



Investec Limited

The information in this presentation relates to six months ending 30 September 2018, unless otherwise indicated.

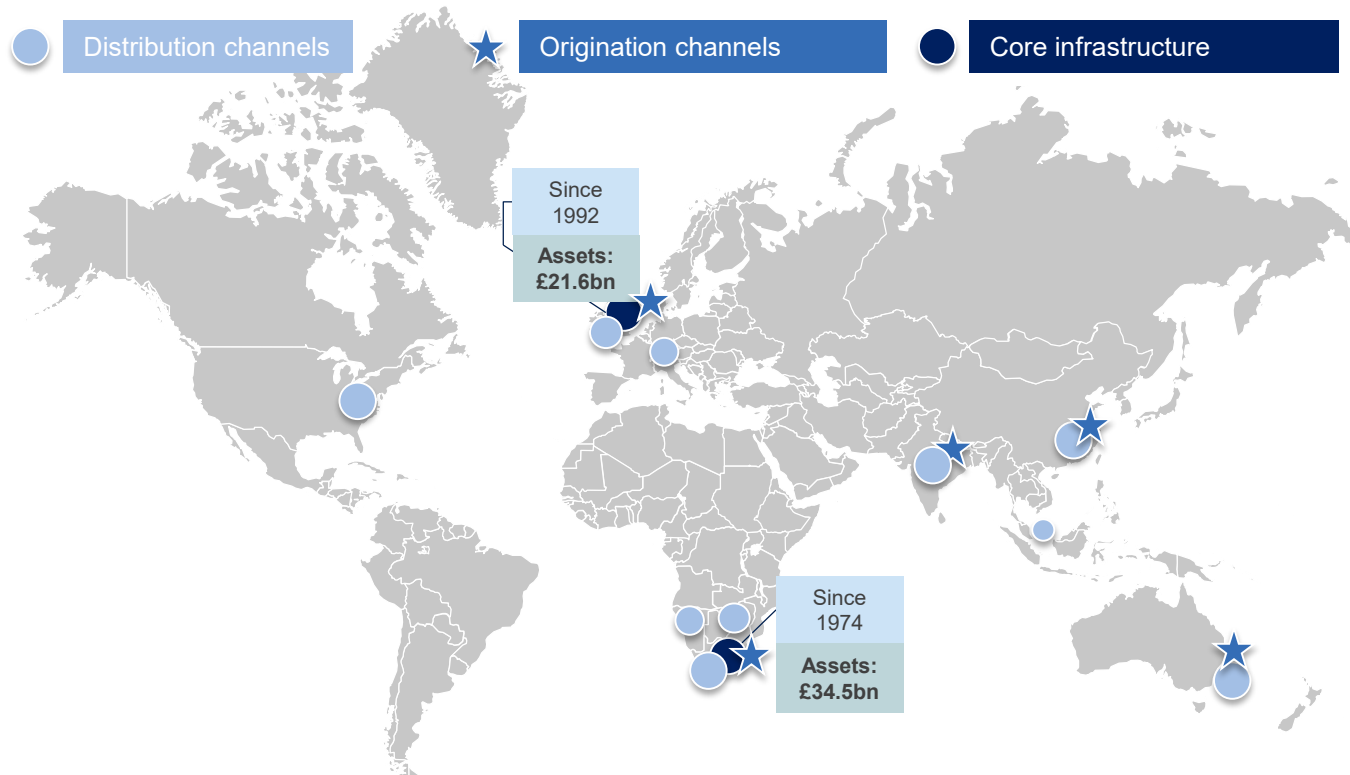


An overview of the Investec Group

Investec: a distinctive specialist bank and asset manager

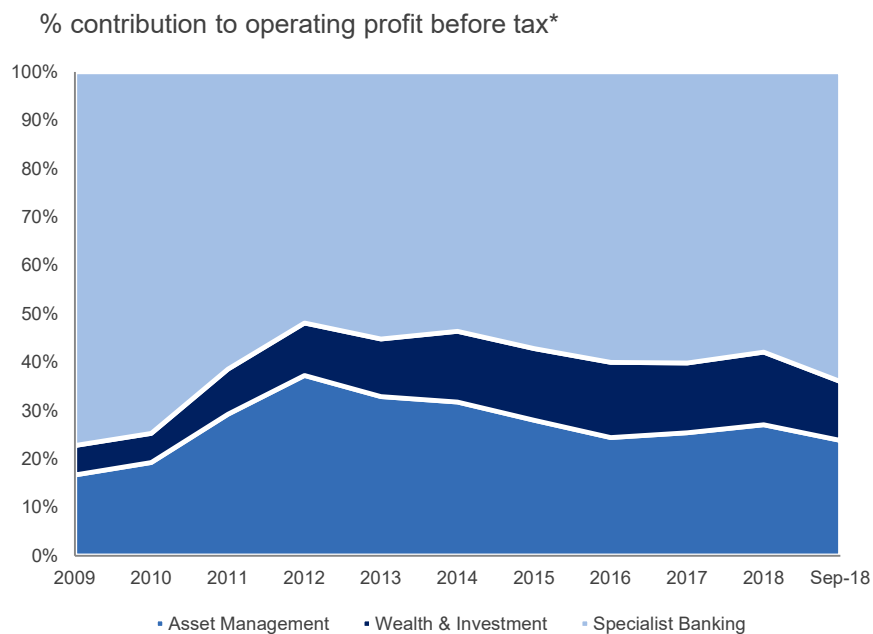
Facilitating the creation of wealth and management of wealth

- Established in 1974
- Today, efficient integrated international business platform employing approximately **10 300*** people
- Listed on the JSE and LSE (a FTSE 250 company)
- Total assets of £56.1bn; total equity £5.1bn; total FUM £166.5bn



Solid recurring income base supported by a diversified portfolio

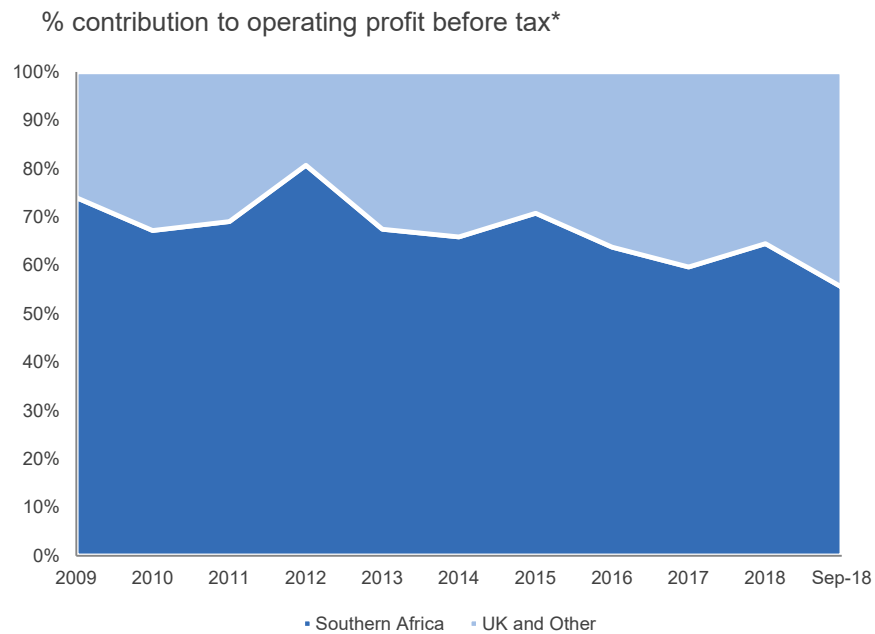
Across businesses



Overall contribution from Asset Management and Wealth & Investment

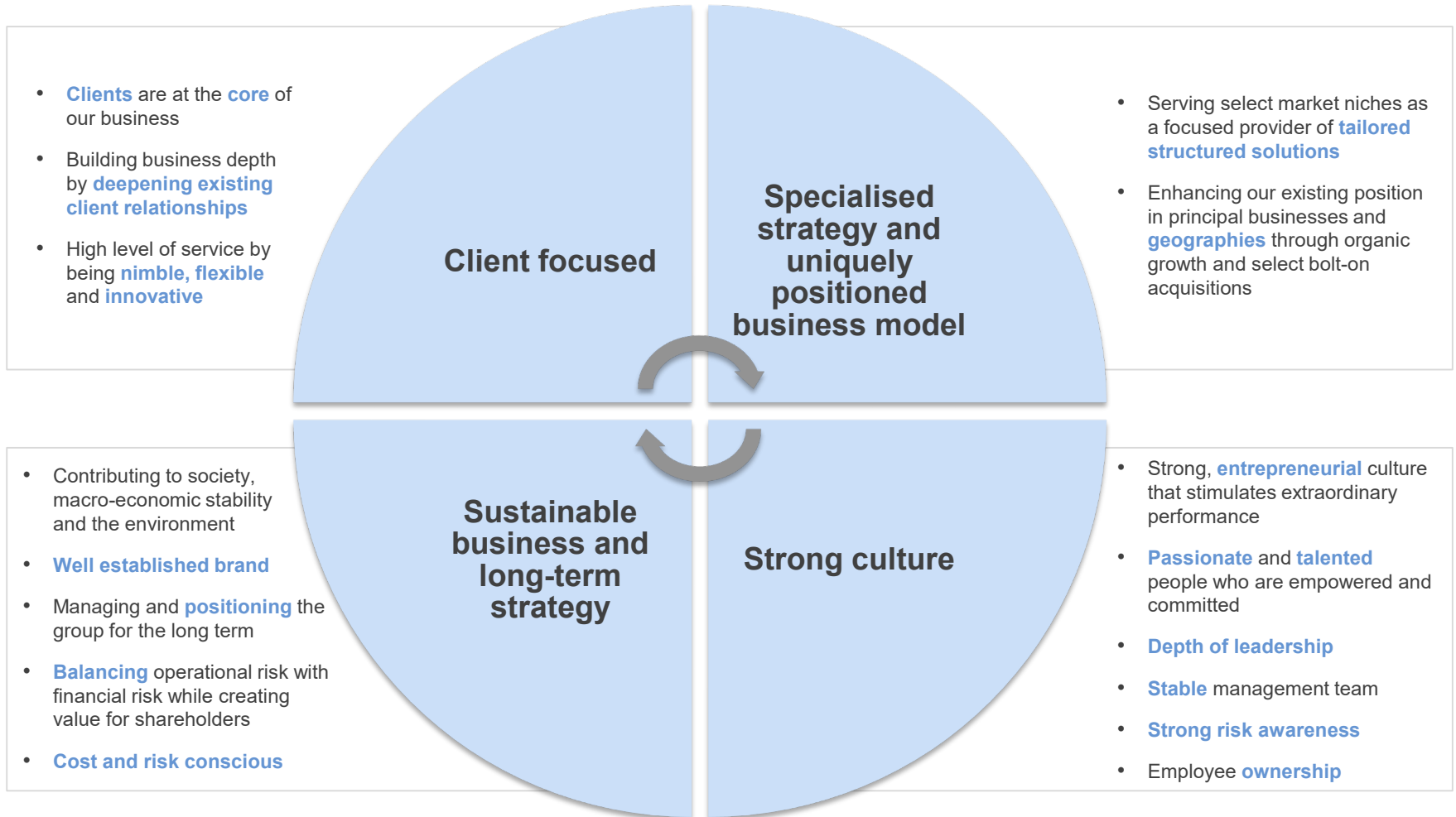
Sept 2018: 34% 2018: 42% 2017: 40% 2016: 40% 2015: 43% 2014: 46% 2013: 45% 2012: 48%

Across geographies



We have a distinctive investment offering

Resulting in a **quality** scalable **global business**



Strategic focus

Our strategic goals and objectives are based on our aspiration to be recognised as a **distinctive specialist bank and asset manager**

The Investec distinction

Client focused approach

- Clients are 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 capital light versus capital intensive activities while creating value for shareholders
- Cost and risk conscious.

Strong culture

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

Our strategy

Our long-term strategy is to build a diversified portfolio of businesses and geographies to support clients through varying markets and economic cycles. Since inception we have expanded through a combination of organic growth and strategic acquisitions.

In order to create a meaningful and balanced portfolio we need proper foundations in place which gain traction over time.

Specialised strategy

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

We have a very deliberate and focused client strategy:

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

Asset Management

- Concentrate on our existing offering
- Scale through our global distribution model and capture the next waves of flows, including North America and Asia
- Continue to deepen and strengthen investment and client capabilities for long-term

Investec (Bank and Wealth)

- Target market acquisition and deepening client relationships
- Establishing a high-tech and high-touch UK domestically relevant UK private Bank
- Investing in our technology platforms
- Improving the jaws ratio
- Increasing capital light activities
- Managing our capital base

Balanced business model supporting our long-term strategy

Three distinct business activities focused on well defined target clients

Corporate / Institutional / Government

Private client (high net worth / high income) / charities / trusts

Asset Management

(operating completely independently)

Provides investment management services to external clients

Specialist Banking

Provides a broad range of services:

- Lending
- Transactional banking
- Deposit raising activities
- Treasury and trading
- Advisory
- Investment activities

Wealth & Investment

Provides investment management services and independent financial planning advice

Maintaining an **appropriate balance** between revenue earned from capital light activities and revenue earned from capital intensive activities

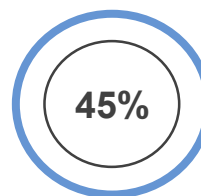
Capital light activities



Contributed to group income

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

Capital intensive activities



Contributed to group income

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

Fee and commission income



Types of income



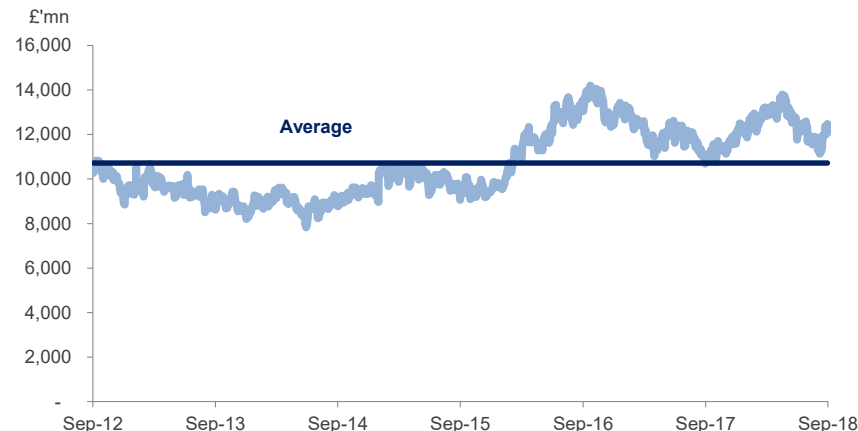
Net interest, investment, associate and trading income

We continue to have a sound balance sheet

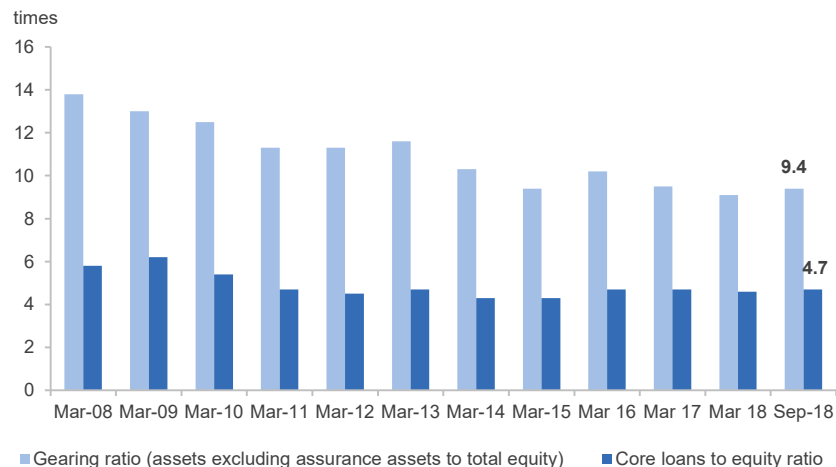
Key operating fundamentals

- Senior management “hands-on” culture
- A high level of readily available, **high quality liquid assets**: representing c. 25% - 35% of our liability base. Cash and near cash balances amounted to £12.5 billion at year end, representing 41.1% of customer deposits.
- No reliance on wholesale funding
- Healthy capital ratios: always held **capital in excess of regulatory requirements** and the group intends to perpetuate this philosophy. Target common equity tier 1 ratio of above 10% and total capital ratios between 14% and 17%
- **Low gearing ratio**: 9.4x with leverage ratios in excess of 7%
- Geographical and operational diversity with a **high level of recurring income** continues to support sustainability of operating profit

Cash and near cash

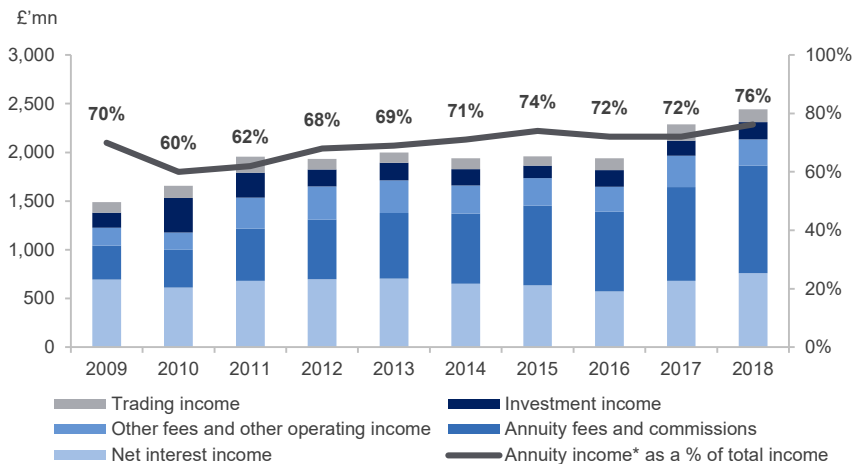


Low gearing ratios

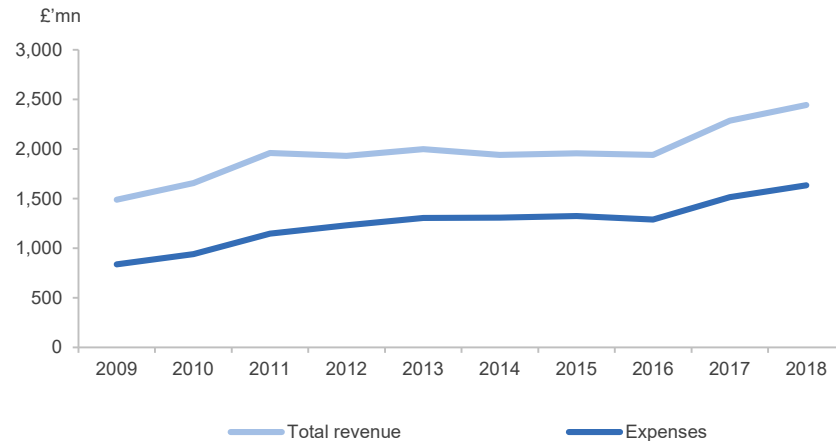


We have a sound track record

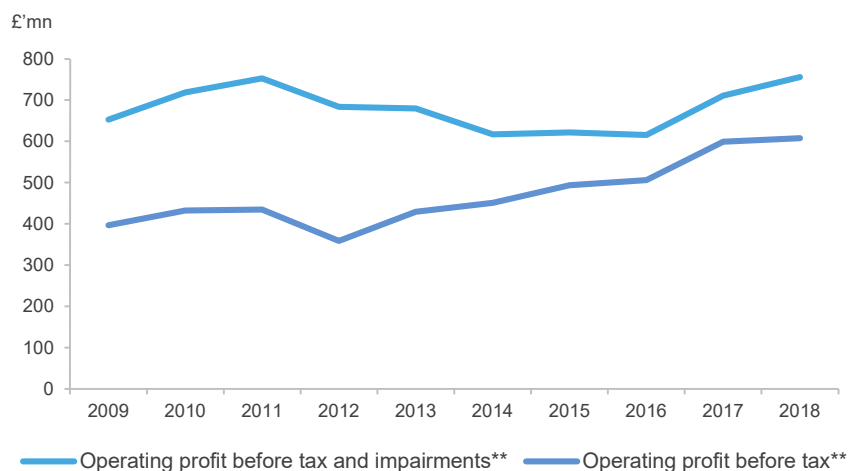
Recurring income[#]



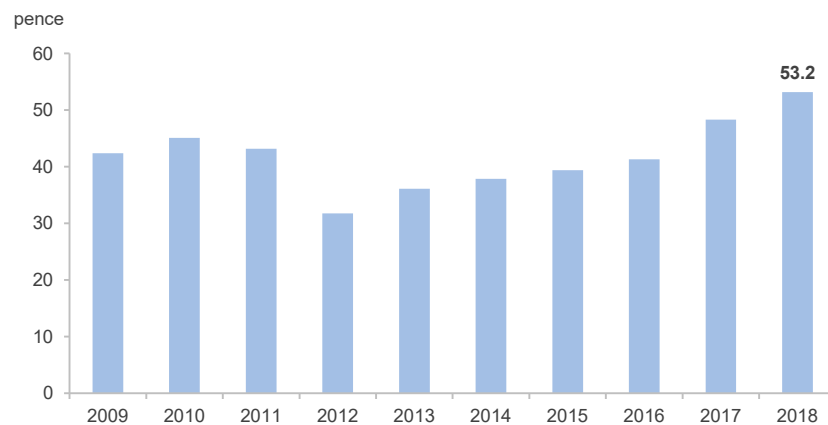
Revenue versus expenses[#]



Operating profit before tax^{**} and impairments[#]



Adjusted EPS^{^#}

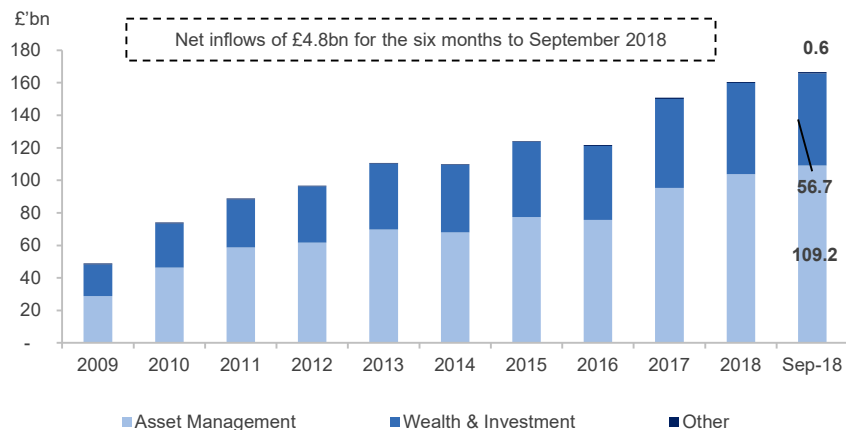


*Where annuity income is net interest income and annuity fees. **Before goodwill, acquired intangibles, non-operating items and after non-controlling interests.

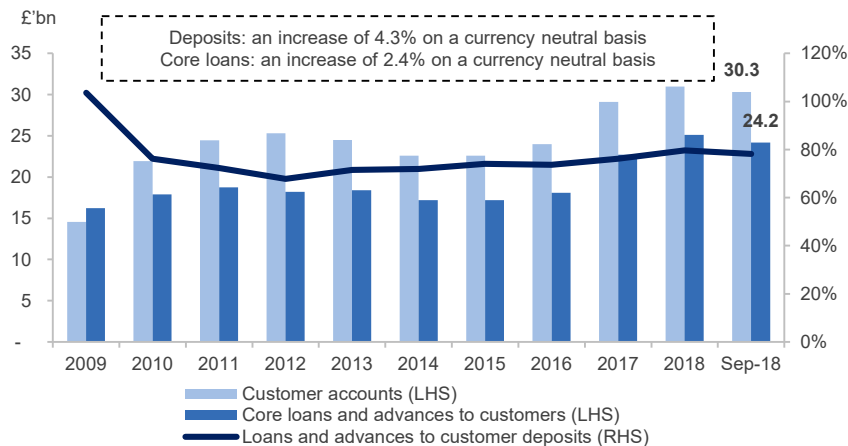
[^]Where Adjusted EPS is earnings per share before goodwill, acquired intangibles and non-operating items. [#]As at 30 March 2018

We have a sound track record

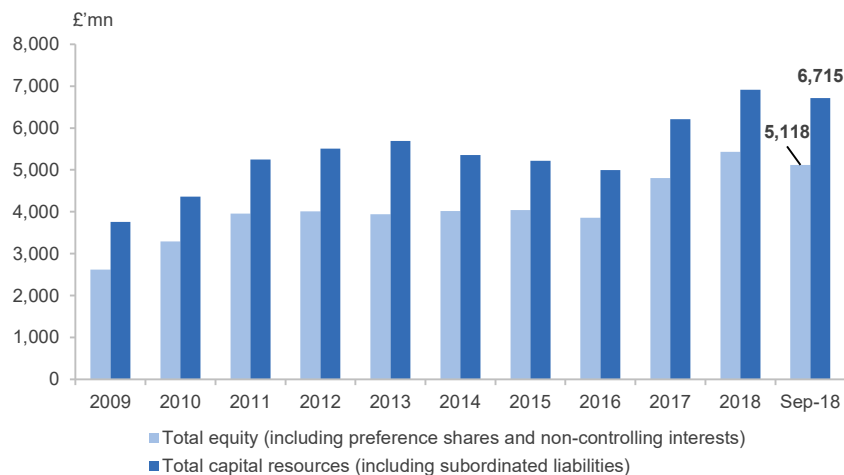
Third party assets under management



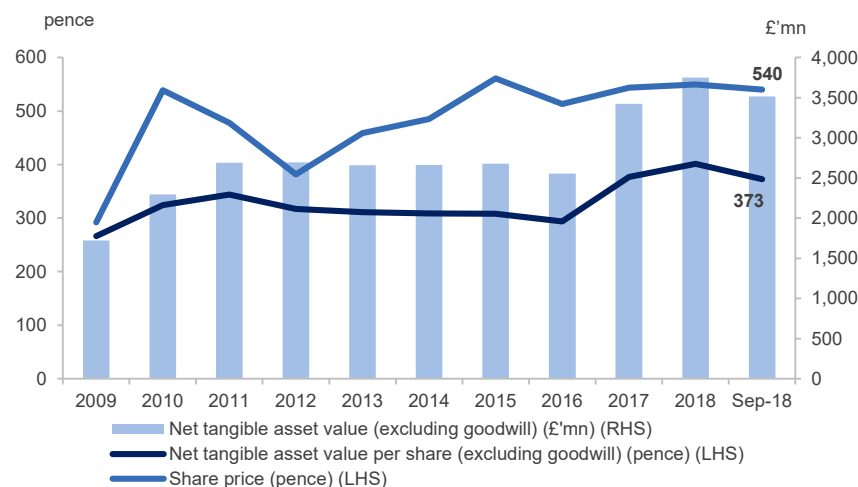
Core loans and advances and deposits



Total equity and capital resources



Net tangible asset value

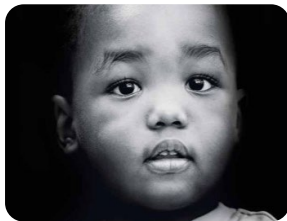


We have invested in our Brand



...our Communities

...our People



... and the Planet



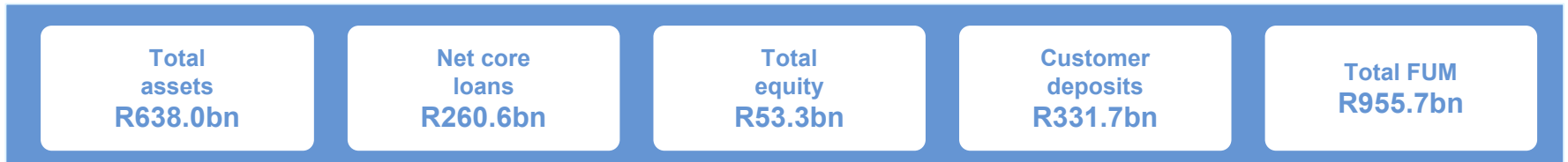


An overview of Investec Limited

Overview of Investec Limited

Investec Limited is a **distinctive specialist bank** and **asset manager** with primary business in **Southern Africa**. We focuses on delivering distinct profitable solutions for our clients in three core areas of activity, namely:

Asset Management, Wealth & Investment and Specialist Banking



Well established franchise

- **Established in 1974** in the Republic of South Africa
- Regulated by the SARB
- Obtained a banking licence in 1980 and listed on the Johannesburg Stock Exchange in 1986
- Since inception, we have expanded through a combination of substantial organic growth and a series of strategic acquisitions
- Today, efficient integrated business platform employing approximately permanent employees
- **5th largest banking group** in South Africa (by assets)
- One of the largest asset managers with **track record of growth and innovation**
- **Top wealth manager** and part of a global platform
- **Leading position** in corporate and institutional and private client banking activities

Core activities and operational foot print

Asset Management Value Proposition

- Organically build an independent global platform from an emerging market base
- Independently managed entity within the Investec group
- Competitive investment performance in chosen specialities
- Global approach to investing, client base and operations platform
- Institutional and advisor focus
- Unique and clearly understood culture
- Stable and experienced leadership
- Committed to investing for a sustainable future

Wealth & Investment 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 South Africa
- The business has five distinct channels: direct, intermediaries, charities, international and digital
- Strategy to internationalised within jurisdictions where the Investec group already has an established business
- Focus is on organic growth in our key markets and enhancing our rang of services for the benefit of our clients

Specialist Banking Value Proposition

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

Where we operate



South Africa

Strong brand and positioning

One of the largest asset managers with track record of growth and innovation

Top wealth manager with the ability to leverage off the global platform

Fifth largest bank

Leading position in corporate, Institutional and private client banking activities

Mauritius

Established 1997

Focus on corporate, institutional and private client banking activities

Key strengths

Sound balance sheet

- **Robust capital base: 10.3% CET1 ratio** and **strong leverage ratio** of 7.5% (7.1% on a fully loaded basis)
- **Low gearing:** 9.1x
- **Strong liquidity ratios** with high level of readily available. The liquidity position remains sound with a total cash and near cash balance of R110.8bn representing 33.4% of customer deposits
- **Diversified funding base** with strong retail deposit franchise and low reliance on wholesale funding
- **Never required shareholder or government support**

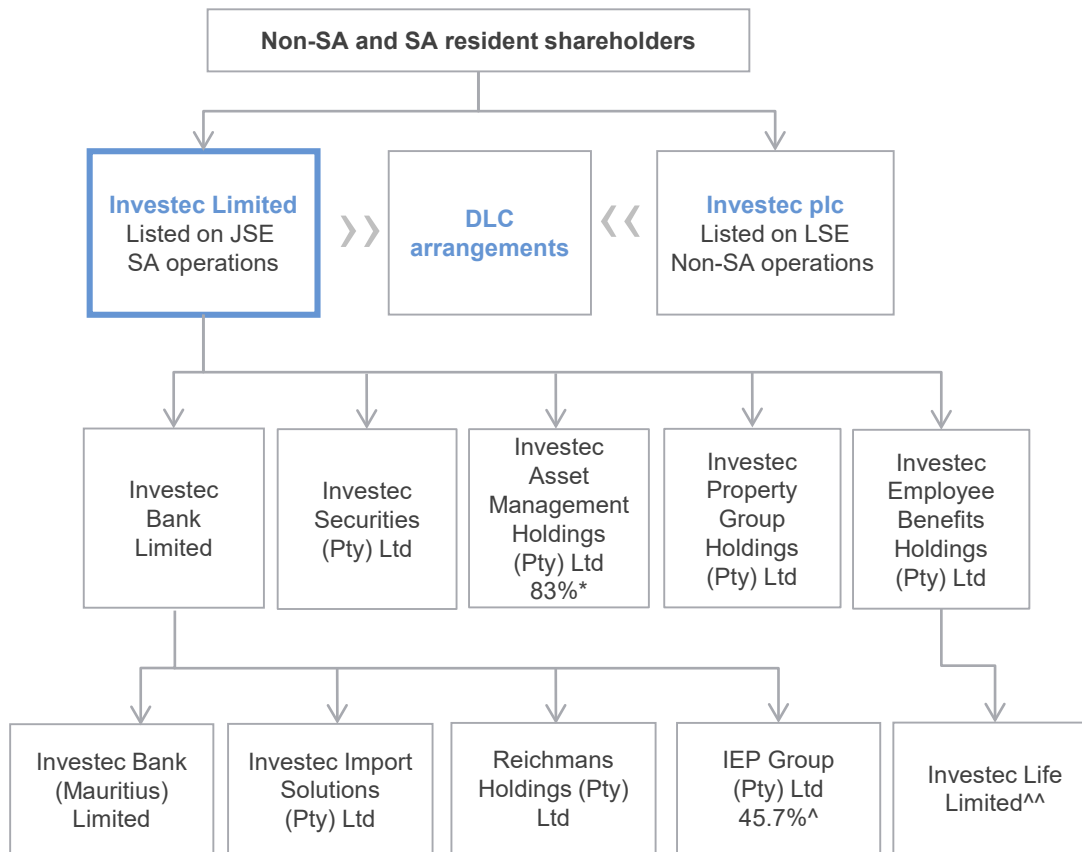
Strong risk management frameworks

- Group Risk Management operates within an **integrated geographical and divisional structure**, in line with our management approach, ensuring that the appropriate processes are used to address all risks across the business units
- Risk awareness, control and compliance are embedded in our **day-to-day activities**
- Board, executives and management are intimately involved in the **risk management** process
- Senior management “**hands-on**” culture

Strong culture

- **Stable management** – senior management team average tenor of c.15 – 20 years
- Strong, entrepreneurial culture balanced with a strong risk awareness
- Employee ownership – long-standing philosophy

Investec Limited operational structure



Salient features of Investec's 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
- The companies have the same Boards of Directors and management
- **Shareholders** have common economic and voting interests as if Investec Limited and Investec plc were a single company:
 - Equivalent dividends on a per share basis
 - Joint electorate and class right voting
- **Creditors** are however ring-fenced to either Investec Limited or Investec plc as there are no cross guarantees between the companies

- **Regulation** of the DLC structure:

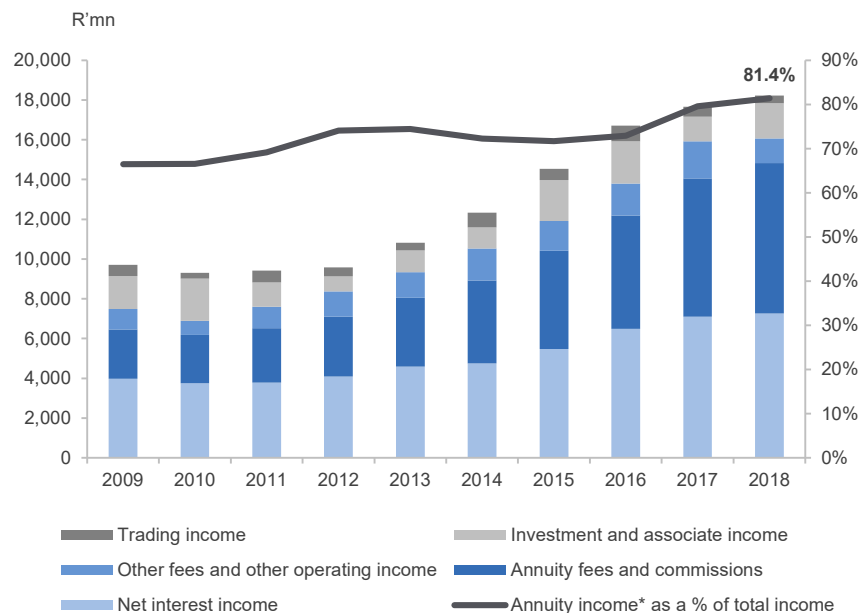
- The South African Reserve Bank (SARB) is the lead regulator of the group
- The UK Financial Conduct Authority and Prudential Regulation Authority are the regulators of Investec plc while the SARB is the regulator of Investec Limited
- The Memorandum of Understanding between the two regulators sets out that the role of the lead regulator would change if 70% or more of the on and off balance sheet assets are held by Investec plc



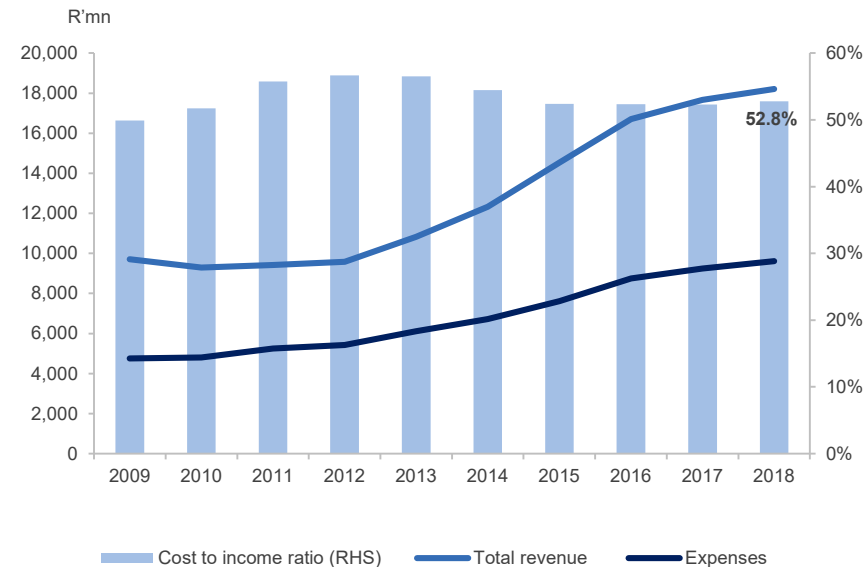
Investec Limited operating fundamentals

We have a strong franchise that supports a solid revenue base

Annuity income[^]



Revenue versus expenses[^]



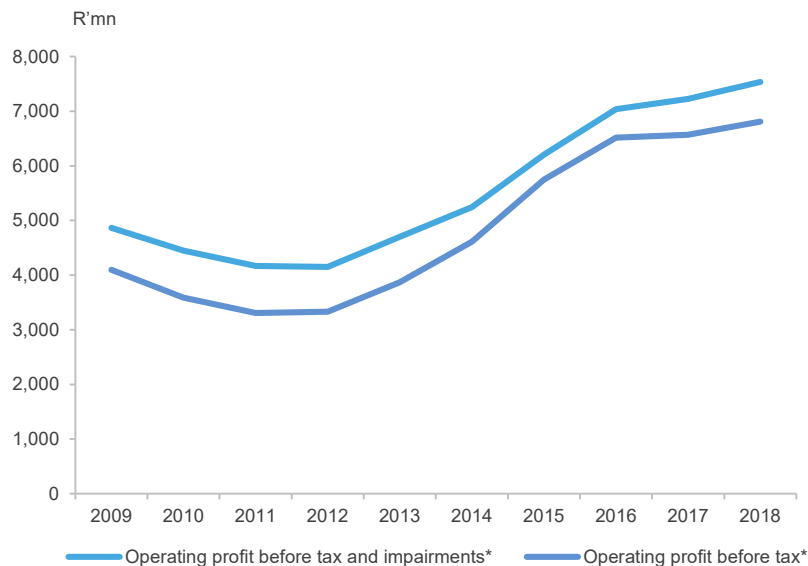
- A diversified business model continues to support a **large recurring income base** comprising net interest income and annuity fees
- Recurring revenue base, totaling 81.4% of operating income in 2018
- **Growth** in total revenue between 2015 and 2018 has largely been driven by **increased lending activities and a broadening of our client franchise**
- Cost to income ratio is 52.8% for 2018 (52.3% for 2017)
- We are focusing on **managing costs** while building for the future
- We are maintaining a **disciplined approach to cost control**, with a target cost to income ratio of 55%

*Where annuity income is net interest income and annuity fees

[^]As at 30 March 2018

We have a strong franchise that supports a solid revenue base

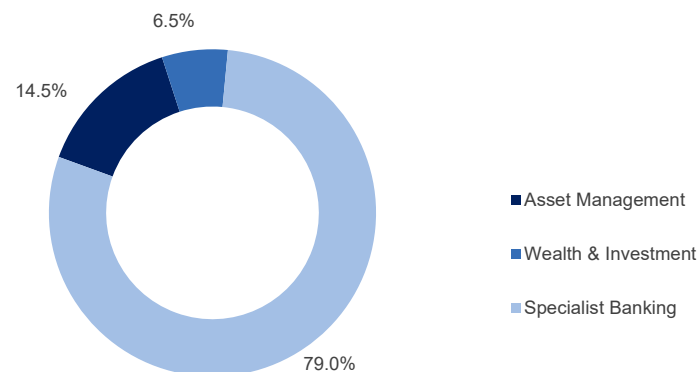
Operating profit* before tax and impairments^



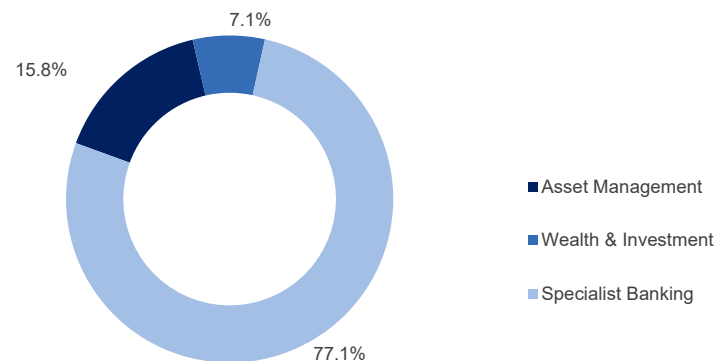
- Operating profit* before tax has **grown** 66.2% since 2009 to R6 806mn in 2018
- Between 2009 and 2013 our results were impacted by an **increase in impairments**. These are back to normalised levels.
- Recent growth in net profit before tax has been supported by positive business momentum, reflected in an **increase in our client base and loans and advances**

Contribution to operating profit** before tax^

At 30 September 2018

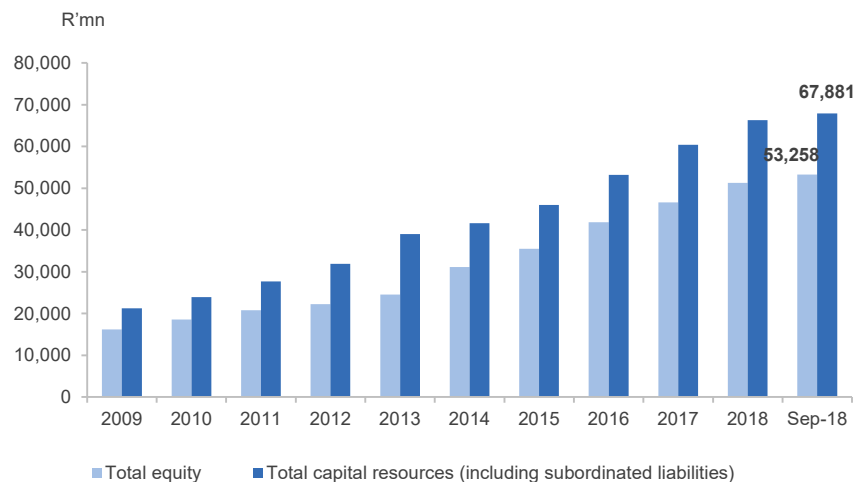


At 31 March 2018



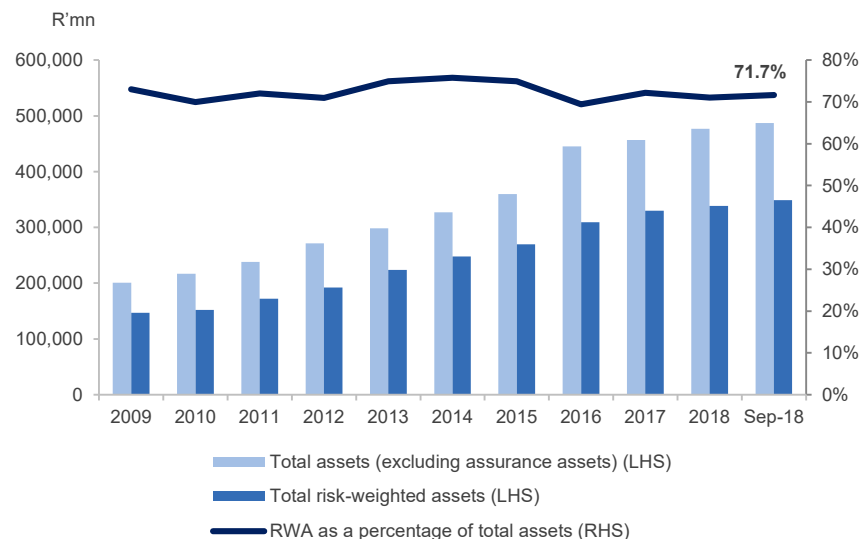
Sound capital base and capital ratios

Total capital



- We have continued to grow our capital base over the past 10 years **without recourse to government or shareholders**
- Our **total capital resources has grown by 219.3%** since 2009 to R67 881mn at 30 September 2018 (CAGR of 13.0% per year)

Total risk-weighted assets: high RWA density



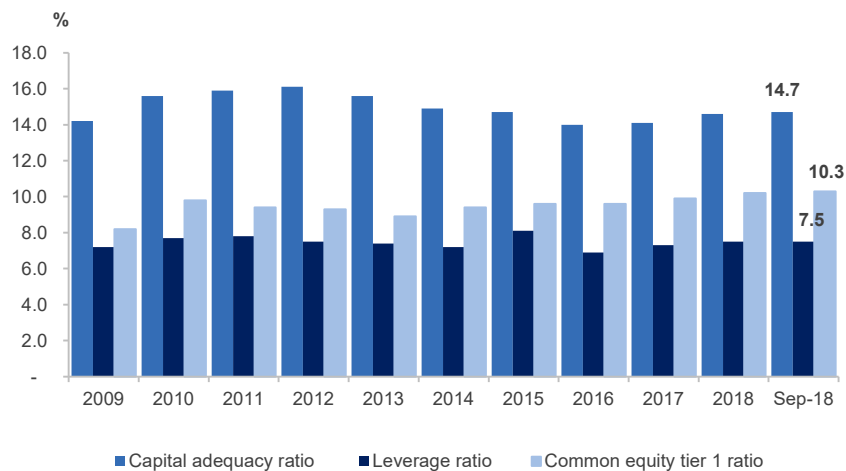
- As we use the Standardised Approach for our Basel III risk RWA calculations, our RWA **represents a large portion of our total assets** as we inherently hold more capital
- Total RWAs / Total assets is 71.7%, which is higher relative to many SA banks on the Advanced Approach
- We are likely to implement FIRB in South Africa in the 2019 financial year, subject to regulatory approval, as a transitional step to implementing AIRB – this will have a positive impact on capital ratios[^]

[^]Where FIRB is Foundation Internal Ratings-Based Approach and AIRB is Advanced Internal Ratings-Based Approach

Sound capital base and capital ratios

- Investec has **always held capital in excess of regulatory requirements** and intends to perpetuate this philosophy and ensure that it remains well capitalised
- 30 September 2018: total capital adequacy ratio of 14.7% and a common equity tier 1 ratio of 10.3%
- Our fully loaded Basel III common equity tier 1 ratio is estimated to be 10.2% and our fully loaded leverage ratio is 7.1%

Basel capital ratios*



Capital development

A summary of ratios*	30 Sept 2018	1 April 2018	Target
Common equity tier 1 (as reported)	10.3%	10.0%	>10%
Common equity tier 1 (fully loaded)^	10.2%	9.8%	
Tier 1 (as reported)	11.1%	10.8%	>11%
Total capital adequacy ratio (as reported)	14.7%	14.5%	14% to 17%
Leverage ratio** (current)	7.5%#	7.4%#	>6%
Leverage ratio** (fully loaded)^	7.1%#	6.9%#	

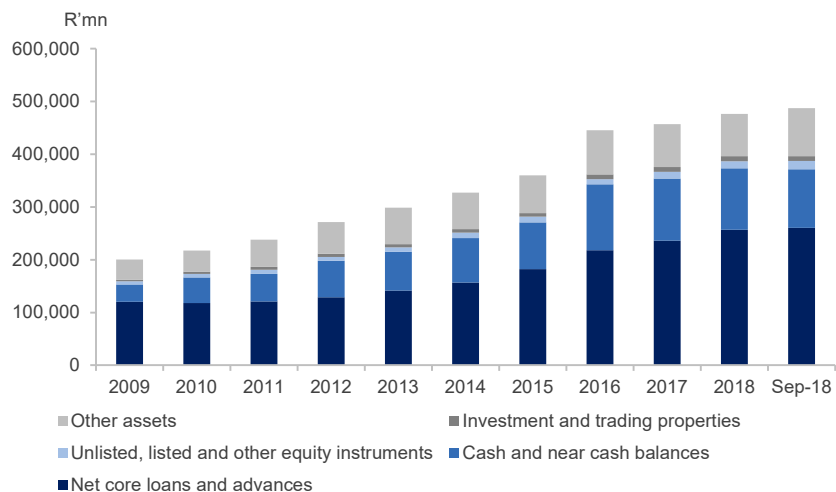
^Based on the group's understanding of current and draft regulations "fully loaded" is based on Basel III capital requirements as fully phased in by 2022

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

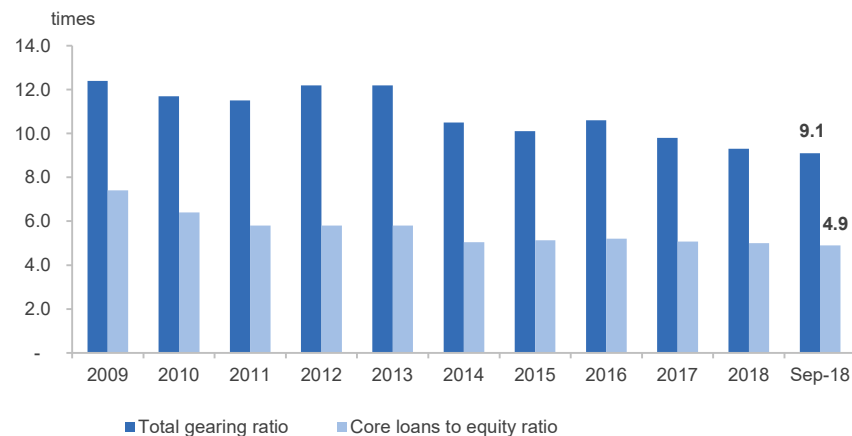
#Based on revised BIS rules.

Consistent asset growth, gearing ratios remain low

Total assets composition



Gearing* remains low



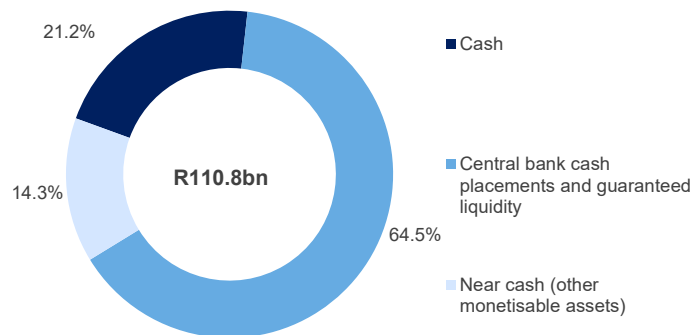
- We have recorded a **CAGR of around 14.5% in net core loans** over the past 5 years driven by increased activity across our target client base, as well as growth in our franchise
- In addition, we have seen **solid growth in cash and near cash balances** over the same period

- We have **maintained low gearing ratios*** with total gearing at 9.1x and an average of 10.9x over the past 10 years

*Gearing ratio calculated as total assets (excluding assurance assets) divided by total equity

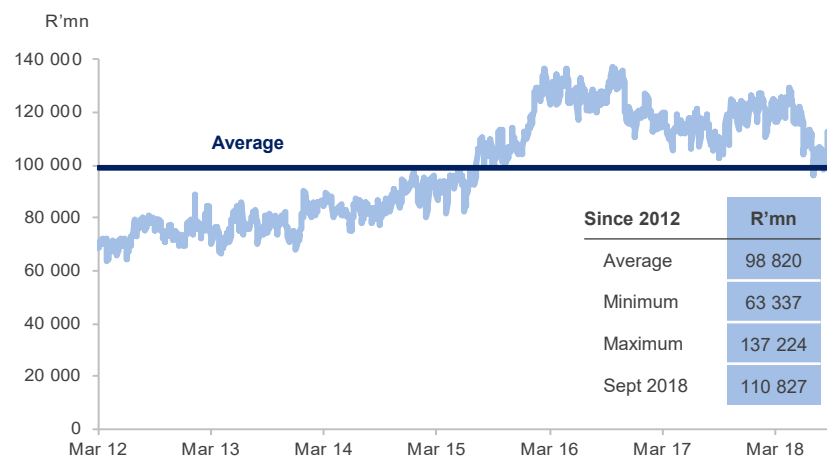
Substantial surplus liquidity

Cash and near cash balances at 30 September 2018

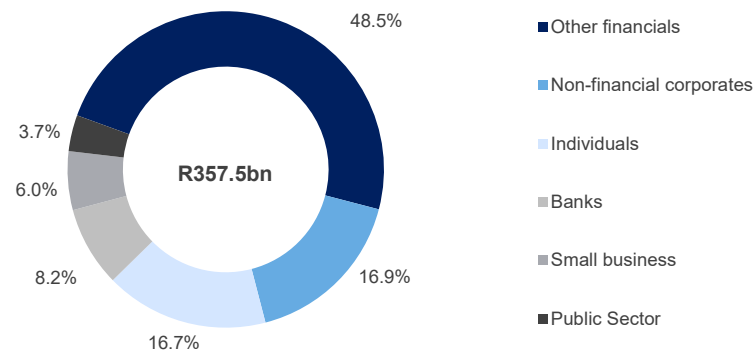


- The **liquidity position of the bank remains sound** with total cash and near cash balance having **increased by 239.9%** since 2009 (13.7% CAGR) to R110.8bn at 30 September 2018 (representing 33.4% of customer deposits)
- At 30 September 2018 IBL's (bank solo) three-month average **Liquidity Coverage Ratio was 137.4%** (ahead of current minimum requirements of 90% for 2018, and the average of the Big 4 banks of c.110.8%)
- At 30 September 2018 IBL's (bank solo) **Net Stable Funding Ratio was 111.3%** (ahead of current minimum requirements of 100%)

Cash and near cash balances



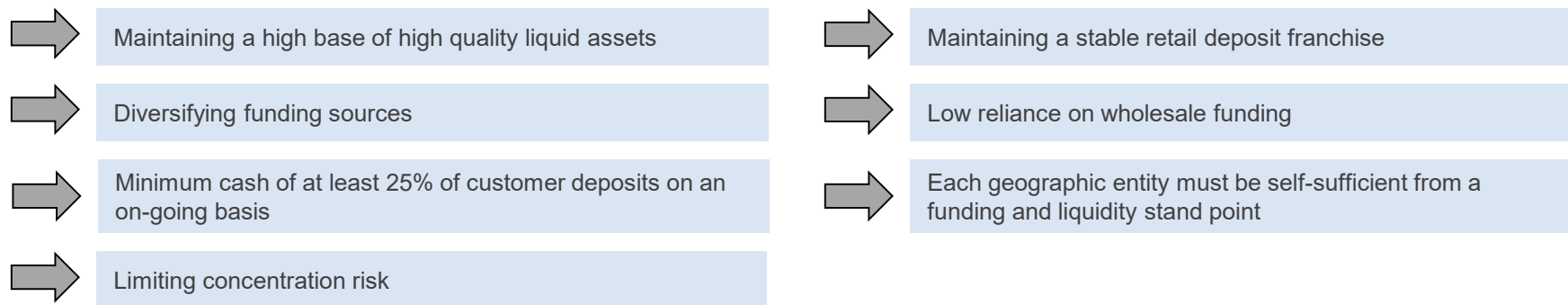
Depositor concentration at 30 September 2018



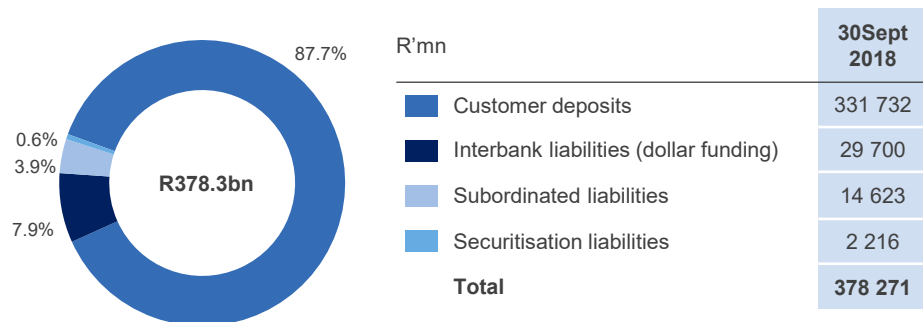
Diversified funding strategy

- Investec's funding consists **primarily of customer deposits**
- Investec adopts a **conservative and prudent funding strategy**

Conservative and prudent funding strategy



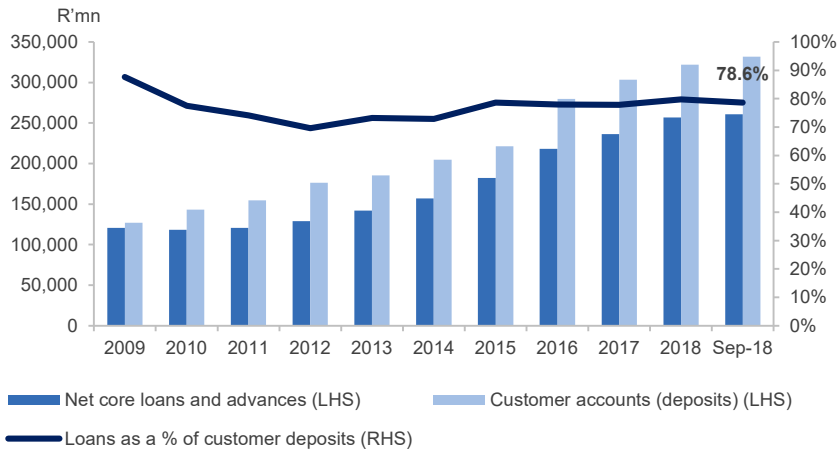
Selected funding sources at 30 September 2018



- Customer deposits account for 87.7% of selected funding sources** as at 30 September 2018
- Customer deposits are supplemented by deposits from banks (7.9%), securitisation liabilities (0.6%) and subordinated debt (3.9%)
- We have **no reliance on any one deposit channel** and no reliance on wholesale interbank funding
- Core loans are funded from customer deposits** and interbank (dollar) funding supplements cash and near cash balances

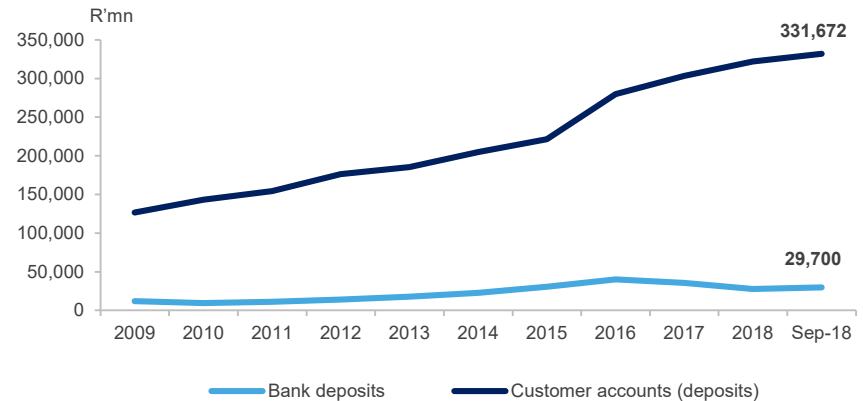
Surplus liquidity

Fully self funded from customer deposits: healthy loan to deposit ratio



- Customer deposits have **grown by 161.4%** (c.10.6% CAGR p.a.) since 2009 to R331.7bn at 30 September 2018
- Advances as a percentage of customer deposits **amounts to 78.6%**

Total deposits: stable customer deposit base



- Significant **increase in retail deposits** and low reliance on wholesale deposits since 2009
- **Fixed and notice customer deposits** have continued to display a strong **'stickiness'** with continued willingness from clients to reinvest in our suite of term and notice products

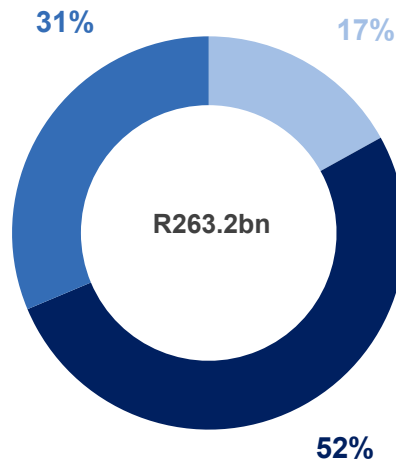
Exposures in a select target market

- **Credit and counterparty exposures are to a select target market:**
 - high net worth and high income clients
 - mid to large sized corporates
 - public sector bodies and institutions
- We typically originate loans with the intent of holding these assets to maturity, and thereby developing a 'hands-on' and long-standing relationship with our clients
- **The majority of the bank's credit and counterparty exposures reside within its principal operating geographies, namely South Africa and Mauritius**

Gross core loans by risk category at 30 September 2018

Corporate and other

Acquisition finance	5.4%
Asset based lending	2.3%
Fund finance	1.9%
Other corporate, institutional, govt. loans	17.8%
Asset finance	1.0%
Project finance	2.7%
Resource finance and commodities	0.3%



Lending collateralised against property

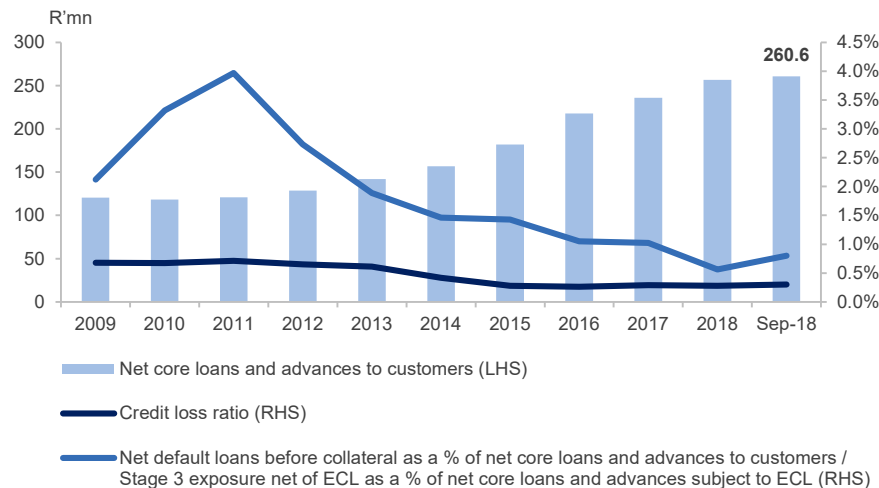
Commercial property investment	13.4%
Commercial property development	1.8%
Commercial vacant land and planning	0.4%
Residential property development	1.2%
Residential vacant land and planning	0.2%

High net worth and other private client

HNW and private client - mortgages	26.7%
HNW and specialised lending	25.0%

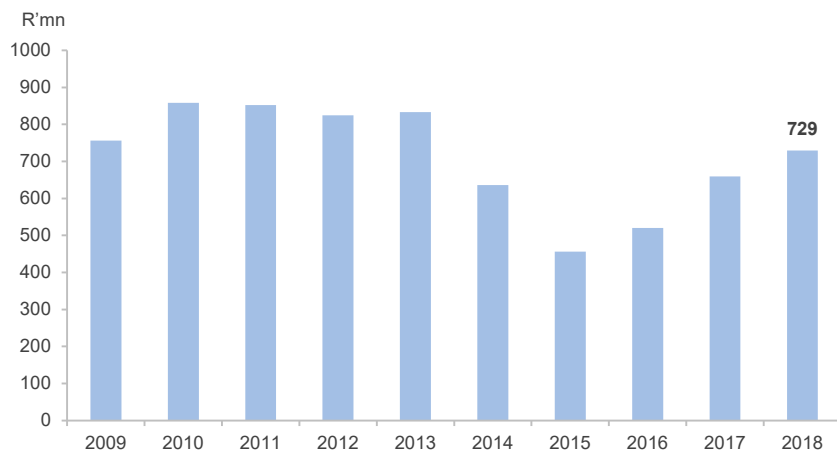
Sound and improving asset quality


Core loans and asset quality



- Credit quality on core loans and advances for the six months ended 30 September 2018:
 - The total **ECL impairment** charges amounted to R378 million for the six months ended 30 September 2018 (2017: R373 million).
 - The **annualised credit loss# ratio was 0.30%** at 30 September 2018 (31 March 2018: 0.28%).
 - Stage 3 exposures net of ECL at 30 September 2018 amounted to R2 172 million (1 April 2018: R1 745 million).
 - **Stage 3 exposure net of ECL** as a percentage of net core loans and advances as at 30 September 2018 amounted to **0.8%** (1 April 2018: 0.7%)

Trend in income statement impairment charge*





Target

ECL impairment charges on gross core loans and advances **less than 0.5%** of average gross core loans and advances subject to ECL

Stage 3 exposure net of ECL **less than 1.5%** of net core loans and advances subject to ECL

*As at 30 March 2018

#Expected credit loss (ECL) impairment charges on gross core loans and advances as a % of average gross core loans and advances subject to ECL

Credit ratings

- Investec Limited's ratings have remained stable over many years **reflecting the financial soundness** of the bank over a long period of time
- Recent ratings adjustments have been largely associated with **downgrade of the sovereign**
- In November 2017, S&P and Fitch downgraded five South African Banks following the sovereign downgrade
- It is generally accepted that a bank cannot have a higher rating than the sovereign of the country in which they operate, unless they are largely foreign-owned and the foreign holding company is domiciled in a country with a higher rating than South Africa

Current credit ratings

Fitch	Rating	Outlook
Viability rating:	bb+	Stable
Bank support rating:	5	
Long-term foreign currency issuer default rating:	BB+	
Short-term foreign currency issuer default rating:	B	



Investec Limited peer analysis

Peer group companies

Long-Term Deposit Rating	S&P		Fitch				Moody's			Global Credit Ratings	
	Foreign currency*	National scale	Foreign currency*	National scale	Viability ratings	Support rating	Foreign	National scale	Baseline credit assessment	International*	National
Absa Bank Limited	n/a	za.AA+	BB+	AA(zaf)	bb+	3	Baa3	Aa1.za	baa3	BB+	AA+(za)
FirstRand Bank Limited	BB	za.AA+	BB+	AA(zaf)	bb+	3	Baa3	Aaa.za	baa3	BB+	AA+(za)
Nedbank Limited	BB	za.AA+	BB+	AA(zaf)	bb+	3	Baa3	Aa1.za	baa3	BB+	AA(za)
Standard Bank Limited	n/a	n/a	BB+	AA(zaf)	bb+	3	Baa3	Aa1.za	baa3	BB+	AA+(za)
Investec Limited			BB+		bb+	5					
Investec Bank Limited	BB	za.AA+	BB+	AA(zaf)	bb+	3	Baa3	Aa1.za	baa3	BB+	AA(za)

Short-Term Deposit Rating	S&P		Fitch		Moody's		Global Credit Ratings
	Foreign currency*	National scale	Foreign currency*	National scale	Foreign	National scale	National
Absa Bank Limited	n/a	za.A-1+	B	F1+(zaf)	P-3	P-1.za	A1+(za)
FirstRand Bank Limited	B	za.A-1+	B	F1+(zaf)	P-3	P-1.za	A1+(za)
Nedbank Limited	B	za.A-1+	B	F1+(zaf)	P-3	P-1.za	A1+(za)
Standard Bank Limited	n/a	n/a	B	F1+(zaf)	P-3	P-1.za	A1+(za)
Investec Limited			B				
Investec Bank Limited	B	za.A-1+	B	F1+(zaf)	P-3	P-1.za	A1+(za)

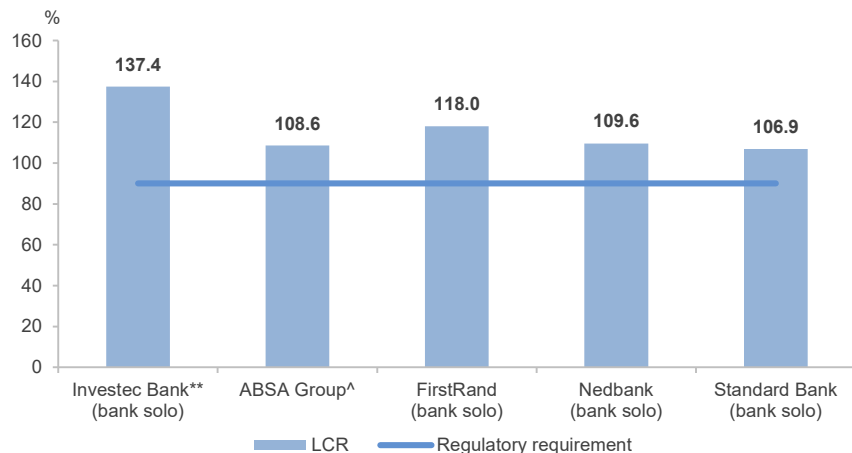
Rating definitions:

Short-term ratings should be used for investments less than a one year time horizon and long-term ratings for periods greater than a year. Foreign currency ratings should be used when one is considering foreign denominated investments. Investments in Rand should be assessed against local currency and national ratings, (zaf) being Fitch's notation and .za for Moody's, Standard & Poor's and Global Credit Ratings notation for South African ratings.

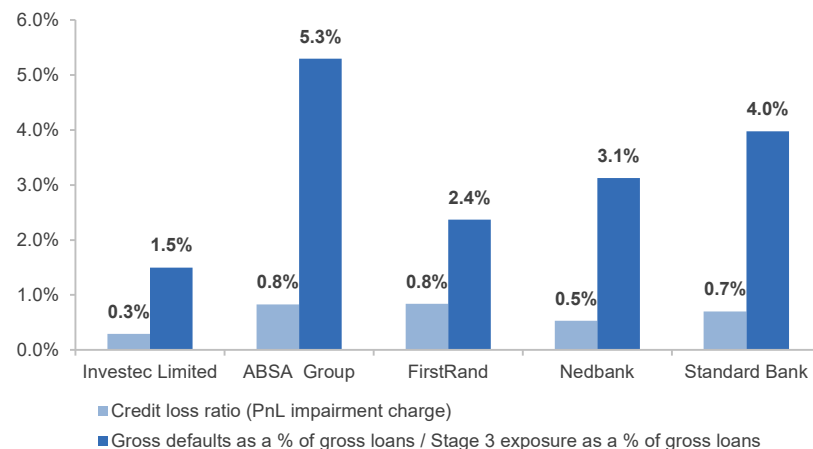
Peer group companies*

Investec is one of the **most liquid** of the Big 5 banks and is a **net provider of funds** to the interbank market in South Africa.

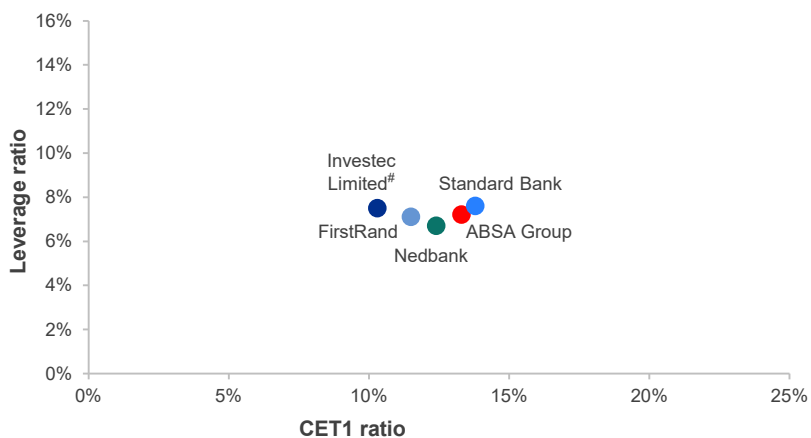
Liquidity: regulatory liquidity coverage ratio



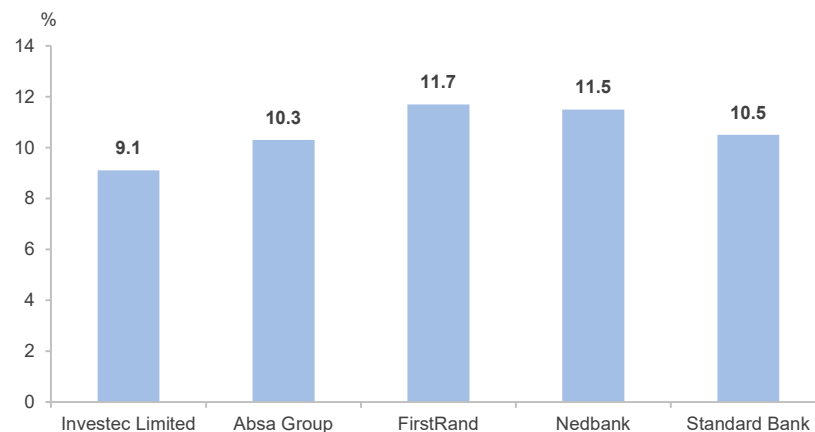
Asset quality ratios



Capital ratios



Gearing ratio



*Source: Latest company interim / annual and quarterly results **LCR published at bank solo level ^LCR for Absa Group is not disclosed on a bank solo level

#On the standardised approach

Peer group companies

Definitions and/or explanations of certain ratios:

- Customer deposits do not include deposits from banks.
- The customer advances to customer deposits ratio reflects how much of a bank's advances to customers are funded from the "retail and corporate" market as opposed to the "wholesale funding and banking market". A ratio higher than one indicates that advances to customers are not fully funded from the retail and corporate market, with the balance been funded from the wholesale market.
- A capital adequacy ratio is a measure of a bank's available capital expressed as a percentage of a bank's risk-weighted assets. It is based on regulatory qualifying capital (including common equity tier 1, additional tier 1 and tier 2 capital) as a percentage of risk-weighted assets. Assets are risk-weighted either according to the Standardised Approach in terms of Basel or the Advanced Approach.
- The leverage ratio is calculated as total tier 1 capital (according to regulatory definitions) divided by total assets (exposure measure). This ratio effectively assumes all assets are 100% risk weighted and is a more conservative measure than the capital adequacy ratio. Regulators are expecting that this ratio should exceed 5%.
- The gearing ratio is calculated as total assets divided by total equity (according to accounting definitions).
- The credit loss ratio is calculated as the income statement impairment/charge on advances as a percentage of average gross advances to customers.
- Default loans largely comprise loans that are impaired and/or over 90 days in arrears.



Investec Group Appendices

Investec group: mission statement and values

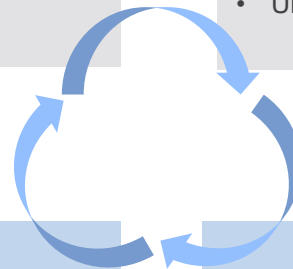
“We strive to be a **distinctive specialist bank and asset manager**, driven by commitment to our core philosophies and values.”

Distinctive Performance

- Outstanding talent - empowered, enabled, inspired
- Meritocracy
- Passion, energy, stamina, tenacity
- Entrepreneurial spirit

Dedicated Partnership

- Respect for others
- Embrace diversity
- Open and honest dialogue
- Unselfish contribution to colleagues, clients, society



Client Focus

- Distinctive offering
- Leverage resources
- Break china for the client

Cast-iron Integrity

- Moral strength
- Risk consciousness
- Highest ethical standards

Investec group: operating structure

Investec's strategic goals and objectives are motivated by the desire to develop **an efficient and integrated business** on an **international scale** through the active pursuit of clearly established core competencies in the group's principal business areas

Asset management and wealth management		Specialist banking		
ASSET MANAGEMENT	WEALTH & INVESTMENT	PRIVATE BANKING ACTIVITIES	INVESTMENT ACTIVITIES	CORPORATE & INSTITUTIONAL BANKING ACTIVITIES
<ul style="list-style-type: none"> Equities Fixed income Multi Asset Alternatives 	<ul style="list-style-type: none"> Portfolio management Stockbroking Alternative investments Investment advisory services Electronic trading services Retirement portfolios 	<ul style="list-style-type: none"> Transactional banking and foreign exchange Lending Deposits Investments 	<ul style="list-style-type: none"> Principal investments Property investment fund management 	<ul style="list-style-type: none"> Treasury and trading services Specialised lending, funds and debt capital markets Institutional research, sales and trading Advisory
<ul style="list-style-type: none"> Africa Americas Asia Pacific UK Europe 	<ul style="list-style-type: none"> South Africa UK Europe Hong Kong Mauritius 	<ul style="list-style-type: none"> Southern Africa UK and Europe 	<ul style="list-style-type: none"> Australia Hong Kong Southern Africa UK and Europe 	<ul style="list-style-type: none"> Australia Hong Kong India Southern Africa UK and Europe USA
GROUP SERVICES AND OTHER ACTIVITIES				
- Central Services			- Central Funding	

Investec largest shareholders as at 30 September 2018

Investec Limited

	Shareholder analysis by manager group	Number of shares	% holding
1	PIC (ZA)	38 221 550	12.0%
2	Allan Gray (ZA)	37 961 055	11.9%
3	Old Mutual Plc (UK & ZA)	14 951 999	4.7%
4	Investec Staff Share Scheme*(ZA)	13 189 871	4.1%
5	Coronation Fund Mgrs (ZA)	13 117 273	4.1%
6	BlackRock Inc (UK & US)	12 519 118	4.0%
7	The Vanguard Group, Inc (UK & US)	10 599 984	3.3%
8	Sanlam Group (ZA)	9 414 119	3.0%
9	Dimensional Fund Advisors (UK & US)	8 028 829	2.5%
10	ED Trust (ZA)	5 468 406	1.7%
	Cumulative total	163 472 204	51.3%

Investec plc

	Shareholder analysis by manager group	Number of shares	% holding
1	Allan Gray (ZA)	80 427 158	11.8%
2	PIC (ZA)	45 179 526	6.6%
3	BlackRock Inc (UK & US)	39 910 856	5.9%
4	Coronation Fund Mgrs (ZA)	39 664 008	5.8%
5	Prudential Group (ZA)	35 181 028	5.2%
6	The Vanguard Group, Inc (UK & US)	21 884 233	3.2%
7	Old Mutual Plc (UK & ZA)	19 917 376	2.9%
8	State Street Corporation (UK & US)	16 820 069	2.5%
9	T Rowe Price Associates (UK)	16 712 144	2.5%
10	Legal & General Group (UK)	15 546 873	2.3%
	Cumulative total	331 243 271	48.6%

The 10 largest shareholders account for 51.3% and 48.6% of the total Investec Limited and Investec plc shares, respectively - based on a threshold of 20 000 shares.

Summary year end results: salient financial features

Investec Group consolidated results	30 Sept 2018	30 Sept 2017	% change	31 Mar 2018
Income statement				
Operating profit before tax* (£'000)	359 267	314 604	14.2%	449 647
Adjusted earnings attributable to ordinary shareholders^ (£'000)	265 323	245 280	8.2%	491 062
Cost to income ratio	66.6%	66.9%		66.9%
Annualised return on average adjusted shareholders' equity (post-tax)	13.4%	12.5%		12.1%
Annualised return on average adjusted tangible shareholders' equity (post-tax)	15.2%	14.3%		13.7%
Annualised return on average risk-weighted assets	1.54%	1.50%		1.45%
Annuity income as a % of operating income	75.5%	76.4%		76.2%
Balance sheet				
Total capital resources (including subordinated liabilities) (£'million)	6 715	6 155	9.1%	6 911
Total equity (including preference shares and non-controlling interests) (£'million)	5 118	4 766	7.4%	5 428
Total assets (£'million)	56 137	51 818	8.3%	57 617
Net core loans and advances to customers (£'million)	24 190	22 797	6.1%	25 132
Cash and near cash balances (£'million)	12 467	10 683	16.7%	12 825
Customer accounts (deposits) (£'million)	30 349	27 966	8.5%	30 987
Third party assets under management (£'million)	166 512	154 338	7.9%	160 576

Key asset quality and capital ratios	30 Sept 2018	1 April 2018
Capital adequacy ratio: Investec plc^	15.4%	15.0%
Tier 1 ratio: Investec plc^	12.2%	12.4%
Common equity tier 1 ratio: Investec plc^	10.4%	10.5%
Leverage ratio: Investec plc^	7.7%	8.3%
Capital adequacy ratio: Investec Limited^	14.7%	14.5%
Tier 1 ratio: Investec Limited^	11.1%	10.8%
Common equity tier 1 ratio: Limited^	10.3%	10.0%
Leverage ratio: Investec Limited^	7.5%	7.4%
Annualised credit loss ratio (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)	0.34%	0.61%**
Stage 3 net of ECL as a % of net core loans and advances to customers subject to ECL	1.7%	2.0%

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

**As at 31 March 2018

Summary of year end results: salient financial features (currency neutral)

As the group's Pound Sterling results have been positively impacted by the appreciation of the Rand: Pounds Sterling exchange rate over the period, currency neutral financial features are reflected in the table below

Investec Group consolidated results	Actual as reported Six months to 30 Sept 2018	Actual as reported Six months to 30 Sept 2017	Actual as reported % change	Neutral currency^ Six months to 30 Sept 2018	Neutral currency % change
Operating profit before tax* (£'million)	359	315	14.2%	370	17.6%
Earnings attributable to shareholders (£'million)	280	252	10.9%	288	13.9%
Adjusted earnings attributable to shareholders** (£'million)	265	245	8.2%	272	11.1%
Adjusted earnings per share**	28.3p	26.6p	6.4%	29.1p	9.4%
Basic earnings per share	27.6p	25.8p	7.0%	28.4p	10.1%
Dividends per share	11.0p	10.5p	4.8%	n/a	

Investec Group consolidated results	Actual as reported At 30 Sept 2018	Actual as reported At 31 March 2017	Actual as reported % change	Neutral currency^ At 30 Sept 2018	Neutral currency % change
Net tangible asset value per share (pence)	372.7p	401.5p	(7.2%)	391.2p	(2.6%)
Total shareholders' equity (£'million)	5 118	5 428	(5.7%)	5 429	0.0%
Total assets (£'million)	56 137	57 617	(2.6%)	59 918	4.0%
Net core loans and advances to customers (£'million)	24 190	25 132	(3.7%)	25 740	2.4%
Cash and near cash balances (£'million)	12 467	12 825	(2.8%)	13 125	2.3%
Customer accounts (deposits) (£'million)	30 349	30 987	(2.1%)	32 317	4.3%
Third party assets under management (£'million)	166 512	160 576	3.7%	172 180	7.2%

*Before goodwill, acquired intangibles, non-operating items and after other non-controlling interests **Before goodwill, acquired intangibles, non-operating items and after non-controlling interests ^ For income statement items we have used the average Rand: Pounds Sterling exchange rate that was applied in the prior year, i.e. 17.06. For balance sheet items we have assumed that the Rand: Pounds Sterling closing exchange rate has remained neutral since 31 March 2018



Investec Limited Appendices

Investec Limited: salient financial features

Key financial statistics	30 Sept 2018	30 Sept 2017	% change	31 Mar 2018
Total operating income before expected credit losses/impairment losses (R'million)	9 755	9 073	7.5%	18 217
Operating costs (R'million)	5 037	4 841	4.0%	9 619
Operating profit before acquired intangibles (R'million)	4 340	3 859	12.5%	7 869
Headline earnings attributable to ordinary shareholders (R'million)	2 583	2 617	(1.3%)	5 490
Cost to income ratio	51.6%	53.4%		52.8%
Total capital resources (including subordinated liabilities) (R'million)	67 881	63 007	7.7%	66 292
Total shareholders equity (R'million)	53 258	48 858	9.0%	51 279
Total assets (R'million)	637 952	599 824	6.4%	617 710
Net core loans and advances (R'million)	260 636	251 549	3.6%	256 702
Customer accounts (deposits) (R'million)	331 672	309 964	7.0%	321 823
Loans and advances to customers as a % of customer accounts (deposits)	76.1%	78.6%		77.4%
Cash and near cash balances (R'million)	110 827	102 620	8.0%	116 533
Funds under management (R'million)	955 655	939 880	1.7%	896 237
Total gearing ratio (i.e. total assets excluding assurance assets to equity)	9.1x	9.4x		9.3x

Key asset quality and capital ratios	30 Sept 2018	1 April 2018
Capital adequacy ratio	14.7%	14.5%
	11.1%	10.8%
Tier 1 ratio	10.3%	10.0%
Common equity tier 1 ratio	7.5%	7.4%
Leverage ratio – current	7.1%	6.9%
Leverage ratio – ‘fully loaded’^	1.5%	1.1%
Stage 3 exposure as a % of gross core loans and advances to customers subject to ECL	0.8%	0.7%
Stage 3 exposure net of ECL as a % of net core loans and advances to customers subject to ECL	–	–
Credit loss ratio#	0.30%*	0.28%**

^Based on group's understanding of current regulations, 'fully loaded' is based on Capital Requirements Regulation requirements as fully phased in by 2022, including full adoption of IFRS 9 *Annualised **As at 31 March 2018 # Expected credit loss (ECL) impairment charges on gross core loans and advances as a % of average gross core loans and advances subject to ECL

Investec Limited: income statement

R'million	Six months to 30 Sept 2018	Six months to 30 Sept 2017	% change	31 March 2018
Interest income	16 182	16 022	1.0%	32 509
Interest expense	(12 341)	(12 492)	(1.2%)	(25 240)
Net interest income	3 841	3 530	8.8%	7 269
Fee and commission income	4 469	4 448	0.5%	9 245
Fee and commission expense	(206)	(246)	(16.3%)	(459)
Investment income	607	738	(17.8%)	1 000
Share of post taxation profit of associates	364	382	(4.7%)	777
Trading income/(loss) arising from				
– customer flow	295	150	96.7%	414
– balance sheet management and other trading activities	376	55	>100.0%	(41)
Other operating income	9	16	(43.8%)	12
Total operating income before expected credit losses/impairment losses	9 755	9 073	7.5%	18 217
Expected credit loss impairment charges*	(378)	–		–
Impairment losses on loans and advances*	–	(373)		(729)
Operating income	9 377	8 700	7.8%	17 488
Operating costs	(5 037)	(4 841)	4.0%	(9 619)
Operating profit before acquired intangibles	4 340	3 859	12.5%	7 869
Amortisation of acquired intangibles	(26)	(26)	0.0%	(51)
Operating profit	4 314	3 833	12.5%	7 818
Additional costs on acquisition of subsidiary	–	–		(100)
Profit before taxation	4 314	3 833	12.5%	7 718
Taxation on operating profit before goodwill and acquired intangibles	(711)	(443)	60.5%	(367)
Taxation on acquired intangibles	7	7	0.0%	14
Profit after taxation	3 610	3 397	6.3%	7 365

* On adoption of IFRS 9, there is a move from an incurred loss model to an expected credit loss methodology.

Investec Limited: balance sheet

R'million	30 Sept 2018	1 April 2018*	% change
Assets			
Cash and balances at central banks	9 586	9 180	4.4%
Loans and advances to banks	20 732	19 617	5.7%
Non-sovereign and non-bank cash placements	10 441	9 972	4.7%
Reverse repurchase agreements and cash collateral on securities borrowed	17 705	24 217	(26.9%)
Sovereign debt securities	58 923	62 363	(5.5%)
Bank debt securities	10 232	7 947	28.8%
Other debt securities	13 891	10 405	33.5%
Derivative financial instruments	9 515	12 541	(24.1%)
Securities arising from trading activities	21 112	12 289	71.8%
Investment portfolio	8 915	8 110	9.9%
Loans and advances to customers	252 295	246 760	2.2%
Own originated loans and advances to customers securitised	8 341	7 625	9.4%
Other loans and advances	359	265	35.5%
Other securitised assets	315	299	5.4%
Interests in associated undertakings	6 819	6 495	5.0%
Deferred taxation assets	1 067	1 331	(19.8%)
Other assets	14 227	13 292	7.0%
Property and equipment	3 107	2 973	4.5%
Investment properties	18 934	19 439	(2.6%)
Goodwill	211	211	0.0%
Intangible assets	461	412	11.9%
	487 188	475 743	2.4%
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	150 764	141 071	6.9%
	637 952	616 814	3.4%

*The 1 April 2018 balance sheet has been presented on an IFRS 9 basis

Investec Limited: balance sheet

R'million	30 Sept 2018	1 April 2018*	% change
Liabilities			
Deposits by banks	29 700	27 793	6.9%
Derivative financial instruments	14 531	15 907	(8.7%)
Other trading liabilities	16 992	14 238	19.3%
Repurchase agreements and cash collateral on securities lent	6 500	8 395	(22.6%)
Customer accounts (deposits)	331 672	321 791	3.1%
Debt securities in issue	7 710	6 885	12.0%
Liabilities arising on securitisation of own originated loans and advances	2 216	2 274	(2.6%)
Current taxation liabilities	339	551	(38.5%)
Deferred taxation liabilities	189	171	10.5%
Other liabilities	9 458	12 340	(23.4%)
	419 307	410 345	2.2%
Liabilities to customers under investment contracts	150 699	141 013	6.9%
Insurance liabilities, including unit-linked liabilities	65	58	12.1%
	570 071	551 416	3.4%
Subordinated liabilities	14 623	15 013	(2.6%)
	584 694	566 429	3.2%
Equity			
Ordinary share capital	1	1	0.0%
Share premium	13 576	12 820	5.9%
Treasury shares	(1 882)	(1 552)	21.3%
Other reserves	1 861	1 185	57.0%
Retained income	27 400	25 994	5.4%
Shareholders' equity excluding non-controlling interests	40 956	38 448	6.5%
Other Additional Tier 1 securities in issue	900	900	0.0%
Non-controlling interests	11 402	11 037	3.3%
– Perpetual preferred securities issued by subsidiaries	1 534	1 534	0.0%
– Non-controlling interests in partially held subsidiaries	9 868	9 503	3.8%
Total equity	53 258	50 385	5.7%
Total liabilities and equity	637 952	616 814	3.4%

*The 1 April 2018 balance sheet has been presented on an IFRS 9 basis

Investec Limited: asset quality

R'million	30 Sept 2018	1 April 2018
Gross core loans and advances to customers	260 091	254 359
Stage 1	248 752	242 048
Stage 2	7 518	9 450
<i>of which past due greater than 30 days</i>	206	313
Stage 3	3 821	2 861
Gross exposure (%)		
Stage 1	95.6%	95.2%
Stage 2	2.9%	3.7%
Stage 3	1.5%	1.1%
Stage 3 net of ECL	2 172	1 745
Aggregate collateral and other credit enhancements on stage 3	3 346	3 552
Stage 3 net of ECL and collateral	–	–
Stage 3 as a % gross core loans and advances to customers subject to ECL	1.5%	1.1%
Stage 3 ECL impairments as a % of Stage 3 exposure	67.3%	69.1%
Stage 3 net of ECL as a % of net core loans and advances to customers subject to ECL	0.8%	0.7%

Investec Limited: capital adequacy

R'million	30 Sept 2018	1 April 2018
Tier 1 capital		
Shareholders' equity per balance sheet	40 956	38 448
Perpetual preference share capital and share premium	(3 183)	(3 183)
Regulatory adjustments to the accounting basis	1 379	1 358
Deductions	(3 311)	(2 773)
Common equity tier 1 capital	35 841	33 850
Additional tier 1 capital before deductions		
Additional tier 1 instruments	5 617	5 617
Phase out of non-qualifying additional tier 1 instruments	(2 830)	(2 830)
Tier 1 capital	38 632	36 635
Tier 2 capital		
Collective impairment allowances	730	716
Tier 2 instruments	14 623	15 013
Phase out of non-qualifying tier 2 instruments	(2 835)	(3 300)
Total tier 2 capital	12 518	12 429
Total regulatory capital	51 150	49 064
Risk-weighted assets	349 130	337 892
Capital ratios		
Common equity tier 1 ratio	10.3%	10.0%
Tier 1 ratio	11.1%	10.8%
Total capital ratio	14.7%	14.5%
Leverage ratio	7.1%	6.9%

Legal disclaimer

IMPORTANT NOTICE

THE INFORMATION, STATEMENTS AND OPINIONS CONTAINED IN THIS DOCUMENT DO NOT CONSTITUTE A PUBLIC OFFER UNDER ANY APPLICABLE LEGISLATION OR AN OFFER TO SELL OR SOLICITATION OF ANY OFFER TO BUY ANY SECURITIES OR FINANCIAL INSTRUMENTS OR ANY ADVICE OR RECOMMENDATION WITH RESPECT TO SUCH SECURITIES OR OTHER FINANCIAL INSTRUMENTS.

FORWARD-LOOKING STATEMENTS

THIS DOCUMENT CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 21e OF THE US SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27a OF THE US SECURITIES ACT OF 1933, AS AMENDED, WITH RESPECT TO CERTAIN OF THE GROUP'S PLANS AND ITS CURRENT GOALS AND EXPECTATIONS RELATING TO ITS FUTURE FINANCIAL CONDITION AND PERFORMANCE. INVESTEC CAUTIONS READERS THAT NO FORWARD-LOOKING STATEMENT IS A GUARANTEE OF FUTURE PERFORMANCE AND THAT ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS CAN BE IDENTIFIED BY THE FACT THAT THEY DO NOT RELATE ONLY TO HISTORICAL OR CURRENT FACTS. FORWARD-LOOKING STATEMENTS SOMETIMES USE WORDS SUCH AS "may", "will", "seek", "continue", "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe" OR OTHER WORDS OF SIMILAR MEANING. EXAMPLES OF FORWARD-LOOKING STATEMENTS INCLUDE, AMONG OTHERS, STATEMENTS REGARDING THE GROUP'S FUTURE FINANCIAL POSITION, INCOME GROWTH, ASSETS, IMPAIRMENT CHARGES, BUSINESS STRATEGY, CAPITAL RATIOS, LEVERAGE, PAYMENT OF DIVIDENDS, PROJECTED LEVELS OF GROWTH IN THE BANKING AND FINANCIAL MARKETS, PROJECTED COSTS, ESTIMATES OF CAPITAL EXPENDITURES AND PLANS AND OBJECTIVES FOR FUTURE OPERATIONS AND OTHER STATEMENTS THAT ARE NOT HISTORICAL FACT. BY THEIR NATURE, FORWARD-LOOKING STATEMENTS INVOLVE RISK AND UNCERTAINTY BECAUSE THEY RELATE TO FUTURE EVENTS AND CIRCUMSTANCES, INCLUDING, BUT NOT LIMITED TO, UK DOMESTIC, EUROZONE AND GLOBAL ECONOMIC AND BUSINESS CONDITIONS, THE EFFECTS OF CONTINUED VOLATILITY IN CREDIT MARKETS, MARKET RELATED RISKS SUCH AS CHANGES IN INTEREST RATES AND EXCHANGE RATES, EFFECTS OF CHANGES IN VALUATION OF CREDIT MARKET EXPOSURES, CHANGES IN VALUATION OF ISSUED NOTES, THE POLICIES AND ACTIONS OF GOVERNMENTAL AND REGULATORY AUTHORITIES (INCLUDING REQUIREMENTS REGARDING CAPITAL AND GROUP STRUCTURES AND THE POTENTIAL FOR ONE OR MORE COUNTRIES EXITING THE EURO), CHANGES IN LEGISLATION, THE FURTHER DEVELOPMENT OF STANDARDS AND INTERPRETATIONS UNDER IFRS APPLICABLE TO PAST, CURRENT AND FUTURE PERIODS, EVOLVING PRACTICES WITH REGARD TO THE INTERPRETATION AND APPLICATION OF STANDARDS UNDER IFRS, THE OUTCOME OF CURRENT AND FUTURE LITIGATION, THE SUCCESS OF FUTURE ACQUISITIONS AND OTHER STRATEGIC TRANSACTIONS AND THE IMPACT OF COMPETITION – A NUMBER OF SUCH FACTORS BEING BEYOND THE GROUP'S CONTROL. AS A RESULT, THE GROUP'S ACTUAL FUTURE RESULTS MAY DIFFER MATERIALLY FROM THE PLANS, GOALS, AND EXPECTATIONS SET FORTH IN THE GROUP'S FORWARD-LOOKING STATEMENTS.