access to global investment opportunities across a broad investment universe. We expect this trend to continue.

We have continued to invest in our people, by actively focusing on learning and development, transformation, diversity and inclusion as well as culture and team development aimed at creating a culture of belonging, excellence, and personal growth.

Enhancement of our IT and digital capabilities across online reporting, data and client management have focused on improving client service and encouraging growth.

Q *What were the key challenges in your business over the past year?*

Global market volatility, as well as structural challenges and weak growth in South Africa persisted through the year. The COVID-19 pandemic in the last quarter of the financial year led to unprecedented market volatility, exacerbated by rating agency downgrades of the South African sovereign. Almost all asset classes have come under pressure, providing little room to achieve the desired level of investment returns.

Our frequent, personal engagement with our clients has helped navigate the continued low levels of investor and business confidence. These factors emphasise the importance of ensuring we maintain and enhance our solid underlying investment philosophy as well as strong client relationships.

Q *How do you incorporate climate, environmental and social considerations into your business?*

As long-term investors, we acknowledge that we have the responsibility to invest in a way that promotes sustainability. Sustainability considerations, including material issues of an environmental, social and governance (ESG) nature, form part of our investment analysis and related activities. We subscribe to the Code for Responsible Investing in South Africa (CRISA) which is incorporated in our stewardship code. This code sets out how we approach our governance and stewardship responsibilities with respect to our investment activities.

Within our philanthropy offering, we enable our clients to build a legacy by uplifting the societies in which we live and maximising social impact through their donations. This offering has become more strategic in nature due to the move towards supporting more long-term sustainable solutions. At 31 March 2020, Investec managed philanthropy foundation investments to the market value of R988 million. These funds have derived income for distribution to charities on behalf of our clients to the value of approximately R29.8 million in the past year. This income is distributed by Investec charitable trusts in accordance with the decisions made by the respective foundation trustees. Of the funds allocated, 55% went to education, 29% to welfare and humanitarian, 12% to social justice initiatives and 4% to healthcare.

In December 2019, we achieved carbon neutral status by offsetting the operational emissions generated from our wealth and investment activities through the purchase of carbon credits with Climate Neutral Group. This enabled us to offset our carbon footprint and contribute to the SDGs by supporting the Joburg Energy to Waste offset project, which captures methane from landfills and turns it into electricity solving two important issues facing the country: clean waste removal and access to energy.

Q *What are your strategic objectives in the coming financial year?*

Our immediate focus in these unprecedented times, is the wellbeing and safety of our staff and clients. This is paramount.

The development and global integration of our Wealth & Investment businesses remains a strategic objective within our business capabilities and our investment process. The continued development of our ESG investment strategy and alternative investment management capability will further enable clients to diversify their wealth.

Focusing and leveraging our existing resources and skills across our business will enhance the scope and scale of opportunities for growth.

We remain cost conscious and digitally driven, focusing on evolving our infrastructure and capabilities to more seamlessly service clients. Targeted marketing, a commitment to diversity, strengthening relationships and collaboration across Investec will further provide opportunities to grow and finesse our high-touch, high-tech offering.

Q *What is your outlook for the coming financial year?*

A record number of both fiscal and monetary stimulus packages have been provided by the South African Government and the private sector to support the economy in response to the COVID-19 pandemic, the full effects of which are unknown at this stage. The pandemic and the consequent heightened levels of uncertainty, will likely result in persistent market volatility and pressure on asset values and revenue generation.

As with any crisis, we are actively seeking out new investment opportunities for our clients in the listed space as well as across alternative asset classes.

We remain confident in the fundamentals of our business and in our long-established client relationships. As Investec, our ability to offer our clients both local and international investment management and banking services, underpinned by a high level of client service, differentiates us in the market.

Specialist expertise delivered with dedication and energy

At 31 March 2020

UK head
Ruth Leas

Southern Africa head
Richard Wainwright

Net core loans and advances
£24.9bn
(2019: £24.9bn)

ROE (post-tax)
8.6%
(2019*: 12.2%)

The specialist teams are well positioned to provide solutions to meet private, business, corporate and institutional clients' needs.

Adjusted operating profit amounted to
£383.1mn
(2019*: £502.0mn)

Customer deposits
£32.2bn
2019: £31.3bn

Our value proposition

- Provision of high touch personalised service – ability to execute quickly
- Ability to leverage international, cross-border platforms.
- Well positioned to capture opportunities between the developed and the emerging world
- Strong ability to originate, manufacture and distribute
- Balanced business model with good business depth and breadth
- Provision of high-quality solutions to corporate and private clients, with leading positions in select areas.

* *Restated as detailed on page 58.*

Where we operate

USA	India	UK and Europe	Hong Kong	South Africa	Mauritius	Australia
Established a presence in 1998	Established a presence in 2010	Established a presence in 1992	Established a presence in 1997	Established a presence in 1974	Established in 1997	Established a presence in 1997
US Power and Infrastructure Finance, Fund Solutions and Securities	Institutional equities business providing research, sales and trading activities	Brand well established	Private equity fund solutions	Strong brand and positioning	Leading in corporate, institutional and private client banking activities	Lending, treasury solutions, capital and advisory to target market clients, also manages third party funds in Property
	Merchant banking business connecting Indian companies with domestic and international investors	Sustainable business focused on banking activities for corporate, institutional and private clients		Leading in corporate, institutional and private client banking activities		

What we do

High income and high net worth private clients

Private Banking

Lending
Private capital
Transactional banking
Savings
Foreign exchange

Southern Africa
UK and Europe

Corporates / government / institutional clients

Corporate, Business and Institutional Banking

Lending
Treasury and risk management solutions
Advisory
Institutional research, sales and trading

Southern Africa
UK and Europe
Australia
Hong Kong
India
USA

Investment activities

Principal investments
Property investment and fund management

Southern Africa
UK and Europe
Australia
Hong Kong

Income statement analysis

£'000	31 March 2020	31 March 2019*	Variance	% change
Net interest income	836 460	802 433	34 027	4.2%
Net fee and commission income	401 887	408 297	(6 410)	(1.6%)
Investment income	39 852	106 329	(66 477)	(62.5%)
Share of post taxation profit of associates and joint venture holdings	27 244	68 167	(40 923)	(60.0%)
Trading income arising from				
– customer flow	62 578	119 811	(57 233)	(47.8%)
– balance sheet management and other trading activities	26 641	36 760	(10 119)	(27.5%)
Other operating income	6 696	10 693	(3 997)	(37.4%)
Total operating income before expected credit losses	**1 401 358**	**1 552 490**	**(151 132)**	**(9.7%)**
Expected credit loss impairment charges	(133 302)	(66 434)	(66 868)	100.7%
Operating income	**1 268 056**	**1 486 056**	**(218 000)**	**(14.7%)**
Operating costs	(815 600)	(923 746)	108 146	(11.7%)
Depreciation on operating leased assets	(1 407)	(2 157)	750	(34.8%)
Operating profit before goodwill, acquired intangibles and strategic actions	**451 049**	**560 153**	**(109 104)**	**(19.5%)**
Profit attributable to non-controlling interests	(67 952)	(58 192)	(9 760)	16.8%
Adjusted operating profit	**383 097**	**501 961**	**(118 864)**	**(23.7%)**
UK and Other	106 735	191 632	(84 897)	(44.3%)
Southern Africa	276 362	310 329	(33 967)	(10.9%)
Adjusted operating profit	**383 097**	**501 961**	**(118 864)**	**(23.7%)**
Selected returns and key statistics				
Ordinary shareholders' equity ^	3 437 119	3 517 249	(80 130)	(2.3%)
UK and Other	1 676 344	1 463 048	213 296	14.6%
Southern Africa	1 760 775	2 054 201	(293 426)	(14.3%)
ROE (post tax) Specialist Bank ^	8.6%	12.2%		
UK and Other	6.3%	11.2%		
Southern Africa	10.5%	12.8%		
ROE (post tax) Specialist Bank excluding Group Investments ^				
UK and Other	6.2%	11.2%		
Southern Africa	12.0%	13.6%		
Cost to income ratio	61.2%	61.9%		
Operating profit per employee (£'000)*	55.1	73.0		

^ *As calculated on pages 62 and 63 based on regulatory capital requirements.*
* *Restated as detailed on page 58.*

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

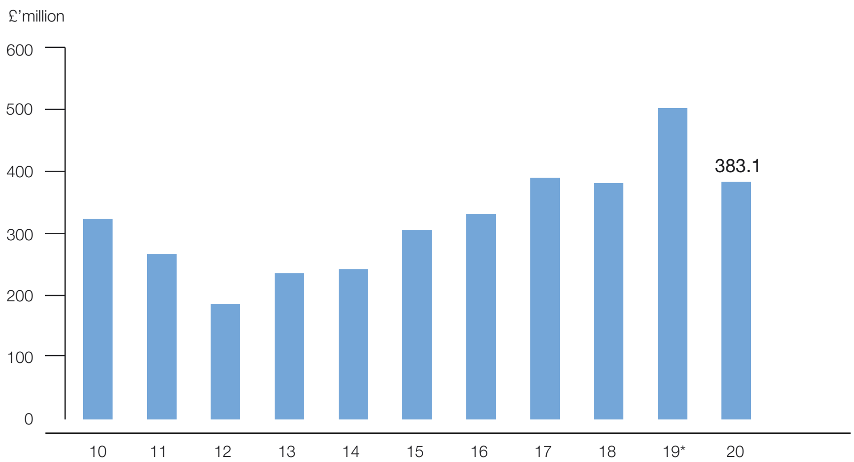
- Strong loan book growth of 12.9% comprising well diversified growth across the corporate loan book as well as significant targeted growth in the High Net Worth mortgage book, is not fully reflected in a 2.2% increase in net interest income largely as a result of back-ended loan book growth.
- Net fee and commission income decreased 2.2%. The Corporate and Investment Banking and Specialist International Lending franchises saw reasonable levels of origination and sell-down activity with good fee generation. This was offset by lower equity capital markets fees resulting from persistent market uncertainty.
- Investment income decreased to £6.8 million (2019*: £89.3 million) reflecting the challenging macroeconomic backdrop during the year under review which was exacerbated by the sudden extreme market dislocation in March 2020.
- Trading income from customer flow decreased to £50.1 million (2019*: £86.0 million). Reasonable activity levels were offset by losses arising from hedging of structured products driven by the sudden COVID-19 related global markets capitulation in March 2020.
- Trading income from balance sheet management and other trading activities decreased primarily due to prior year asset sales and COVID-19 related market volatility in the current year.
- As a result of the foregoing factors, total operating income before ECL decreased 16.4% to £634.6 million.
- ECL impairment charges for the period increased to £75.8 million (2019: £24.5 million), the resultant credit loss ratio amounted to 0.69% (2019: 0.38%) with the increase resulting primarily from the impact of the COVID-19 pandemic (in the form of a provision overlay reflecting a deterioration in the macro-economic scenario forecasts applied and a specific provision). Pre COVID-19, the credit loss ratio was calculated at 0.34% for 31 March 2020. Net Stage 3 exposures as a percentage of net core loans subject to ECL was 2.4% (31 March 2019: 2.2%).
- Operating costs decreased 17.6% reflecting normalised premises charges and a strong focus on cost discipline, particularly in light of tougher trading conditions. The cost to income ratio of 71.1% (2019*: 71.6%) was impacted by lower revenues.
- The overall financial impact of COVID-19 on the adjusted operating profit of the UK Specialist Bank was £55 million. Refer to page 54 for a further breakdown.

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

Note: The analysis and variances described below for the Southern African Specialist Banking division are based on the Rand numbers reported.

- The Specialist Banking division reported adjusted operating profit before taxation of R 5 120 million (2019: R 5 596 million).
- Net interest income increased by 10.3% supported primarily by private client activity.
- Net fee and commission income increased by 3.6%. Good growth and activity levels from our private client base was partially offset by lower fees from the Investec Property Fund.
- Investment income increased significantly, reflecting the upward revaluation of the Investec Property Fund's European investment (largely offset by non-controlling interests) and the non-repeat of certain investment write downs in the prior year. This was partially offset by higher negative fair value adjustments on the listed equity portfolio and lower realisations given the prevailing economic backdrop in the year under review.
- Share of post-taxation profit of associates reflects earnings in relation to the group's investment in the IEP Group. The decrease year on year is as a result of a large realisation in the prior year.
- Trading income arising from customer flow decreased significantly; reasonable activity levels were offset by market movements on Investec Property Fund's hedging instruments (largely offset in non-controlling interests).
- Trading income from balance sheet management and other trading activities increased. The year on year variance was driven by COVID-19 related losses on certain trading portfolios, prior year translation gains on foreign currency assets which did not repeat in the current year, offset by currency translation gains in the current year on Investec Property Fund's UK and European investments (largely offset in non-controlling interests).
- As a result of the foregoing factors, total operating income before ECL remained flat.
- ECL impairment charges for the year increased to R1 109 million (2019: R761 million). The credit loss ratio increased to 0.36% (2019: 0.28%) due to deterioration of the macroeconomic scenarios applied (which were adjusted for COVID-19 and the South African sovereign downgrades). Pre COVID-19, the credit loss ratio was calculated at 0.21% for 31 March 2020. Since 31 March 2019 gross core loan Stage 3 assets have increased by R666 million to R4 460 million. Net Stage 3 exposures as a percentage of net core loans subject to ECL was 0.9% (31 March 2019: 0.8%).
- Operating costs were well contained, remaining flat year on year. Taken together with broadly flat revenue, the cost to income ratio increased to 52.3% (2019: 51.7%).
- The overall financial impact of COVID-19 on the adjusted operating profit of the South African Specialist Bank was approximately R1.2 billion (£50 million). Refer to page 54 for a further breakdown.

Adjusted operating profit^ – track record (statutory)



^ *Trend reflects numbers as at the year ended 31 March. Amounts are shown before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests.*

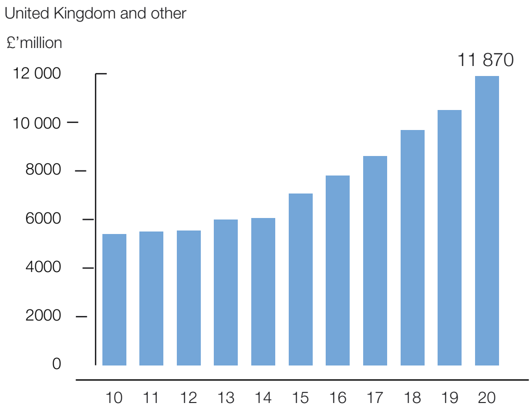
* *The 2019 financial year information has been restated to exclude the financial impact of the rundown of the Hong Kong direct investments business and the impact of other group restructures (as detailed on page 58) in order to ensure a like-for-like basis with the 2020 financial year information. All other prior years have not been restated.*

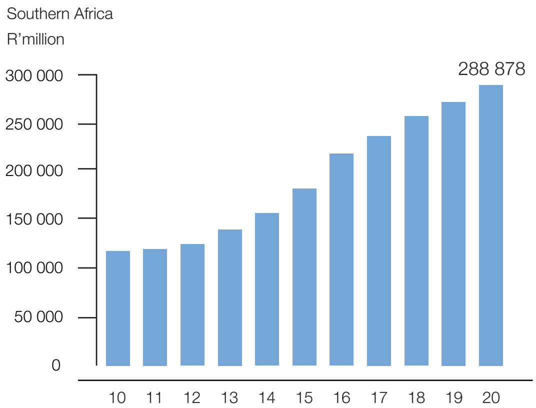
Analysis of key earnings drivers

Net core loans and advances

	£'million			Home currency (million)		
	31 March 2020	31 March 2019	% change	**31 March 2020**	31 March 2019	% change
UK and Other	11 870	10 514	12.9%	11 870	10 514	12.9%
Southern Africa	13 041	14 427	(9.6%)	288 878	271 204	6.5%
Total	**24 911**	**24 941**	**(0.1%)**			

Net core loans and advances



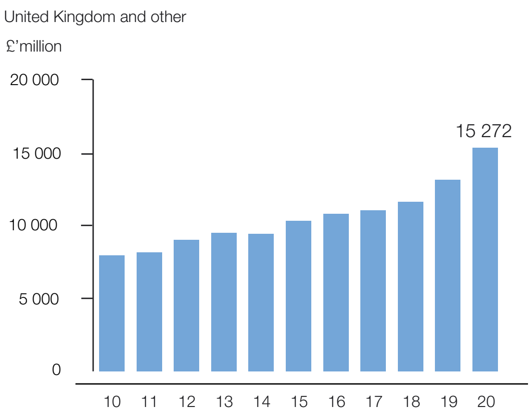


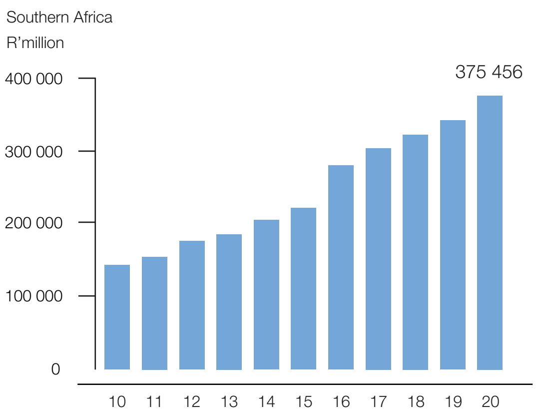
Trend reflects numbers as at the year ended 31 March.

Total deposits

	£'million			Home currency (million)		
	31 March 2020	31 March 2019	% change	**31 March 2020**	31 March 2019	% change
UK and Other^	15 272	13 137	16.3%	15 272	13 137	16.3%
Southern Africa	16 949	18 171	(6.7%)	375 456	341 578	9.9%
Total	**32 221**	**31 308**	**2.9%**			

Total deposits





Trend reflects numbers as at the year ended 31 March.

^ *As at 31 March 2020, certain Investec structured products amounting to £823 million have been reclassified from Debt securities in issue to Customer deposits in order to better reflect the underlying characteristics, contractual terms and liquidity of these products. The prior year has not been restated. The increase in customer deposits would have been 10.0% excluding this reclassification.*

An analysis of net core loans and advances over the year

Refer to further information on pages 121 to 127.

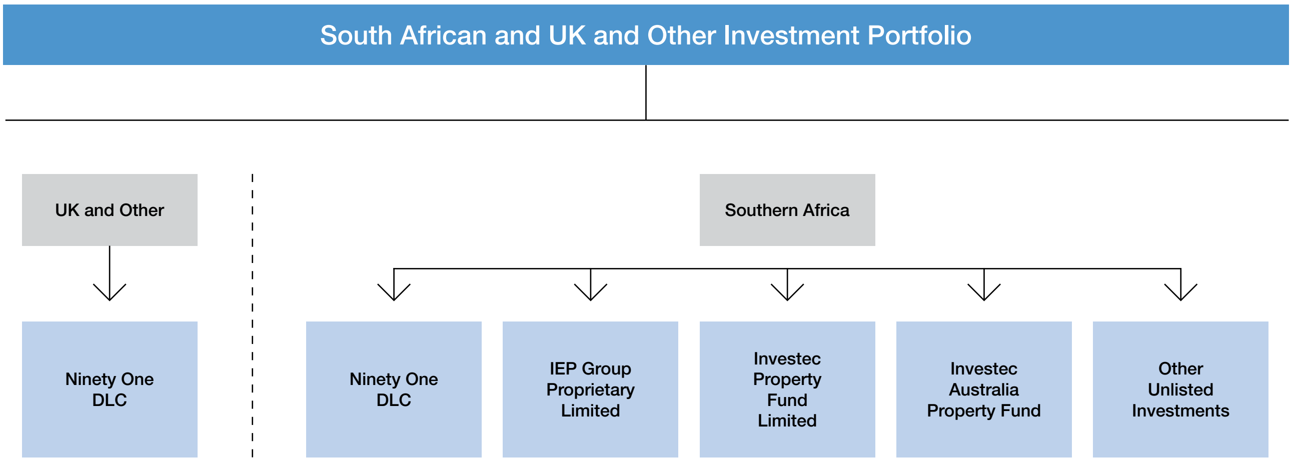
Net core loans and advances – Southern Africa

R'million	31 March 2020	31 March 2019	% change
Lending collateralised by property	**48 913**	**46 321**	**5.6%**
Commercial real estate	**44 913**	**42 876**	**4.8%**
Commercial real estate – investment	39 713	37 419	6.1%
Commercial real estate – development	4 348	4 873	(10.8%)
Commercial vacant land and planning	852	584	45.9%
Residential real estate	**4 000**	**3 445**	**16.1%**
Residential real estate – development	3 360	2 822	19.1%
Residential real estate – vacant land and planning	640	623	2.7%
High net worth and other private client lending	**147 126**	**138 612**	**6.1%**
Mortgages	79 692	73 321	8.7%
High net worth and specialised lending	67 434	65 291	3.3%
Corporate and other lending	**92 839**	**86 271**	**7.6%**
Corporate and acquisition finance	11 928	13 157	(9.3%)
Asset-based lending	7 038	5 748	22.4%
Fund finance	8 382	5 082	64.9%
Other corporates and financial institutions and governments	54 815	51 018	7.4%
Asset finance	3 652	3 864	(5.5%)
Small ticket asset finance	1 993	1 986	0.4%
Large ticket asset finance	1 659	1 878	(11.7%)
Power and infrastructure finance	6 886	6 848	0.6%
Resource finance	138	554	(75.1%)
Total net core loans	**288 878**	**271 204**	**6.5%**

Net core loans and advances – UK and Other

£'million	31 March 2020	31 March 2019	% change
Lending collateralised by property	**1 949**	**1 871**	**4.2%**
Commercial real estate	**1 231**	**1 149**	**7.1%**
Commercial real estate – investment	1 039	1 020	1.9%
Commercial real estate – development	187	122	53.3%
Commercial vacant land and planning	5	7	(28.6%)
Residential real estate	**718**	**722**	**(0.6%)**
Residential real estate – investment	313	392	(20.2%)
Residential real estate – development	387	306	26.5%
Residential real estate – vacant land and planning	18	24	(25.0%)
High net worth and other private client lending	**3 126**	**2 326**	**34.4%**
Mortgages	2 482	1 823	36.1%
High net worth and specialised lending	644	503	28.0%
Corporate and other lending	**6 795**	**6 317**	**7.6%**
Corporate and acquisition finance	**1 758**	1 657	6.1%
Asset-based lending	458	393	16.5%
Fund finance	1 312	1 210	8.4%
Other corporates and financial institutions and governments	758	640	18.4%
Asset finance	1 957	1 894	(20.7%)
Small ticket asset finance	1 716	1 538	11.6%
Large ticket asset finance	241	356	(32.3%)
Power and infrastructure finance	501	498	0.6%
Resource finance	51	25	>100%
Total net core loans	**11 870**	**10 514**	**12.9%**

Group Investment Portfolio



Ninety One DLC (Ninety One)

On 13 March 2020, Investec successfully completed the demerger of its asset management business (Investec Asset Management), which became separately listed as Ninety One on 16 March 2020. Investec maintained a 25% stake in Ninety One, with 16.3% held in Investec plc and the remaining 8.7% held in Investec Limited.

Investec accounts for its combined 25% investment in Ninety One by applying equity accounting and the value of the associate investment was £334 million at 31 March 2020. The market value of the stake held in Investec plc was £259.5 million and £126.4 million (R2.8 billion) in Investec Limited.

IEP Group Proprietary Limited (IEP)

IEP is an investment holding company that was born out of the Investec Private Equity portfolio which was sold to IEP in January 2016. Investec retained an interest in IEP as the major shareholder. Following the realisation of several investments, IEP now holds a controlling stake in the Bud Group. The Bud Group is an operational services, manufacturing and distribution group. As an integrated group, Bud's scale, relevance, and efficient diversified business model positions it as leaders in their markets.

BUD has diversified growth businesses across four chosen platforms:

- **Chemicals and Minerals**

  By combining the strengths of a number of focused group companies, Bud Chemicals and Minerals has established itself as a major operator in the industry of mining, manufacturing, importing, stocking and distribution of raw chemicals and minerals.

- **Industrial Services**

  By bringing together a number of South Africa's oldest and most established industrial brands including Concord Cranes, Goscor, Uni-span, Prowalco Tatsuno, Augusta Steel and Afrit, Bud Industrial Services was born.

- **Building Materials**

  Corobrik has evolved into the major South African manufacturer of clay masonry products, paving, and concrete earth retaining systems in the building materials industry.

- **Financial Services**

  Assupol is a proudly South African insurance company in the financial services industry with a history that dates back to 1913.

Investec holds a 47.4% stake in IEP and the investment is equity accounted with a value of £253.9 million (R5.6 billion) at 31 March 2020. During the current financial year, Investec recognised equity accounted earnings of £18.6 million (R343 million) in relation to this investment. Management critically evaluated the equity accounted value of the investment and resultantly recognised an impairment of £45.4 million.

Investec Property Fund Limited (IPF)

Investec Property Fund Limited (IPF) is a South African Real Estate Investment Trust (REIT) which listed on the Johannesburg Stock Exchange (JSE) in 2011. The investment portfolio is made up of direct and indirect real estate investments in South Africa, Australia, the UK and Europe. The direct investments comprise 98 properties in South Africa, with a total gross lettable area (GLA) of 1,158,249m² valued at £762.9 million (R16.9 billion).

In 2016 IPF embarked on an offshore investment strategy to introduce geographic diversification and exposure to quality real estate in developed markets. IPF's offshore investments now include a 9% interest in Investec Australia Property Fund (IAPF) of R0.7 billion, a 38% interest in a UK portfolio of properties of R1.1 billion, a 75% interest in a Pan-European logistics portfolio of £293.4.6mn (R6.5 billion) and a recent investment into a Pan-European light industrial portfolio of £9 million (R0.2 billion).

Investec has a 24.31% shareholding in IPF and consolidates the fund with a net asset value of £663.6 million (R14.7 billion). The portion that relates to Investec is £161.5 million (R3.6 billion).

Investec Property (Pty) Ltd, a wholly owned subsidiary of Investec and is the appointed asset manager of IPF.

Investec Australia Property Fund (IAPF)

Investec Australia Property Fund (IAPF) is a listed Australian domiciled real estate investment trust that is registered in Australia under the Corporations Act 2001 as a managed investment scheme and regulated by the Australia Securities and Investments Commission.

The Fund has been established to invest in quality commercial real estate (office, industrial and retail) that is well located in major metropolitan cities or established commercial precincts in Australia and New Zealand. The fund currently holds 30 properties with a portfolio value of AUD 1 085mn, an occupancy rate of 99.0%, a gross leasable area of 333 889m² and a weighted average lease expiry of 4.5 years.

Investec holds a direct interest of 9.2% and an indirect shareholding through IPF of 2.2% in IAPF. The direct interest is measured at a fair value of £30.3 million (R672 million) and the indirect holding at a fair value of £7.3 million (R161 million).

Other unlisted investments

Investec holds certain other historical unlisted equity investments to the value of £57.7 million (R1.2 billion).

Additional information on the group's Southern African investment portfolio

31 March 2020	Asset analysis £'000	Income analysis £'000	Asset analysis R'million	Income analysis R'million
Ninety One**	109 014	775	2 415	16
Investec Equity Partners (IEP)	253 290	18 634	5 611	343
Equity investments^	55 585	(11 043)	1 232	(207)
Property investments*	194 831	29 288	4 306	520
Total equity exposures	**612 720**	**37 654**	**13 564**	**672**
Associated loans and other assets	2 313	173	51	3
Total exposures on balance sheet	**615 033**	**37 827**	**13 615**	**675**
Debt funded	323 948	(25 194)	7 167	(516)
Equity	291 085		6 448	
Total capital resources and funding	**615 033**		**13 615**	
Adjusted operating profit		**12 633**		**159**
Taxation		(3 425)		(52)
Operating profit after taxation		**9 208**		**107**
Risk-weighted assets	**2 531 176**		**56 072**	
Ordinary shareholders' equity held on investment portfolio – 31 March 2020	291 085		6 448	
Ordinary shareholders' equity held on investment portfolio – 31 March 2019	340 430		6 400	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2020	315 758		6 424	
Post-tax return on adjusted average ordinary shareholders' equity – 31 March 2020		**2.9%**		

* *The group's investment holding of 24.3% in the Investec Property Fund and 11.4% (9.2% held directly and 2.2% held indirectly via IPF) in the Investec Australia Property Fund.*
^ *Does not include equity investments residing in our corporate and private client businesses.*
** *Investec Limited's holding of 8.7% in the Ninety One group.*

Additional information on the group's UK and Other investment portfolio

31 March 2020	Asset analysis £'million	Income analysis £'000
Ninety One^^	225 343	4 091
Risk-weighted assets		
Ordinary shareholders' equity held on investment portfolio – 31 March 2020	97 640	
Ordinary shareholders' equity held on investment portfolio – 31 March 2019	–	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2020	48 820	
Post-tax return on adjusted average ordinary shareholders' equity – 31 March 2020		**8.4%**

^^ *Investec plc's 16.3% holding in the Ninety One group.*

Further analysis of adjusted operating profit

31 March 2020 £'000	UK and Other	Southern Africa	Total group
Net interest expense	–	(54 288)	(54 288)
Net fee and commission income	–	72 666	72 666
Investment income	–	39 194	39 194
Share of post taxation profit of associates and joint venture holdings	4 091	18 985	23 076
Trading and other operating profits	–	14 135	14 135
Total operating income before expected credit loss impairment charges	**4 091**	**90 692**	**94 783**
Expected credit loss impairment charges	–	(8 154)	(8 154)
Operating income	**4 091**	**82 538**	**86 629**
Operating costs	–	(2 815)	(2 815)
Operating profit before goodwill, acquired intangibles and strategic actions	**4 091**	**79 723**	**83 814**
Profit attributable to other non-controlling interests	–	(67 090)	(67 090)
Adjusted operating profit	**4 091**	**12 633**	**16 724**

Additional information on the group's Southern African investment portfolio

31 March 2019	Asset analysis £'000	Income analysis £'000	Asset analysis R'million	Income analysis R'million
Investec Equity Partners (IEP)	328 963	66 757	6 184	1 193
Equity investments^	81 614	(47 860)	1 535	(881)
Property investments*	237 386	34 594	4 458	631
Total equity exposures	**647 963**	53 491	**12 177**	**943**
Associated loans and other assets	3 471	863	65	15
Total exposures on balance sheet	**651 434**	54 354	**12 242**	**958**
Debt funded	310 766	(27 066)	5 842	(477)
Equity	340 668		6 400	
Total capital resources and funding	**651 434**		**12 242**	
Adjusted operating profit		**27 288**		**481**
Taxation		3 319		61
Operating profit after taxation		**30 607**		**542**
Risk-weighted assets	**2 422 287**		**45 539**	
Ordinary shareholders' equity held on investment portfolio – 31 March 2019	340 668		6 400	
Ordinary shareholders' equity held on investment portfolio – 31 March 2018	367 310		6 909	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2019	340 668		6 655	
Post-tax return on adjusted average ordinary shareholders' equity – 31 March 2019		**8.6%**		

* *The group's investment holding of 26.6% in the Investec Property Fund and 20.6% (15.1% held directly and 5.5% held indirectly via IPF) in the Investec Australia Property Fund.*

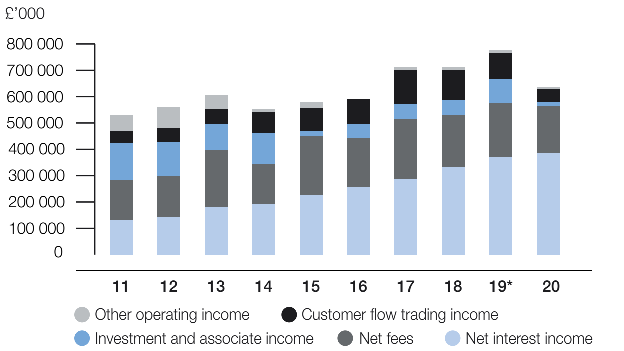
^ *Does not include equity investments residing in our corporate and private client businesses.*

Further analysis of adjusted operating profit

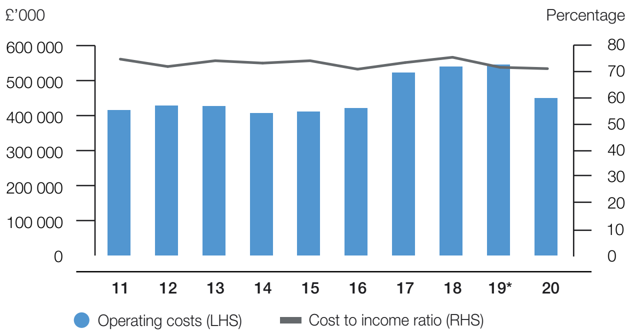
31 March 2019 £'000	UK and Other	Southern Africa	Total
Net interest expense	–	(60 008)	(60 008)
Net fee and commission income	–	79 388	79 388
Investment loss	–	(7 043)	(7 043)
Share of post taxation profit of associates and joint venture holdings	–	66 762	66 762
Trading and other operating losses	–	8 829	8 829
Total operating income before expected credit loss impairment charges	**–**	**87 929**	**87 929**
Expected credit loss impairment charges	–	(1 584)	(1 584)
Operating income	**–**	**86 345**	**86 345**
Operating costs	–	(1 065)	(1 065)
Operating profit before goodwill, acquired intangibles and non-operating items	**–**	**85 280**	**85 280**
Profit attributable to other non-controlling interests	–	(57 992)	(57 992)
Adjusted operating profit	**–**	**27 288**	**27 288**

UK and Other Specialist Bank ongoing

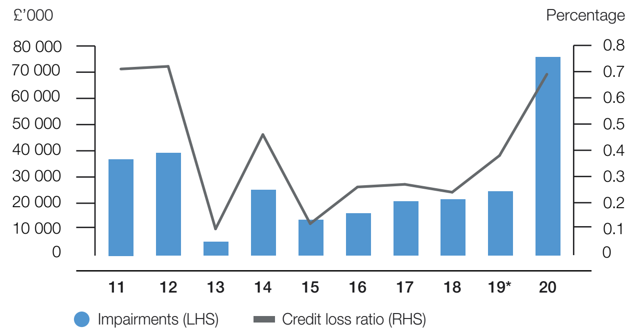
Operating income



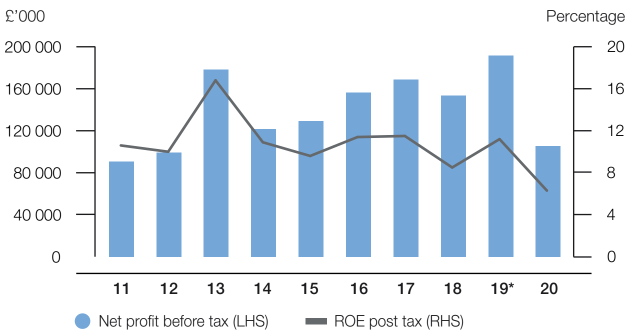
Operating costs



*Expected credit losses/impairment losses^*

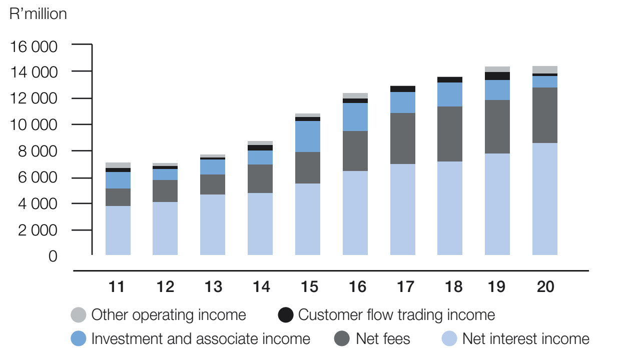


Net profit before tax and ROE

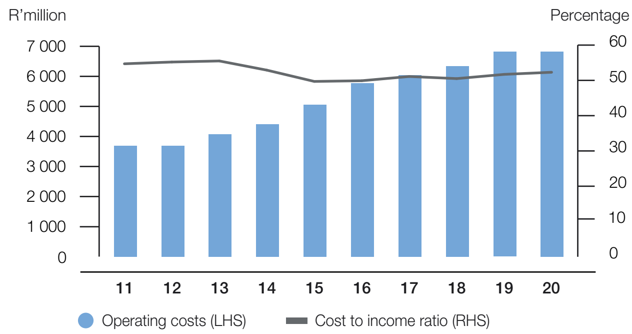


Southern Africa Specialist Bank

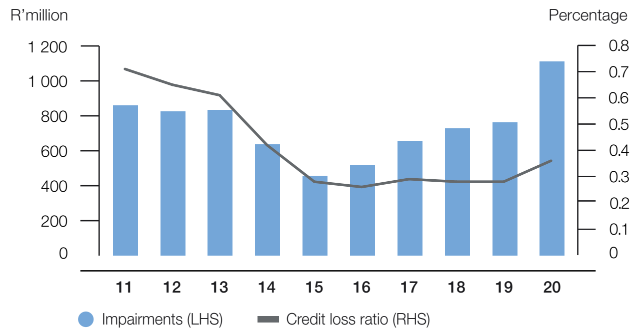
Operating income



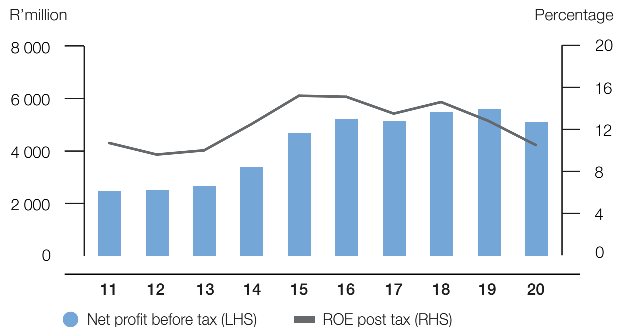
Operating costs



*Expected credit losses/impairment losses^*



Net profit before tax and ROE



Trends in the above graphs are for the year ended 31 March, and reflect the ongoing Specialist Banking business. March 2019 and March 2020 reflect specialist banking statutory results.

^ *On adoption of IFRS 9 there is a move from an incurred loss model to an expected credit loss methodology. Expected credit loss impairment charges from the year ended 31 March 2019 have been calculated on an IFRS 9 basis, comparative years have been calculated on an IAS 39 basis.*

* *The 2019 financial year information has been restated to exclude the financial impact of the rundown of the Hong Kong direct investments business and the impact of other group restructures (as detailed on page 58) in order to ensure a like-for-like basis with the 2020 financial year information. All other prior years have not been restated.*

Q&A

Ruth Leas

UK and Other business leader

How did the operating environment impact your business over the past financial year?

Brexit, heightened UK political uncertainty, and geopolitical tensions sparked by US trade wars adversely impacted activity levels in the UK over the past year, making the UK operating environment very challenging. Against this backdrop, the UK Specialist Bank delivered a good performance from our core client franchise businesses; our private banking activities, corporate and investment banking lending activities as well as our international specialist sector client franchises. The COVID-19 global pandemic combined with an oil price shock struck global markets with material impacts during late February and March of our financial year. The sudden imposition of lockdown in the UK as well as many countries across the world, together with the unprecedented speed and magnitude of market movements following the COVID-19 outbreak, heavily impacted full year performance of the UK Specialist Bank.

Prior to the COVID-19 and oil price shock, the UK Specialist Bank was on track to deliver a performance similar to that of the first half of the financial year. Costs were managed very tightly and significantly reduced over the financial year while the business focused on growing scale in our client franchises, with a firm strategic focus on meeting the bank's medium term targets. Loan book growth was strong at 13% comprising well diversified growth across the corporate loan book as well as significant targeted growth in our High Net Worth mortgage book.

As in the first half of the financial year, business confidence in the UK continued to be materially impacted by Brexit and political uncertainty, and even post the December 2019 UK election, there was still limited appetite for equity capital market activities which resulted in significantly lower fees and commissions from this business, continuing the trend we had seen in the first half of the financial year. The Corporate and Investment Banking lending franchises and International Specialist franchises delivered strong fees and loan growth, demonstrating Investec's well established client franchises and relationships developed over many years in these areas. We continued to apply strong credit discipline while selectively growing the loan book. Our Corporate Banking business saw reasonable activity across all business areas, including corporate hedging and risk management solutions which benefited from the volatility in exchange rates during the year.

The Private Banking business delivered a strong operating performance evidenced by robust loan book growth and client acquisition ahead of budget. Productivity remained high with the Private Banking business able to increase scale whilst simultaneously managing costs.

The sharp economic shock from the COVID-19 pandemic and oil price plunge towards the end of the financial year, where we experienced the fastest market setback on record, significantly impacted full year results.

The impact is a combination of increased COVID-19 related specific and general credit impairment provisions, negative fair value adjustments across various exposures and certain investments, as well as losses arising from the hedging of structured products due to the extraordinary market dislocation. We have actively taken steps to reduce variable costs to reflect the impact of this exceptional change in environment on our business.

The pandemic has had a substantial impact on people, economies and markets across the globe and the full impact remains to be seen and understood. We entered this period of extreme uncertainty and very low interest rates with strong financial and operational resilience and continue to maintain elevated levels of liquidity and a strong capital position, while being lowly geared (maintaining a high leverage ratio). We successfully and rapidly transitioned our operations to working from home and our focus has been on supporting our people, our clients and our communities through the unexpected uncertainty and disruption. We have put in place a number of client support measures over this time, staying close to our clients as they adjust to rapidly changing circumstances. We remain focused on balancing our commitment to support clients whilst carefully managing portfolio risks and remaining alert to potential opportunities as and when they arise.

What progress was made in the past financial year in respect of the group's key strategic objectives?

Capital discipline

The Corporate and Investment Banking business remained focused on disciplined capital allocation and delivering appropriate returns on capital at a client level. Our institutional sales syndication strategy remains a key part of optimising our capital and balance sheet, enabling us to reduce capital commitment and to enhance returns via syndication fees, as well as creating a capital-light fee stream.

We have reduced our investment portfolio exposure substantially (excluding our investment in Ninety One plc), in line with our objective of reducing income volatility, optimising capital allocation, and redirecting capital to our core client franchises.

During the year we implemented a branch structure in Australia that has driven some capital, cost and funding efficiencies.

We continue to meet the group's capital and leverage ratio targets. In addition, as part of the PRA's most recent Internal Capital Adequacy Assessment Process (ICAAP), the Investec plc Pillar 2A capital requirement was reduced from 1.51% to 1.12%. This, together with the reduction in the UK Countercyclical Capital Buffer (CCyB) (which was reduced by the PRA in light of the current economic environment), has resulted in a lower CET1 regulatory minimum for Investec plc, substantially increasing our regulatory capital surplus.

Growth initiatives

We continued to gain good traction in Private Banking in growing our loan book, retail funding and client base in line with targets. Our mortgage book grew 36% since 31 March 2019 and we are ahead of our targets in respect of client acquisition in our banking proposition, having on-boarded approximately 1 100 new high net worth (HNW) clients over the period (to c.5000 clients at 31 March 2020) moving us closer to our target of at least 6 500 HNW clients by March 2022. We have also successfully grown our client base in our Private Capital business.

Our Corporate and Investment Banking business implemented a number of growth initiatives over the past year in pursuit of our strategic objectives:

- Created a single relationship management coverage team across Corporate Banking, which has considerably improved our ability to engage with and deliver our full 'One Investec' offering to existing and target clients
- Continued to invest in our Corporate Banking franchise to enhance our offering to corporates and larger SMEs, following the £15 million award in July 2019 from the Banking Competition Remedies Limited (BCR) Capability and Innovation Fund
- Grew our corporate lending book by 7.6% since 31 March 2019
- Acquired a market-leading specialist closed-end fund team to complement our advisory business, and delivered a top ranking in the Investment Companies small-to-mid cap space
- The Power and Infrastructure Finance teams focused on expanding into new sectors and adding additional products where we can leverage our existing expertise and clients and connect to new clients
- Expanded our Fund Solutions (formerly named Fund Finance) business to include offerings which will boost overall returns without tying up excessive capital.

Cost management

There has been an ongoing strategic review of our cost infrastructure with a view to effecting cost efficiencies.

There was a substantial reduction in costs year on year, driven by no repeat of double premises charges as well as a strong focus on cost discipline, particularly in light of tougher market conditions. We have contained costs by focusing on productivity and automation across the businesses without impacting on activity levels. We are focused on building smart systems to support growth and we have delivered significant improvements in a number of areas such as client lifecycle optimisation over the past year.

In addition to the substantial reduction in the overall fixed cost base, we have also significantly reduced variable remuneration to adjust for the impact on our business from the severely disrupted economic and market conditions surrounding the COVID-19 pandemic.

Connectivity

The Private Banking and Wealth & Investment businesses have identified areas of overlap both in clients and cost synergies. Collaboration has been enhanced through the implementation of an integrated Client Relationship Management (CRM) system as well as a dedicated team focusing on collaboration. Specific client segments have been identified as key common areas and as such prioritised, each requiring a different strategy and each providing an opportunity to increase connectivity and reduce costs over time.

We now have a fully embedded client-centric operating model, joining up our existing franchises to deliver a 'One Investec' offering. For example, the creation of Corporate Banking and Private Banking sales teams. This is helping to increase the level of referrals to the Wealth & investment business.

We have also created a Funds client group, encompassing the Fund Solutions lending business, Fund Solutions Hedging team and the Private Banking team focused on offering mortgages, bank accounts and other products to the funds community to enhance our ability to serve this important client group.

There are also ongoing efforts across the private banking ecosystem to continue offering South African clients a unique international proposition.

Digitalisation

We continue to invest in the modernisation of our businesses leveraging new technologies to enable flexibility, improve efficiencies and accelerate the launch of innovative products and services.

From a client perspective, during the year we launched Investec IX, our corporate digital platform. This included the launch of an online Business Savings account which enables seamless account opening and the ability to self-service reinvestment of our fixed term product online. The launch of these platforms has greatly enhanced our corporate retail deposits capability.

We made good progress in modernising our internal technology. The build out of our open banking platform as a channel has enabled seamless integration with Fintechs, other banks and investment managers. Clients of Monzo, Flagstone, MoneyBox and others are now benefiting from our high quality cash savings suite through this new channel. This new collaborative method of distributing our retail deposit-taking capability is allowing Investec to access new clients and introduce the Investec brand to additional markets.

We are making targeted investments into our Artificial Intelligence (AI) capability, and ensuring we are using analytics and data capabilities to deliver differentiated and personalised solutions. Security and the protection of our clients' data remains a top priority. Progress made in this regard includes enhancements of security features on Investec's online and mobile app, such as multi-factor authentication, face bio-metrics, and 3D secure payments technology.

We have delivered efficiencies and cost savings through a simplification of our operating model, leveraging shared platforms and capabilities across our infrastructure globally. This includes embedding new robotic process automation technologies (RPA) to optimise some of our core operations, reducing operational risk and containing costs.

For our colleagues, our digital workplace initiatives allowed our people to increase connectivity and productivity with new communication and collaboration tools, leading to new ways of agile working and innovation. The focus on our digital workplace strategy enabled us to rapidly respond to the COVID-19 crisis, allowing us to transition to remote working whilst still being able to meet our operational needs and best serve our clients.

Q ***How do you incorporate climate, environmental and social considerations into your business?***

The integration of environmental and social considerations into daily business operations and strategy is continually evolving. Climate-related shareholder resolutions are increasing across the banking sector, which together with the increased focus from the PRA in the UK, has brought climate issues to the fore of many stakeholder discussions.

Recognising our responsibility to help finance a cleaner world, we were the eighth bank in the UK to publicly announce our support for the Task Force on Climate-related Financial Disclosures (TCFD). In the past year, we have evaluated our balance sheet to better understand the physical and transitional climate risks we may have in our portfolios and enhanced our disclosures in our 2020 group sustainability and ESG supplementary information report. We look forward to the proposals due to be released by the UK Financial Conduct Authority (FCA) with further clarity on climate scenarios.

In line with our international peers, we have published a fossil fuel policy affirming our commitment to working with our clients and stakeholders to reduce and limit our exposures to fossil fuels and continue our deliberate focus on promoting renewable and clean energy solutions. For example, our power and infrastructure business plays a leading role in financing clean energy and our asset finance business has launched a sustainable energy finance arm to fund renewable energy assets.

We continue to advocate responsible behaviour to manage our own operational footprint by avoiding, minimising and limiting our emissions. We attained net-zero carbon emissions status in February 2020, committing to ongoing carbon neutrality. We won our 16th Platinum Award in the City of London's Clean City Award Scheme for best practice in waste management.

What were the key challenges in your business over the past year?

The key challenges were presented predominantly by markets; with market uncertainty impacting deal volumes, equity capital market fees, valuations and trading revenue. In addition, the impact of COVID-19 has been very challenging given the extremely fast and sharp movements in markets witnessed towards the end of our financial year. At this stage, it is unclear how long these effects will continue for.

The pandemic and related social containment measures posed challenges across our supply-chain, clients and our staff, all of whom have had to adapt to a new way of operating in a short space of time. Keeping our people focused and positive has been crucial.

The real economy impacts of COVID-19 and the oil price shock remain to be seen and understood, meaning uncertainty remains a challenge.

What are your strategic objectives in the coming financial year?

At the time of writing, the UK and other economies are experiencing a sharp contraction in growth together with sharply increasing levels of unemployment. The highly uncertain outlook ahead and very low interest rate environment, is further exacerbated by the elevated geopolitical tension between the US and China, particularly ahead of the US presidential election in November. The ability to execute and deliver on all our strategic objectives will be challenging during 2020. Nevertheless, we remain committed to our strategy which is to focus on building scale in our core client franchises, which have delivered good performance even under difficult conditions, and to reduce activities causing income volatility. We are also keenly focused on simplifying our operating model and effecting cost efficiencies following an ongoing strategic review of our cost infrastructure.

The Private Banking business continues to focus on four key objectives namely; growing clients, growing lending to these clients, driving down the cost-of-funds in our retail savings channel and improving productivity through scale and reducing costs. In the coming year, supporting our existing clients, preserving our loan book, as well as actively looking to further reduce our cost-base will be key.

An overarching key ambition is to improve connectivity between the Specialist Bank and Wealth & Investment by developing a clear client approach to enhance the client's 'One Investec' experience and drive bottom line growth.

Our Corporate and Investment Banking business remains focused on its key strategies:

- Continuing to develop a Corporate Banking business that offers small to mid-sized companies the breadth of products and level of service that reflects their importance to the UK economy. We have a clear investment programme to achieve an enhancement of our offering, supported in part by the £15 million funding from the BCR Capability and Innovation Fund. We remain on track to deliver this plan, which includes enhancements to existing business areas (motor finance, asset finance, foreign exchange), diversification in income (renewables finance and wider strategic opportunities) and significant development of our digital capability
- Converting our unique Investment Banking proposition, a full-service UK Investment Bank with international reach and a client-partnership model, into pre-eminence in the mid-market. This includes meaningfully increasing our corporate client base and growing our business sustainably in the listed space, and making Investec the "first call" for those operating in the Private Equity mid-market
- Strengthening the reputation of our International Specialist Franchises by being at the cutting edge of constantly changing industries.

We will also continue to drive our high-tech, high touch offering by building smart digital systems to support growth.

We embrace the role that the financial sector must play in achieving the United Nations Sustainable Development Goals (SDGs). We have established a working group tasked with identifying commercial opportunities to enhance socio-economic and environmental impacts and to incorporate sustainability into our specialist banking franchise.

Our export and agency finance team play a leading role in the fast-developing impact and SDG finance market. They were a founder member and deputy chair of the International Chamber of Commerce (ICC) Export Finance Sustainability Working Group of banks to engage with stakeholders on the role of sustainability in export finance. The team is also working with a new Impact Debt Fund, Acre Capital, which is grant supported by The Rockefeller Foundation. This US$300 million initial fund is due to launch in the second quarter of 2020 and is focused on co-financing projects which meet SDG objectives alongside export credit agencies.

Our 2020 group sustainability and ESG supplementary information report provides further detail on the many initiatives we support and fund as part of our commitment to the SDGs.

At Investec we know that diversity of thought is critical to increasing our ability to innovate, adapt and perform, and therefore we are focused on attracting, developing and retaining a diverse and representative workforce. We believe that more diverse groups will give rise to a more inclusive environment where we value the differences in who we all are, encourage challenge and welcome the unique perspective that each individual brings. At Investec our vision for Belonging, Inclusion and Diversity (BID) is for everyone to find it easy to be themselves, and to feel they belong. Our commitment to BID builds on our diversity principles, which include specific strategic objectives to increase our female representation in general and in senior leadership in particular.

Q *What is your outlook for the coming financial year?*

In light of significant dislocation in the external market due to the COVID-19 pandemic it is unclear how the economy and our clients will adjust over the coming months and years, and we therefore cannot provide specific forward looking guidance at this stage. We are focused on taking care of our employees, ensuring business continuity and support for our clients, and backing our CSI partners and helping the communities around us particularly regarding food security. We have responded quickly to the operational and client impacts resulting from COVID-19 and our intention is to leverage this wherever possible to improve our business for the long term. At the moment we are working through a range of different scenarios to position ourselves to both manage the risks and take advantage of opportunities. Given the uncertainty around the evolving economic downturn, and the very low interest rate environment, the year ahead will be challenging. We entered this crisis with experience from the Global Financial Crisis to navigate through challenging circumstances, as well as considerable strength with respect to our high levels of liquidity, strong capital and low level of gearing (maintaining a high leverage ratio).

We have clear strategic focus areas, well established client franchises which have been developed over many years, and we continue to see scope to develop opportunities with both existing and new clients.

Q&A

Richard Wainwright

Southern Africa business leader

How did the operating environment impact your business over the past financial year?

The tough operating environment in the first six months of the financial year continued through the second half, exacerbated in quick succession by a technical recession, South African sovereign credit rating downgrades by Moody's and Fitch, a rising public sector debt trajectory and the recent ongoing public health and economic effects of COVID-19. Notwithstanding this environment, the results of the Specialist Bank in South Africa reflect a good performance from our core franchise businesses, namely the Corporate and Institutional Bank, Private Bank and the Investment Bank. This was offset by a weak performance across our investment portfolio.

The Corporate and Institutional Bank's lending activities were impacted by low levels of business confidence, weak domestic demand and tighter margins. Muted GDP growth and slow deal activity led to more competitive pricing between banks resulting in core loans and advances across corporate and specialist lending activities remaining fairly flat year on year. The deposit book grew, with a significant portion of the increase occurring during March 2020, as large financial institutions and asset managers placed more deposits with us, as they become more defensive in the current economic climate. Overall, performance was broadly in line with the prior year despite the negative impact increased market volatility had on the trading book.

Within the Private Bank, growth in lending activities accelerated in the second half of the year, after a slow start due to a subdued business and economic outlook and pressure on private sector activities. The transactional banking environment has been more competitive with new entrants and continued innovation by traditional competitors. Despite these factors, the business delivered a solid performance with growth in market share, new accounts opened and point of sale activity. In addition, foreign exchange volumes were considerably higher year on year, as private clients sought diversified international exposure.

Corporate driven activity within Investment Banking and Principal Investments was negatively impacted by a reluctance by large corporates and private equity investors to pursue both organic and inorganic growth opportunities. This impacted the level of fee generation within M&A advisory and equity capital markets, notwithstanding the increase in corporate finance fee income year on year. The decline in global equity markets and deteriorating economic conditions in South Africa negatively impacted the valuations of our direct equity and direct property investments. Whilst the environment is not conducive to asset realisations, the dislocation may create attractive opportunities for our clients.

Investec for Business experienced a downward trend in levels of utilisation (particularly in the trade finance book) and margin pressure amid increased competition. A level of market resilience did however exist, which saw the business grow its core loans and advances.

The impact of COVID-19 is reflected in our impairment provisions which are forward-looking, however, the full effects on business activity and asset valuations may only manifest in the next financial year. As expected, in the context of the current environment, our credit loss ratio increased to 0.38% yet remains within our through-the-cycle range of 30bps – 40bps and well below industry averages. The bank is well capitalised and Rand and US dollar liquidity remain very strong.

What progress was made in the past financial year in respect of the group's key strategic objectives?

Our commitment to the group's key strategic objectives remains unchanged.

Capital discipline

We continue to operate with a capital disciplined mindset.

The transition to the Foundation Internal Ratings-Based ('FIRB') approach at the start of the financial year enhanced our ability to price competitively and utilise our capital more efficiently. Our application to the SARB to implement the Advanced ('AIRB') approach was submitted during the first half of the year and remains under review. Successful implementation is expected to result in a material reduction to our capital requirements with an estimated c.2% uplift to our CET1 ratio.

We aim to reduce the capital allocated to our investment portfolio in the medium term and rather direct it to our core franchise businesses.

Growth initiatives

During the year we continued to invest in our businesses for future growth and sustainability. To this end within the Private Bank:

- The execution of our targeted Young Professionals strategy, which broadened our target market into new professional segments is increasing our market share and contributing to book growth in retail mortgages and instalment sales
- In December 2019, Investec, in partnership with Fintech company OfferZen, launched programmable online Investec bank accounts for software developers – another niche target professional segment. While the beta testing is aimed at software developers, we believe that in the long term working closely with the developer community will lead to innovative solutions that will benefit all our customers
- We continued to build out 'My Investments': a digital investment platform accessed through Investec Online, providing private clients access to trade shares and invest in selected investments.

Investec for Business, which offers trade and import finance, borrowing base and cash flow lending along with asset and rental finance, is a key growth area for the bank. Over the past year, we onboarded 111 new clients, an increase of 11%, and granted 20% more facilities compared to the prior year.

In the Corporate and Institutional Bank:

- The strategic corporate arrangement entered into in July 2019 with Goldman Sachs to extend our cash equity trading capabilities has been positive and continues to gain momentum
- Through Investec Life and in collaboration with the Private Bank, new policy sales are up c.40% compared to the prior year
- Investec Specialist Investments, an alternative asset class fund manager offering within the bank, is increasing its assets under management (AUM) as its first two specialist funds have recently passed their three-year track record milestone
- We launched Investec Business Online, a single platform transactional banking capability for corporate and business clients. The Investec for Business client base will also be a key driver of growth on this platform.

Investec Property (IP), the fund manager for the Investec Property Fund (IPF), successfully doubled the AUM for IPF and its new co-investors in the European logistics platform to c.R40 billion at year end. IP has been growing AUM locally and internationally for several years. We will continue to look for opportunities across this platform in the UK, Europe and South Africa which may also provide investment opportunities for both our private and institutional clients.

Cost management

Our results demonstrate good cost control with cost growth remaining below inflation. This has been achieved through headcount containment and ongoing simplification of our operating model.

Connectivity

Driving greater connectivity, collaboration and linkages across business divisions locally and globally has been a key focus area.

- 'My Investments' is an initiative across the Private Bank and Wealth & Investment businesses to provide an online investment management solution to our entire private client base
- We have focused on leveraging the UK and South African Private Banking ecosystem by providing our South African client base offshore access, while at the same time introducing retail deposits and lending opportunities for the UK Banking business
- There has been ongoing integration and collaboration between Investec Life and the Private Bank to encourage broader product suite offerings to all our clients
- We have continued to work on simplifying our operating model by leveraging shared platforms and capabilities across our infrastructure to create operational efficiencies.

Digitalisation

We invest continually in our IT infrastructure in order to deliver high-tech, enhanced digital capabilities for an improved client experience.

- The build out of Investec Business Online, a transactional business banking platform within the Corporate and Institutional Bank, is gaining momentum with an increasing number of clients. Full functionality and roll out is expected to be completed towards the end of the first half of financial year 2021
- We have broadened the Investec for Intermediaries offering which seeks to create a unified digital capability for our intermediary client segment
- Automation and digitisation of client management processes has been a key focus this year, particularly around onboarding and account opening
- Security and the protection of our clients' data remains a top priority, with enhancements made to security features on Investec Online and the mobile app, such as multi-factor authentication, face biometrics, and 3D secure payments technology.

In addition to the above stakeholder capitalism, climate change and sustainability rose to the top of the corporate banking agenda in the past year. In South Africa, the role of corporates and fiduciary responsibilities of directors has always been important to the company and hence to all stakeholders, not just shareholders. One of Investec's most cherished values is that we strive to live in society, not off it. This is a mantra that we live by inside the bank.

We are active participants in the SDGs and welcome the work they are doing to shine a spotlight on some of the crucial interconnected elements of sustainable development in South Africa. In February 2020, in partnership with the Johannesburg Stock Exchange, we hosted members of 30 international banks and financial institutions who are driving the UN Global Investment for Sustainable Development (GISD) agenda. Investec's approach is to partner with our clients and stakeholders to focus on those SDGs where we can maximise positive socio-economic impact and reduce inequality.

A particularly memorable event from the past year was the title deeds initiative whereby Investec wrote off the mortgage debt of 3 600 households in 15 Gauteng townships. Staff assisted in handing over title deeds to a severely vulnerable population ensuring debt-free home ownership and contributing to SDG 10 (by reducing inequality) and SDG 11 (by enabling people to keep their homes).

Our 2020 group sustainability and ESG supplementary report provides further detail on the many initiatives we support and fund as part of our commitment to the SDGs.

Q How do you incorporate climate, environmental and social considerations into your business?

We have a number of policies and processes in place to incorporate environmental and social considerations into our business activities and strategy. Over the past year, we have seen increased interest from stakeholders on climate-related issues. After an extensive engagement process, Investec Bank was the first bank in South Africa to make a comprehensive fossil fuel policy public (including oil and gas). In addition, we were the first bank in South Africa to commit to the Task Force on Climate-related Financial Disclosures (TCFD). We have disclosed our fossil fuel exposures and other ESG exposures in our 2020 group sustainability and ESG supplementary report.

We recognise the opportunities to finance the transition to a low carbon economy. Our power and infrastructure business is at the forefront of many of these initiatives. For example, Investec is providing funding for black-owned energy and development company Pele Energy Group for the construction of wind and solar projects. We also launched the first structured product issued in South Africa over an Environmental World Index, giving investors access to world equity markets whilst considering their environmental impact. Furthermore, we are piloting a solar solution for our private bank clients.

Within our operations, we were pleased to achieve net-zero carbon emissions in February 2020 and received a four-star rating through the Green Building Council of South Africa for our Sandton head office. Our sustainability efforts were recognised with a number of awards: Best Investment Bank for Sustainable Finance in Africa in the 2020 Global Finance Awards; winner of the Sustainability Award in the 17th Annual National Business Awards 2019; winner of the Trialogue Strategic CSI Award 2019 for the Promaths programme; and voted one of South Africa's Top Empowered Companies by Impumelelo.

Q What were the key challenges in your business over the past year?

The most significant factors were the synchronised global economic slowdown and weak domestic economic growth which resulted in subdued investor confidence due to policy uncertainty and structural challenges within the South African environment. This led to reluctance by South African businesses and individuals to invest for growth.

In our lending businesses, we experienced pricing pressure from competitor funders, impacting both new business and refinancing of existing loans.

The economic backdrop also impacted our ability to reduce the investment portfolio and resulted in the reduction in value of certain listed, unlisted and property investments. We remain committed to rationalising and optimising the value of the investment portfolio as previously communicated, however, the impact from the current COVID-19 pandemic is likely to slow progress on this front until markets, corporate M&A and asset owners and managers' risk appetite normalises.

What are your strategic objectives in the coming financial year?

Our strategic objectives in the coming year remain largely the same as we outlined at the half year, however, these will be tempered against a COVID-19 backdrop.

- In these unprecedented times, our primary objectives are to ensure the wellbeing and safety of our staff and to support our clients and communities. By doing this we will in the long term retain and attract talent, gain client market share and deliver to the triple bottom line while balancing shareholder and societal returns
- Client acquisition remains a focus across all our businesses by expanding our value proposition and deepening client entrenchment and engagement
- Growing our capital light revenue aligns with our capital optimisation objective. This will be achieved by diversifying revenue streams through 'My Investments', Investec Life and Investec Specialist Investments
- Enlarging our retail deposit base and foreign currency and multicurrency accounts across all client segments including corporates, private clients and intermediaries
- Increased cooperation between the Specialist Bank and Wealth & Investment businesses
- Continued cost containment measures by leveraging operational efficiencies and scale and containing headcount
- While ROE enhancement remains front of mind, considering COVID-19, capital preservation is equally important. Risks do not manifest themselves immediately and therefore we continue to be conservative in both our liquidity and capital management.

What is your outlook for the coming financial year?

Global social containment measures in the face of COVID-19 have caused unprecedented turmoil in financial markets, businesses and the economy. The length and depth of the pandemic is not yet known; however, it is expected to further reduce corporate activity, increase business failures and materially depress capital markets and asset values.

We will continue to do our part to support South African businesses and the communities around us, and as a member of the Banking Association of South Africa, we are proud to partner with government and other South African banks to provide COVID-19 relief measures as we attempt to safeguard the sustainability of our economy and do right by society.

As with the Global Financial Crisis, we remain confident that the value of our brand, market positioning and client base will sustain us. Our clients have a track record of resilience in difficult operating environments. Together with the diversified international opportunities we can offer them, a continued focus on asset quality and capital preservation, our business is well positioned to weather the storm.

4

ADDITIONAL INFORMATION

ANALYSIS OF INCOME AND IMPAIRMENTS BY CATEGORY OF FINANCIAL INSTRUMENT

4

At 31 March 2020 £'000	Total instruments at fair value	Amortised cost	Non-financial instruments or scoped out of IFRS 9	Total
Assets				
Cash and balances at central banks	–	3 932 048	–	3 932 048
Loans and advances to banks	–	2 666 851	–	2 666 851
Non-sovereign and non-bank cash placements	24 605	608 005	–	632 610
Reverse repurchase agreements and cash collateral on securities borrowed	907 988	2 056 615	–	2 964 603
Sovereign debt securities	4 398 133	195 760	–	4 593 893
Bank debt securities	384 463	220 458	–	604 921
Other debt securities	685 638	744 781	–	1 430 419
Derivative financial instruments	2 034 399	–	–	2 034 399
Securities arising from trading activities	1 044 445	–	–	1 044 445
Investment portfolio	998 935	–	–	998 935
Loans and advances to customers	2 117 296	22 470 778	–	24 588 074
Own originated loans and advances to customers securitised	–	324 638	–	324 638
Other loans and advances	–	132 486	–	132 486
Other securitised assets	112 440	22 425	–	134 865
Interests in associated undertakings	–	–	701 311	701 311
Deferred taxation assets	–	–	265 896	265 896
Other assets	120 024	1 111 316	703 088	1 934 428
Property and equipment	–	–	356 573	356 573
Investment properties	–	–	863 864	863 864
Goodwill	–	–	270 625	270 625
Intangible assets	–	–	86 300	86 300
Non-current assets held for sale	–	–	58 905	58 905
	12 828 366	**34 486 161**	**3 306 562**	**50 621 089**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	35 227	–	–	35 227
	12 863 593	**34 486 161**	**3 306 562**	**50 656 316**
Liabilities				
Deposits by banks	336	3 497 918	–	3 498 254
Derivative financial instruments	2 248 849	–	–	2 248 849
Other trading liabilities	509 522	–	–	509 522
Repurchase agreements and cash collateral on securities lent	165 001	1 412 345	–	1 577 346
Customer accounts (deposits)	2 013 379	30 207 597	–	32 220 976
Debt securities in issue	219 915	1 517 276	–	1 737 191
Liabilities arising on securitisation of own originated loans and advances	–	76 696	–	76 696
Liabilities arising on securitisation of other assets	110 679	–	–	110 679
Current taxation liabilities	–	–	51 308	51 308
Deferred taxation liabilities	–	–	44 788	44 788
Other liabilities	42 282	1 350 933	818 272	2 211 487
	5 309 963	**38 062 765**	**914 368**	**44 287 096**
Liabilities to customers under investment contracts	32 845	–	–	32 845
Insurance liabilities, including unit-linked liabilities	2 382	–	–	2 382
	5 345 190	**38 062 765**	**914 368**	**44 322 323**
Subordinated liabilities	343 233	1 093 128	–	1 436 361
	5 688 423	**39 155 893**	**914 368**	**45 758 684**

FINANCIAL INSTRUMENTS 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 2020 £'000	**Total instruments at fair value**	Level 1	Level 2	Level 3
Assets				
Non-sovereign and non-bank cash placements	24 605	–	24 605	–
Reverse repurchase agreements and cash collateral on securities borrowed	907 988	–	907 988	–
Sovereign debt securities	4 398 133	4 398 133	–	–
Bank debt securities	384 463	250 257	134 206	–
Other debt securities	685 638	264 939	277 704	142 995
Derivative financial instruments	2 034 399	3 611	2 001 143	29 645
Securities arising from trading activities	1 044 445	1 017 861	20 384	6 200
Investment portfolio	998 935	141 890	8 375	848 670
Loans and advances to customers	2 117 296	–	1 015 630	1 101 666
Other securitised assets	112 440	–	6 222	106 218
Other assets	120 024	120 024	–	–
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	35 227	35 227	–	–
	12 863 593	**6 231 942**	**4 396 257**	**2 235 394**
Liabilities				
Deposits by banks	336	–	–	336
Derivative financial instruments	2 248 849	13 853	2 208 315	26 681
Other trading liabilities	509 522	307 689	201 833	–
Repurchase agreements and cash collateral on securities lent	165 001	–	165 001	–
Customer accounts (deposits)	2 013 379	–	2 013 379	–
Debt securities in issue	219 915	–	219 915	–
Liabilities arising on securitisation of other assets	110 679	–	–	110 679
Other liabilities	42 282	–	41 697	585
Liabilities to customers under investment contracts	32 845	–	32 845	–
Insurance liabilities, including unit-linked liabilities	2 382	–	2 382	–
Subordinated liabilities	343 233	343 233	–	–
	5 688 423	**664 775**	**4 885 367**	**138 281**
Net financial assets/(liabilities) at fair value	**7 175 170**	**5 567 167**	**(489 110)**	**2 097 113**

Transfers between level 1 and level 2

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

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 period in measuring financial instruments categorised as level 2 in the fair value hierarchy:

	Valuation basis/techniques	**Main inputs**
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, discount rates, volatilities
Bank debt securities	Discounted cash flow model	Yield curves
Other debt securities	Discounted cash flow model	Yield curves, NCD curves and swap curves, discount rates, 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, discount rates
Securities arising from trading activities	Standard industry derivative pricing model Discounted cash flow model	Interest rate curves, implied bond spreads, equity volatilities, yield curves
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
Other securitised assets	Discounted cash flow model	Yield curves
Liabilities		
Derivative financial instruments	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Black-Scholes	Yield curves, discount rates, 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, discount rates
Customer accounts (deposits)	Discounted cash flow model	Yield curves, discount rates
Debt securities in issue	Discounted cash flow model	Yield curves
Other liabilities	Discounted cash flow model	Yield curves
Liabilities to customers under investment contracts	Current price of underlying unitised assets	Listed prices
Insurance liabilities, including unit-linked liabilities	Current price of underlying unitised assets	Listed prices

Level 3 instruments

The following tables show 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.

£'000	Investment portfolio	Loans and advances to customers	Other securitised assets	Other balance sheet assets	Total
Assets					
Balance at 1 April 2019	**829 971**	**1 209 580**	**118 169**	**135 044**	**2 292 764**
Total gains or losses in the income statement	(16 096)	33 060	(1 425)	25 725	41 264
In the income statement	(16 096)	32 582	(1 425)	25 725	40 786
In the statement of comprehensive income	–	478	–	–	478
Purchases	363 115	1 349 397	–	59 048	1 771 560
Sales	(278 853)	(1 039 464)	–	(1 082)	(1 319 399)
Issues	–	–	–	–	–
Settlements	(26 980)	(476 121)	(10 526)	(39 497)	(553 124)
Transfers into level 3	13 239	–	–	–	13 239
Transfers out of level 3	(4 785)	–	–	–	(4 785)
Foreign exchange adjustments	(30 941)	25 214	–	(398)	(6 125)
Balance at 31 March 2020	**848 670**	**1 101 666**	**106 218**	**178 840**	**2 235 394**

£'000	Liabilities arising on securitisation of other assets	Other balance sheet liabilities	Total
Liabilities			
Balance at 1 April 2019	**113 711**	**20 231**	**133 942**
Total gains or losses in the income statement	(2 094)	10 341	8 247
In the income statement	(2 094)	10 341	8 247
In the statement of comprehensive income	–	–	–
Purchases	–	987	987
Issues	7 306	–	7 306
Settlements	(8 244)	(4 428)	(12 672)
Foreign exchange adjustments	–	471	471
Balance as at 31 March 2020	**110 679**	**27 602**	**138 281**

During the current year there were transfers from level 3 into Level 1 of £4.8m due to a listing of securities. £13.2 million of instruments have been transferred from level 2 into level 3 due to delisting.

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 recognised on level 3 financial instruments:

For the year to 31 March 2020 **£'000**	**Total**	Realised	Unrealised
Total gains or (losses) included in the income statement for the year			
Net interest income/(expense)	77 586	60 922	16 664
Fee and commission (expense)	(3 184)		(3 184)
Investment income	(48 949)	67 274	(116 223)
Trading income arising from customer flow	(1 895)	–	(1 895)
Trading income arising from balance sheet management and other trading activities	8 981	–	8 981
	32 539	**128 196**	**(95 657)**
Total gains or (losses) included in other comprehensive income for the year			
Gains on realisation on debt instruments at FVOCI recycled through the income statement	1 694	1 694	–
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	478	–	478
	2 172	**1 694**	**478**

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 2020	Balance sheet value £'000	Significant unobservable input changed	Range which unobservable input has been changed	Potential impact on the income statement: Favourable changes £'000	Potential impact on the income statement: Unfavourable changes £'000
Assets					
Other debt securities	142 995	Potential impact on income statement		4 418	(12 430)
		Credit spreads	0.38% -0.88%	23	(144)
		Discount rate	5.56%	7	(43)
		Underlying asset value^^	^^	454	(442)
		Other^	^	3 934	(11 801)
Derivative financial instruments	29 645	Potential impact on income statement		8 232	(8 846)
		Volatilities	4.1% - 25.3%	94	(283)
		Cash flow adjustments	CPR 6.8%	33	(31)
		Underlying asset value^^	^^	7 891	(7 891)
		Other^	^	214	(641)
Securities arising from trading activities	6 200	Potential impact on income statement		736	(869)
		Cash flow adjustments	CPR 9.8%	736	(869)
Investment portfolio	848 670	Potential impact on income statement		90 235	(156 683)
		Price earnings multiple	5.3x -9.7x	5 210	(12 742)
		Underlying asset value^^	^^	9 553	(8 695)
		EBITDA	**	25 422	(25 302)
		Discount rate	(0.1%)/1.9%	969	(3 887)
		Cash flows	**	2 679	(1 760)
		Property values	(10%)/10%	14 806	(14 806)
		Precious and industrial metal prices	(6%)/6%	742	(1 237)
		Underlying asset value	#	1 096	(3 003)
		Other^	^	29 758	(85 251)
Loans and advances to customers	1 101 666	Potential impact on income statement		21 224	(54 897)
		Credit spreads	0.05% -5.9% & PAR	1 099	(7 041)
		Price earnings multiple	3.85x-7x	636	(466)
		Underlying asset value^^	^^	647	(352)
		Property values	(5%)/5%	23	(23)
		Cash flows	*	1 903	(3 145)
		Underlying asset value	#	278	(278)
		Other^	^	16 638	(43 592)
		Potential impact on other comprehensive income			
		Credit spreads	0.03% -5.8% & PAR	4 645	(724)
Other securitised assets	106 218	Potential impact on income statement			
		Cash flow adjustments	CPR 6.8% -7.5%	2 543	(2 530)
Total level 3 assets	**2 235 394**			**132 033**	**(236 979)**
Liabilities					
Deposits by banks	336	Potential impact on income statement		–	48
		Underlying asset value^^	^^	–	48
Derivative financial instruments	26 681	Potential impact on income statement		(7 929)	7 937
		Discount rate	5.60%	(24)	4
		Volatilities	4.1% -25.3%	(14)	42
		Underlying asset value^^	^^	(7 891)	7 891
Liabilities arising on securitisation of other assets	110 679	Potential impact on income statement		(546)	489
		Cash flow adjustments	CPR 6.8%	(546)	489
Other liabilities	585	Potential impact on income statement		(58)	58
		Property values	(10%)/10%	(58)	58
Total level 3 liabilities	**138 281**			**(8 533)**	**8 532**
Net level 3 assets	**2 097 113**				

* *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 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 assets cannot be determined through the adjustment of a single input.*
^^ *Underlying asset values are calculated by reference to a tangible asset, for example property, aircraft or shares.*
** *The EBITDA and cash flows have been stressed on an investment-by-investment basis in order to obtain favourable and unfavourable valuations.*
\# *Net asset values are calculated by reference to the fair value of the assets and liabilities within the entity.*

Within the Hong Kong direct investments portfolio in rundown there are exposures within the investment portfolio with a balance sheet value of £26 million. The consideration of reasonably possible alternative assumptions with respect to the fair value of this exposure results in a favourable change of £2.8 million and a unfavourable change of £8.4 million.

In determining the value of level 3 financial instruments, the following are the principal input 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 (including WACC) are used to adjust for the time value of money when using a discounted cash flow valuation method. Where relevant, the discount rate also accounts for illiquidity, market conditions and uncertainty of future 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

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

Property values and precious and industrial metals

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

Underlying asset value

In instances where cash flows have links to referenced assets, the underlying asset value is used to determine the fair value. The underlying asset valuation is derived using observable market prices sourced from broker quotes, specialist valuers or other reliable pricing sources.

FAIR VALUE OF FINANCIAL INSTRUMENTS AT AMORTISED COST

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

At 31 March 2020 £'000	Carrying amount	Fair value
Assets		
Cash and balances at central banks	3 932 048	3 932 058
Loans and advances to banks	2 666 851	2 666 694
Non-sovereign and non-bank cash placements	608 005	608 009
Reverse repurchase agreements and cash collateral on securities borrowed	2 056 615	2 056 440
Sovereign debt securities	195 760	229 207
Bank debt securities	220 458	215 915
Other debt securities	744 781	680 602
Loans and advances to customers	22 470 778	22 502 695
Own originated loans and advances to customers securitised	324 638	324 640
Other loans and advances	132 486	120 244
Other assets	1 111 316	1 059 487
Liabilities		
Deposits by banks	3 497 918	3 523 419
Repurchase agreements and cash collateral on securities lent	1 412 345	1 417 853
Customer accounts (deposits)	30 207 597	30 242 606
Debt securities in issue	1 517 276	1 532 509
Liabilities arising on securitisation of own originated loans and advances	76 696	76 696
Other liabilities	1 350 933	1 350 025
Subordinated liabilities	1 093 128	1 123 017

Events after the reporting date

The significant judgements and estimates applied to prepare the financial statements as at 31 March 2020 reflected the impact of COVID-19 and the resulting lockdown as at the reporting date. These judgments, specifically those relating to the impairment of loans and advances and valuation of fair value instruments were determined by considering a range of economic scenarios including the adverse impact of the lockdown and by applying the guidance issued by various international regulators and standard-setting bodies. The action of various governments and central banks, in particular in the United Kingdom and South Africa, provides an indication of the potential severity of the downturn and that the recovery environment could be significantly different from past crises with a duration which is also difficult to predict. Subsequent to the reporting date, extensions to lockdown periods have been announced and there has been further deterioration in certain macro-economic forecasts. In South Africa various government and social programmes were launched, aimed at reducing the impact of COVID-19 and to stimulate the economy and in the UK previously launched schemes have been extended in an attempt to mitigate the economic impact of COVID-19. Some of the markets in which we operate are showing signs of recovery with less new COVID-19 cases being reported, lockdown rules beginning to ease and economic activity starting to increase slightly. The Group believes that the significant judgements and estimates made at the reporting date incorporated the impact of COVID-19 and that the level of uncertainty relating to the deterioration in macro-economic forecasts and the positive impact of government assistance is currently too uncertain to be able to quantify a subsequent impact. However, should the COVID-19 crisis cause disruption to global economic activity for an extended period than forecasted this could put upward pressure on our ECLs and downward pressure on other valuations. The Group is not aware of any other events after the reporting date as defined by IAS 10 Events after the Reporting Period, that would require the financial statements to be adjusted or that would require additional disclosures.

ADOPTION OF IFRS 16

4

On 1 April 2019 the group adopted IFRS 16 Leases which replaced IAS 17 Leases. The group's accounting as a lessor under IFRS 16 is substantially unchanged from its approach under IAS 17, apart from certain subleases which are now classified as finance lease receivables. For lessees, IFRS 16 removes the distinction between finance and operating leases and introduces a single lease accounting model that will, with some limited exemptions, apply to all leases and result in bringing them on balance sheet.

As a lessee, the group now recognises a lease liability measured at the present value of remaining cash flows and a right of use (ROU) asset measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date, initial direct costs, and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received. The lease payments are discounted using the group's incremental borrowing rate. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The lease liability will increase for the accrual of interest, and will result in a constant rate of return throughout the life of the lease, and reduce when payments are made. The right of use asset is being amortised to the income statement over the life of the lease.

As permitted by the standard, the group applied IFRS 16 on a modified retrospective basis without restating prior years.

The group has elected to take advantage of the following transition options on transition at 1 April 2019:

- applied IFRS 16 to contracts previously identified as leases by IAS 17
- calculated the right of use asset equal to the lease liability, adjusted for prepaid or accrued payments
- used the incremental borrowing rate as the discount rate for property leases
- not applied IFRS 16 to operating leases with a remaining lease term of less than 12 months
- relied on the assessment of whether the lease contract is onerous under IAS 37 at 31 March 2019 as an alternative to performing an impairment review of the right use of assets created on 1 April 2019. Where this is the case the carrying amount of the assets has been adjusted by the onerous lease provision.

The impact on adoption was the recognition of ROU assets of £233 million, finance lease receivables of £330 million relating to certain subleases, and lease liabilities of £597 million, with no impact on retained income. An existing accrual of £34 million was adjusted against the right of use assets.

Investec ordinary shares

As at 31 March 2020 Investec plc and Investec Limited had 696.1 million and 318.9 million ordinary shares in issue respectively.

Spread of ordinary shareholders as at 31 March 2020

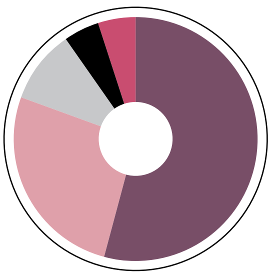
Investec plc ordinary shares in issue

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
16 908	1 – 500	53.1%	3 217 856	0.5%
5 936	501 – 1 000	18.6%	4 502 079	0.6%
6 504	1 001 – 5 000	20.4%	14 315 620	2.1%
884	5 001 – 10 000	2.8%	6 384 874	0.9%
873	10 001 – 50 000	2.7%	19 476 489	2.8%
218	50 001 – 100 000	0.7%	15 545 064	2.2%
527	100 001 and over	1.7%	632 640 636	90.9%
31 850		**100.0%**	**696 082 618**	**100.0%**

Investec Limited ordinary shares in issue

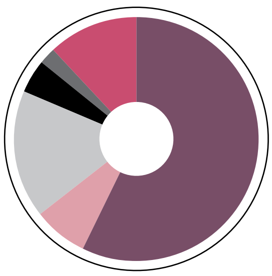
Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
4 542	1 – 500	50.6%	765 022	0.2%
1 289	501 – 1 000	14.4%	984 118	0.3%
1 747	1 001 – 5 000	19.4%	3 960 714	1.2%
389	5 001 – 10 000	4.3%	2 858 726	0.9%
571	10 001 – 50 000	6.4%	13 561 448	4.3%
146	50 001 – 100 000	1.6%	10 359 094	3.3%
294	100 001 and over	3.3%	286 415 587	89.8%
8 978		**100.0%**	**318 904 709**	**100.0%**

Geographical holding by beneficial ordinary shareholder as at 31 March 2020



Investec plc

54.3%	South Africa
26.3%	UK
9.8%	USA and Canada
4.8%	Rest of Europe
0.0%	Asia
4.8%	Other countries and unknown



Investec Limited

57.3%	South Africa
7.3%	UK
16.9%	USA and Canada
4.5%	Rest of Europe
2.3%	Asia
11.7%	Other countries and unknown

Largest ordinary shareholders as at 31 March 2020

In accordance with the terms provided for in Section 793 of the UK Companies Act, 2006 and Section 56 of the South African Companies Act, 2008, the group has conducted investigations into the registered holders of its ordinary shares (including nominee and asset management companies) and the results are as disclosed below.

Investec plc

Shareholder analysis by manager group	Number of shares	% holding
1. Allan Gray (ZA)	95 219 274	13.7%
2. Prudential Portfolio Managers (ZA)	63 466 790	9.1%
3. Public Investment Corporation (ZA)	54 079 594	7.8%
4. BlackRock Inc (UK & US)	33 566 165	4.8%
5. The Vanguard Group, Inc (UK & US)	29 283 918	4.2%
6. T Rowe Price Associates (UK)	20 449 514	2.9%
7. Investec staff share scheme (UK)	20 011 416	2.9%
8. Legal & General Investment Management (UK)	15 929 479	2.3%
9. Norges Bank Investment Management (OSLO)	15 017 319	2.2%
10. Fairtree Capital (ZA)	14 822 956	2.1%
Cumulative total	**361 846 425**	**52.0%**

The top 10 shareholders account for 52.0% of the total shareholding in Investec plc. This information is based on a threshold of 20,000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

Investec Limited

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	43 483 055	13.6%
2. Allan Gray (ZA)	32 596 675	10.2%
3. Investec Staff Share Scheme (ZA)	31 771 254	10.0%
4. BlackRock Inc (UK & US)	12 960 260	4.1%
5. Sanlam Group (ZA)	12 685 303	4.0%
6. The Vanguard Group, Inc (UK & US)	11 501 794	3.6%
7. AQR Capital Management (US)	8 946 529	2.8%
8. Laurium Capital (ZA)	6 821 535	2.1%
9. Old Mutual Investment Group (ZA)	6 550 511	2.1%
10. Dimensional Fund Advisors (UK)	6 105 115	1.9%
Cumulative total	**173 422 031**	**54.4%**

The top 10 shareholders account for 54.4% of the total shareholding in Investec Limited. This information is based on a threshold of 20,000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

Share statistics

For the year ended	**31 March 2020**	31 March 2019
Price earnings ratio[1]	4.5	7.1
Dividend cover (times)[5]	**	2.2
Dividend yield (%)[5]	**	5.5
Earnings yield (%)[1]	22.3	14.2

Investec plc

For the year ended	**31 March 2020**	31 March 2019
Daily average volumes of share traded ('000)	2 631	1 904
Closing market price per share (Pounds)[2]	1.52	3.44
Number of ordinary shares in issue (million)[2, 3]	696.1	682.1
Market capitalisation (£'million)[3]	1 058	2 346

Investec Limited

For the year ended	**31 March 2020**	31 March 2019
Daily average volumes of share traded ('000)	1 344	860
Closing market price per share (Rands)[2]	33.99	51.90
Number of ordinary shares in issue (million)[4]	318.9	318.9
Market capitalisation (R'million)[2, 4]	34 500	51 952
Market capitalisation (£'million)[2,4]	1 543	3 443

1 *Calculations are based on the adjusted earnings per share from continuing operations and the closing share price (adjusted for the demerger in the prior year).*
2 *As detailed on page 6 and 7, on 13 March 2020 Investec successfully completed the demerger of Investec Asset Management, which became separately listed as Ninety One on 16 March 2020. The closing share price and market capitalisation for Investec plc and Investec Limited as at 31 March 2019 have been disclosed on an adjusted basis as calculated by Factset, to account for the aforementioned demerger.*
3 *The LSE only include the shares in issue for Investec plc, i.e. currently 696.1 million, in calculating market capitalisation, as Investec Limited is not incorporated in the UK.*
4 *The JSE have agreed to use the total number of shares in issue for the combined group, comprising Investec plc and Investec Limited, in calculating market capitalisation, i.e. currently a total of 1015.0 million shares in issue.*
5 *The dividend cover and dividend yield in the prior year have been calculated using the group's consolidated adjusted earnings per share and group's closing share price as reported in the prior year respectively. rior year*
** *In light of regulatory guidance provided to banks in both South Africa and the UK, the board has decided not to declare a final ordinary dividend, resulting in a full year dividend of 11.0 pence per ordinary share (2019: 24.5 pence with a dividend cover based on the group's adjusted EPS of 2.5 times).*

Investec preference shares

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

Spread of preference shareholders as at 31 March 2020

Investec plc preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
47	1 – 500	15.6%	8 766	0.3%
36	501 – 1 000	11.9%	27 447	1.0%
139	1 001 – 5 000	46.0%	266 774	9.7%
29	5 001 – 10 000	9.6%	222 020	8.1%
39	10 001 – 50 000	12.9%	851 160	30.9%
7	50 001 – 100 000	2.3%	521 865	18.9%
5	100 001 and over	1.7%	856 555	31.1%
302		**100.0%**	**2 754 587**	**100.0%**

Investec plc (Rand-denominated) perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
34	1 – 500	44.1%	7 030	5.3%
15	501 – 1 000	19.5%	11 943	9.1%
20	1 001 – 5 000	26.0%	47 277	36.0%
5	5 001 – 10 000	6.5%	28 197	21.5%
3	10 001 – 50 000	3.9%	37 000	28.1%
–	50 001 – 100 000	0.0%	–	0.0%
–	100 001 and over	0.0%	–	0.0%
77		**100.0%**	**131 447**	**100.0%**

Investec Limited perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
1 053	1 – 500	17.9%	317 978	1.0%
1 229	501 – 1 000	20.9%	1 009 490	3.1%
2 539	1 001 – 5 000	43.2%	6 114 672	19.0%
513	5 001 – 10 000	8.8%	3 683 744	11.4%
457	10 001 – 50 000	7.8%	8 776 716	27.3%
40	50 001 – 100 000	0.7%	2 909 940	9.0%
41	100 001 and over	0.7%	9 402 684	29.2%
5 872		**100.0%**	**32 215 224**	**100.0%**

Investec Bank Limited perpetual preference shareholders

Number of shareholders	**Holdings**	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
259	1 – 500	8.6%	179 973	1.2%
836	501 – 1 000	27.8%	721 397	4.7%
1 365	1 001 – 5 000	45.5%	3 274 776	21.2%
293	5 001 – 10 000	9.8%	2 120 246	13.7%
209	10 001 – 50 000	7.0%	4 036 862	26.1%
24	50 001 – 100 000	0.8%	1 592 629	10.3%
16	100 001 and over	0.5%	3 521 747	22.8%
3 002		**100.0%**	**15 447 630**	**100.0%**

Largest preference shareholders as at 31 March 2020

Shareholders holding beneficial interests in excess of 5.0% of the issued preference shares are as follows:

Investec plc perpetual preference shares
Pershing International nominees 6.1%
CGWL Nominees Limited 12.8%

Investec plc (Rand-denominated) perpetual preference shares
Private individual 8.4%
Private individual 9.9%
Private individual 9.9%

Investec Limited perpetual preference shares
There were no shareholders holding beneficial interests in excess of 5.0% of the issued preference shares in Investec Limited, as at 31 March 2020

Investec Bank Limited perpetual preference shares
There were no shareholders holding beneficial interests in excess of 5.0% of the issued preference shares in Investec Bank Limited, as at 31 March 2020

RISK DISCLOSURES

5

Measurement uncertainty and key judgements

Forward-looking macro-economic scenarios

The measurement of ECL requires the use of multiple economic scenarios to calculate a probability weighted forward-looking estimate.

In line with the group's usual timelines these scenarios were refreshed in early 2020 and the weighting of these scenarios for IFRS 9 as well as the scenarios themselves were discussed and approved in the relevant BRCCs (Board Risk and Capital Committees) and Capital Committees, which form part of the principal governance framework for macro-economic scenarios.

As we approached 31 March 2020 it was deemed appropriate to re-look at the macro-economic scenarios and revise our approach, given the significant deterioration in the economic environment in our core geographies due to the COVID-19 pandemic.

In the UK, given the lack of a clear consensus forecast at the end of March along with consideration of regulatory guidance and significant levels of government measures announced, an additional set of updated macro-economic scenarios were applied resulting in a management overlay.

In South Africa, the wide-reaching impacts of the sovereign downgrade by Moody's to non-investment grade meant a complete revision of the previous scenarios was considered necessary and therefore the effects of COVID-19 are captured within the modelled forward looking macro-economic forecasts. In both geographies, these approaches have been subject to robust board governance processes given the significant levels of judgement required for these inputs.

The COVID-19 pandemic is still in evolution, and while better understandings of COVID-19 has been gained over the last few months from the experiences in other countries (particularly China), it is not yet certain how long it will take to contain the virus (flatten the curve globally), and how long the global economy will be negatively affected, with growing concerns that the negative impact of COVID-19 could continue into 2021.

In the UK, in broad terms the impact on GDP is anticipated to exceed that of the 2008/09 global financial crisis, although over a much shorter time frame. Exceptional policy action from both central banks and governments should help to limit possible second round effects on economic activity, but in the short term, action is unlikely to prevent a sharp global contraction, with a significant share of the world's population under some form of restricted movement. At 31 March 2020, UK GDP was envisaged to see a peak to trough contraction in 2020 of c.9.4%.

South Africa's recession this year is also expected to be greater than its recession at the time of the 2008/09 global financial crisis just over a decade ago. In 2020, a peak to trough contraction of 10.9% is estimated, versus a contradiction of 2.5% experienced in South Africa's recession that stretched over the second half of 2008 and first quarter of 2009. Furthermore, risk is tilted to the downside.

March 2020 – 2025 Peak to trough %	UK COVID-19 short	South Africa Base long
GDP	(9.4)	(10.9)
Residential property prices	(14.6)	(3.3)
Commercial property prices	(21.8)	(5.8)

UK and Other

A management overlay was considered the most appropriate way to capture the worsened economic environment given the significant levels of uncertainty and lack of supportable economic information to produce robust forecasts at this early stage of the pandemic as well as the unprecedented levels of government measures announced, which are not easily quantifiable in economic scenarios. We will continue to review and refine our approach to economic scenarios given the evolving situation and significant uncertainty faced with respect to the economic outlook. The expected impact from COVID-19 as well as the offsetting effect of the unprecedented levels of government measures require significant judgement. Regulatory bodies have provided guidance on expectations around provisioning and staging treatment of exposures. The basis for the management overlay is a weighted consideration of two macro-economic scenarios, which were developed by Investec's economists to take account of the COVID-19 pandemic as at 31 March 2020, a COVID-19 short scenario and a COVID-19 long scenario described in further detail below. In addition, management have considered the extent of the expected impact from government measures not captured in the scenarios as well as the expected trajectory of the recovery in applying a £19 million ECL overlay across the performing portfolio to capture risks not yet identified in the current models. In line with our previous approach Stage 3 ECLs continue to be assessed using expert credit judgement.

The COVID-19 short scenario as at 31 March 2020 forecasts a peak to trough GDP contraction in 2020 of c.9.4%. In the period immediately afterwards GDP was seen rebounding by around 4% as COVID-19 restrictions were lifted and recovery continued through the fourth quarter of 2020. After this, as disruption from the pandemic remained at bay, the recovery continues but at a more moderate pace. Unemployment reaches 8.5% at its peak and, over the full forecast period, growth was not seen as sufficient to bring unemployment back to pre-COVID levels. Monetary policy is assumed to remain exceptionally stimulative throughout, with the Bank of England maintaining bank rate at 0.10%, QE and liquidity schemes such as the Term Funding Scheme also remain in place. This is also considered the case globally with respect to monetary policy and real estate prices are also impacted, to a lesser extent than the COVID-19 long scenario. The weighting applied to this scenario was 75% to reflect the bank's view at 31 March 2020 of the potential severity and duration of the shock.

The COVID-19 long scenario has a similar GDP contraction as the COVID-19 short scenario, however despite the recovery the overall economic environment remains weaker for longer in this scenario and only returns to its pre-scenario level by the fourth quarter of 2024. Unemployment peaks and then flattens at 8.0%. The assumption is that working population growth is also 0.5% per annum and so the jobless rate only begins to come down when GDP growth speeds up in late 2023. Rising unemployment and tighter credit conditions negatively impact the housing market where national house prices fall 20%, the retracement in London prices is slightly more pronounced falling 25%.

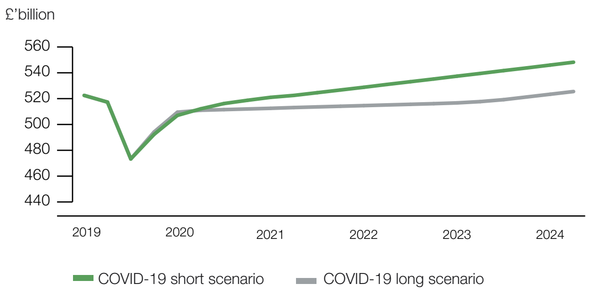
The table below shows the key factors that form part of the initial set of UK and Other macro-economic scenarios (prior to the COVID-19 pandemic) and their relative applied weightings.

Macro-economic scenarios	**At 31 March 2020 average 2020 – 2025**				**At 31 March 2019 average 2019 – 2023**			
	Upside %	**Base case %**	**Downside 1 Global %**	**Downside 2 Stagnation %**	Upside %	Base case %	Downside 1 Global %	Downside 2 Domestic %
UK								
GDP growth	2.7	1.5	0.2	0.4	2.5	1.5	0.2	0.1
Unemployment rate	4.2	4.1	6.3	5.2	3.6	3.8	6.7	4.7
House price growth	2.8	2.5	(2.1)	(1.7)	3.4	3.3	(1.9)	(1.3)
Bank of England – Bank rate	2.3	1.2	0.2	0.0	2.7	1.9	0.1	0.2
Euro area								
GDP growth	2.7	1.4	0.3	0.2	2.1	1.6	0.2	1.4
US								
GDP growth	2.7	1.8	0.2	0.6	2.0	1.9	0.7	1.9
Scenario weightings	**10**	**55**	**15**	**20**	**13**	**60**	**14**	**13**

The below depicts the key macro-economic factors used in the COVID-19 scenarios and the relative weightings applied to each scenario which, taking into account government intervention, were used to apply an ECL overlay.

Macro-economic scenarios	**At 31 March 2020 average 2020 – 2025**	
	COVID-19 short scenario %	**COVID-19 long scenario %**
UK		
GDP growth	1.0	0.1
Unemployment rate	6.5	7.9
House price growth	0.5	(1.9)
Bank of England – Bank rate	0.1	0.1
Scenario weightings	**75**	**25**

UK GDP forecast



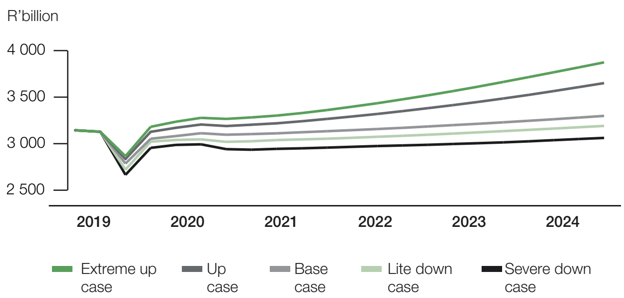
South Africa

For Investec Limited, five macro-economic scenarios are used in the measurement of ECL. These scenarios incorporate a base case, two upside cases and two downside cases. The aim of this economic scenario generation process is to provide a view of the current and projected state of the South African economy and the different economic scenarios that could occur in various stressed or improved environments over the next five years for a number of identified variables/risk drivers.

The base case scenario foresees a temporary sharp global slowdown and global financial turmoil from the COVID-19 pandemic with temporary, but severe currency depreciation and interest rates temporarily at very low levels. Eventually, with sufficient global and domestic monetary and other policy support, growth in financial markets occur and risk sentiment stabilises. South Africa exits recession in the third quarter of the 2020 calendar year. Market unfriendly policies like expropriation of private sector property are put on hold in the crisis. South Africa retains its BB+ rating from Moody's as government debt projections stabilise. The scenario weighting for the base case is 43%. This differs to the scenario weighting of 42% at March 2019. The severe global crisis was not accounted for in the 2019 base case, with massive global and domestic policy measures, including extreme monetary policy measures to attempt to stimulate sentiment and activity. Instead, a sedate pace of global monetary policy normalisation was expected in 2019. Previously South Africa was expected to achieve an annual growth rate of near 2.0% year-on-year in 2020 and 3.0% year-on-year by 2024.

The graph below depicts the forecasted South African GDP growth under the macro-economic scenarios.

South African GDP forecast



The table below shows the key factors that form part of the macro-economic scenarios and the relative applied weightings of these scenarios.

Macro-economic scenarios	At 31 March 2020 average 2020 – 2025					At 31 March 2019 average 2019 – 2023				
	Extreme up case %	**Up case %**	**Base case %**	**Lite down case %**	**Severe down case %**	Extreme up case %	Up case %	Base case %	Lite down case %	Severe down case %
South Africa										
GDP growth	3.7	2.6	0.8	0.2	(0.5)	5.2	3.9	2.4	0.7	(2.0)
Repo rate	4.8	5.1	5.8	6.0	7.6	5.5	6.2	7.3	8.4	17.2
Bond yield	9.1	9.4	9.9	10.5	11.8	7.9	8.3	9.7	10.9	14.8
Residential property price growth	7.4	4.1	2.6	1.9	0.2	12.9	6.5	5.1	3.0	(1.1)
Commercial property price growth	4.1	2.0	0.1	(1.8)	(4.3)	5.7	3.1	1.2	(1.6)	(6.0)
Exchange rate (South African Rand:US Dollar)	9.7	11.7	14.8	16.9	18.2	8.1	9.9	13.0	16.9	24.1
Scenario weightings	**1**	**4**	**43**	**42**	**10**	**1**	**10**	**42**	**37**	**10**

An analysis of gross core loans and advances, asset quality and ECL

Composition of core loans and advances

£'million	UK and Other		Southern Africa		Total group	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Loans and advances to customers per the balance sheet	11 872	10 516	12 716	14 019	24 588	24 535
Add: own originated loans and advances to customers per the balance sheet	–	–	325	408	325	408
Add: ECL held against FVOCI loans reported on the balance sheet within reserves	(2)	(2)	–	–	(2)	(2)
Net core loans and advances	**11 870**	**10 514**	**13 041**	**14 427**	**24 911**	**24 941**
*of which subject to ECL**	11 217	9 742	12 933	14 318	24 150	24 060
Net core loans and advances at amortised cost and FVOCI	11 217	9 742	11 998	13 570	23 215	23 312
Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes)^	–	–	935	748	935	748
of which FVPL (excluding fixed rate loans above)	653	772	108	109	761	881
Add: ECL	175	149	152	144	327	293
Gross core loans and advances	**12 045**	**10 663**	**13 193**	**14 571**	**25 238**	**25 234**
*of which subject to ECL**	11 392	9 891	13 085	14 462	24 477	24 353
of which FVPL (excluding fixed rate loans above)	653	772	108	109	761	881

^ *These are fixed rate loans which have passed the solely payments of principal and interest test (SPPI) and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans and advances measured at amortised cost. The drawn (£0.9 billion) exposure falls predominantly into Stage 1 (consistent throughout the period) (31 March 2019: £0.7 billion). The ECL on the portfolio is £3.0 million (31 March 2019: £1.5 million).*

* *Includes portfolios for which ECL is not required for IFRS purposes but for which management evaluates on this basis.*

An analysis of gross core loans and advances subject to ECL by stage

£'million	UK and Other		Southern Africa		Total group	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Gross core loans and advances subject to ECL	**11 392**	**9 891**	**13 085**	**14 462**	**24 477**	**24 353**
Stage 1	10 437	8 996	12 193	13 687	22 630	22 683
Stage 2	576	576	690	573	1 266	1 149
of which past due greater than 30 days	*31*	*13*	*59*	*20*	*90*	*33*
Stage 3	379	319	202	202	581	521
*of which Ongoing (excluding Legacy) Stage 3**	*249*	*149*	*202*	*202*	*451*	*351*
Gross core loans and advances subject to ECL (%)						
Stage 1	91.6%	91.0%	93.2%	94.6%	92.4%	93.2%
Stage 2	5.1%	5.8%	5.3%	4.0%	5.2%	4.7%
Stage 3	3.3%	3.2%	1.5%	1.4%	2.4%	2.1%
*of which Ongoing (excluding Legacy) Stage 3**	*2.2%*	*1.5%*	*1.5%*	*1.4%*	*1.8%*	*1.4%*

* *Refer to definitions on page 139.*

An analysis of ECL impairments on gross core loans and advances subject to ECL

	UK and Other		Southern Africa		Total group	
£'million	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
ECL impairment charges on core loans and advances	(74)	(35)	(53)	(41)	(127)	(76)
Average gross core loans and advances subject to ECL	10 642	9 396	13 773	14 884	24 415	24 280
Credit loss ratio	**0.69%**	**0.38%**	**0.38%**	**0.28%**	**0.52%**	**0.31%**

	UK and Other		Southern Africa		Total group	
£'million	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
ECL	**(175)**	**(149)**	**(152)**	**(144)**	**(327)**	**(293)**
Stage 1	(37)	(14)	(48)	(29)	(85)	(43)
Stage 2	(31)	(27)	(19)	(23)	(50)	(50)
Stage 3	(107)	(108)	(85)	(92)	(192)	(200)
*of which Ongoing (excluding Legacy) Stage 3**	*(62)*	*(35)*	(85)	*(92)*	*(147)*	*(127)*
Coverage ratio (%)						
Stage 1	0.4%	0.2%	0.4%	0.2%	0.4%	0.2%
Stage 2	5.4%	4.7%	2.8%	4.1%	3.9%	4.4%
Stage 3	28.2%	33.9%	42.1%	45.4%	33.0%	38.4%
*of which Ongoing (excluding Legacy) Stage 3**	*24.9%*	*23.5%*	*42.1%*	*45.4%*	*32.6%*	*36.2%*

A further analysis of Stage 3 gross core loans and advances subject to ECL

	UK and Other		Southern Africa		Total group	
£'million	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Stage 3 net of ECL	272	211	117	110	389	321
*of which Ongoing (excluding Legacy) Stage 3**	*187*	*114*	*117*	*110*	*304*	*224*
Aggregate collateral and other credit enhancements on Stage 3	274	228	122	163	396	391
Stage 3 net of ECL and collateral	–	–	–	–	–	–
Stage 3 as a % of gross core loans and advances subject to ECL	3.3%	3.2%	1.5%	1.4%	2.4%	2.1%
*of which Ongoing (excluding Legacy) Stage 3**	*2.2%*	*1.5%*	*1.5%*	*1.4%*	*1.8%*	*1.4%*
Total ECL as a % of Stage 3 exposure	46.2%	46.7%	75.2%	71.2%	56.3%	56.2%
Stage 3 net of ECL as a % of net core loans and advances subject to ECL	2.4%	2.2%	0.9%	0.8%	1.6%	1.3%
*of which Ongoing (excluding Legacy) Stage 3**	*1.7%*	*1.2%*	*0.9%*	*0.8%*	*1.3%*	*0.9%*

* *Refer to definitions on page 98.*

An analysis of core loans and advances by risk category - Lending collateralised by property

Lending collateralised by property – Total group

£'million	Stage 1 Gross exposure	Stage 1 ECL	Stage 2 Gross exposure	Stage 2 ECL	Stage 3 Gross exposure	Stage 3 ECL	Total Gross exposure	Total ECL	Gross core loans and advances at FVPL (not subject to ECL)	Gross core loans and advances
	Gross core loans and advances at amortised cost, FVOCI and FVPL (subject to ECL)									
At 31 March 2020										
Commercial real estate	**2 945**	**(15)**	**164**	**(12)**	**150**	**(17)**	**3 259**	**(44)**	**42**	**3 301**
Commercial real estate – investment	2 530	(14)	158	(11)	147	(17)	2 835	(42)	38	2 873
Commercial real estate – development	377	(1)	–	–	3	–	380	(1)	4	384
Commercial vacant land and planning	38	–	6	(1)	–	–	44	(1)	–	44
Residential real estate	**787**	**(1)**	**15**	**–**	**109**	**(39)**	**911**	**(40)**	**30**	**941**
Residential real estate – investment	253	–	8	–	36	(12)	297	(12)	28	325
Residential real estate – development	506	(1)	5	–	38	(8)	549	(9)	–	549
Residential vacant land and planning	28	–	2	–	35	(19)	65	(19)	2	67
Total lending collateralised by property	**3 732**	**(16)**	**179**	**(12)**	**259**	**(56)**	**4 170**	**(84)**	**72**	**4 242**
Coverage ratio	**0.43%**		**6.70%**		**21.62%**		**2.01%**			
At 31 March 2019										
Commercial real estate	**3 019**	**(5)**	**287**	**(12)**	**165**	**(41)**	**3 471**	**(58)**	**16**	**3 487**
Commercial real estate – investment	2 678	(4)	209	(11)	158	(36)	3 045	(51)	15	3 060
Commercial real estate – development	310	(1)	72	–	–	–	382	(1)	1	383
Commercial vacant land and planning	31	–	6	(1)	7	(5)	44	(6)	–	44
Residential real estate	**751**	**(2)**	**43**	**(1)**	**136**	**(61)**	**930**	**(64)**	**40**	**970**
Residential real estate – investment	330	–	9	–	29	(11)	368	(11)	35	403
Residential real estate – development	388	(1)	28	(1)	68	(30)	484	(32)	3	487
Residential vacant land and planning	33	(1)	6	–	39	(20)	78	(21)	2	80
Total lending collateralised by property	**3 770**	**(7)**	**330**	**(13)**	**301**	**(102)**	**4 401**	**(122)**	**56**	**4 457**
Coverage ratio	**0.19%**		**3.94%**		**33.89%**		**2.77%**			

Lending collateralised by property – UK and Other

£'million	Gross core loans and advances at amortised cost and FVOCI								Gross core loans and advances at FVPL	Gross core loans and advances
	Stage 1		Stage 2		Stage 3		Total			
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 31 March 2020										
Commercial real estate	**983**	**(1)**	**105**	**(12)**	**125**	**(12)**	**1 213**	**(25)**	**42**	**1 255**
Commercial real estate – investment	803	(1)	99	(11)	122	(12)	1 024	(24)	38	1 062
Commercial real estate – development	180	–	–	–	3	–	183	–	4	187
Commercial vacant land and planning	–	–	6	(1)	–	–	6	(1)	–	6
Residential real estate	**607**	**–**	**12**	**–**	**108**	**(39)**	**727**	**(39)**	**30**	**757**
Residential real estate – investment	253	–	8	–	36	(12)	297	(12)	28	325
Residential real estate – development	354	–	3	–	38	(8)	395	(8)	–	395
Residential vacant land and planning	–	–	1	–	34	(19)	35	(19)	2	37
Total lending collateralised by property	**1 590**	**(1)**	**117**	**(12)**	**233**	**(51)**	**1 940**	**(64)**	**72**	**2 012**
Coverage ratio	**0.06%**		**10.26%**		**21.89%**		**3.30%**			
At 31 March 2019										
Commercial real estate	**908**	**(1)**	**158**	**(11)**	**106**	**(22)**	**1 172**	**(34)**	**11**	**1 183**
Commercial real estate – investment	790	(1)	149	(10)	104	(22)	1 043	(33)	10	1 053
Commercial real estate – development	118	–	3	–	–	–	121	–	1	122
Commercial vacant land and planning	–	–	6	(1)	2	–	8	(1)	–	8
Residential real estate	**599**	**–**	**14**	**–**	**122**	**(53)**	**735**	**(53)**	**40**	**775**
Residential real estate – investment	330	–	9	–	29	(11)	368	(11)	35	403
Residential real estate – development	268	–	2	–	57	(24)	327	(24)	3	330
Residential vacant land and planning	1	–	3	–	36	(18)	40	(18)	2	42
Total lending collateralised by property	**1 507**	**(1)**	**172**	**(11)**	**228**	**(75)**	**1 907**	**(87)**	**51**	**1 958**
Coverage ratio	**0.07%**		**6.40%**		**32.89%**		**4.56%**			

Lending collateralised by property – Southern Africa

£'million	Gross core loans and advances at amortised cost and FVPL (subject to ECL)								Gross core loans and advances at FVPL (not subject to ECL)	Gross core loans and advances
	Stage 1		Stage 2		Stage 3		Total			
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL		
At 31 March 2020										
Commercial real estate	**1 962**	**(14)**	**59**	**–**	**25**	**(5)**	**2 046**	**(19)**	**–**	**2 046**
Commercial real estate – investment	1 727	(13)	59	–	25	(5)	1 811	(18)	–	1 811
Commercial real estate – development	197	(1)	–	–	–	–	197	(1)	–	197
Commercial vacant land and planning	38	–	–	–	–	–	38	–	–	38
Residential real estate	**180**	**(1)**	**3**	**–**	**1**	**–**	**184**	**(1)**	**–**	**184**
Residential real estate – investment	–	–	–	–	–	–	**–**	**–**	–	–
Residential real estate – development	152	(1)	2	–	–	–	154	(1)	–	154
Residential vacant land and planning	28	–	1	–	1	–	30	–	–	30
Total lending collateralised by property	**2 142**	**(15)**	**62**	**–**	**26**	**(5)**	**2 230**	**(20)**	**–**	**2 230**
Coverage ratio	**0.70%**		**–**		**19.23%**		**0.90%**			
At 31 March 2019										
Commercial real estate	**2 111**	**(4)**	**129**	**(1)**	**59**	**(19)**	**2 299**	**(24)**	**5**	**2 304**
Commercial real estate – investment	1 888	(3)	60	(1)	54	(14)	2 002	(18)	5	2 007
Commercial real estate – development	192	(1)	69	–	–	–	261	(1)	–	261
Commercial vacant land and planning	31	–	–	–	5	(5)	36	(5)	–	36
Residential real estate	**152**	**(2)**	**29**	**(1)**	**14**	**(8)**	**195**	**(11)**	**–**	**195**
Residential real estate – investment	–	–	–	–	–	–	**–**	**–**	–	–
Residential real estate – development	120	(1)	26	(1)	11	(6)	157	(8)	–	157
Residential vacant land and planning	32	(1)	3	–	3	(2)	38	(3)	–	38
Total lending collateralised by property	**2 263**	**(6)**	**158**	**(2)**	**73**	**(27)**	**2 494**	**(35)**	**5**	**2 499**
Coverage ratio	**0.27%**		**1.27%**		**36.99%**		**1.40%**			

An analysis of core loans and advances by risk category – High net worth and other private client lending

High net worth and other private client lending – Total group

	Gross core loans and advances at amortised cost, FVOCI and FVPL (subject to ECL)								Gross core loans and advances at FVPL (not subject to ECL)	Gross core loans and advances
	Stage 1		Stage 2		Stage 3		Total			
£'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 31 March 2020										
Mortgages	5 890	(6)	130	(3)	82	(14)	6 102	(23)	–	6 102
High net worth and specialised lending	3 585	(12)	104	(7)	27	(22)	3 716	(41)	14	3 730
Total high net worth and other private client lending	**9 475**	**(18)**	**234**	**(10)**	**109**	**(36)**	**9 818**	**(64)**	**14**	**9 832**
Coverage ratio	**0.19%**		**4.27%**		**33.03%**		**0.65%**			
At 31 March 2019										
Mortgages	5 517	(5)	146	(4)	83	(14)	5 746	(23)	–	5 746
High net worth and specialised lending	3 915	(7)	50	(2)	33	(27)	3 998	(36)	15	4 013
Total high net worth and other private client lending	**9 432**	**(12)**	**196**	**(6)**	**116**	**(41)**	**9 744**	**(59)**	**15**	**9 759**
Coverage ratio	**0.13%**		**3.06%**		**35.34%**		**0.61%**			

High net worth and other private client lending – UK and Other

£'million	Gross core loans and advances at amortised cost and FVOCI								Gross core loans and advances at FVPL	Gross core loans and advances
	Stage 1		Stage 2		Stage 3		Total			
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 31 March 2020										
Mortgages	2 438	(2)	19	–	28	(1)	2 485	(3)	–	2 485
High net worth and specialised lending	620	–	11	(1)	4	(3)	635	(4)	14	649
Total high net worth and other private client lending	**3 058**	**(2)**	**30**	**(1)**	**32**	**(4)**	**3 120**	**(7)**	**14**	**3 134**
Coverage ratio	**0.07%**		**3.33%**		**12.50%**		**0.22%**			
At 31 March 2019										
Mortgages	1 778	–	22	(1)	25	(1)	1 825	(2)	–	1 825
High net worth and specialised lending	474	–	14	(1)	4	(3)	492	(4)	15	507
Total high net worth and other private client lending	**2 252**	**–**	**36**	**(2)**	**29**	**(4)**	**2 317**	**(6)**	**15**	**2 332**
Coverage ratio	**–**		**5.56%**		**13.79%**		**0.26%**			

High net worth and other private client lending – Southern Africa

£'million	Gross core loans and advances at amortised cost and FVPL (subject to ECL)								Gross core loans and advances at FVPL (not subject to ECL)	Gross core loans and advances
	Stage 1		Stage 2		Stage 3		Total			
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 31 March 2020										
Mortgages	3 452	(4)	111	(3)	54	(13)	3 617	(20)	–	3 617
High net worth and specialised lending	2 965	(12)	93	(6)	23	(19)	3 081	(37)	–	3 081
Total high net worth and other private client lending	**6 417**	**(16)**	**204**	**(9)**	**77**	**(32)**	**6 698**	**(57)**	**–**	**6 698**
Coverage ratio	**0.25%**		**4.41%**		**41.56%**		**0.85%**			
At 31 March 2019										
Mortgages	3 739	(5)	124	(3)	58	(13)	3 921	(21)	–	3 921
High net worth and specialised lending	3 441	(7)	36	(1)	29	(24)	3 506	(32)	–	3 506
Total high net worth and other private client lending	**7 180**	**(12)**	**160**	**(4)**	**87**	**(37)**	**7 427**	**(53)**	**–**	**7 427**
Coverage ratio	**0.17%**		**2.50%**		**42.53%**		**0.71%**			

An analysis of core loans and advances by risk category - Corporate and other lending

Corporate and other lending – Total group

£'million	Gross core loans and advances at amortised cost, FVOCI and FVPL (subject to ECL)								Gross core loans and advances at FVPL (not subject to ECL)	Gross core loans and advances
	Stage 1		Stage 2		Stage 3		Total			
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 31 March 2020										
Corporate and acquisition finance	2 025	(19)	185	(7)	44	(22)	2 254	(48)	91	2 345
Asset-based lending	682	(4)	72	(2)	51	(43)	805	(49)	20	825
Fund finance	1 672	(3)	–	–	–	–	1 672	(3)	21	1 693
Other corporate and financial institutions and governments	2 656	(13)	281	(8)	42	(5)	2 979	(26)	278	3 257
Asset finance	1 751	(11)	167	(8)	68	(30)	1 986	(49)	185	2 171
Small ticket asset finance	1 666	(11)	145	(7)	28	(15)	1 839	(33)	–	1 839
Large ticket asset finance	85	–	22	(1)	40	(15)	147	(16)	185	332
Power and infrastructure finance	584	(1)	144	(3)	8	–	736	(4)	80	816
Resource finance	53	–	4	–	–	–	57	–	–	57
Total corporate and other lending	**9 423**	**(51)**	**853**	**(28)**	**213**	**(100)**	**10 489**	**(179)**	**675**	**11 164**
Coverage ratio	**0.54%**		**3.28%**		**46.95%**		**1.71%**			
At 31 March 2019										
Corporate and acquisition finance	2 014	(7)	140	(3)	2	–	2 156	(10)	212	2 368
Asset-based lending	640	(1)	56	(1)	15	(10)	711	(12)	–	711
Fund finance	1 427	(1)	–	–	–	–	1 427	(1)	55	1 482
Other corporate and financial institutions and governments	2 880	(9)	168	(17)	25	(18)	3 073	(44)	323	3 396
Asset finance	1 803	(6)	109	(6)	56	(28)	1 968	(40)	171	2 139
Small ticket asset finance	1 555	(6)	87	(5)	26	(14)	1 668	(25)	–	1 668
Large ticket asset finance	248	–	22	(1)	30	(14)	300	(15)	171	471
Power and infrastructure finance	674	–	150	(4)	6	(1)	830	(5)	37	867
Resource finance	43	–	–	–	–	–	43	–	12	55
Total corporate and other lending	**9 481**	**(24)**	**623**	**(31)**	**104**	**(57)**	**10 208**	**(112)**	**810**	**11 018**
Coverage ratio	**0.25%**		**4.98%**		**54.81%**		**1.10%**			

Corporate and other lending – UK and Other

	Gross core loans and advances at amortised cost and FVOCI								Gross core loans and advances at FVPL	Gross core loans and advances
	Stage 1		Stage 2		Stage 3		Total			
£'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 31 March 2020										
Corporate and acquisition finance	1 524	(17)	147	(6)	40	(21)	1 711	(44)	91	1 802
Asset-based lending	405	(2)	36	(1)	–	–	441	(3)	20	461
Fund finance	1 293	(2)	–	–	–	–	1 293	(2)	21	1 314
Other corporate and financial institutions and governments	574	(2)	4	–	13	(1)	591	(3)	170	761
Asset finance	1 603	(11)	165	(8)	53	(30)	1 821	(49)	185	2 006
Small ticket asset finance	1 578	(11)	143	(7)	28	(15)	1 749	(33)	–	1 749
Large ticket asset finance	25	–	22	(1)	25	(15)	72	(16)	185	257
Power and infrastructure finance	339	–	77	(3)	8	–	424	(3)	80	504
Resource finance	51	–	–	–	–	–	51	–	–	51
Total corporate and other lending	**5 789**	**(34)**	**429**	**(18)**	**114**	**(52)**	**6 332**	**(104)**	**567**	**6 899**
Coverage ratio	**0.59%**		**4.20%**		**45.61%**		**1.64%**			
At 31 March 2019										
Corporate and acquisition finance	1 328	(5)	125	(3)	–	–	1 453	(8)	212	1 665
Asset-based lending	341	–	53	(1)	–	–	394	(1)	–	394
Fund finance	1 156	(1)	–	–	–	–	1 156	(1)	55	1 211
Other corporate and financial institutions and governments	396	(1)	27	(1)	–	–	423	(2)	219	642
Asset finance	1 599	(6)	108	(6)	56	(28)	1 763	(40)	171	1 934
Small ticket asset finance	1 451	(6)	86	(5)	26	(14)	1 563	(25)	–	1 563
Large ticket asset finance	148	–	22	(1)	30	(14)	200	(15)	171	371
Power and infrastructure finance	404	–	55	(3)	6	(1)	465	(4)	37	502
Resource finance	13	–	–	–	–	–	13	–	12	25
Total corporate and other lending	**5 237**	**(13)**	**368**	**(14)**	**62**	**(29)**	**5 667**	**(56)**	**706**	**6 373**
Coverage ratio	**0.25%**		**3.80%**		**46.77%**		**0.99%**			

Corporate and other lending – Southern Africa

£'million	Gross core loans and advances at amortised cost and FVPL (subject to ECL)								Gross core loans and advances at FVPL (not subject to ECL)	Gross core loans and advances
	Stage 1		Stage 2		Stage 3		Total			
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL		
At 31 March 2020										
Acquisition finance	501	(2)	38	(1)	4	(1)	543	(4)	–	543
Asset-based lending	277	(2)	36	(1)	51	(43)	364	(46)	–	364
Fund finance	379	(1)	–	–	–	–	379	(1)	–	379
Other corporate and financial institutions and governments	2 082	(11)	277	(8)	29	(4)	2 388	(23)	108	2 496
Asset finance	148	–	2	–	15	–	165	–	–	165
Small ticket asset finance	88	–	2	–	–	–	90	–	–	90
Large ticket asset finance	60	–	–	–	15	–	75	–	–	75
Power and infrastructure finance	245	(1)	67	–	–	–	312	(1)	–	312
Resource finance	2	–	4	–	–	–	6	–	–	6
Total corporate and other lending	**3 634**	**(17)**	**424**	**(10)**	**99**	**(48)**	**4 157**	**(75)**	**108**	**4 265**
Coverage ratio	**0.47%**		**2.36%**		**48.48%**		**1.80%**			
At 31 March 2019										
Acquisition finance	686	(2)	15	–	2	–	703	(2)	–	703
Asset-based lending	299	(1)	3	–	15	(10)	317	(11)	–	317
Fund finance	271	–	–	–	–	–	271	–	–	271
Other corporate and financial institutions and governments	2 484	(8)	141	(16)	25	(18)	2 650	(42)	104	2 754
Asset finance	204	–	1	–	–	–	205	–	–	205
Small ticket asset finance	104	–	1	–	–	–	105	–	–	105
Large ticket asset finance	100	–	–	–	–	–	100	–	–	100
Power and infrastructure finance	270	–	95	(1)	–	–	365	(1)	–	365
Resource finance	30	–	–	–	–	–	30	–	–	30
Total corporate and other lending	**4 244**	**(11)**	**255**	**(17)**	**42**	**(28)**	**4 541**	**(56)**	**104**	**4 645**
Coverage ratio	**0.26%**		**6.67%**		**66.67%**		**1.23%**			

Investment risk in the banking book

An analysis of income and revaluations of these investments can be found in the investment income note on page 48. In addition, revaluations of certain assets reported below relating to the Hong Kong direct investments business can be found on page 57. Further detail on the group's investment portfolio can be found on page 88.

Balance sheet value of investments

£'million Country/category	31 March 2020	31 March 2019
Unlisted investments	**638**	**780**
UK and Other	348	472
Southern Africa*^	290	308
Listed equities	**143**	**183**
UK and Other	28	21
Southern Africa	115	162
Investment and trading properties	**370**	**542**
UK and Other	36	70
Southern Africa^	334	472
Warrants and profit shares	**2**	**28**
UK and Other	2	19
Southern Africa	–	9
Total	**1 153**	**1 533**
Associate investment in IEP Group^^	**253**	**329**
Southern Africa	253	329
Associate investment in Ninety One#	**334**	**–**
UK and Other	225	–
Southern Africa	109	–
Total strategic associate investments	**587**	**329**

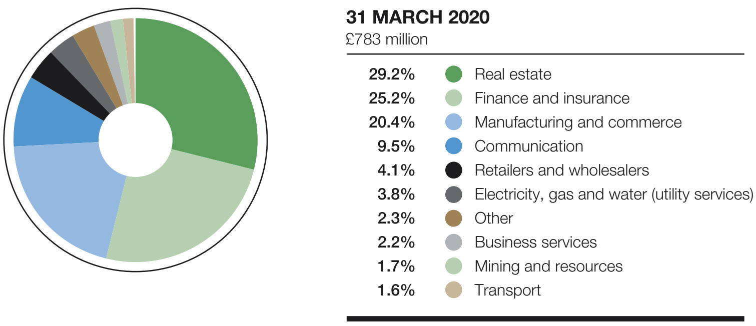
^ *For the purposes of the above analysis, the exposures arising from the consolidation of the Investec Property Fund have been reflected at the level of our economic ownership, being 24.3% (31 March 2019: 26.6%).*

* *Includes the fair value loans investments of £118 million (31 March 2019: £88 million to reflect our economic ownership as explained above. Previously disclosed as £154 million ignoring economic ownership).*

^^ *The investment in the IEP Group is reflected as an investment in an associate. Investec Bank Limited holds a 47.4% stake alongside third party investors and senior management of the business who hold the remaining 52.6%.*

Investec has a 25.0% shareholding in Ninety One (previously known as Investec Asset Management). As a founding shareholder of Ninety One, the boards of both the Investec group and Ninety One believe that it is appropriate for the Investec to retain a modest shareholding in Ninety One. Investec believes Ninety One is an attractive business with meaningful intrinsic value. Retaining an equity stake allows the Investec group to participate in future value creation by Ninety One. Please see page 6 for further detail.

An analysis of the unlisted investments, listed equities, warrants and profit shares



Recovery and resolution planning

The purpose of the recovery plans are to document how the board and management will recover from extreme financial stress to avoid liquidity and capital difficulties in Investec plc and Investec Limited. The plans are reviewed and approved by the board on an annual basis.

Investec Limited

Financial Stability Board member countries are required to have recovery and resolution plans in place for all systemically significant financial institutions. The South African Prudential Authority (PA) has adopted this requirement and has to date required South African domestically significant banking institutions to develop recovery plans. Guidance issued by the Financial Stability Board and the South African PA has been incorporated into the group's recovery plan.

The South African PA has continued to focus on finalising the recovery plans for the local banks and together with the South African Treasury are considering legislation to adopt a resolution framework. We will be subject to this legislation once it is adopted.

Investec plc

In line with Prudential Regulation Authority and European Union requirements, Investec plc maintains a resolution pack and a recovery plan. The recovery plan is framed at the Investec plc level, however, given that Investec Bank plc (IBP) constitutes the majority of Investec plc's balance sheet, the focus is the recovery of IBP and the protection of its depositors and other clients. Similarly, the resolution pack is produced at the Investec plc group level. The Bank of England, the UK resolution authority, confirmed in January 2020 the preferred resolution strategy for IBP remains Modified Insolvency and the minimum requirements for own funds and eligible liabilities (MREL) requirement is set as equal to IBP's Total Capital Requirement (Pillar 1 plus Pillar 2A).

Current regulatory framework

Investec Limited (and its subsidiaries) and Investec plc (and its subsidiaries) are managed independently and have their respective capital bases ring-fenced, however, the governance of capital management is consistent across the two groups. The DLC structure requires the two groups to independently manage each group's balance sheet and capital is managed on this basis. This approach is overseen by the BRCC (via the Investec DLC capital committee) which is a board sub-committee with ultimate responsibility for the capital adequacy of both Investec Limited and Investec plc.

Investec Limited

Investec Limited is regulated by the South African Prudential Authority on a consolidated basis (i.e. at the controlling company level). Investec Limited calculates capital resources and requirements using the Basel III framework, in accordance with the amended Regulations relating to Banks (the Regulations), which sets out, amongst other things, the prescribed minimum required capital ratios and various components of capital requirements.

In addition, the South African capital framework, based on the Basel III framework, is further specified in the Banks Act Directive 6/2016, which set out matters related to the prescribed minimum capital ratios and the application of various components of the said capital requirements such as the systemic risk capital requirement (Pillar 2A), the domestic systemically important bank capital requirements, the countercyclical buffer range and the capital conservation buffer range.

During March 2020 Investec Limited successfully completed the demerger and separate listing of Ninety One, (previously Investec Asset Management). The transaction had a positive impact on Investec Limited's capital position, increasing the Common Equity Tier 1 (CET1) ratio by 40 basis points.

Investec Limited adopted the Foundation Internal Ratings Based Approach to calculate Credit risk from 1 April 2019. Investec Limited's application for the conversion to the Advanced Internal Ratings Based Approach is under review and if successful is expected to result in a c.2% uplift to the CET1 ratio.

South Africa has not announced any Countercyclical Capital Buffer (CCyB) requirements for 2020. The institution specific CCyB requirement, held for purposes of the reciprocity requirement, is calculated based on private sector non-bank exposures held in the Basel member jurisdictions in which a buffer rate has been set. As at 31 March 2020 Investec Limited is holding an institution specific CCyB of 0% of risk-weighted exposures.

Investec plc

Investec plc is authorised by the Prudential Regulation Authority (PRA) and is regulated by the Financial Conduct Authority and the PRA on a consolidated basis. Investec plc calculates capital resources and requirements using the Basel III framework, as implemented in the European Union through the Capital Requirements Directive IV (CRD IV).

During March 2020 Investec plc successfully completed the demerger and separate listing of Ninety One, (previously Investec Asset Management). The transaction had a positive impact on Investec plc's capital position, increasing the CET1 ratio by 59 basis points.

As part of the PRA's most recent Individual Capital Adequacy Assessment Process the Investec plc Pillar 2A Total Capital Requirement was reduced to 1.12% of risk-weighted assets (RWAs), of which 0.63% has to be met with CET1 capital.

As at 31 March 2020 Investec plc is holding a Capital Conservation Buffer (which is met with CET1 capital) of 2.5% of RWAs and an institution specific Countercyclical Capital Buffer (CCyB) of 0.06 % of RWAs. The institution specific CCyB requirement is calculated based on the relevant exposures held in jurisdictions in which a buffer rate has been set. On the 11 March 2020 the UK Financial Policy Committee announced that with immediate effect, the UK CCyB rate be reduced to 0% in response to the economic shock arising from COVID-19.

Investec plc continues to hold capital in excess of all the capital and buffer requirements.

Capital structure and capital adequacy

At 31 March 2020	Standardised: Investec plc*°^^ £'million	Standardised: IBP*°^^ £'million	FIRB: Investec Limited*^ R'million	FIRB: IBL*^ R'million
Shareholders' equity	**2 090**	**2 061**	**39 903**	**39 754**
Shareholders' equity excluding non-controlling interests	2 135	2 078	43 086	41 288
Perpetual preference share capital and share premium	(25)	–	(3 183)	(1 534)
Deconsolidation of special purpose entities	(20)	(17)	–	–
Non-controlling interests	**–**	**–**	**–**	**–**
Non-controlling interests per balance sheet	3	3	11 045	–
Non-controlling interests excluded for regulatory purposes	(3)	(3)	(11 045)	–
Regulatory adjustments to the accounting basis	**91**	**91**	**1 518**	**1 518**
Additional value adjustments	(8)	(7)	(6)	(6)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	12	12	(26)	(26)
Cash flow hedging reserve	–	–	1 550	1 550
Adjustment under IFRS 9 transitional arrangements	87	86	–	–
Deductions	**(436)**	**(333)**	**(4 554)**	**(2 721)**
Goodwill and intangible assets net of deferred tax	(326)	(315)	(537)	(496)
Investment in financial entity	(92)	–	(1 662)	(1 596)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(18)	(18)	–	–
Shortfall of eligible provisions compared to expected loss	–	–	(629)	(629)
Investment in capital of financial entities above 10% threshold	–	–	(692)	–
Amount of deductions exceeding 15% threshold	–	–	(961)	–
Other regulatory adjustments	–	–	(73)	–
Common equity tier 1 capital	**1 745**	**1 819**	**36 867**	**38 551**
Additional tier 1 capital	274	250	1 902	751
Additional tier 1 instruments	274	250	5 727	1 994
Phase out of non-qualifying additional tier 1 instruments	–	–	(3 774)	(1 227)
Non-qualifying surplus capital attributable to non-controlling interest	–	–	(51)	–
Investment in capital of financial entities above 10% threshold	–	–	–	(16)
Tier 1 capital	**2 019**	**2 069**	**38 769**	**39 302**
Tier 2 capital	414	533	11 885	12 905
Collective impairment allowances	–	–	896	895
Tier 2 instruments	533	533	14 383	12 037
Non-qualifying surplus capital attributable to non-controlling interests	(119)	–	(2 747)	–
Investment in capital of financial entities above 10% threshold	–	–	(647)	(27)
Total regulatory capital	**2 433**	**2 602**	**50 654**	**52 207**
Risk-weighted assets	**16 285**	**15 808**	**337 755**	**319 090**
Capital ratios				
Common equity tier 1 ratio	10.7%	11.5%	10.9%	12.1%
Tier 1 ratio	12.4%	13.1%	11.5%	12.3%
Total capital ratio	14.9%	16.5%	15.0%	16.4%

* *Where: IBP is Investec Bank plc consolidated. IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.*
° *The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc and IBP this does not include the deduction of foreseeable charges and dividends when calculating CET1 capital as required under the Capital Requirements Regulation and European Banking Authority technical standards. The impact of this deduction totalling £0 million for Investec plc and £0 million for IBP would lower the CET1 ratio by 0bps and 0bps respectively.*
^ *Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 24bps and 15bps lower respectively.*
^^ *CET1, Tier 1 (T1), total capital ratios and RWAs are calculated applying the IFRS 9 transitional arrangements.*

Capital structure and capital adequacy

	Standardised		Standardised		Pro-forma FIRB**	
At 31 March 2019	**Investec plc*º £'million**	IBP*º £'million	**Investec Limited*^ R'million**	IBL*^ R'million	**Investec Limited* R'million**	IBL* R'million
Shareholders' equity	**1 981**	**1 908**	**39 966**	**39 770**	**39 966**	**39 770**
Shareholders' equity excluding non-controlling interests	2 022	1 921	43 149	41 304	43 149	41 304
Perpetual preference share capital and share premium	(25)	–	(3 183)	(1 534)	(3 183)	(1 534)
Deconsolidation of special purpose entities	(16)	(13)	–	–	–	–
Non-controlling interests	**7**	**(8)**	**–**	**–**	**–**	**–**
Non-controlling interests per balance sheet	13	(8)	9 922	–	9 922	–
Non-controlling interests excluded for regulatory purposes	–	–	(9 922)	–	(9 922)	–
Surplus non-controlling interest disallowed in common equity tier 1	(6)	–	–	–	–	–
Regulatory adjustments to the accounting basis	**110**	**110**	**1 120**	**1 122**	**896**	**896**
Additional value adjustments	(5)	(5)	(9)	(9)	(9)	(9)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	21	21	(26)	(26)	(26)	(26)
Cash flow hedging reserve	–	–	931	931	931	931
Adjustment under IFRS 9 transitional arrangements	94	94	224	226	–	–
Deductions	**(447)**	**(348)**	**(2 936)**	**(2 741)**	**(3 790)**	**(3 426)**
Goodwill and intangible assets net of deferred tax	(434)	(335)	(629)	(588)	(629)	(588)
Investment in financial entity	–	–	(2 138)	(2 153)	(2 221)	(2 236)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(13)	(13)	–	–	–	–
Shortfall of eligible provisions compared to expected loss	–	–	–	–	(604)	(602)
Amount of deductions exceeding 15% threshold	–	–	(169)	–	(336)	–
Common equity tier 1 capital	**1 651**	**1 662**	**38 150**	**38 151**	**37 072**	**37 240**
Additional tier 1 capital	274	250	2 432	920	2 374	920
Additional tier 1 instruments	274	250	5 727	1 994	5 727	1 994
Phase out of non-qualifying additional tier 1 instruments	–	–	(3 302)	(1 074)	(3 302)	(1 074)
Non-qualifying surplus capital attributable to non-controlling interest	–	–	(78)	–	(136)	–
Non-controlling interest in non-banking entities	–	–	85	–	85	–
Tier 1 capital	**1 925**	**1 912**	**40 582**	**39 071**	**39 446**	**38 160**
Tier 2 capital	485	596	13 165	14 795	11 566	14 401
Collective impairment allowances	–	–	876	877	483	483
Tier 2 instruments	596	596	15 857	13 918	15 857	13 918
Non-qualifying surplus capital attributable to non-controlling interests	(111)	–	(3 568)	–	(4 774)	–
Total regulatory capital	**2 410**	**2 508**	**53 747**	**53 866**	**51 012**	**52 561**
Risk-weighted assets	**15 313**	**14 631**	**361 750**	**340 315**	**318 533**	**297 506**
Capital ratios^^						
Common equity tier 1 ratio	10.8%	11.4%	10.5%	11.2%	11.6%	12.5%
Tier 1 ratio	12.6%	13.1%	11.2%	11.5%	12.4%	12.8%
Total capital ratio	15.7%	17.1%	14.9%	15.8%	16.0%	17.7%

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

º *The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc and IBP this does not include the deduction of foreseeable charges and dividends when calculating CET1 capital as now required under the Capital Requirements Regulation and European Banking Authority technical standards. The impact of this deduction totalling £63 million for Investec plc and £19 million for IBP would lower the CET1 ratio by 41bps and 13bps respectively.*

^ *Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 27bps and 14bps lower respectively.*

^^ *CET1, T1, total capital ratios and RWAs are calculated applying the IFRS 9 transitional arrangements.*

** *We have approval to adopt the Foundation Internal Ratings Based (FIRB) approach, affective 1 April 2019. We present numbers on a pro forma basis for 31 March 2019.*

Capital requirements

	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million	Investec Limited* R'million	IBL* R'million
At 31 March 2020	**Standardised**		**FIRB**			
Capital requirements	**1 303**	**1 265**	**38 842**	**36 695**		
Credit risk	974	972	30 324	30 653		
Equity risk	46	10	3 499	1 726		
Counterparty credit risk	74	74	1 012	1 016		
Credit valuation adjustment risk	5	5	272	273		
Market risk	59	58	541	478		
Operational risk	145	146	3 194	2 549		
At 31 March 2019	**Standardised**		**Pro-forma FIRB****		**Standardised**	
Capital requirements	**1 225**	**1 170**	**36 721**	**34 301**	**41 703**	**39 237**
Credit risk	909	893	28 808	28 546	33 649	33 341
Equity risk	10	9	2 701	1 863	2 701	1 863
Counterparty credit risk	48	49	579	600	711	732
Credit valuation adjustment risk	6	6	347	382	356	391
Market risk	68	67	641	381	641	381
Operational risk	184	146	3 645	2 529	3 645	2 529

Risk-weighted assets

	Investec plc* £'million	IBP* £'million	Investec Limited* R'million	IBL* R'million	Investec Limited* R'million	IBL* R'million
At 31 March 2020	**Standardised**		**FIRB**			
Risk-weighted assets	**16 285**	**15 808**	**337 755**	**319 090**		
Credit risk	12 183	12 145	263 690	266 552		
Equity risk	580	125	30 428	15 010		
Counterparty credit risk	921	922	8 796	8 837		
Credit valuation adjustment risk	59	59	2 363	2 371		
Market risk	734	726	4 701	4 158		
Operational risk	1 808	1 831	27 777	22 162		
At 31 March 2019	**Standardised**		**Pro-forma FIRB****		**Standardised**	
Risk-weighted assets	**15 313**	**14 631**	**318 533**	**297 506**	**361 750**	**340 315**
Credit risk	11 361	11 174	249 892	247 584	291 886	289 168
Equity risk	121	115	23 433	16 159	23 433	16 159
Counterparty credit risk	605	611	5 023	5 206	6 166	6 349
Credit valuation adjustment risk	75	76	3 010	3 310	3 090	3 392
Market risk	855	833	5 558	3 308	5 558	3 308
Operational risk	2 296	1 822	31 617	21 939	31 617	21 939

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

** *We have approval to adopt the Foundation Internal Ratings Based (FIRB) approach, affective 1 April 2019. We present numbers on a pro forma basis for 31 March 2019.*

Leverage ratios

	Standardised		FIRB			
	Investec plc £'million*	IBP £'million*	**Investec Limited R'million*^**	IBL R'million*^	**Investec Limited R'million*^**	IBL R'million*^
At 31 March 2020						
Exposure measure	25 966	25 817	604 762	571 144		
Tier 1 capital[oo]	2 019	2 069	38 769	39 302		
Leverage ratio – current**	**7.8%**	**8.0%**	**6.4%**	**6.9%**		
Tier 1 capital fully loaded	1 918	1 992	37 866	38 995		
Leverage ratio – 'fully loaded'^^**	**7.4%**	**7.7%**	**6.3%**	**6.8%**		
Leverage ratio** – current UK leverage ratio framework[##]	8.9%	9.1%	n/a	n/a		
At 31 March 2019	**Standardised**		**Pro-forma FIRB*** **		**Standardised**	
Exposure measure	24 282	23 849	533 377	504 383	534 230	505 070
Tier 1 capital[oo]	1 925	1 912	39 446	38 160	40 582	39 071
Leverage ratio – current**	**7.9%**	**8.0%**	**7.4%**	**7.6%**	**7.6%**	**7.7%**
Tier 1 capital fully loaded	1 824	1 835	38 167	37 699	38 889	38 364
Leverage ratio – 'fully loaded'^^**	**7.5%**	**7.7%**	**7.2%**	**7.5%**	**7.3%**	**7.6%**
Leverage ratio** – current UK leverage ratio framework[##]	**10.0%**	10.1%	n/a	n/a	n/a	n/a

* *Where: IBP is Investec Bank plc consolidated and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.*
** *The leverage ratios are calculated on an end-quarter basis.*
*** *We have approval to adopt the Foundation Internal Ratings Based (FIRB) approach, affective 1 April 2019. We present numbers on a pro forma basis for 31 March 2019.*
oo *Tier 1 (T1) capital includes the IFRS 9 transitional arrangements.*
^ *Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 24bps and 15bps lower. At 31 March 2019, Investec Limited's and IBL's CET1 ratio would be 27bps and 14bps lower.*
^^ *The fully loaded leverage ratio at 31 March 2020 and 31 March 2019 assumes full adoption of IFRS 9 and full adoption of all CRD IV rules or South African Prudential Authority regulations. As a result of the adoption of IFRS 9 Investec plc and IBP elected to designate its subordinated fixed rate medium-term notes due in 2022 at fair value. By the time of full adoption of IFRS 9 in 2023, these subordinated liabilities will have reached final maturity and will be redeemed at par value. The remaining interest rate portion of the fair value adjustment at 31 March 2020 of £9 million (post-taxation), has therefore been excluded from the fully loaded ratios as it will be released into profit and loss over the remaining life of the instrument.*
Investec plc is not subject to the UK leverage ratio framework, however, for comparative purposes this ratio has been disclosed. This framework excludes qualifying central bank balances from the calculation of the leverage exposure measure.

A summary of capital adequacy and leverage ratios

	Standardised		FIRB			
	Investec plc°*	IBP°*	**Investec Limited*^**	IBL*^	**Investec Limited*^**	IBL*^
As at 30 March 2020						
Common equity tier 1 (as reported)^^^	10.7%	11.5%	10.9%	12.1%		
Common equity tier 1 ('fully loaded')^^	10.3%	11.1%	10.9%	12.1%		
Tier 1 (as reported)^^^	12.4%	13.1%	11.5%	12.3%		
Total capital ratio (as reported)^^^	14.9%	16.5%	15.0%	16.4%		
Leverage ratio** – current	7.8%	8.0%	6.4%	6.9%		
Leverage ratio** – 'fully loaded'^^	7.4%	7.7%	6.3%	6.8%		
Leverage ratio** – current UK leverage ratio framework##	8.9%	9.1%	n/a	n/a		
As at 31 March 2019	**Standardised^^^**		**Pro forma FIRB*** **		**Standardised^^^**	
Common equity tier 1 (as reported	10.8%	11.4%	11.6%	12.5%	10.5%	11.2%
Common equity tier 1 ('fully loaded')^^	10.4%	10.9%	11.6%	12.5%	10.5%	11.1%
Tier 1 (as reported)	12.6%	13.1%	12.4%	12.8%	11.2%	11.5%
Total capital ratio (as reported)	15.7%	17.1%	16.0%	17.7%	14.9%	15.8%
Leverage ratio** – current	7.9%	8.0%	7.4%	7.6%	7.6%	7.7%
Leverage ratio** – 'fully loaded'^^	7.5%	7.7%	7.2%	7.5%	7.3%	7.6%
Leverage ratio** – current UK leverage ratio framework##	10.0%	10.1%	n/a	n/a	n/a	n/a

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

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

*** *We have approval to adopt the Foundation Internal Ratings Based (FIRB) approach, affective 1 April 2019. We present numbers on a pro forma basis for 31 March 2019.*

° *The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc and Investec Bank plc this does not include the deduction of foreseeable charges and dividends when calculating the CET 1 ratio as required under the Capital Requirements Regulation and European Banking Authority technical standards. The impact of this deduction totalling £0 million (31 March 2019: £63 million) for Investec plc and £0 million (31 March 2019: £19 million) for IBP would lower the CET1 ratio by 0bps (31 March 2019: 41bps) and 0bps (31 March 2019: 13bps) respectively.*

^ *Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 24bps and 15bps lower. At 31 March 2019, Investec Limited's and IBL's CET1 ratio would be 27bps and 14bps lower*

^^ *The CET1 fully loaded ratio and the fully loaded leverage ratio assumes full adoption of IFRS 9 and full adoption of all CRDIV rules of South African Prudential Authority regulations. As a result of the adoption of IFRS 9 Investec plc elected to designate its subordinated fixed rate medium-term notes due in 2022 at fair value. By the time of full adoption of IFRS 9 in 2023, these subordinated liabilities will have reached final maturity and will be redeemed at par value. The remaining interest rate portion of the fair value adjustment at 31 March 2020 of £9 million (post-taxation), has therefore been excluded from the fully loaded ratios as it will be released into profit and loss over the remaining life of the investment.*

^^^ *The reported CET1, T1 and total capital adequacy ratios are calculated applying the IFRS 9 transitional arrangements.*

Investec plc is not subject to the UK leverage ratio framework, however, for comparative purposes this ratio has been disclosed. This framework excludes qualifying central bank balances from the calculation of the leverage exposure measure.

ANNEXURES

6

We supplement our IFRS figures with alternative performance measures used by management internally and which provide valuable, relevant information to readers. These have been indicated with a symbol throughout this document. A description of the group's alternative performance measures and their calculation, where relevant, is set out below.

Alternative performance measures constitute pro forma financial information. The pro forma financial information is the responsibility of the board of directors and is presented for illustrative purposes only and because of its nature may not fairly present the group's financial position, changes in equity, and results in operations or cash flows.

Adjusted earnings attributable to ordinary shareholders	Earnings attributable to shareholders adjusted to remove goodwill, acquired intangibles, strategic actions, and earnings attributable to perpetual preference shareholders and Other Additional tier 1 security holders. Refer to pages 27 to 29 for the reconciliation of earnings attributable to shareholders to adjusted earnings attributable to ordinary shareholders
Adjusted earnings per share	Adjusted earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year Refer to pages 27 to 29 for calculation
Adjusted operating profit	Refer to the calculation in the table below:

£'000	**31 March 2020**	31 March 2019
Operating profit before goodwill, acquired intangibles and strategic actions	676 870	790 050
Less: Profit attributable to other non-controlling interests	(67 952)	(58 192)
Adjusted operating profit	***608 918***	***731 858***

Adjusted operating profit per employee	Adjusted operating profit divided by average total employees including permanent and temporary employees. Refer to page 53 for calculation
Annuity income	Net interest income (refer to page 45) plus net annuity fees and commissions (refer to page 47)
Core loans to equity	Net core loans and advances divided by total shareholder's equity per the balance sheet
Cost to income ratio	Operating costs divided by operating income before ECL impairment charges (net of depreciation on operating leased assets and net of operating profits or losses attributable to other non-controlling interests)
	Refer to calculation in the table below:

£'000	**31 March 2020**	31 March 2019
Operating costs (A)	1 185 020	1 274 517
Total operating income before expected credit losses	1 806 839	1 953 820
Less: Depreciation on operating leased assets	(1 407)	(2 157)
Less: Profit attributable to other non-controlling interests	(67 952)	(58 192)
Total (B)	1 737 480	1 893 471
Cost to income ratio (A/B)	**68.2%**	**67.3%**

Coverage ratio	ECL as a percentage of gross core loans and advances subject to ECL
Credit loss ratio	ECL impairment charges on core loans and advances as a percentage of average gross core loans and advances subject to ECL
Dividend cover	Adjusted earnings per ordinary share before goodwill and non-operating items divided by dividends per ordinary share
Gearing ratio	Total assets excluding assurance assets divided by total equity
Gross core loans and advances	Refer to calculation on page 119
Loans and advances to customers as a % of customer accounts	Loans and advances to customers as a percentage of customer accounts (deposits)

Net tangible asset value per share	Refer to calculation on page 59
Net core loans and advances	Refer to calculation on page 119
Net interest margin	Interest income net of interest expense, divided by average interest-earning assets. Refer to calculation on page 45
Return on average ordinary shareholders' equity (ROE)	Refer to calculation on pages 59 to 63
Return on average tangible ordinary shareholders' equity	Refer to calculation on pages 59 to 63
Return on average assets	Adjusted earnings attributable to ordinary shareholders divided by average total assets
Return on risk-weighted assets	Adjusted earnings attributable to ordinary shareholders divided by average risk-weighted assets, where risk-weighted assets is calculated as the sum of risk-weighted assets for Investec plc and Investec Limited (converted into Pounds Sterling) as reflected on page 64
Staffing compensation to operating income ratio	All staff compensation costs expressed as a percentage of operating income before ECL (net of operating profits or losses attributable to other non-controlling interests)

Cash and near cash

Includes cash, near cash (other 'monetisable assets') and Central Bank cash placements and guaranteed liquidity

Diluted earnings per share

Diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders of Investec plc and Investec Limited, adjusted for the effects of dilutive ordinary potential shares, by the weighted average number of shares in issue during the period plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive ordinary potential shares during the year.

Refer to pages 27 to 29 for the calculation of diluted earnings per share

Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders in Investec plc and Investec Limited by the weighted average number of ordinary shares in issue during the year.

Refer to pages 27 to 29 for the calculation of earnings per share

Effective operational tax rate

Tax on profit on ordinary activities (excluding non-operating items) divided by operating profit before goodwill and acquired intangibles and excluding share of post taxation profit of associates and joint venture holdings

Interest bearing liabilities

Deposits by banks, debt securities in issue, repurchase agreements, and cash collateral on securities lent, customer accounts (deposits), liabilities arising on securitisation of own originated loans and advances and liabilities arising on securitisation of other assets. Refer to page 45 for calculation

Interest-earning assets

Cash and near cash, bank debt securities, sovereign debt securities, core loans and advances, other debt securities, other loans and advances and other securitised assets. Refer to page 45 for calculation

Headline earnings per share

Headline earnings is calculated in accordance with the JSE listing requirements and in terms of circular 1/2019 issued by the South African Institute of Chartered Accountants.

Headline earnings per share calculated by dividing the group's headline earnings by the average number of shares which it had in issue during the accounting period.

Refer to pages 27 to 29 for the calculation of headline earnings per share.

Legacy business in the UK Specialist Bank ('Legacy')

Legacy, as separately disclosed from 2014 to 2018, comprises pre-2008 assets held on the UK bank's balance sheet, that had very low/negative margins and assets relating to business we are no longer undertaking

Market capitalisation

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

Ninety One and Ninety One group

All references to Ninety One and Ninety One group refer to Ninety One plc and its subsidiaries plus Ninety One Limited and its subsidiaries.

Ongoing basis

Ongoing information, as separately disclosed from 2014 to 2018, excludes Legacy assets (refer to definition), as well as the following businesses sold in previous years: Investec Bank (Australia) Limited, Kensington Group plc and Start Mortgage Holdings Limited

Strategic actions

Comprises the closure and rundown of the Hong Kong direct investments business, the demerger of the asset management business and the financial impact of group restructures.

Third party assets under management

Consists of third party assets managed by the Wealth & Investment business and by the Property business (which forms part of the Specialist Bank).

Total group

Total group represents the group's results including the results of discontinued operations.

Weighted number of ordinary shares in issue

The number of ordinary shares in issue at the beginning of the year increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the group less treasury shares. Refer to calculation on pages 27 to 29

ABBREVIATIONS AND ACRONYMS

AFS	Available for sale
AGM	Annual general meeting
ALCO	Asset and Liability Committee
ANC	African National Congress
AT1	Additional Tier 1
BCBS	Basel Committee of Banking Supervision
BIS	Bank for International Settlements
BoE	Bank of England
BOM	Bank of Mauritius
BSE	Botswana Stock Exchange
CA	Chartered Accountant
CDO	Collateralised debt obligation
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CLF	Committed liquidity facility
CLO	Collateralised loan obligation
CMD	Capital Markets Day
CMI	Continuous Mortality Investigation
COO	Chief Operating Officer
CPI	Consumer Price Index
CPR	Conditional prepayment rate
CRDIV (BASEL III)	Capital Requirements Directive IV
CRO	Chief Risk Officer
CVA	Credit value adjustment
DCF	Discounted cash flow
DLC	Dual listed company
DLC BRCC	DLC Board Risk and Capital Committee
DLC Nomdac	DLC Nominations and Directors Affairs Committee
DLC Remco	DLC Remuneration Committee
DLC SEC	DLC Social and Ethics Committee
EAD	Exposure at default
EBA	European Banking Authority
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECB	European Central Bank
ECL	Expected credit losses
EPS	Earnings per share
ESG	Environmental, social and governance
ERV	Expected rental value
ESMA	European Securities and Markets Authority
EU	European Union
FCA	Financial Conduct Authority
FINMA	Swiss Financial Market Supervisory Authority
FIRB	Foundation Internal Ratings-Based
FRC	Financial Reporting Council
FSB	Financial Services Board
FSC	Financial Sector Code
FSCS	Financial Services Compensation Scheme
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit and loss
GDP	Gross Domestic Product
GFSC	Guernsey Financial Services Commission
GM	Guinness Mahon
HNW	High net worth
IAM	Investec Asset Management
IASB	International Accounting Standards Board
IASs	International Accounting Standards
IBL	Investec Bank Limited
IBL BRCC	IBL Board Risk and Capital Committee
IBL ERC	IBL Executive Risk Committee
IBP	Investec Bank plc
IBP BRCC	IBP Board Risk and Capital Committee
IBP ERC	IBP Executive Risk Committee
IFRS	International Financial Reporting Standard
ISAs (UK)	International Standards on Auditing (UK)
IW&I	Investec Wealth & Investment
JSE	Johannesburg Stock Exchange
LCR	Liquidity Coverage Ratio
LGD	Loss given default
LIBOR	London Inter-Bank Offered Rate
LSE	London Stock Exchange
MD	Managing Director
MiFID	Markets in Financial Instruments Directive
NCI	Non-controlling interests
NSFR	Net Stable Funding Ratio
NSX	Namibian Stock Exchange
OCI	Other comprehensive income
OECD	Organisation for Economic Co-operation and Development
OTC	Over the counter

PACCC	Prudential assurance conduct and controls committee
PCCC	Prudential Conduct and Controls Committee
PD	Probability of default
Policy ERRF	Policy Executive Risk Review Forum
PRA	Prudential Regulation Authority
PRASA	Passenger Rail Agency of South Africa
ROE	Return on equity
ROU	Right use of asset
RPI	Retail Price Index
S&P	Standard & Poor's
SARS	South African Revenue Service
SDGs	Sustainable Development Goals
SME	Small and Medium-sized Enterprises
SMMEs	Small, Medium & Micro Enterprises
South African PA	South African Prudential Authority (previously known as the Banking Supervision Division of the South African Reserve Bank)
SOE	State-Owned Enterprise
SPPI	Solely payments of principal and interest
UKLA	United Kingdom Listing Authority
WACC	Weighted average cost of capital
YES	Youth Employment Service

Investec plc

Incorporated in England and Wales
Registration number: 3633621
Share code: INPP
ISIN: GB00B19RX541
LEI: 2138007Z3U5GWDN3MY22

Preference share dividend announcement

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

Declaration of dividend number 28

Notice is hereby given that preference dividend number 28 has been declared by the Board from income reserves for the period 01 October 2019 to 31 March 2020 amounting to a gross preference dividend of 8.43287 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, 05 June 2020.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 8.43287 pence per preference share is equivalent to a gross dividend of 187.48647 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA time) on Wednesday, 20 May 2020.

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

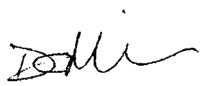
Last day to trade cum-dividend	
On the Johannesburg Stock Exchange (JSE)	Tuesday, 02 June 2020
On the International Stock Exchange (TISE)	Wednesday, 03 June 2020
Shares commence trading ex-dividend	
On the Johannesburg Stock Exchange (JSE)	Wednesday, 03 June 2020
On the International Stock Exchange (TISE)	Thursday, 04 June 2020
Record date (on the JSE and TISE)	Friday, 05 June 2020
Payment date (on the JSE and TISE)	Monday, 15 June 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 03 June 2020 and Friday, 05 June 2020, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 03 June 2020 and Friday, 05 June 2020, 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 2 754 587 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 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 149.98918 cents per preference share for preference shareholders liable to pay the Dividend Tax and 187.48647 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board



D Miller
Company Secretary
20 May 2020

Investec plc

Incorporated in England and Wales
Registration number: 3633621
JSE share code: INPPR
ISIN: GB00B4B0Q974
LEI: 2138007Z3U5GWDN3MY22

Rand-denominated preference share dividend announcement

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

Declaration of dividend number 18

Notice is hereby given that preference dividend number 18 has been declared by the Board from income reserves for the period 01 October 2019 to 31 March 2020 amounting to a gross preference dividend of 468.29795 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, 05 June 2020.

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

Last day to trade cum-dividend	Tuesday, 02 June 2020
Shares commence trading ex-dividend	Wednesday, 03 June 2020
Record date	Friday, 05 June 2020
Payment date	Monday, 15 June 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 03 June 2020 and Friday, 05 June 2020, 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 131 447 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 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 374.63836 cents per preference share for preference shareholders liable to pay the Dividend Tax and 468.29795 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

D Miller
Company Secretary

20 May 2020

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
LEI: 213800CU7SM6O4UWOZ70

Preference share dividend announcement

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

Declaration of dividend number 31

Notice is hereby given that preference dividend number 31 has been declared by the Board from income reserves for the period 01 October 2019 to 31 March 2020 amounting to a gross preference dividend of 382.31605 cents 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, 05 June 2020.

The relevant dates for the payment of dividend number 31 are as follows:

Last day to trade cum-dividend	Tuesday, 02 June 2020
Shares commence trading ex-dividend	Wednesday, 03 June 2020
Record date	Friday, 05 June 2020
Payment date	Monday, 15 June 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 03 June 2020 and Friday, 05 June 2020, 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
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 305.85284 cents per preference share for shareholders liable for preference shareholders exempt from paying the Dividend Tax.

By order of the board

N van Wyk

Company Secretary

20 May 2020

Investec Bank Limited

Incorporated in the Republic of South Africa
Registration number: 1969/004763/06
Share code: INLP
ISIN: ZAE000048393
LEI No.: 549300RH5FFHO48FXT69

Preference share dividend announcement

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

Declaration of dividend number 34

Notice is hereby given that preference dividend number 34 has been declared by the Board from income reserves for the period 01 October 2019 to 31 March 2020 amounting to a gross preference dividend of 409.64891 cents 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, 05 June 2020.

The relevant dates for the payment of dividend number 34 are as follows:

Last day to trade cum-dividend	Tuesday, 02 June 2020
Shares commence trading ex-dividend	Wednesday, 03 June 2020
Record date	Friday, 05 June 2020
Payment date	Monday, 15 June 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 03 June 2020 and Friday, 05 June 2020, 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
- 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 305.85284 cents per preference share for shareholders liable to pay the Dividend Tax and 382.31605 cents per preference shareholders exempt from paying the Dividend Tax.

By order of the board

N van Wyk
Company Secretary

20 May 2020

Investec plc and Investec Limited

Secretary and registered office

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Registration number

Investec plc

Registration number 3633621

Investec Limited

Registration number 1925/002833/06

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Telephone (27) 11 370 5000

Directorate as at 20 May 2020

Executive directors

Fani Titi (chief executive officer)
Nishlan A Samujh (group finance director)
David M van der Walt (executive officer)
James Kieran C Whelan (executive officer)

Non-executive directors

Perry KO Crosthwaite (chairman)
Zarina BM Bassa (senior independent director)
Henrietta Baldock
David Friedland
Philip A Hourquebie
Charles R Jacobs
Ian R Kantor
Lord Malloch-Brown KCMG
Philisiwe G Sibiya
Khumo L Shuenyane

For queries regarding information in this document

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