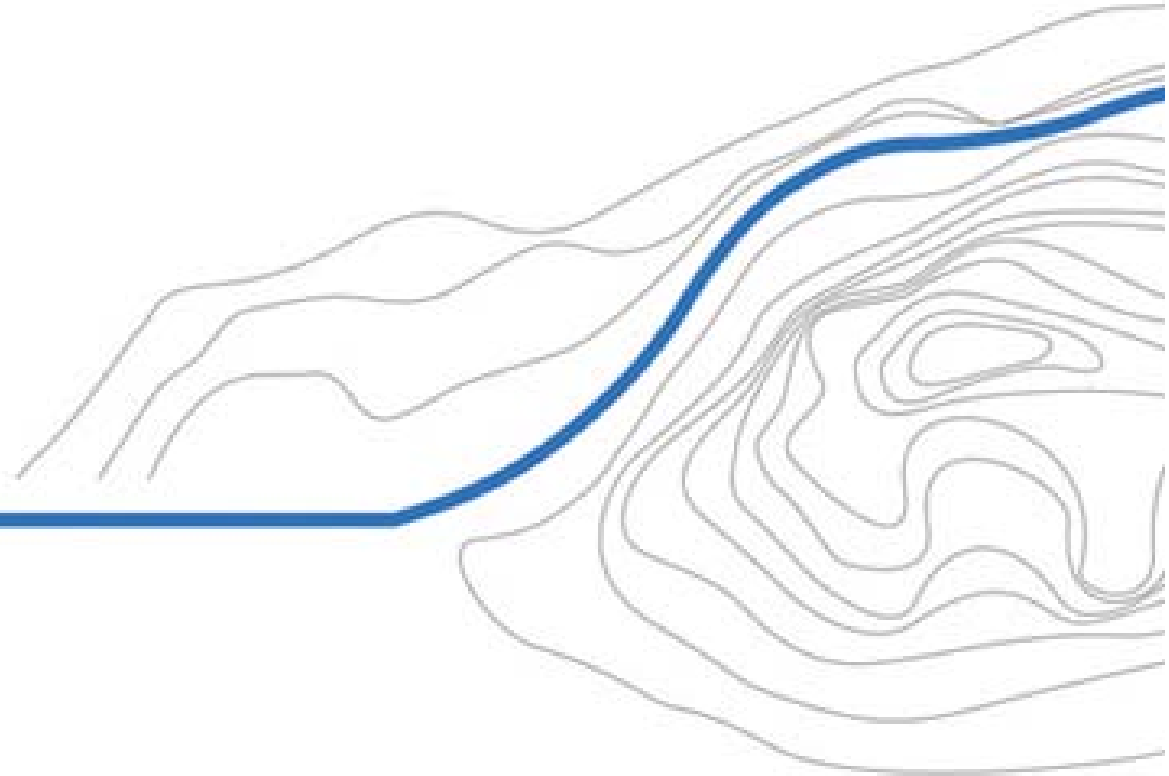


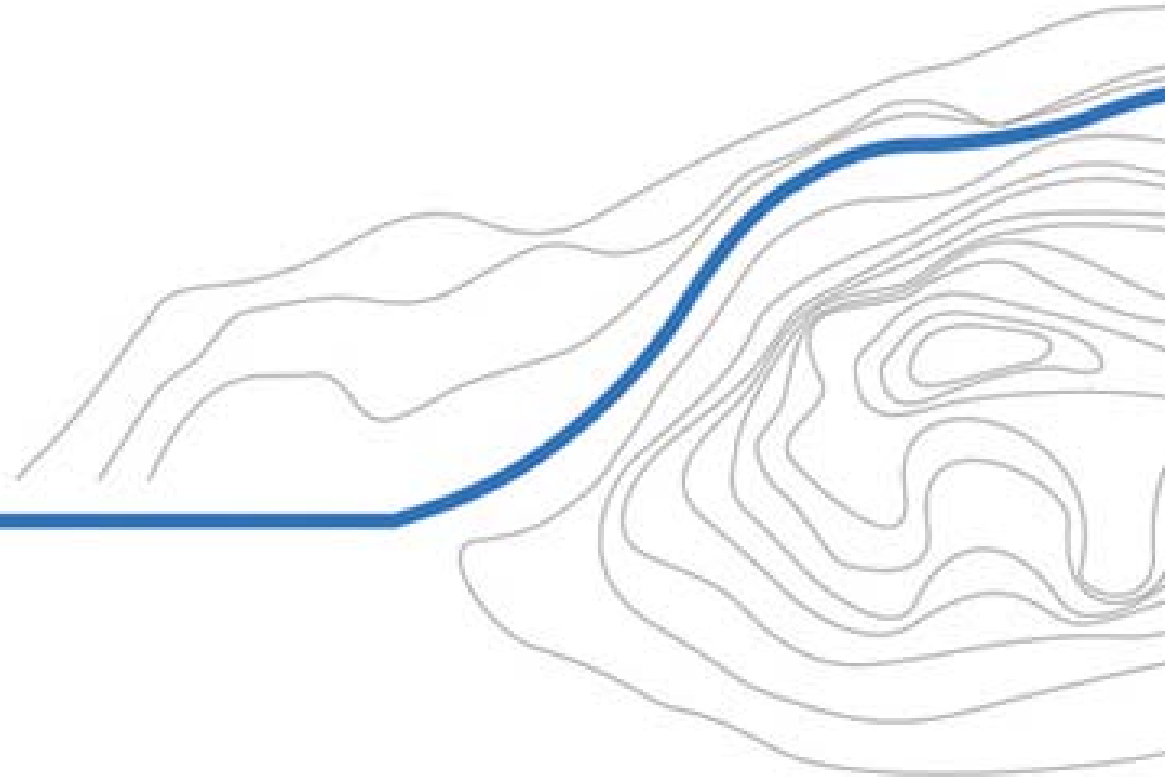
Investec plc – Debt Investor Presentation

July 2017



Contents

1. An overview of Investec plc
2. Investec plc's investment proposition and operating fundamentals
3. Funding profile
4. Appendix



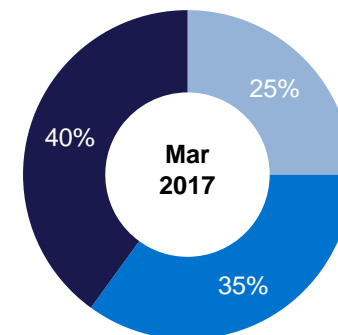
An overview of Investec plc

Investec plc: overview

Investec plc key facts

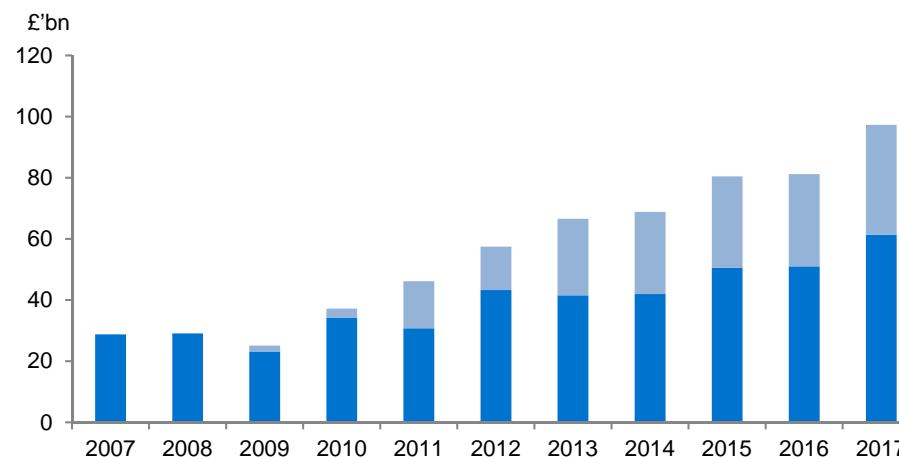
- Investec plc operates as a specialist bank and asset manager, principally in the UK
- We have a number of other distribution and origination channels which support our underlying core businesses for example in Australia, Channel Islands, Hong Kong, India, Ireland, Singapore, Switzerland, Taiwan and the USA
- **Total assets of £18.8bn; total shareholders' equity of £2.0bn; total third party funds under management (FUM) of £97.3bn**
- **Total loans £8.6bn; total deposits £11.0bn**
- **Leading private client wealth manager in the UK (top 3 by FUM): FUM £35.6bn**
- **Global specialist asset manager: £61.4bn in assets under management in UK and Other business (£95.3bn globally)**
- **Approximately 3,900 employees**
- **Regulated** by the Prudential Regulation Authority and the Financial Conduct Authority
- Follows the same **strategic approach** as the greater Investec group

% contribution to operating profit*



■ Asset Management ■ Wealth & Investment ■ Specialist Banking

Funds under management



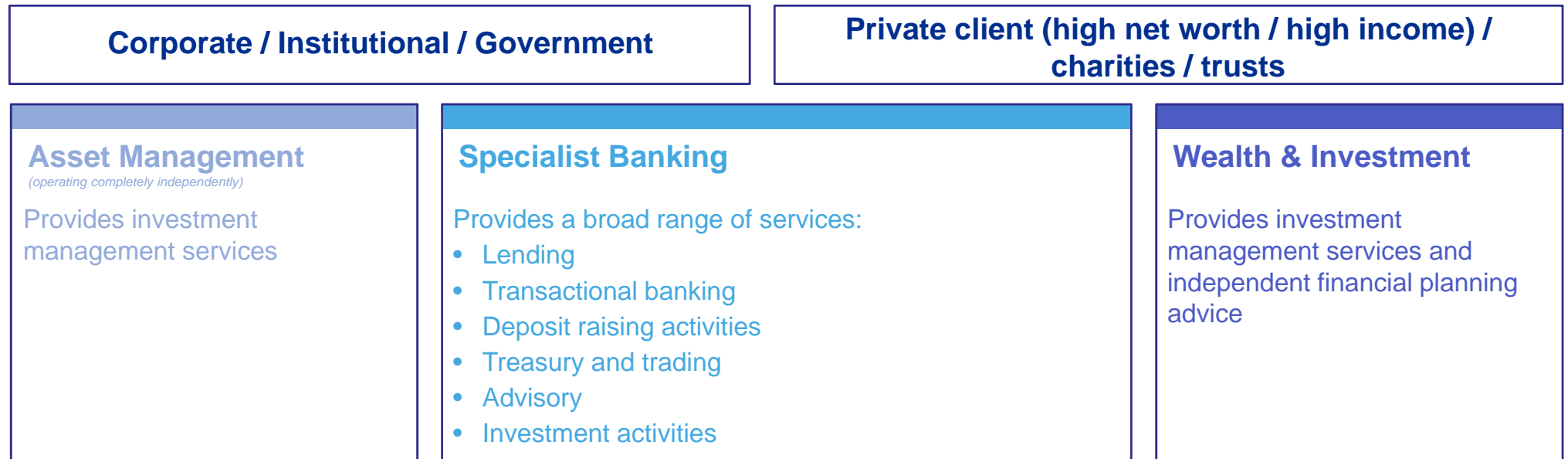
■ Asset Management ■ Wealth & Investment

Figures as at 31 March 2017.

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

Investec plc: balanced business model supporting our long-term strategy

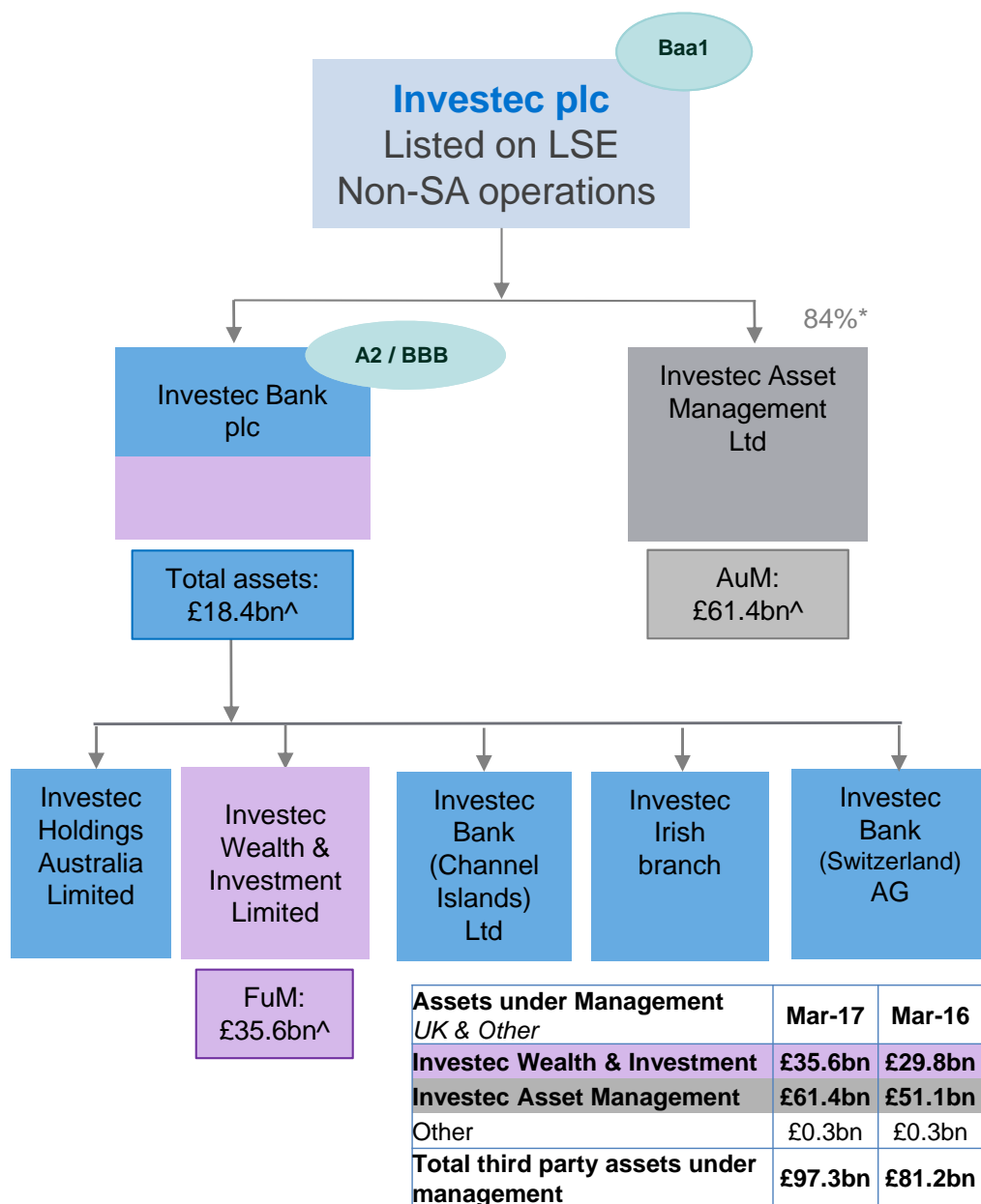
Three distinct business activities focused on well defined target clients



Philosophy

- Broadly defined we operate in two distinct spaces, specialist banking and asset management.
- We live in a world where the market requires a high degree of transparency and the appropriate management of conflicts of interest.
- Within **Specialist Banking**, we offer a broad range of services from lending, transactional banking, treasury and trading, advisory and investment activities. These services are aimed primarily at corporates, institutional and high net worth clients in our selected geographies.
- We have created a global **Wealth & Investment** unit which provides investment management services and independent financial planning advice to private clients, charities and trusts.
- Operating completely independently from these structures is **Investec Asset Management**. Its sole focus is the provision of investment management services to its predominantly global institutional client base.

Investec plc: simplified structure and main operating subsidiaries



Features of Investec's plc structure

- Investec plc is authorised by the PRA and is regulated by the FCA and the PRA on a consolidated basis.
- Two main operating subsidiaries: Investec Bank plc (which houses the Specialist Banking and Wealth & Investment activities) and Investec Asset Management
- The Investec group implemented a Dual Listed Companies Structure in July 2002
- Investec plc is the **holding company** of the majority of the Investec group's non-Southern African operations
- Investec plc is a FTSE 250 company – current market cap of approximately £3.9bn

Features of the Investec Group's DLC structure

- Investec operates as if it is a single unified economic enterprise with the same Boards of Directors and management at the holding companies (Investec plc and Investec Limited)
- Creditors are however ring-fenced** to either Investec Limited or Investec plc as there are no cross guarantees between the companies
- Capital and liquidity are prohibited from flowing between the two entities under the DLC structure conditions**
- 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)

All shareholdings are 100% unless otherwise stated. Only main operating subsidiaries are indicated.

*16% is held by senior management in the company.

^FuM relating to Wealth & Investment, Assets under management (AUM) relating to Asset Management and Total assets relating to IBP all as at 31 Mar 2017.

Investec plc: we have realigned the business model

- We have significantly realigned our business model over the past few years and focused on growing our capital light businesses
- **Our total capital light activities account for 63% of Investec plc's income**

CAPITAL LIGHT ACTIVITIES

Third party asset management, advisory and transactional income

- Asset management
- Wealth management
- Advisory services
- Transactional banking services
- Funds

CAPITAL LIGHT BUSINESSES

£817mn
63% of total revenue

Net fees and commissions of
£804mn
 62% of total revenue

Other of
£13mn
 1% of total revenue

CAPITAL INTENSIVE ACTIVITIES

Net interest, investment, associate and customer flow trading income

- Lending portfolios
- Investment portfolios
- Trading income largely from client flows as well as balance sheet management and other

CAPITAL INTENSIVE BUSINESSES

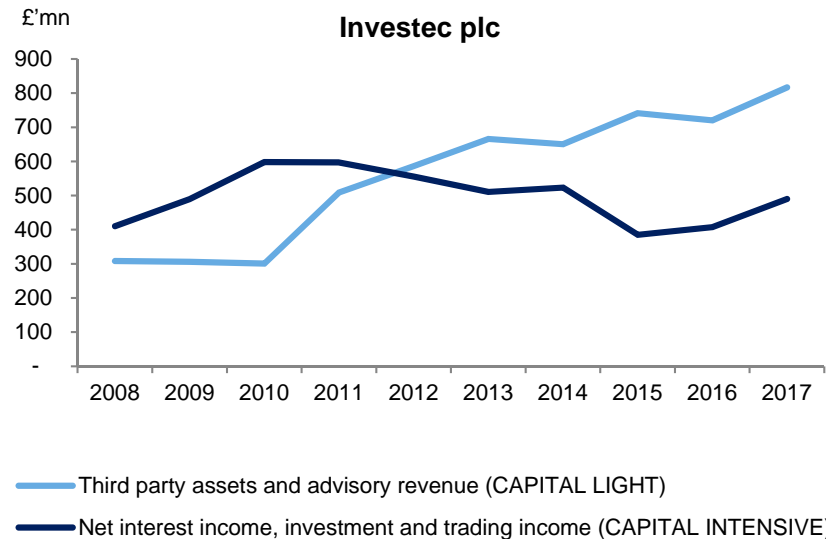
£490mn
37% of total revenue

Net interest income of
£289mn
 22% of total revenue

Investment and associate income of
£63mn
 5% of total revenue

Customer flow and other trading income of
£138mn
 10% of total revenue

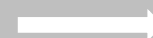
£1.3bn of revenue at 31 March 2017



Fee and commission income



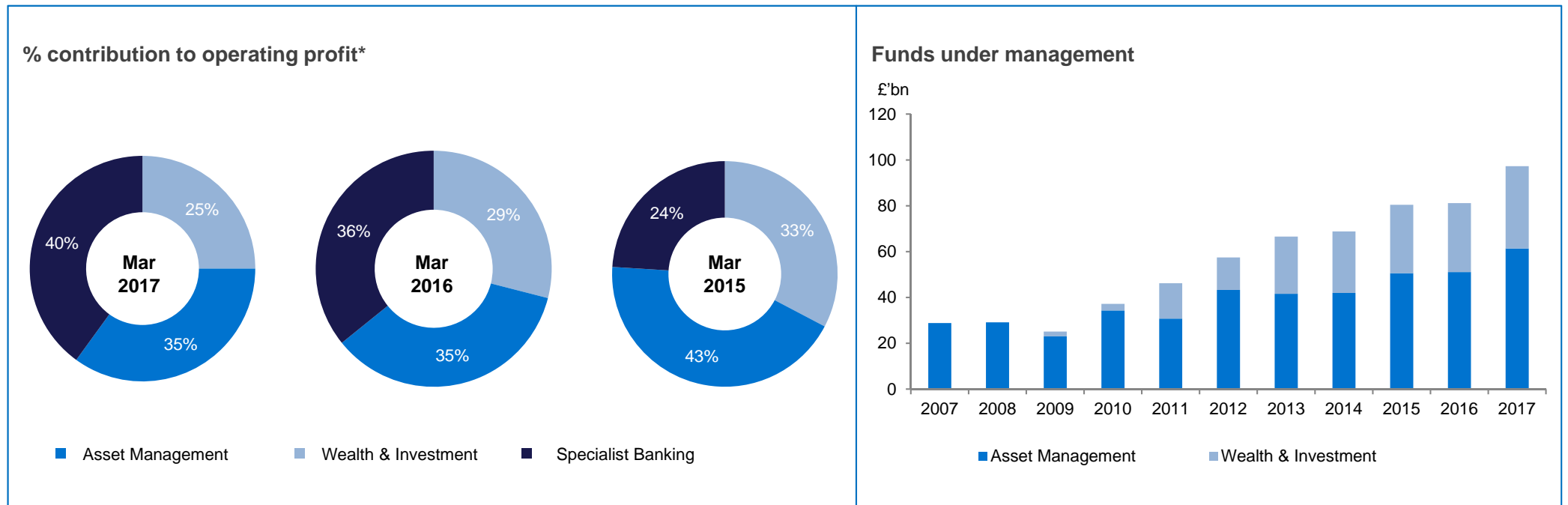
Types of income



Net interest, investment, associate and customer flow trading income

Investec plc: we have realigned the business model

- We have significantly increased our third party assets under management - a key capital light annuity income driver - from the Asset Management and Wealth & Investment businesses
- **Strong cash flows from the wealth and asset management businesses support obligations at Investec plc holding company**



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

Investec plc: key strategic developments over the past year

We have continued to grow our core Specialist Banking business:

- Notwithstanding macro uncertainty and volatility, the Specialist Bank recorded robust levels of activity.
- The corporate business saw a strong performance from our advisory, client flow trading and lending businesses.
- The private banking business continued to invest in people and infrastructure to position itself for future growth and long-term success. The change in our target market to focus on high net worth and high income earners, rather than more generally on professionals, has continued to prove successful; enabling us to focus more clearly.
- Our Private Capital business (akin to 'investment banking for individuals') was established during the year and has since completed a few deals. We see this as a complementary addition to the services we offer our selected client base.
- Overall property exposure as a percentage of book and our legacy exposures reduced in line with our plans.

The Wealth & Investment business continued to perform well, benefitting from higher funds under management:

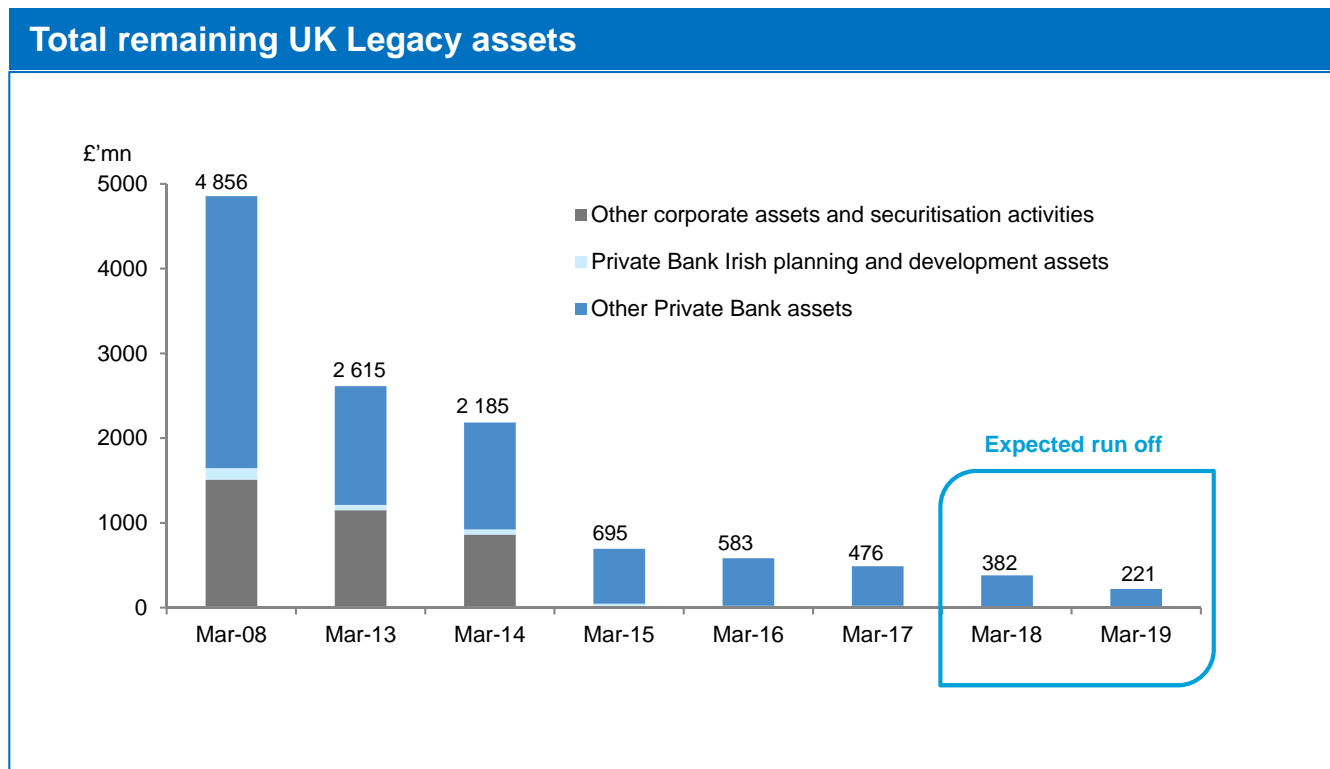
- Third party FUM increased to £35.6bn at 31 March 2017 (31 March 2016: £29.8bn). Net UK inflows of funds under management over the year to 31 March 2017 totalled £1.3bn, in line with management's 5% target for net organic growth per annum.
- Good progress was made with the development of Click & Invest (online discretionary investment management service) which was recently launched in June 2017.
- Planning for the upcoming implementation of MiFID II and new data protection requirements in the UK has been an area of focus.
- We continued to focus on optimising our international offerings in Ireland, Switzerland and Hong Hong.
- We continued to pursue opportunities to recruit experienced investment managers who are attracted by the strength of our offering.

The Asset Management business continued to focus on clients, people and long-term growth:

- The business benefitted from higher FUM supported by favourable market and currency movements. UK FUM increased to £61.4bn at 31 March 2017 (31 March 2016: £51.1bn).
- We broadened our offering over the year following substantial investments into our credit and multi-asset teams.
- We have continued to grow and strengthen our private market capabilities.
- We are working on growing our presence in the Advisor channel.
- We continued to focus on investment performance, client service and our organisational culture.

Investec plc: we have reduced the legacy portfolio...

- Since 31 March 2016 the group's legacy portfolio in the UK has continued to be actively managed down from £583 million at 31 March 2016 to £476 million at 31 March 2017 (equating to 5.5% of net core loans and advances) largely through asset sales, redemptions and write-offs.
- The legacy business over the year reported a loss before taxation of £64.6 million (2016: £78.3 million).
- The remaining legacy portfolio will continue to be managed down. Given the uncertainty in the UK following the EU referendum, the legacy book could take longer to wind down than management's original expectation of two to four years.
- Total net defaults in the legacy book amount to £125 million (31 March 2016: £143 million).



Investec plc: strategic objectives

Robust liquidity management philosophy

- Appropriately manage our levels of surplus liquidity and cost of funding
- Maintain a high level of readily available, high quality liquid assets - targeting a minimum cash to customer deposit ratio of 25%
- Maintain diversified sources of funding

Maintain healthy capital ratios

- Always held capital in excess of regulatory requirements
- Targets:
 - Common equity tier 1 target: >10% (already achieve)
 - Total capital adequacy target: 14% – 17% (already achieve)
 - Leverage ratio: > 6% (already achieve)
- Capital strength maintained without recourse to shareholders, new investors or government assistance

Perpetuate the quality of the balance sheet

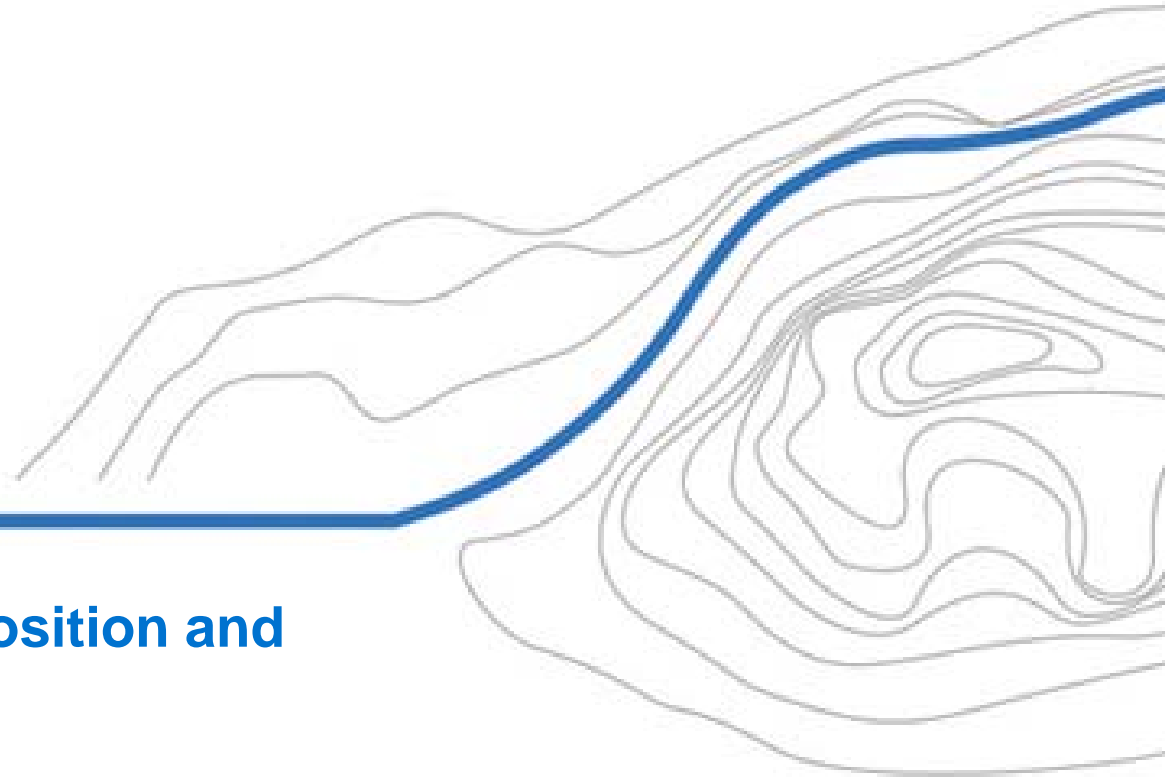
- We will continue with our existing strategy of building and developing our client franchises with primary focus on direct relationships with entrepreneurs, corporates and high net worth clients
- Generate high quality income through diversified revenue streams and businesses
- Continue to leverage our private client platform (across banking and wealth management)
- Continue to grow FUM
- Moderate loan growth with an emphasis on diversified portfolios
- Increase transactional activity

Focus on revenue drivers

Maintain operational efficiency

- Cost to income ratio: 77.0%* (blend of banking and asset management and wealth businesses)
- We are focusing on managing costs, although we are investing in infrastructure and resources to grow the franchise, notably the build out of the private client banking offering
- Our solid corporate franchise should continue to support sound growth in revenue

*At 31 Mar 2017.



Investec plc's investment proposition and operating fundamentals

Investec plc: business model and key operating activities

- Investec plc comprises three distinct business activities: **Specialist Banking, Wealth & Investment and Investec Asset Management**

Specialist Banking

Value Proposition

- High-quality specialist banking solutions to corporate and private clients with leading positions in selected areas
- Provide high touch personalised service – supported by high tech and 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

- UK and Europe
- Australia
- Hong Kong
- India
- USA

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 the UK, Switzerland, Republic of Ireland and Guernsey
- The business currently has four distinct channels: direct, intermediaries, charities and international, and has recently launched its fifth online distribution channel, Click & Invest
- Strategy to internationalise within jurisdictions where the Investec group already has an established business
- Focus is on organic growth in our key markets and enhancing our range of services for the benefit of our clients.

Where we operate

- UK
- Channel Islands (Guernsey)
- Ireland
- Hong Kong
- Switzerland

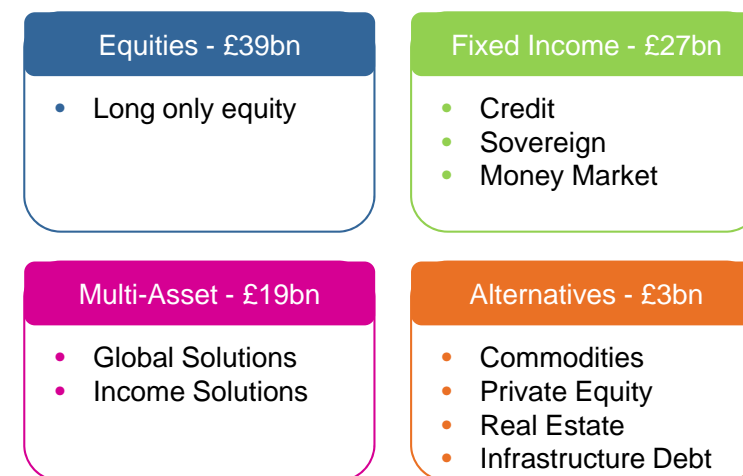
Investec plc: business model and key operating activities

Investec Asset Management

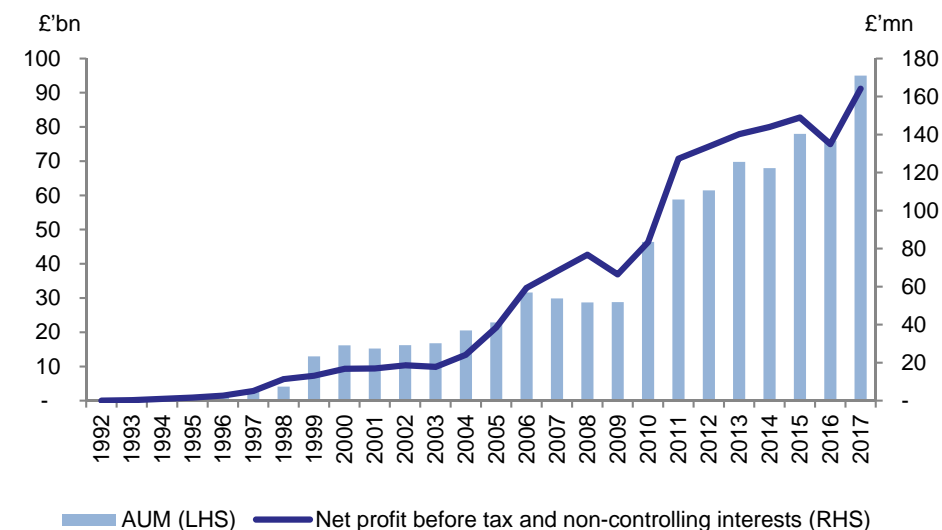
Global Specialist Asset Manager

- Founded in 1991 by current leadership
- Origins are African – presence and perspective are global
- Investment and operational hubs in London and Cape Town, with smaller investment and operational activities in Botswana, Hong Kong, Luxembourg, Namibia, USA, and Singapore
- Five Client Group teams: Africa, UK, Europe, Americas and Asia Pacific
- Over 950 employees globally*
- **Approximately £61bn in assets under management (£95bn globally)**
- Global net outflows of £0.6bn during FY2017 (outflows largely driven by the Asia Pacific and Americas regions, as a result of client restructurings and rebalancing, rather than performance complaints)
- Key revenue driver is fees earned on funds under management
- **Low risk, capital light and highly cash generative business**
- Global net inflows of c£4.3bn per annum on average for the last 6 years
- **Strong cash flows support dividend obligations at Investec plc holding company**
- Generated global operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests of £144.5mn in FY2017 (FY2016: £118.3mn)

Capabilities and organisational structure^



Twenty six year history of successful growth



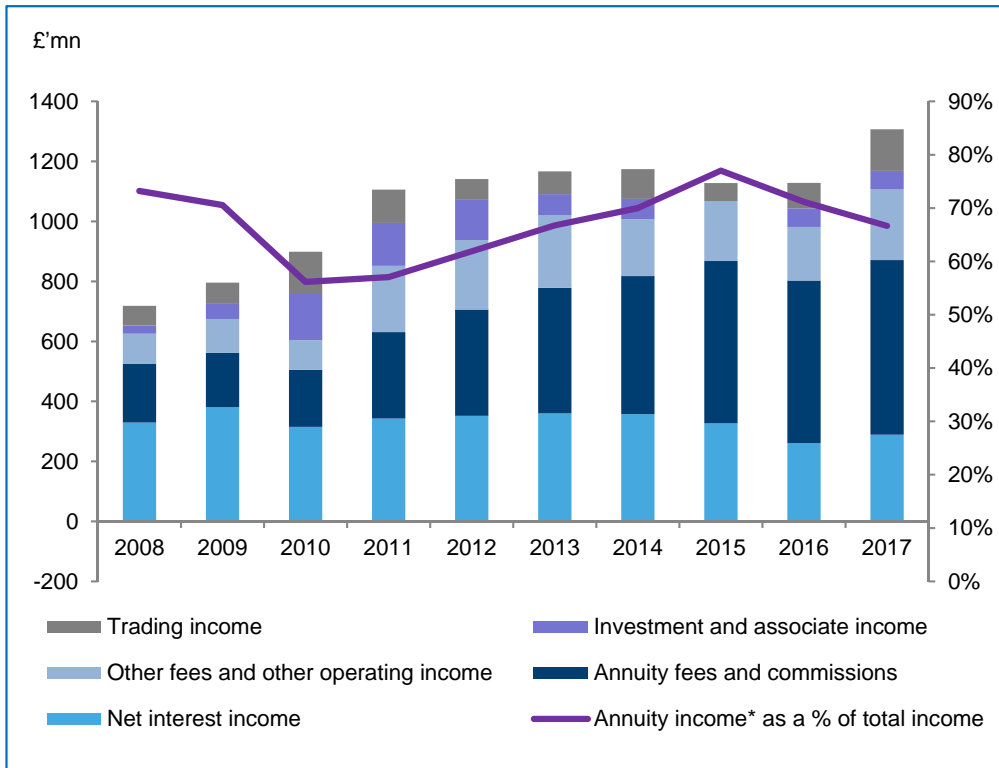
Note: the figures in this slide relate to the global asset management business.

*Permanent employees, excluding Silica, our third party administration business.

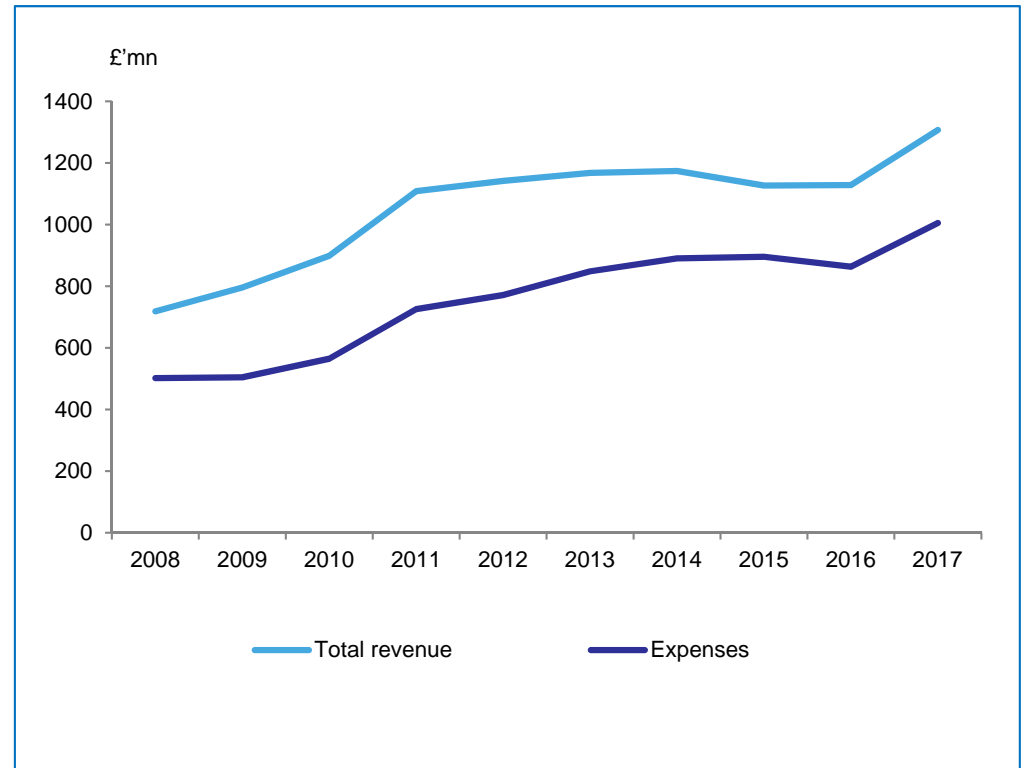
^A further c.£7bn includes outsourced and administration assets (third party funds on advisory platform)

Investec plc: profitability supported by diversified revenue streams

Recurring income



Revenue versus expenses



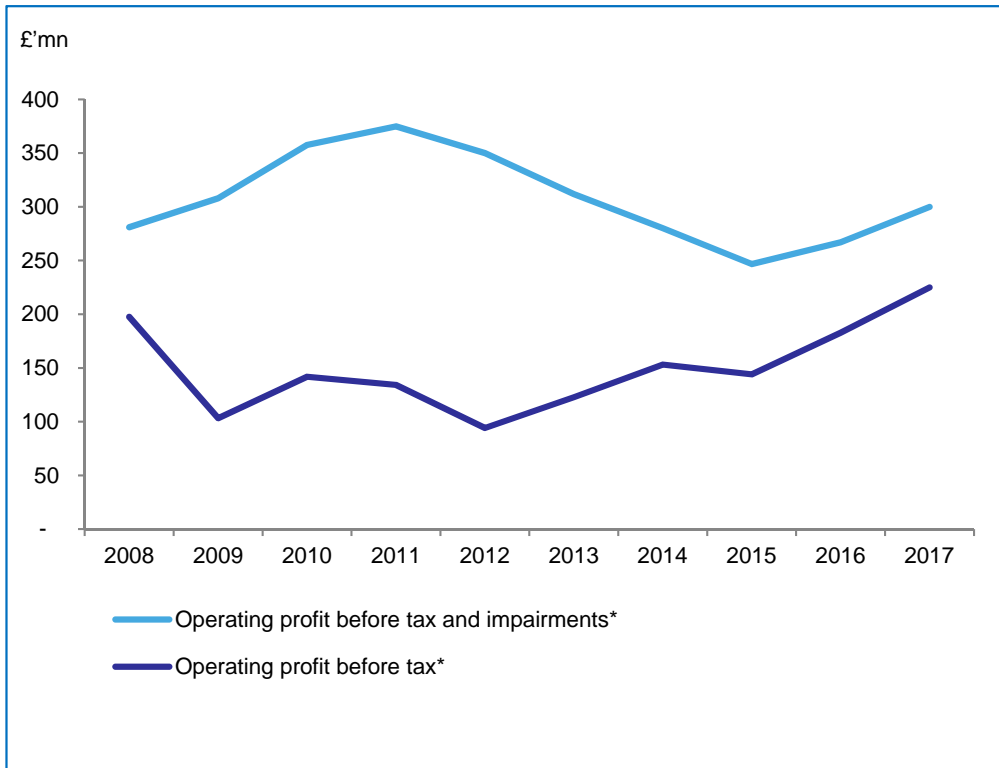
- High level of recurring income (amounting to 67% of total operating income) comprising net interest income and recurring fees which has been enhanced by the growth in our wealth and asset management businesses
- **Total capital light activities account for 63% of Investec plc's income**

- We are maintaining a disciplined approach to cost control. We are however pursuing planned growth initiatives and **will continue to prioritise expenditure that enhances our client service and upgrades our infrastructure**, notably in building out our private client banking offering.

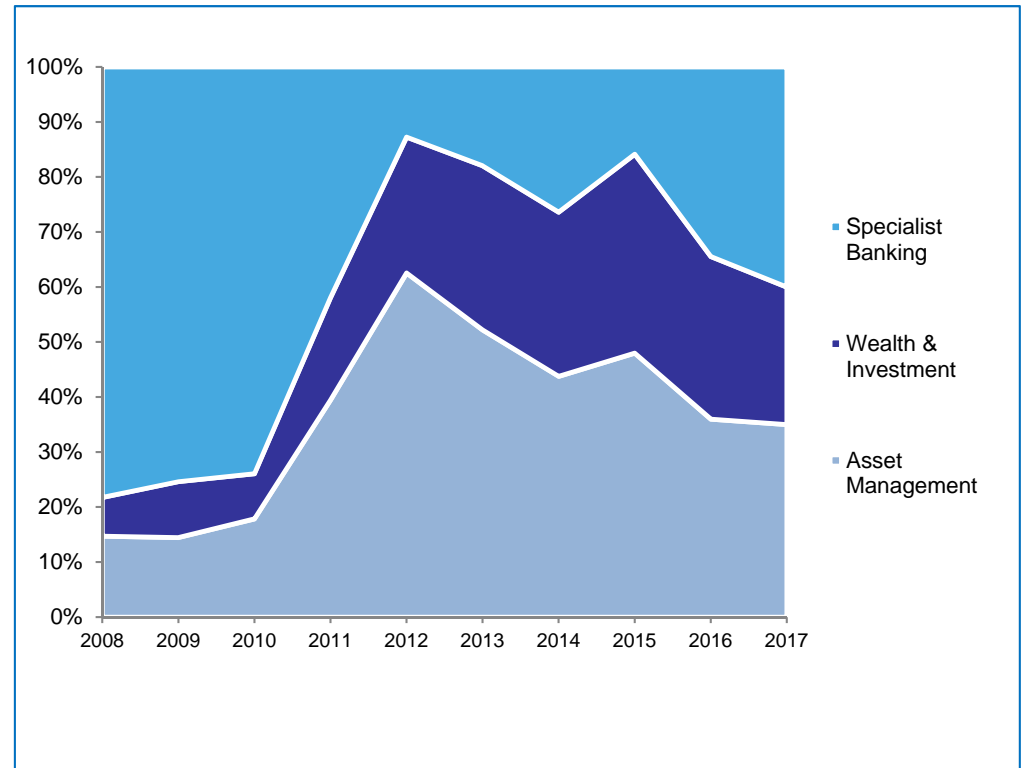
*Where annuity income is net interest income and annuity fees.

Investec plc: profitability supported by diversified revenue streams

Operating profit before tax*



Business mix percentage contribution to operating profit*



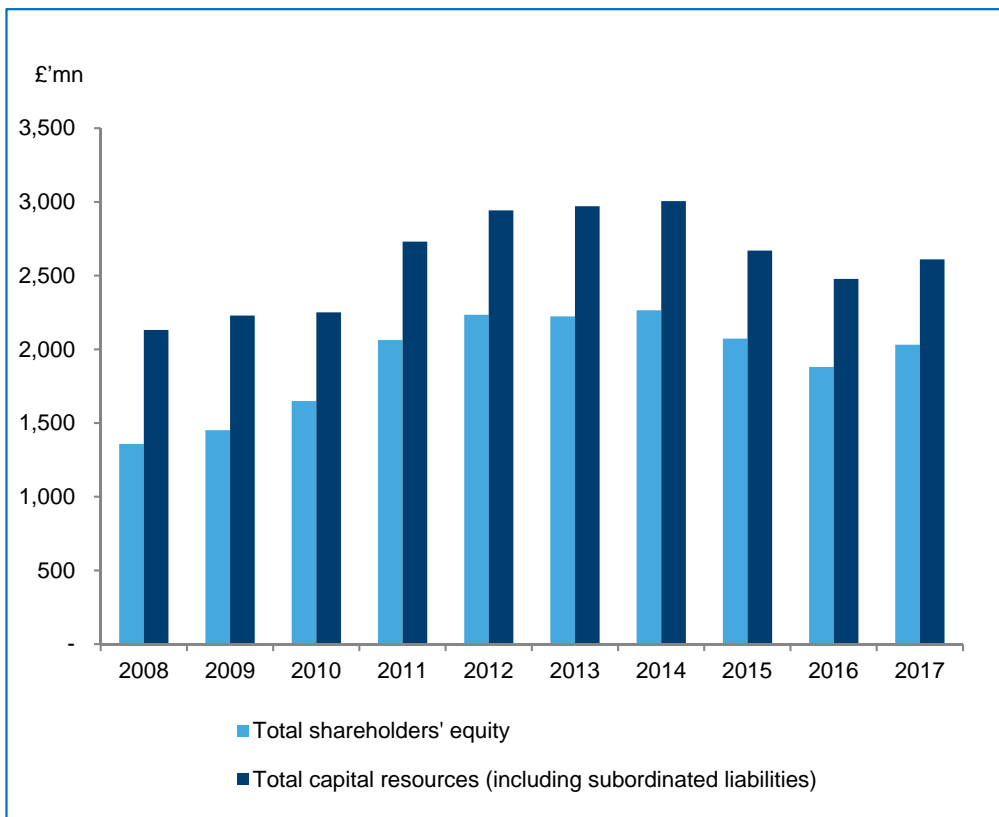
- **We have grown our operating profit.**
- Since 2008 our results were however impacted by an increase in impairments which are reducing as the legacy portfolio continues to be managed down. Notwithstanding this, we have remained profitable throughout the crisis.

- **Growing contribution from Investec Asset Management and Wealth & Investment to operating profit**

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

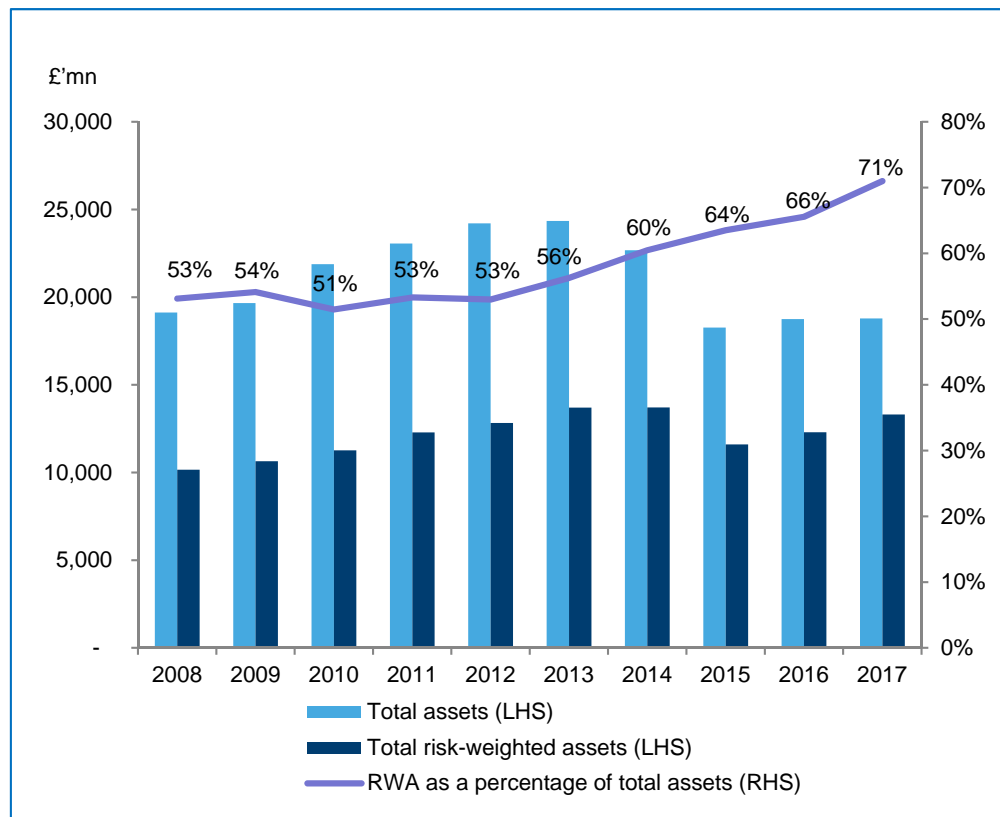
Investec plc: sound capital base and capital ratios

Total capital



- We have continued to grow our capital base throughout the crisis without recourse to government or shareholders
- Our total shareholders' equity has grown by c50% since 2008 to £2.0bn at 31 March 2017

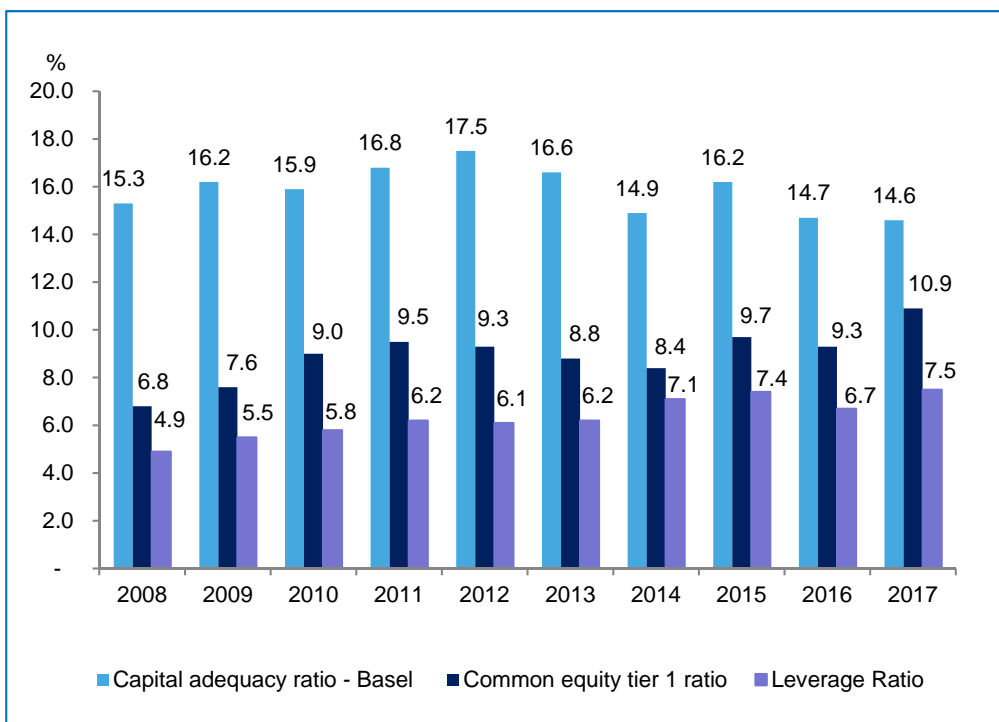
Total risk-weighted assets



- As we are on the Standardised Approach in terms of Basel III our RWA represent a large portion of our total assets
- As a result we inherently hold more capital than our peers who are on the Advanced Approach

Investec plc: sound capital base and capital ratios

Basel capital ratios*



Capital development

A summary of ratios*

| | 31 Mar 2017 | 31 Mar 2016 | Target |
|---|-------------|-------------|------------|
| Common equity tier 1 (as reported) | 10.9% | 9.3% | >10% |
| Common equity tier 1 ('fully loaded')^^ | 10.9% | 9.3% | |
| Tier 1 (as reported) | 11.1% | 10.3% | |
| Total capital adequacy ratio (as reported) | 14.6% | 14.7% | 14% to 17% |
| Leverage ratio*** – current | 7.5% | 6.7% | >6% |
| Leverage ratio*** – 'fully loaded'^^ | 7.4% | 6.1% | |
| Leverage ratio*** – current UK Leverage ratio framework # | 8.7% | n/a | |

- Investec has always held capital in excess of regulatory requirements and the group intends to perpetuate this philosophy and ensure that it remains well capitalised
- The bank has never required shareholder or government support

*Since 2014 capital information is based on Basel III capital requirements as applicable in the UK. Comparative information is disclosed on a Basel II basis. Since 2014 ratios incorporate the deduction of foreseeable dividends as required in terms of the regulations. Excluding this adjustment Investec plc's CET1 ratio at 31 Mar 2017 would be 45bps (31 March 2016: 40bps) higher. The leverage ratio prior to 2014 has been estimated.

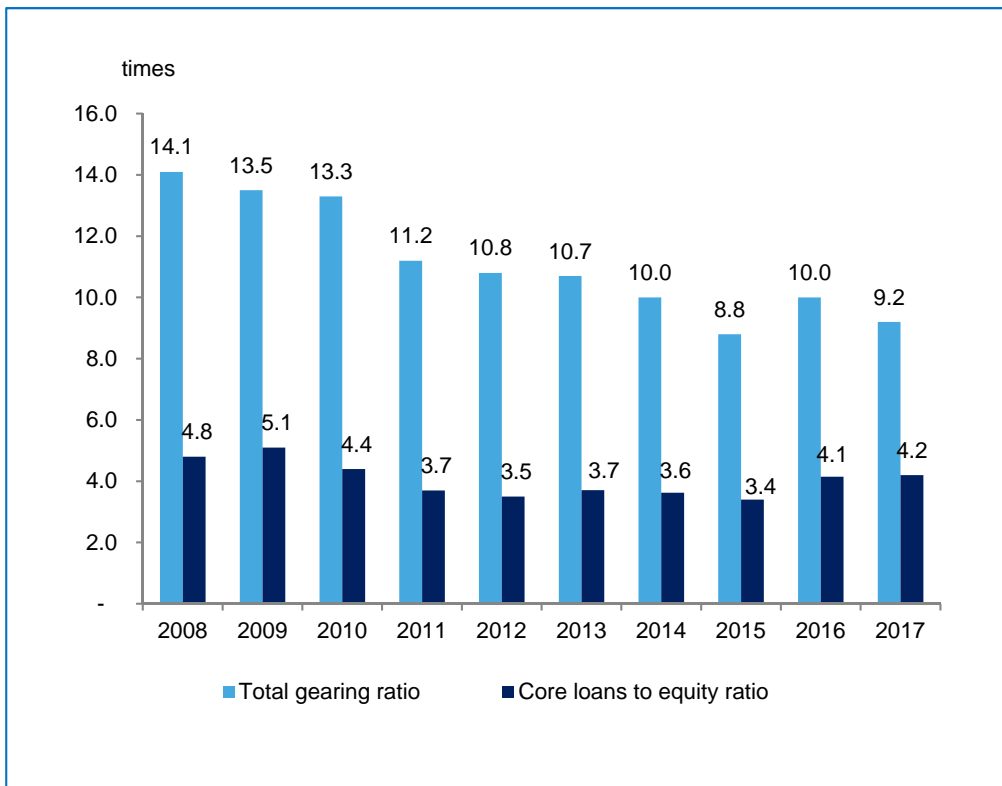
^^Based on the group's understanding of current and draft regulations "fully loaded" is based on Basel III capital requirements as fully phased in by 2022.

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

Investec plc is not subject to the UK leverage ratio framework, however, due to recent changes to the UK leverage ratio framework to exclude from the calculation of the total exposure measure those assets constituting claims on central banks where they are matched by deposits accepted by the firm that are denominated in the same currency and of identical or longer maturity, this has been included for comparative purposes.

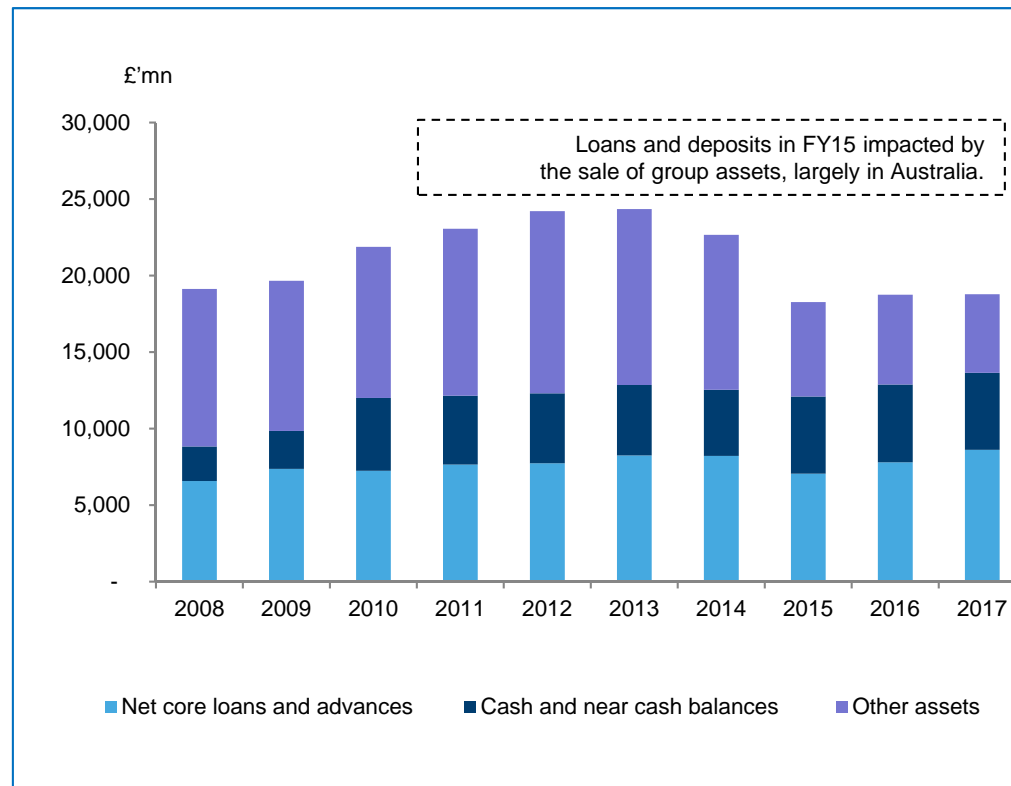
Investec plc: gearing ratios amongst lowest vs. peers

Gearing remains low



- We have maintained low gearing ratios with total gearing at 9.2x and an average of 11.2x since 2008

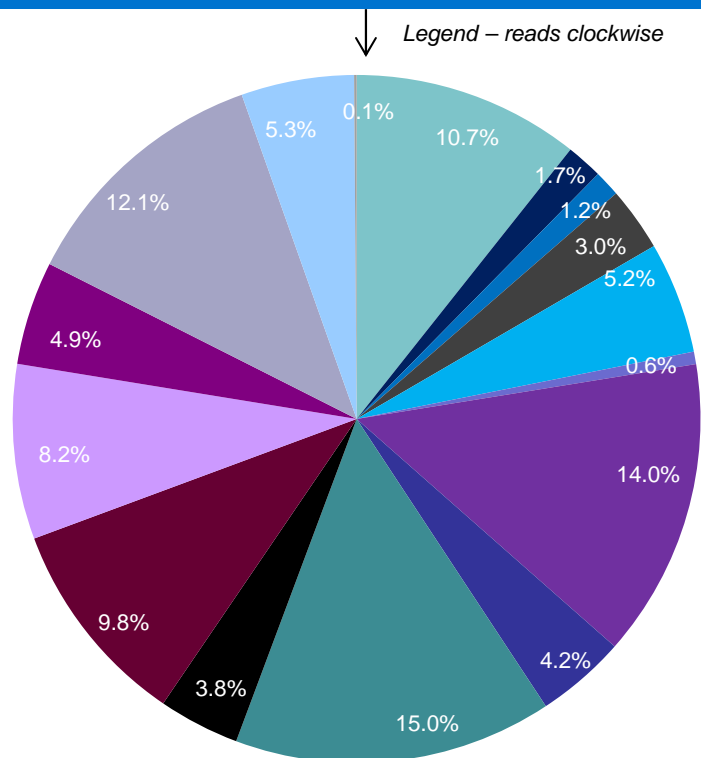
Total assets composition



- Our core loans and advances have grown moderately over the past few years with the biggest increase in assets representing an increase in our cash and near cash balances which have grown by approximately 9% each year since 2008

Investec plc: analysis of our core loan portfolio and counterparty exposures

Gross core loans as at 31 March 2017: £8.7bn



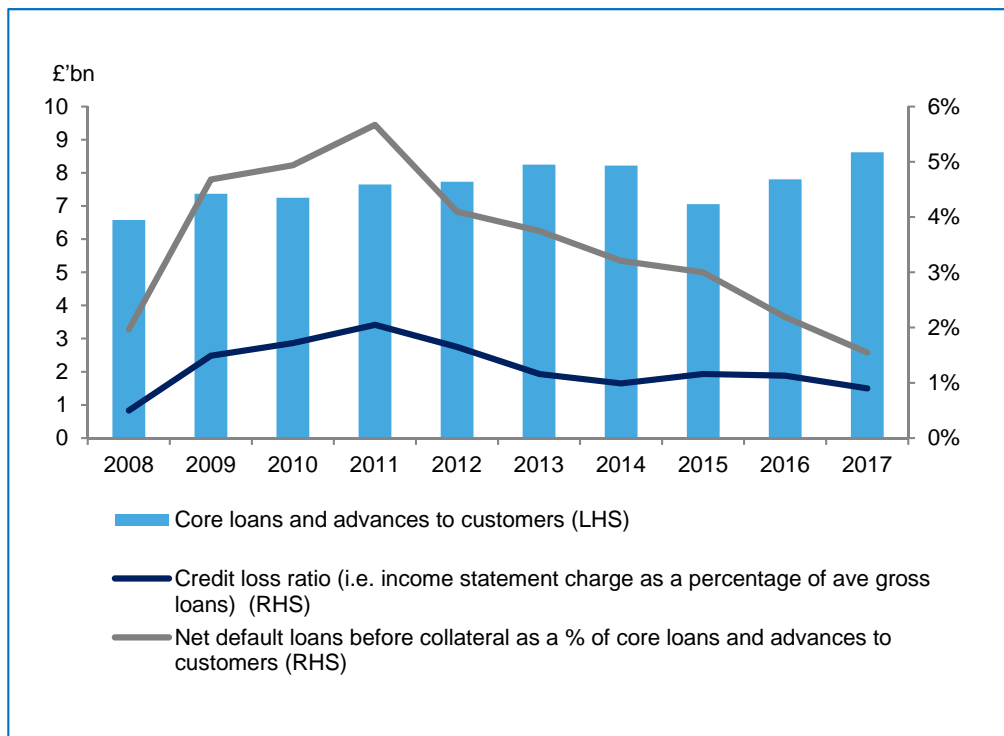
3 types of lending:

- Lending collateralised by property (22% of total loan portfolio)
- High Net Worth (HNW) and other private client (18% of total loan portfolio)
- Corporate and other (60% of total loan portfolio)

- **Credit and counterparty exposures are to a select target market**
 - high net worth and high income clients
 - mid to large sized corporates and institutions
- We typically originate loans with the intent of holding these assets to maturity, 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 geography, namely the UK**

Investec plc: core lending and asset quality

Core loans and asset quality

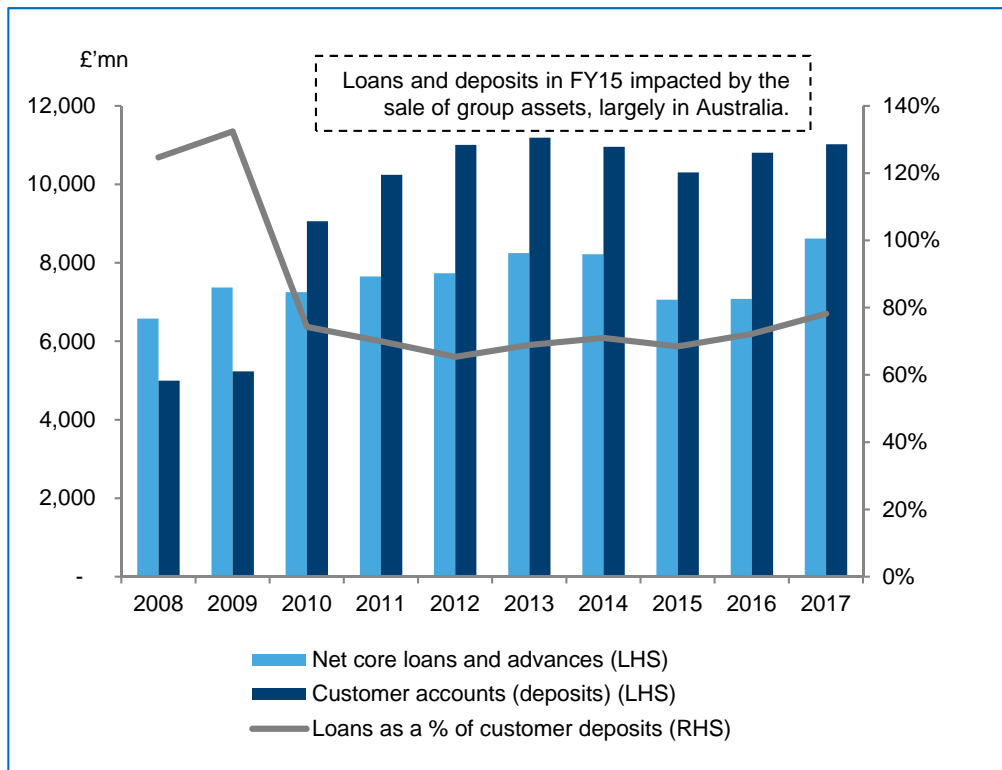


Highlights

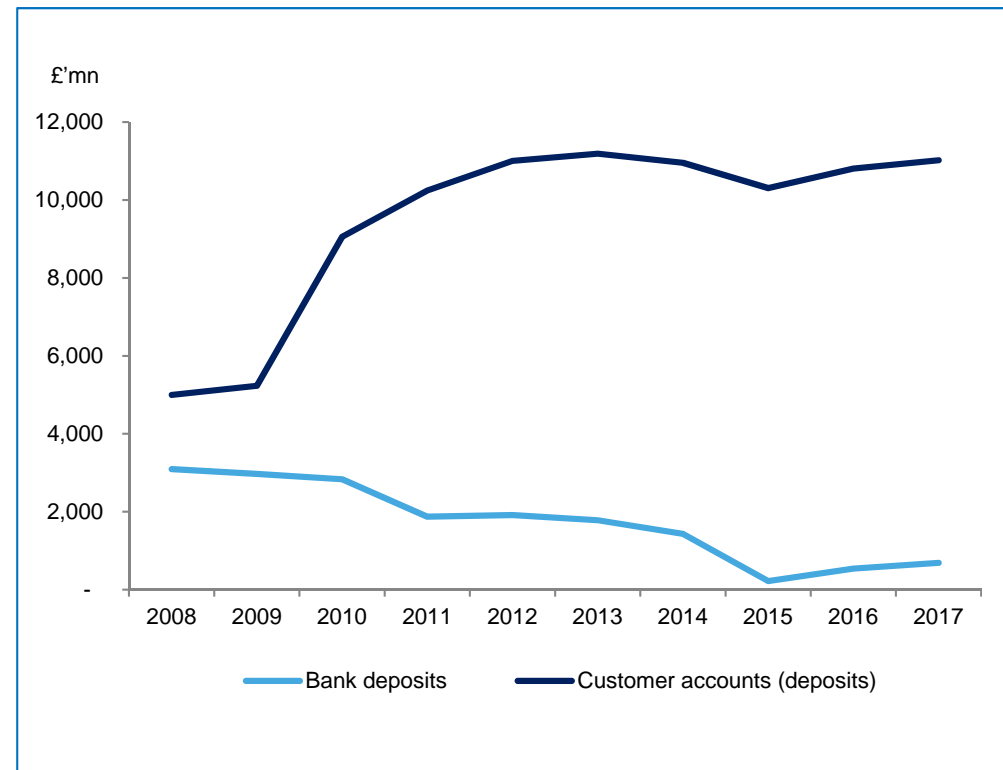
- **Credit quality on core loans and advances for the for the year ended 31 March 2017:**
- Impairments on loans and advances decreased from £84.2mn to £75.0mn
- The **credit loss charge** as a percentage of average gross core loans and advances amounted to 0.90% (31 March 2016: 1.13%)
- **The percentage of default loans (net of impairments but before taking collateral into account) to core loans and advances amounted to 1.55%** (31 March 2016: 2.19%)
- The ratio of collateral to default loans (net of impairments) remains satisfactory at 1.44 times (31 March 2016: 1.19 times)

Investec plc: maintaining robust surplus liquidity

Fully self funded: healthy loan to deposit ratio



Total deposits



- **Customer deposits have grown by 120% (c.9% CAGR p.a.) since 2008 to £11.0bn at 31 March 2017**
- Advances as a percentage of customer deposits is at 78.2%

- Increase in retail deposits and reduced reliance on wholesale deposits
- Fixed and notice customer deposits have continued to grow and our customers display a strong 'stickiness' and willingness to reinvest in our suite of term and notice products

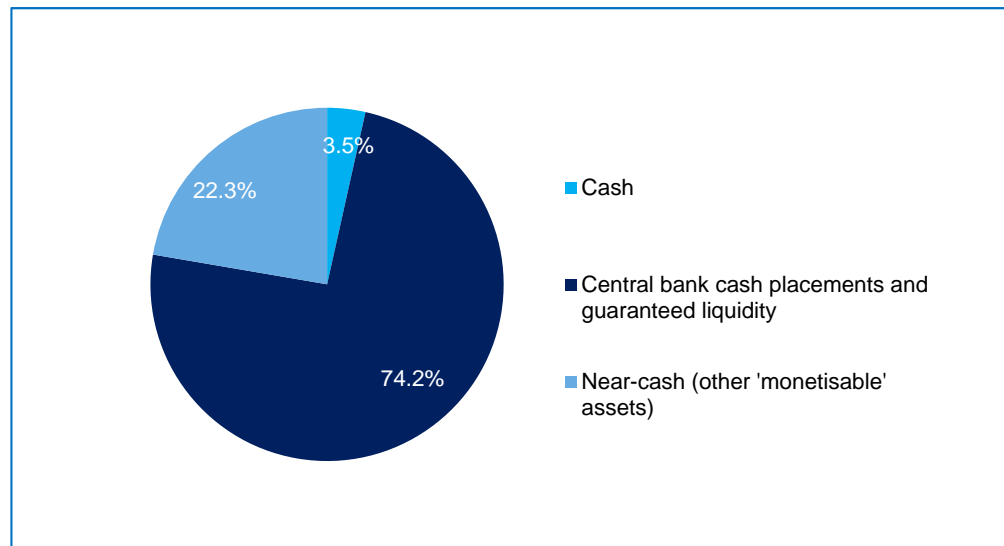
Investec plc: maintaining robust surplus liquidity

Cash and near cash balances

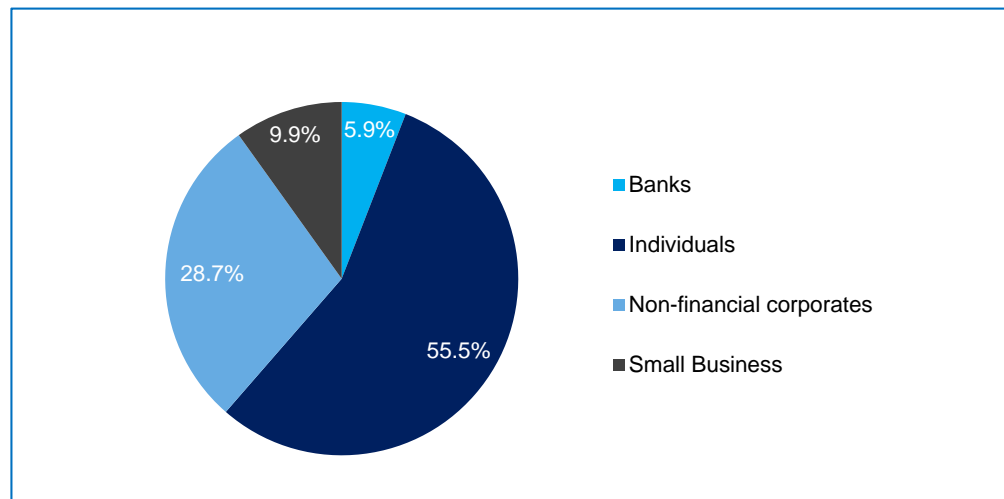


- We **maintain** a high level of readily available, high quality **liquid assets** – targeting a minimum cash to customer deposit ratio of 25%. These balances have increased significantly since 2008 to £5.0bn at 31 March 2017 (**representing 46% of customer deposits**)
- Cash balances have been successfully managed down to more appropriate levels, reducing the surplus that was raised in anticipation of the EU referendum in the UK. We will continue to focus on maintaining an optimal overall liquidity and funding profile.
- Investec plc **comfortably exceeds Basel liquidity requirements for the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR)** in the UK. The LCR reported to the Prudential Regulatory Authority at 31 March 2017 was 654% for Investec plc- well ahead of the minimum levels required.

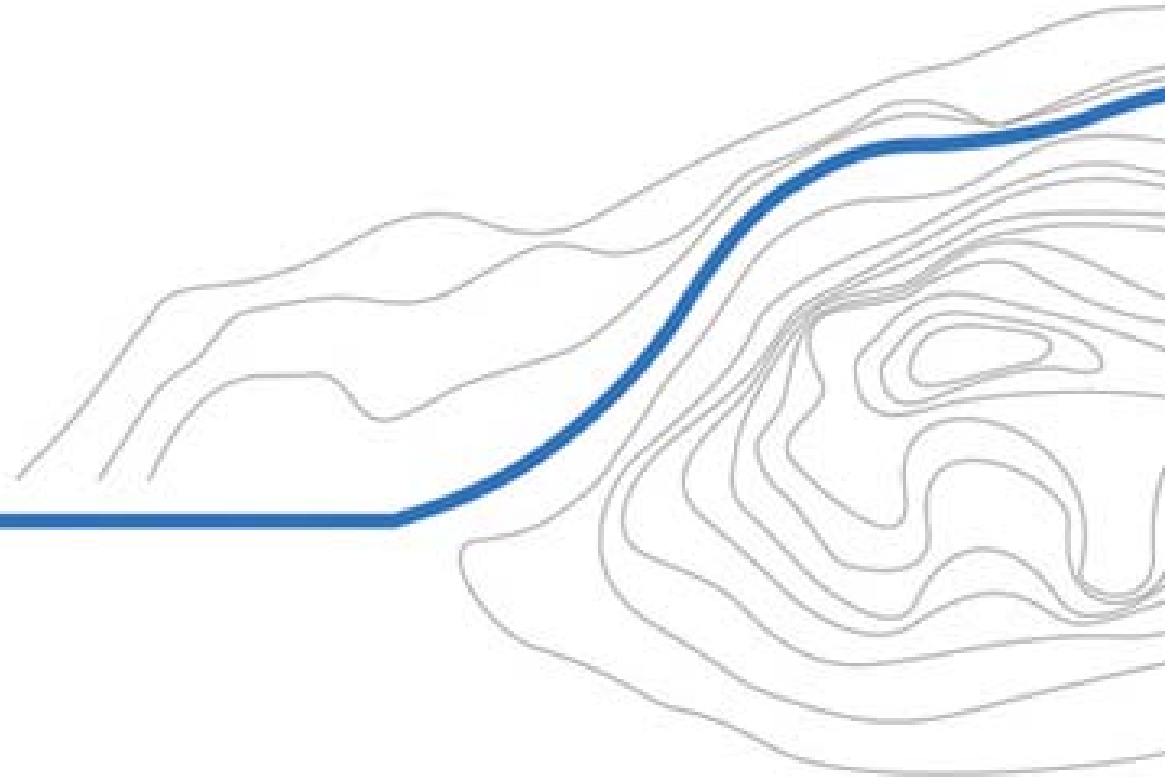
Cash and near cash analysis at 31 March 2017



Depositor concentration by type at 31 March 2017



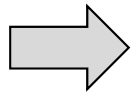
^On 1 Oct 2015 under European Commission Delegated Regulation 2015/61, the LCR became the PRA's primary regulatory reporting standard for liquidity. The LCR is a Pillar 1 metric to which the PRA apply Pillar 2 add-ons. The LCR is being introduced on a phased basis, and the PRA has opted to impose higher liquidity coverage requirements during the phased-in period than the minimum required by CRD IV. From 1 Jan 2017, UK banks are required to maintain a minimum of 90%, rising to 100% on 1 Jan 2018. The published LCR excludes Pillar 2 add-ons. For Investec plc, the LCR is calculated using our own interpretations of the EU Delegated Act. The reported LCR may change over time with regulatory developments.



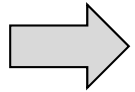
Funding profile

Investec plc: diversified funding strategy

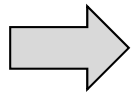
Conservative and prudent funding strategy



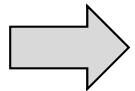
Maintaining a high base of high quality liquid assets



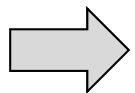
Diversifying funding sources



Limiting concentration risk



Low reliance on wholesale funding



Maintaining a stable retail deposit franchise

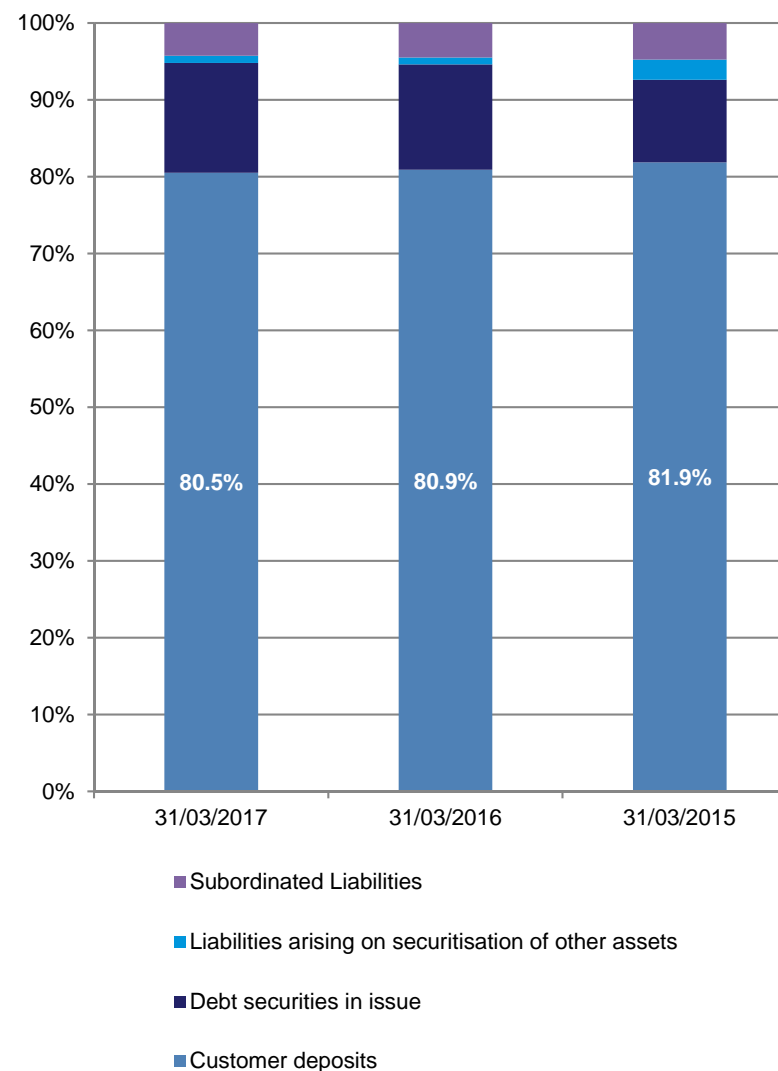
Investec plc: diversified funding strategy

- Investec's funding sources consist **primarily** of **customer deposits**

Selected funding sources

| £000's | 31 Mar 2017 | 31 Mar 2016 | 31 Mar 2015 |
|---|-------------------|-------------------|-------------------|
| Customer deposits | 11,021,581 | 10,808,980 | 10,306,331 |
| Debt securities in issue | 1,955,447 | 1,828,819 | 1,352,314 |
| Liabilities arising on securitisation of other assets | 128,838 | 120,617 | 330,526 |
| Subordinated Liabilities | 579,356 | 597,309 | 596,923 |
| Total | 13,685,222 | 13,355,725 | 12,586,094 |

Selected funding sources % split

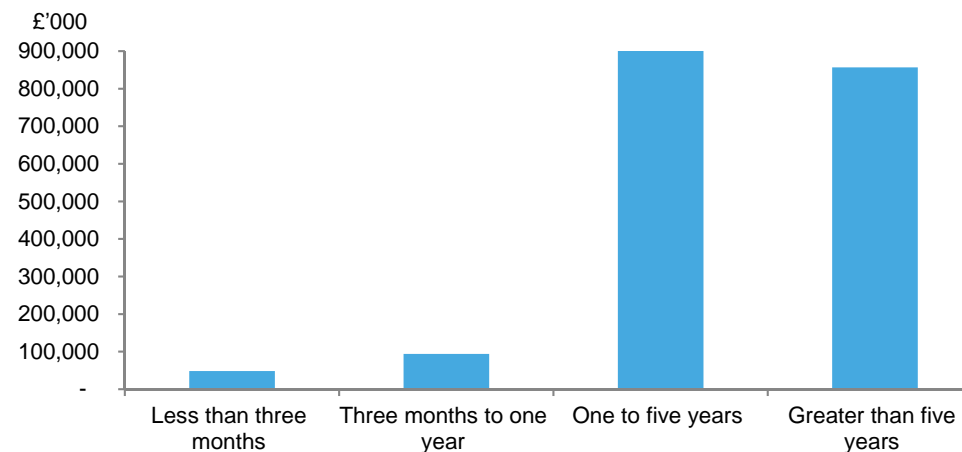


Investec plc: issued debt maturity profile with debt type breakdown

Issued debt outstanding

| 31 March 2017 £'000 | Principal outstanding |
|------------------------------|--------------------------|
| Debt securities in issue | 1,955,447 |
| Subordinated liabilities | 579,356 |
| Preferred shares (perpetual) | 24,794 |

Debt securities in issue – maturity profile



Subordinated liabilities – maturity profile

| | 31 March 2017 (£'000) | Coupon | Maturity |
|--|--------------------------|--------|---------------------------|
| Investec Bank plc - subordinated fixed rate medium-term notes | 579,356 | 9.625% | Redeemable on 17 Feb 2022 |

Note: Investec Bank plc is a 100% owned subsidiary of Investec plc.

Investec plc: credit ratings

- Over the last 2 years both Investec Bank plc and Investec plc have received ratings upgrades.
- Moody's upgraded Investec Bank plc's long-term deposit rating first in June 2015 to A3 from Baa3, then again in February 2016 to A2 (stable outlook).
- Investec plc's long-term issuer rating was upgraded by Moody's from Ba1 to Baa3 in June 2015, to Baa2 in February 2016, and then to Baa1 on 26 April 2016.
- In October 2015, Investec Bank plc's long-term default rating was upgraded by Fitch to BBB (stable outlook) from BBB-.

Moody's

| Investec Bank plc | current rating |
|--|----------------|
| Long-term deposit rating | A2 |
| Long-term senior unsecured and issuer rating | (P) A2 |
| Senior subordinate rating | Baa3 |
| Short-term deposit rating | P-1 |
| Short-term notes and issuer rating | P-1 |
| Counterparty risk (CR) assessment (long term/short term) | A2(cr)/P-1 |
| BCA (baseline credit assessment) and Adjusted BCA | baa2 |
| Outlook | stable |
| Investec plc | current rating |
| Long-term issuer and senior unsecured rating | Baa1 |
| Short-term rating | P-2 |
| Outlook | stable |

Fitch

| Investec Bank plc | current rating |
|--|----------------|
| Long-term rating | BBB |
| Short-term rating | F2 |
| Senior unsecured certificates of deposits (long term/short term) | BBB/F2 |
| Senior unsecured EMTN Programme (long term/short term) | BBB/F2 |
| Subordinated debt | BBB- |
| Junior subordinated debt | BB |
| Viability rating | bbb |
| Outlook | stable |

Ratings are opinions by rating agencies of a bank's ability to repay punctually its deposit obligations. With a short-term rating reflecting the ability to repay within a time horizon of less than a year.

Investec plc: summary

| | |
|--|---|
| Diversified revenue streams with high annuity base | <ul style="list-style-type: none">• Balanced business model comprising three distinct business activities; Asset Management, Specialist Banking and Wealth & Investment• Continued focus on growing our capital light business, currently 63% of Investec plc's income• High level of annuity revenue[^] 67% of total operating income• Strong growth in third party FUM• Simplification of banking business resulting in a reduction in legacy portfolio and impairments |
| Sound balance sheet provides support for our growth initiatives | <ul style="list-style-type: none">• Never required shareholder or government support• Low gearing: 9.2x, amongst the lowest versus peers• Sound capital and leverage ratios• Strong liquidity ratios (cash and near cash: £5.0bn)• Diversified funding base with strong retail deposit franchise and low reliance on wholesale funding• High level of readily available, high quality liquid assets representing 46% of customer deposits |
| Solid franchise | <ul style="list-style-type: none">• Operating in the UK since 1992• Investec plc listed on the LSE in 2002 – current market cap of approximately £3.9bn• Leading asset and wealth manager and growing specialist bank franchise |
| Strong culture | <ul style="list-style-type: none">• 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 |

[^] Where annuity income is net interest income and annuity fees.

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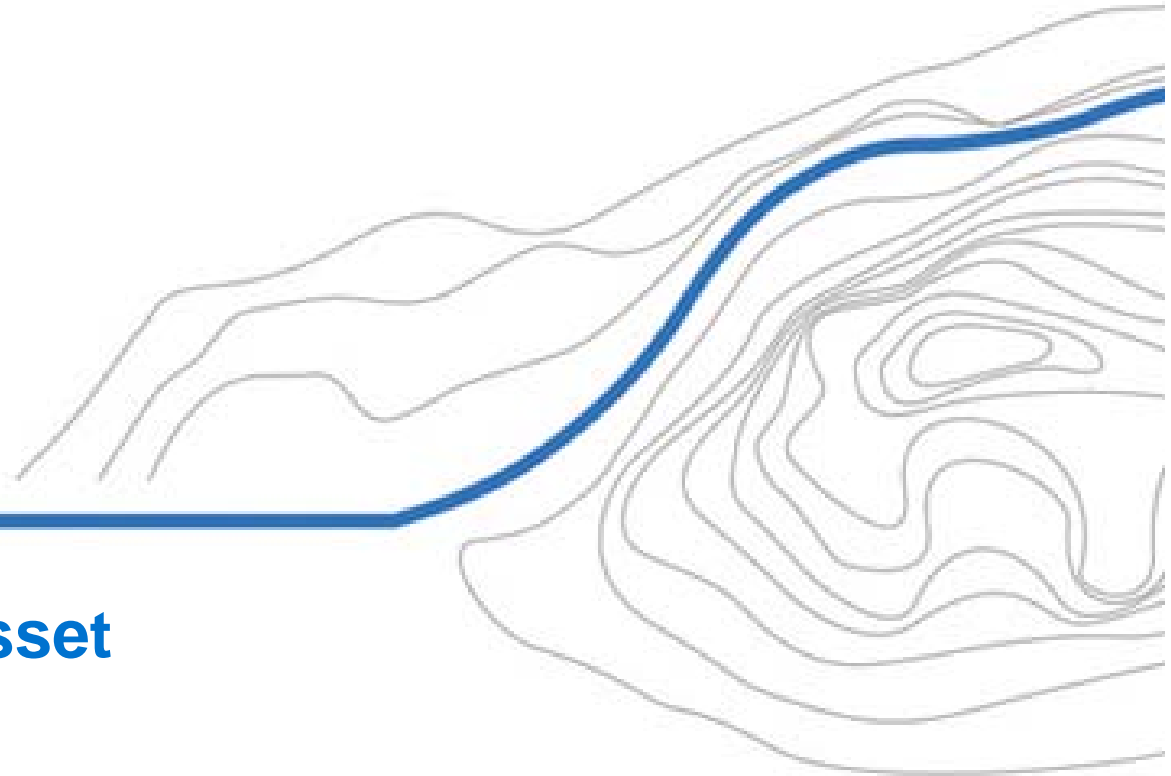
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Appendix



Investec plc: financials, asset quality and capital ratios

Investec plc: salient financial features

| | Year to 31 March 2017 | Year to 31 March 2016 | % change |
|---|--------------------------|--------------------------|----------|
| Total operating income before impairment losses on loans and advances (£'000) | 1,306,941 | 1,128,374 | 15.8% |
| Operating costs (£'000) | 1,005,130 | 863,648 | 16.4% |
| Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests (£'000) | 224,894 | 182,863 | 23.0% |
| Earnings attributable to ordinary shareholder (£'000) | 159,728 | 122,684 | 30.2% |
| Cost to income ratio | 77.0% | 76.7% | |
| Total capital resources (including subordinated liabilities) (£'000) | 2,610,875 | 2,478,117 | 5.4% |
| Total shareholder's equity (£'000) | 2,031,519 | 1,880,808 | 8.0% |
| Total assets (£'000) | 18,788,617 | 18,756,588 | 0.2% |
| Net core loans and advances (£'000) | 8,620,742 | 7,803,602 | 10.5% |
| Customer accounts (deposits) (£'000) | 11,021,581 | 10,808,980 | 2.0% |
| Cash and near cash balances (£'000) | 5,026,198 | 5,082,457 | (1.1%) |
| Funds under management (£'mn) | 97,320 | 81,180 | 19.9% |
| Capital adequacy ratio | 14.6% | 14.7% | |
| Tier 1 ratio | 11.1% | 10.3% | |
| Common equity tier 1 ratio | 10.9% | 9.3% | |
| Leverage ratio - current | 7.5% | 6.7% | |
| Leverage ratio - "fully loaded" | 7.4% | 6.1% | |
| Defaults (net of impairments) as a % of net core loans and advances | 1.55% | 2.19% | |
| Net defaults (after collateral and impairments) as a % of net core loans and advances | - | - | |
| Credit loss ratio (i.e. income statement impairment charge as a % of average core loans and advances) | 0.90% | 1.13% | |
| Total gearing ratio (i.e. total assets to total equity) | 9.2x | 10.0x | |
| Loans and advances to customers: customer deposits | 78.2% | 72.2% | |

Investec plc : income statement

| £'000 | Year to 31 March 2017 | Year to 31 March 2016 |
|---|--------------------------|--------------------------|
| Interest income | 563,354 | 549,092 |
| Interest expense | (274,173) | (288,147) |
| Net interest income | 289,181 | 260,945 |
| Fee and commission income | 932,146 | 813,744 |
| Fee and commission expense | (128,283) | (103,986) |
| Investment income | 59,975 | 62,120 |
| Share of post tax operating profit of associates | 2,349 | 2,321 |
| Trading income arising from: | | |
| - customer flow | 129,706 | 92,681 |
| - balance sheet management and other trading activities | 8,672 | (7,983) |
| Other operating income | 13,195 | 8,532 |
| Total operating income before impairment losses on loans and advances | 1,306,941 | 1,128,374 |
| Impairment losses on loans and advances | (74,956) | (84,217) |
| Operating income | 1,231,985 | 1,044,157 |
| Operating costs | (1,005,130) | (863,648) |
| Depreciation on operating leased assets | (2,141) | (2,149) |
| Operating profit before goodwill and acquired intangibles | 224,714 | 178,360 |
| Impairment of goodwill | (3,134) | - |
| Amortisation of acquired intangibles | (14,386) | (14,477) |
| Operating profit | 207,194 | 163,883 |
| Net (loss)/gain on disposal of subsidiaries | - | (4,805) |
| Profit before taxation | 207,194 | 159,078 |
| Taxation on operating profit before goodwill | (39,144) | (35,335) |
| Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries | 3,305 | 4,701 |
| Profit after taxation | 171,355 | 128,444 |
| Profit attributable to Asset Management non-controlling interests | (11,807) | (10,263) |
| Loss attributable to other non-controlling interests | 180 | 4,503 |
| Earnings attributable to shareholders | 159,728 | 122,684 |

Investec plc : balance sheet

| £'000 | 31 March 2017 | 31 March 2016 |
|--|-------------------|-------------------|
| Assets | | |
| Cash and balances at central banks | 2,853,571 | 2,638,069 |
| Loans and advances to banks | 1,130,998 | 1,112,441 |
| Reverse repurchase agreements and cash collateral on securities borrowed | 536,173 | 557,025 |
| Sovereign debt securities | 952,902 | 1,252,991 |
| Bank debt securities | 184,626 | 188,397 |
| Other debt securities | 398,278 | 393,652 |
| Derivative financial instruments | 604,175 | 837,558 |
| Securities arising from trading activities | 522,760 | 524,344 |
| Investment portfolio | 459,745 | 451,000 |
| Loans and advances to customers | 8,620,742 | 7,803,602 |
| Other loans and advances | 413,430 | 417,205 |
| Other securitised assets | 138,628 | 150,565 |
| Interests in associated undertakings | 63,390 | 23,587 |
| Deferred taxation assets | 89,941 | 85,050 |
| Other assets | 1,276,132 | 1,705,203 |
| Property and equipment | 60,528 | 56,374 |
| Investment properties | 14,500 | 79,051 |
| Goodwill | 355,155 | 356,994 |
| Intangible assets | 112,943 | 123,480 |
| | 18,788,617 | 18,756,588 |

Investec plc : balance sheet (cont.)

| £'000 | 31 March 2017 | 31 March 2016 |
|---|-------------------|-------------------|
| Liabilities | | |
| Deposits by banks | 690,749 | 544,210 |
| Derivative financial instruments | 582,600 | 964,362 |
| Other trading liabilities | 136,041 | 226,598 |
| Repurchase agreements and cash collateral on securities lent | 223,997 | 281,260 |
| Customer accounts (deposits) | 11,021,581 | 10,808,980 |
| Debt securities in issue | 1,955,447 | 1,828,819 |
| Liabilities arising on securitisation of other assets | 128,838 | 120,617 |
| Current taxation liabilities | 143,585 | 140,959 |
| Deferred taxation liabilities | 26,236 | 33,834 |
| Other liabilities | 1,268,668 | 1,328,832 |
| | 16,177,742 | 16,278,471 |
| Subordinated liabilities | 579,356 | 597,309 |
| | 16,757,098 | 16,875,780 |
| Equity | | |
| Ordinary share capital | 191 | 182 |
| Perpetual preference share capital | 29 | 151 |
| Share premium | 1,246,282 | 1,194,257 |
| Treasury shares | (90,411) | (81,309) |
| Other reserves | (45,381) | (66,757) |
| Retained income | 905,809 | 820,967 |
| Shareholders' equity excluding non-controlling interests | 2,016,519 | 1,867,491 |
| Non-controlling interests | 15,000 | 13,317 |
| Total equity | 2,031,519 | 1,880,808 |
| Total liabilities and equity | 18,788,617 | 18,756,588 |

Investec plc: segmental analysis of operating profit

| For the year to 31 March 2017 £'000 | Asset Management | Wealth & Investment | Specialist Banking | Group Costs | Total group |
|---|---------------------|------------------------|-----------------------|-----------------|------------------|
| Net interest income | 111 | 4,368 | 284,702 | - | 289,181 |
| Fee and commission income | 427,626 | 268,429 | 236,091 | - | 932,146 |
| Fee and commission expense | (119,542) | (582) | (8,159) | - | (128,283) |
| Investment income | - | 2,169 | 57,806 | - | 59,975 |
| Share of post tax operating profit of associates | - | 1,509 | 840 | - | 2,349 |
| Trading income arising from | | | | | |
| - customer flow | - | 740 | 128,966 | - | 129,706 |
| - balance sheet management and other trading activities | 3,221 | 215 | 5,236 | - | 8,672 |
| Other operating income | 5,313 | - | 7,882 | - | 13,195 |
| Total operating income before impairment losses on loans and advances | 316,729 | 276,848 | 713,364 | - | 1,306,941 |
| Impairment losses on loans and advances | - | - | (74,956) | - | (74,956) |
| Operating income | 316,729 | 276,848 | 638,408 | - | 1,231,985 |
| Operating costs | (225,466) | (211,658) | (531,843) | (36,163) | (1,005,130) |
| Depreciation on operating leased assets | - | - | (2,141) | - | (2,141) |
| Operating profit before goodwill and acquired intangibles | 91,263 | 65,190 | 104,424 | (36,163) | 224,714 |
| Operating loss attributable to non-controlling interests | - | - | 180 | - | 180 |
| Operating profit before goodwill, acquired intangibles and after other non-controlling interests | 91,263 | 65,190 | 104,604 | (36,163) | 224,894 |
| Operating profit attributable to Asset Management non-controlling interests | (11,807) | - | - | - | (11,807) |
| Operating profit before goodwill, acquired intangibles and after non-controlling interests | 79,456 | 65,190 | 104,604 | (36,163) | 213,087 |
| Cost to income ratio | 71.2% | 76.5% | 74.8% | n/a | 77.0% |

Investec plc: segmental analysis of operating profit

| For the year to 31 March 2016 £'000 | Asset Management | Wealth & Investment | Specialist Banking | Group Costs | Total group |
|---|---------------------|------------------------|-----------------------|-----------------|------------------|
| Net interest income | 290 | 4,064 | 256,591 | - | 260,945 |
| Fee and commission income | 375,312 | 246,202 | 192,230 | - | 813,744 |
| Fee and commission expense | (100,060) | (1,209) | (2,717) | - | (103,986) |
| Investment income | - | 5,817 | 56,303 | - | 62,120 |
| Share of post tax operating profit of associates | - | 1,191 | 1,130 | - | 2,321 |
| Trading income arising from | | | | | |
| - customer flow | - | 333 | 92,348 | - | 92,681 |
| - balance sheet management and other trading activities | 1,656 | 236 | (9,875) | - | (7,983) |
| Other operating income | (1,135) | - | 9,667 | - | 8,532 |
| Total operating income before impairment losses on loans and advances | 276,063 | 256,634 | 595,677 | - | 1,128,374 |
| Impairment losses on loans and advances | - | - | (84,217) | - | (84,217) |
| Operating income | 276,063 | 256,634 | 511,460 | - | 1,044,157 |
| Operating costs | (199,210) | (193,507) | (435,771) | (35,160) | (863,648) |
| Depreciation on operating leased assets | - | - | (2,149) | - | (2,149) |
| Operating profit before goodwill and acquired intangibles | 76,853 | 63,127 | 73,540 | (35,160) | 178,360 |
| Operating loss attributable to other non-controlling interests | - | - | 4,503 | - | 4,503 |
| Operating profit before goodwill, acquired intangibles and after other non-controlling interests | 76,853 | 63,127 | 78,043 | (35,160) | 182,863 |
| Operating profit attributable to Asset Management non-controlling interests | (10,263) | - | - | - | (10,263) |
| Operating profit before goodwill, acquired intangibles and after non-controlling interests | 66,590 | 63,127 | 78,043 | (35,160) | 172,600 |
| Cost to income ratio | 72.2% | 75.4% | 73.4% | n/a | 76.7% |

Investec plc: asset quality

| £'000 | 31 March 2017 | 31 March 2016 |
|--|------------------|------------------|
| Gross core loans and advances to customers | 8,747,618 | 7,946,793 |
| Total impairments | (126,876) | (143,191) |
| Specific impairments | (83,488) | (121,791) |
| Portfolio impairments | (43,388) | (21,400) |
| Net core loans and advances to customers | 8,620,742 | 7,803,602 |
| Average gross core loans and advances to customers | 8,347,205 | 7,598,177 |
| Current loans and advances to customers | 8,416,683 | 7,561,596 |
| Past due loans and advances to customers (1 - 60 days) | 48,003 | 65,909 |
| Special mention loans and advances to customers | 22,585 | 5,354 |
| Default loans and advances to customers | 260,347 | 313,934 |
| Gross core loans and advances to customers | 8,747,618 | 7,946,793 |
| Total income statement charge for impairments on core loans and advances | (74,995) | (85,954) |
| Gross default loans and advances to customers | 260,347 | 313,934 |
| Specific impairments | (83,488) | (121,791) |
| Portfolio impairments | (43,388) | (21,400) |
| Defaults net of impairments | 133,471 | 170,743 |
| Aggregate collateral and other credit enhancements on defaults | 192,760 | 202,524 |
| Net default loans and advances to customers (limited to zero) | - | - |
| Ratios: | | |
| Total impairments as a % of gross core loans and advances to customers | 1.45% | 1.80% |
| Total impairments as a % of gross default loans | 48.73% | 45.61% |
| Gross defaults as a % of gross core loans and advances to customers | 2.98% | 3.95% |
| Defaults (net of impairments) as a % of net core loans and advances to customers | 1.55% | 2.19% |
| Net defaults as a % of net core loans and advances to customers | - | - |
| Annualised credit loss ratio (i.e. income statement impairment charge on core loans as a % of average gross core loans and advances) | 0.90% | 1.13% |

Investec plc: capital adequacy

| £'million* | 31 March 2017 | 31 March 2016 |
|-------------------------------------|---------------|---------------|
| Common equity tier 1 capital | 1,448 | 1,141 |
| Additional tier 1 capital | 24 | 130 |
| Total tier 1 capital | 1,472 | 1,271 |
| Tier 2 capital | 475 | 535 |
| Total regulatory capital | 1,947 | 1,806 |
| Risk-weighted assets | 13,312 | 12,297 |
| Capital requirements | 1,064 | 984 |

A summary of capital adequacy and leverage ratios

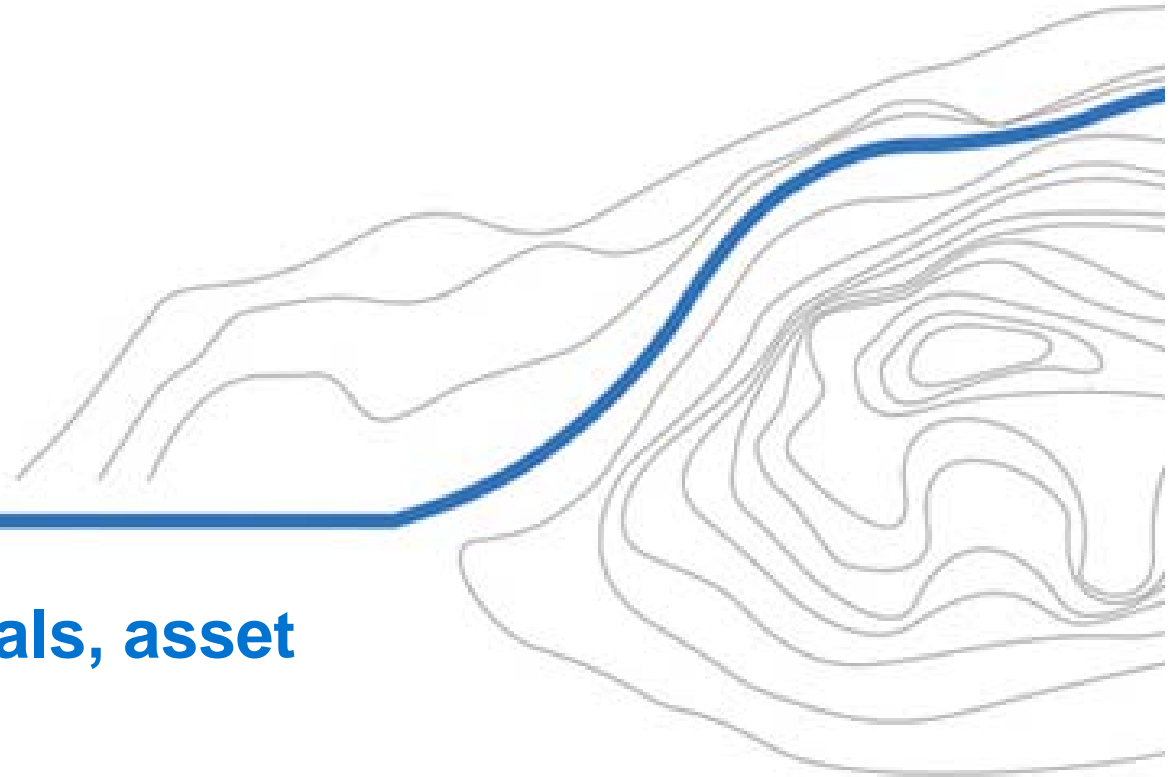
| | 31 March 2017 | 31 March 2016 |
|--|---------------|---------------|
| Common equity tier 1 (as reported) | 10.9% | 9.3% |
| Common equity tier 1 ("fully loaded")^^ | 10.9% | 9.3% |
| Tier 1 (as reported) | 11.1% | 10.3% |
| Total capital adequacy ratio (as reported) | 14.6% | 14.7% |
| Leverage ratio** - permanent capital | 7.5% | 6.7% |
| Leverage ratio** - current | 7.5% | 6.7% |
| Leverage ratio** - ("fully loaded")^^ | 7.4% | 6.1% |
| Leverage ratio** – current UK Leverage ratio framework # | 8.7% | n/a |

The capital adequacy disclosures for Investec plc include the deduction of foreseeable dividends when calculating common equity tier 1 (CET1) capital as now required under the Capital Requirements Regulation (CRR) and EBA technical standards. These disclosures are different to the capital disclosures included in Investec's 2017 and 2016 integrated annual report, which follow our normal basis of presentation and do not include the deduction for foreseeable dividends when calculating CET1 capital. Investec plc's CET1 ratio would be 45bps (31 March 2016: 40bps) higher on this basis.

^^ Based on the group's understanding of current 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.

Investec plc is not subject to the UK leverage ratio framework, however, due to recent changes to the UK leverage ratio framework to exclude from the calculation of the total exposure measure those assets constituting claims on central banks where they are matched by deposits accepted by the firm that are denominated in the same currency and of identical or longer maturity, this has been included for comparative purposes.



Investec Bank plc: financials, asset quality and capital ratios

IBP: salient financial features

| | Year to 31 March 2017 | Year to 31 March 2016 | % change |
|---|--------------------------|--------------------------|----------|
| Total operating income before impairment losses on loans and advances (£'000) | 982,690 | 859,189 | 14.4% |
| Operating costs (£'000) | 744,716 | 628,515 | 18.5% |
| Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests (£'000) | 161,057 | 146,347 | 10.1% |
| Earnings attributable to ordinary shareholder (£'000) | 117,793 | 96,635 | 21.9% |
| Cost to income ratio | 75.9% | 73.3% | |
| Total capital resources (including subordinated liabilities) (£'000) | 2,559,287 | 2,440,165 | 4.9% |
| Total shareholder's equity (£'000) | 1,979,931 | 1,842,856 | 7.4% |
| Total assets (£'000) | 18,381,414 | 18,334,568 | 0.3% |
| Net core loans and advances (£'000) | 8,598,639 | 7,781,386 | 10.5% |
| Customer accounts (deposits) (£'000) | 11,289,177 | 11,038,164 | 2.3% |
| Cash and near cash balances (£'000) | 4,852,710 | 5,014,171 | -3.8% |
| Funds under management (£'mn) * | 35,941 | 30,104 | 19.4% |
| Capital adequacy ratio | 16.6% | 17.0% | |
| Tier 1 ratio | 12.2% | 11.9% | |
| Common equity tier 1 ratio | 12.2% | 11.9% | |
| Leverage ratio - current | 8.0% | 7.5% | |
| Leverage ratio - "fully loaded" | 8.0% | 7.5% | |
| Defaults (net of impairments) as a % of net core loans and advances | 1.55% | 2.19% | |
| Net defaults (after collateral and impairments) as a % of net core loans and advances | - | - | |
| Credit loss ratio (i.e. income statement impairment charge as a % of average core loans and advances) | 0.90% | 1.13% | |
| Total gearing ratio (i.e. total assets to total equity) | 9.3x | 9.9x | |
| Loans and advances to customers: customer deposits | 76.2% | 70.5% | |

IBP: income statement

| £'000 | Year to 31 March 2017 | Year to 31 March 2016 |
|---|--------------------------|--------------------------|
| Interest income | 562,092 | 550,715 |
| Interest expense | (263,340) | (280,649) |
| Net interest income | 298,752 | 270,066 |
| Fee and commission income | 502,106 | 437,650 |
| Fee and commission expense | (13,260) | (11,608) |
| Investment income | 55,900 | 67,308 |
| Share of post tax operating profit of associates | 1,741 | 1,975 |
| Trading income arising from: | | |
| - customer flow | 129,706 | 92,683 |
| - balance sheet management and other trading activities | (138) | (8,552) |
| Other operating income | 7,883 | 9,667 |
| Total operating income before impairment losses on loans and advances | 982,690 | 859,189 |
| Impairment losses on loans and advances | (74,956) | (84,217) |
| Operating income | 907,734 | 774,972 |
| Operating costs | (744,716) | (628,515) |
| Depreciation on operating leased assets | (2,141) | (2,149) |
| Operating profit before goodwill and acquired intangibles | 160,877 | 144,308 |
| Impairment of goodwill | (3,134) | - |
| Amortisation of acquired intangibles | (14,386) | (14,477) |
| Operating profit | 143,357 | 129,831 |
| Net (loss)/gain on disposal of subsidiaries | - | (4,805) |
| Profit before taxation | 143,357 | 125,026 |
| Taxation on operating profit before goodwill | (29,049) | (35,131) |
| Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries | 3,305 | 4,701 |
| Profit after taxation | 117,613 | 94,596 |
| Profit attributable to non-controlling interests | 180 | 2,039 |
| Earnings attributable to shareholder | 117,793 | 96,635 |

IBP: balance sheet

| £'000 | 31 March 2017 | 31 March 2016 |
|--|-------------------|-------------------|
| Assets | | |
| Cash and balances at central banks | 2,853,567 | 2,638,064 |
| Loans and advances to banks | 922,764 | 935,071 |
| Reverse repurchase agreements and cash collateral on securities borrowed | 536,173 | 557,025 |
| Sovereign debt securities | 952,902 | 1,252,991 |
| Bank debt securities | 184,626 | 188,397 |
| Other debt securities | 408,149 | 403,521 |
| Derivative financial instruments | 610,371 | 842,936 |
| Securities arising from trading activities | 522,760 | 524,344 |
| Investment portfolio | 454,566 | 419,861 |
| Loans and advances to customers | 8,598,639 | 7,781,386 |
| Other loans and advances | 556,464 | 577,584 |
| Other securitised assets | 138,628 | 150,565 |
| Interests in associated undertakings | 23,818 | 17,446 |
| Deferred taxation assets | 78,945 | 71,563 |
| Other assets | 1,089,390 | 1,453,050 |
| Property and equipment | 58,857 | 53,042 |
| Investment properties | 14,500 | 79,051 |
| Goodwill | 259,965 | 261,804 |
| Intangible assets | 116,330 | 126,867 |
| | 18,381,414 | 18,334,568 |

IBP: balance sheet (cont.)

| £'000 | 31 March 2017 | 31 March 2016 |
|--|-------------------|-------------------|
| Liabilities | | |
| Deposits by banks | 673,586 | 526,717 |
| Derivative financial instruments | 583,562 | 964,386 |
| Other trading liabilities | 136,041 | 226,598 |
| Repurchase agreements and cash collateral on securities lent | 223,997 | 281,260 |
| Customer accounts (deposits) | 11,289,177 | 11,038,164 |
| Debt securities in issue | 1,640,839 | 1,508,672 |
| Liabilities arising on securitisation of other assets | 128,838 | 120,617 |
| Current taxation liabilities | 146,743 | 141,064 |
| Deferred taxation liabilities | 26,557 | 26,143 |
| Other liabilities | 972,787 | 1,060,782 |
| | 15,822,127 | 15,894,403 |
| Subordinated liabilities | 579,356 | 597,309 |
| | 16,401,483 | 16,491,712 |
| Equity | | |
| Ordinary share capital | 1,186,800 | 1,186,800 |
| Share premium | 143,288 | 143,288 |
| Capital reserve | 162,789 | 162,789 |
| Other reserves | 18,782 | (36,181) |
| Retained income | 470,272 | 387,606 |
| Shareholder's equity excluding non-controlling interests | 1,981,931 | 1,844,302 |
| Non-controlling interests in partially held subsidiaries | (2,000) | (1,446) |
| Total equity | 1,979,931 | 1,842,856 |
| Total liabilities and equity | 18,381,414 | 18,334,568 |

IBP: segmental analysis of operating profit

| For the year to 31 March 2017 £'000 | Wealth & Investment | Specialist Banking | Total group |
|---|---------------------|-----------------------|----------------|
| Net interest income | 4,368 | 294,384 | 298,752 |
| Fee and commission income | 268,429 | 233,677 | 502,106 |
| Fee and commission expense | (582) | (12,678) | (13,260) |
| Investment income | 2,169 | 53,731 | 55,900 |
| Share of post tax operating profit of associates | 1,509 | 232 | 1,741 |
| Trading income arising from | | | |
| - customer flow | 740 | 128,966 | 129,706 |
| - balance sheet management and other trading activities | 215 | (353) | (138) |
| Other operating income | - | 7,883 | 7,883 |
| Total operating income before impairment losses on loans and advances | 276,848 | 705,842 | 982,690 |
| Impairment losses on loans and advances | - | (74,956) | (74,956) |
| Operating income | 276,848 | 630,886 | 907,734 |
| Operating costs | (211,658) | (533,058) | (744,716) |
| Depreciation on operating leased assets | - | (2,141) | (2,141) |
| Operating profit before goodwill and acquired intangibles | 65,190 | 95,687 | 160,877 |
| Profit attributable to non-controlling interests | - | 180 | 180 |
| Operating profit before goodwill, acquired intangibles and after non-controlling interests | 65,190 | 95,867 | 161,057 |
| Cost to income ratio | 76.5% | 75.8% | 75.9% |
| Total assets (£'million) | 952 | 17,429 | 18,381 |

IBP: segmental analysis of operating profit

For the year to 31 March 2016

| £'000 | Wealth & Investment | Specialist Banking | Total group |
|---|---------------------|--------------------|----------------|
| Net interest income | 4,064 | 266,002 | 270,066 |
| Fee and commission income | 246,202 | 191,448 | 437,650 |
| Fee and commission expense | (1,209) | (10,399) | (11,608) |
| Investment income | 5,817 | 61,491 | 67,308 |
| Share of post tax operating profit of associates | | | |
| Trading income arising from | 333 | 92,350 | 92,683 |
| - customer flow | 138 | (8,690) | (8,552) |
| - balance sheet management and other trading activities | 1,191 | 10,451 | 11,642 |
| Other operating income | 256,536 | 602,653 | 859,189 |
| | - | (84,217) | (84,217) |
| Total operating income before impairment losses on loans and advances | 256,536 | 518,436 | 774,972 |
| Impairment losses on loans and advances | | | |
| Operating income | (193,507) | (435,008) | (628,515) |
| Operating costs | - | (2,149) | (2,149) |
| Depreciation on operating leased assets | 63,029 | 81,279 | 144,308 |
| Operating profit before goodwill and acquired intangibles | | | |
| Profit attributable to non-controlling interests | - | 2,039 | 2,039 |
| Operating profit before goodwill, acquired intangibles and after non-controlling interests | 63,029 | 83,318 | 146,347 |
| Cost to income ratio | 75.4% | 72.4% | 73.3% |
| Total assets (£'million) | 1,026 | 17,309 | 18,335 |

IBP: asset quality

| £'000 | 31 March 2017 | 31 March 2016 |
|---|------------------|------------------|
| Gross core loans and advances to customers | 8,725,515 | 7,924,577 |
| Total impairments | (126,876) | (143,191) |
| Specific impairments | (83,488) | (121,791) |
| Portfolio impairments | (43,388) | (21,400) |
| Net core loans and advances to customers | 8,598,639 | 7,781,386 |
| Average gross core loans and advances to customers | 8,325,046 | 7,574,356 |
| Current loans and advances to customers | 8,394,580 | 7,539,409 |
| Past due loans and advances to customers (1 - 60 days) | 48,003 | 65,880 |
| Special mention loans and advances to customers | 22,585 | 5,354 |
| Default loans and advances to customers | 260,347 | 313,934 |
| Gross core loans and advances to customers | 8,725,515 | 7,924,577 |
| Total income statement charge for impairments on core loans and advances | (74,995) | (85,954) |
| Gross default loans and advances to customers | 260,347 | 313,934 |
| Specific impairments | (83,488) | (121,791) |
| Portfolio impairments | (43,388) | (21,400) |
| Defaults net of impairments | 133,471 | 170,743 |
| Aggregate collateral and other credit enhancements on defaults | 192,760 | 202,524 |
| Net default loans and advances to customers (limited to zero) | - | - |
| Ratios: | | |
| Total impairments as a % of gross core loans and advances to customers | 1.45% | 1.81% |
| Total impairments as a % of gross default loans | 48.73% | 45.61% |
| Gross defaults as a % of gross core loans and advances to customers | 2.98% | 3.96% |
| Defaults (net of impairments) as a % of net core loans and advances to customers | 1.55% | 2.19% |
| Net defaults as a % of net core loans and advances to customers | - | - |
| Credit loss ratio (i.e. income statement impairment charge on core loans as a % of average gross core loans and advances) | 0.90% | 1.13% |

IBP: capital adequacy

| £'million* | 31 March 2017 | 31 March 2016 |
|------------------------------|---------------|---------------|
| Common equity tier 1 capital | 1,552 | 1,400 |
| Total tier 1 capital | 1,552 | 1,400 |
| Tier 2 capital | 560 | 590 |
| Total regulatory capital | 2,112 | 1,990 |
| Risk-weighted assets | 12,716 | 11,738 |
| Capital requirements | 1,017 | 939 |

A summary of capital adequacy and leverage ratios

| | 31 March 2017* | 31 March 2016* |
|--|----------------|----------------|
| Common equity tier 1 (as reported) | 12.2% | 11.9% |
| Common equity tier 1 ("fully loaded")^^ | 12.2% | 11.9% |
| Tier 1 (as reported) | 12.2% | 11.9% |
| Total capital adequacy ratio (as reported) | 16.6% | 17.0% |
| Leverage ratio** - permanent capital | 8.0% | 7.5% |
| Leverage ratio** - current | 8.0% | 7.5% |
| Leverage ratio** - ("fully loaded")^^ | 8.0% | 7.5% |
| Leverage ratio** – current UK Leverage ratio framework # | 9.3% | n/a |

* The capital adequacy disclosures for Investec Bank plc include the deduction of foreseeable dividends when calculating common equity tier 1 (CET1) capital as now required under the Capital Requirements Regulation (CRR) and EBA technical standards. These disclosures are different to the capital disclosures included in Investec's 2017 and 2016 integrated annual report, which follow our normal basis of presentation and do not include the deduction for foreseeable dividends when calculating CET1 capital. Investec Bank plc's CET1 ratio would be 28bps (31 March 2016: 30bps) higher on this basis.

^^ Based on the group's understanding of current 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.

Investec Bank plc is not subject to the UK leverage ratio framework, however, due to recent changes to the UK leverage ratio framework to exclude from the calculation of the total exposure measure those assets constituting claims on central banks where they are matched by deposits accepted by the firm that are denominated in the same currency and of identical or longer maturity, this has been included for comparative purposes.

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.