

Out of the Ordinary[®]

 **Investec**

Specialist Bank



An introduction to Investec

The information in this presentation relates to the six months ending 30 September 2017,
unless otherwise indicated.

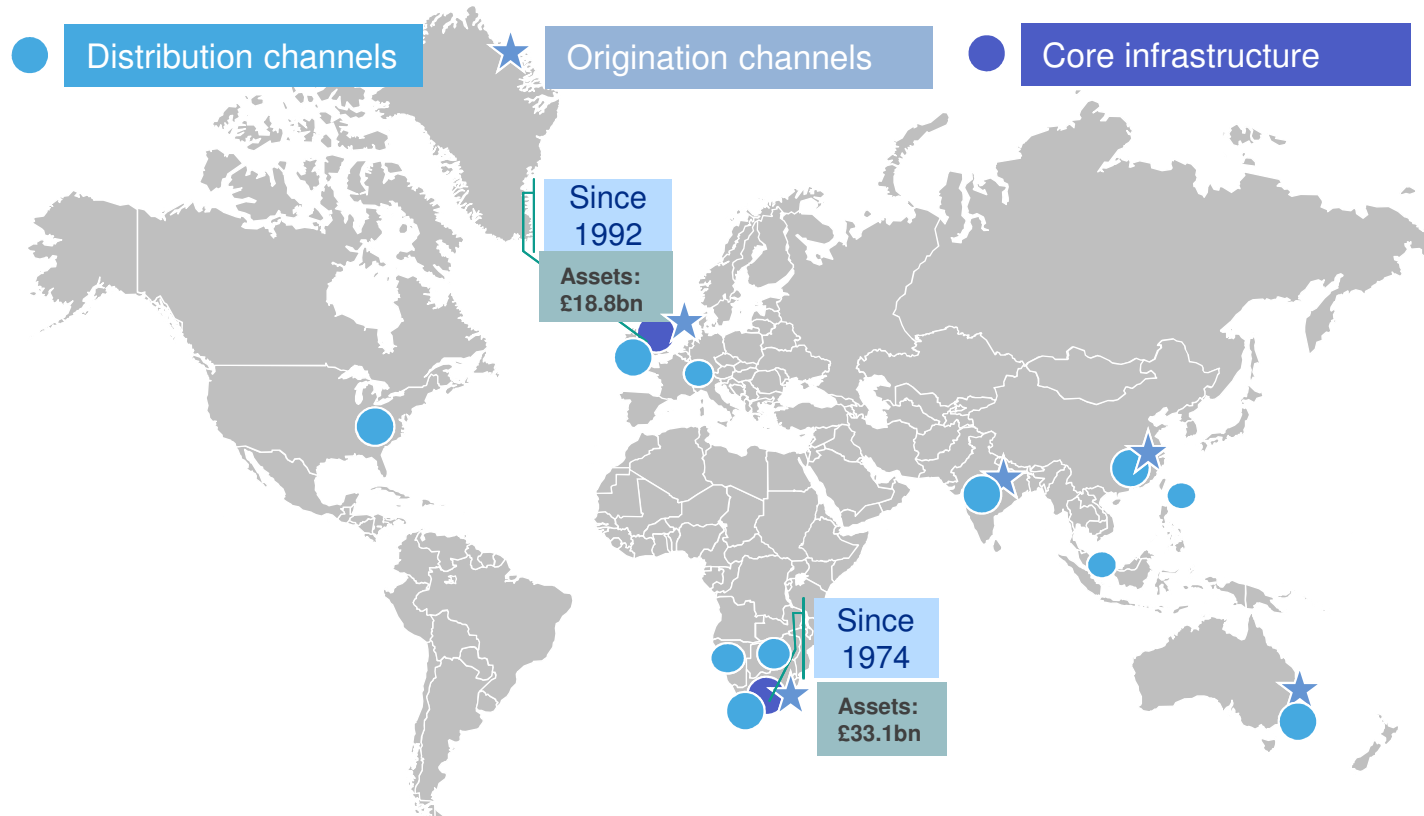
A close-up, black and white profile of a zebra's head, facing right. The zebra's eye is prominent, and its characteristic black and white stripes are clearly visible. A white circular graphic element is positioned above the zebra's ear. The background is plain white.

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 9 900 people
- Listed on the JSE and LSE (a FTSE 250 company)
- Total assets of £51.8bn[^]; total equity^{*^} £4.8bn; total FUM £154.3bn[^]

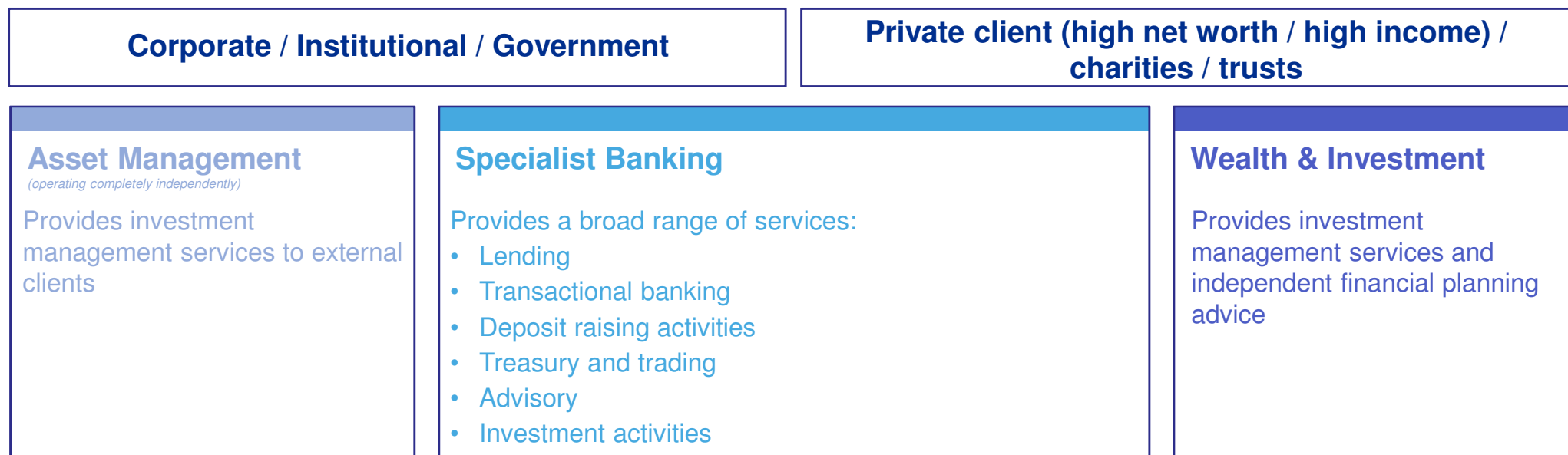


*Including preference shares and non-controlling interests.

[^]At 30 September 2017.

Balanced business model supporting our long-term strategy

Three distinct business activities focused on well defined target clients



Maintaining an appropriate balance between revenue streams

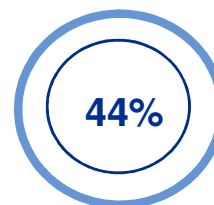
Capital light activities



Contributed to group income*

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

Capital intensive activities



Contributed to group income*

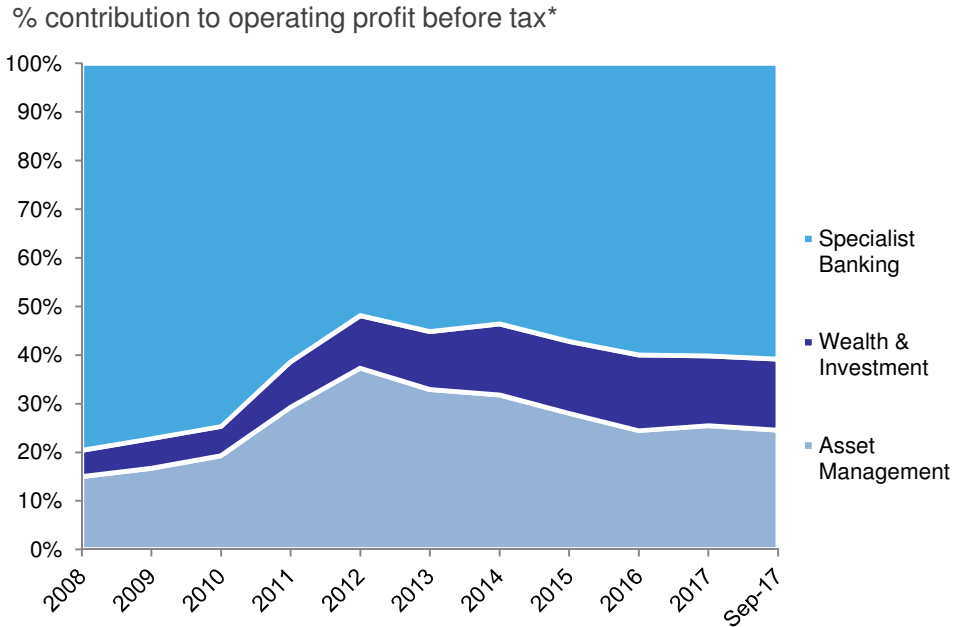
- Lending portfolios
- Investment portfolios
- Trading income
 - client flows
 - balance sheet management



*At 30 September 2017.

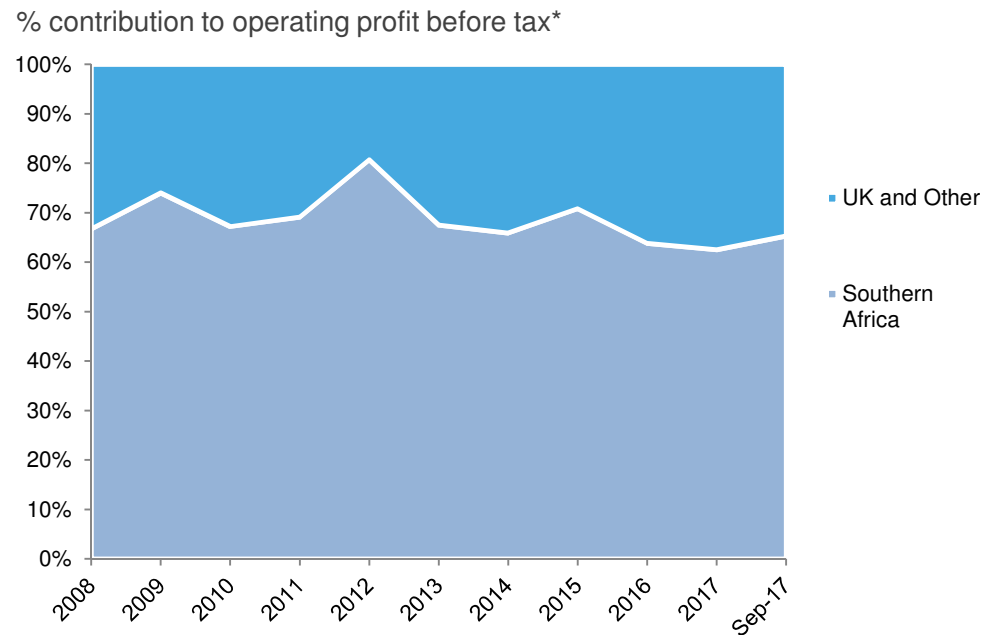
Solid recurring income base supported by a diversified portfolio

Across businesses



Overall contribution from Asset Management and W&I
 Sept 2017: **39%** 2017: **40%** 2016: **40%** 2015: **43%** 2014: **46%** 2013: **45%**
 2012: **48%**

Across geographies



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

We have a distinctive investment offering



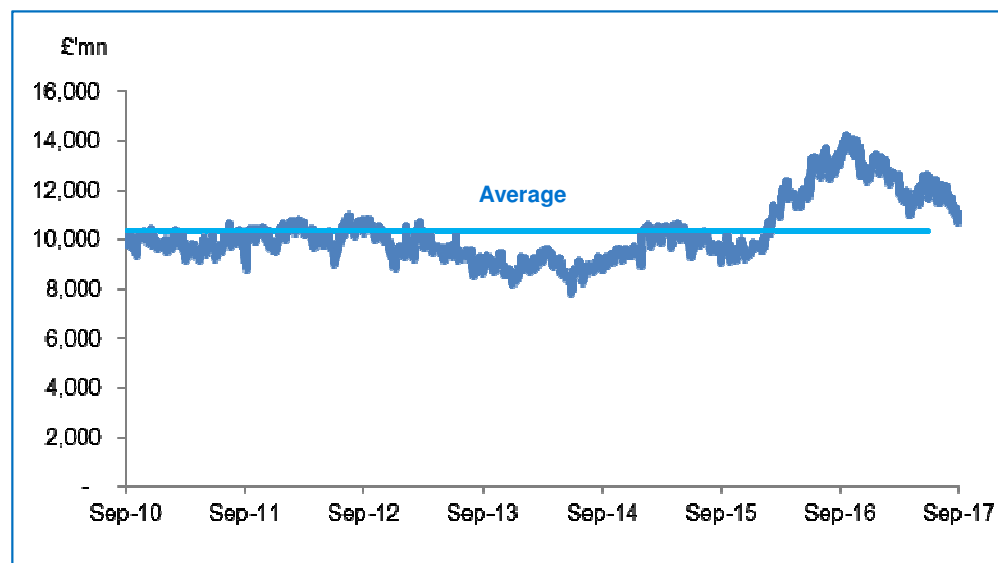
Resulting in a quality scalable global business

We continue to have a sound balance sheet

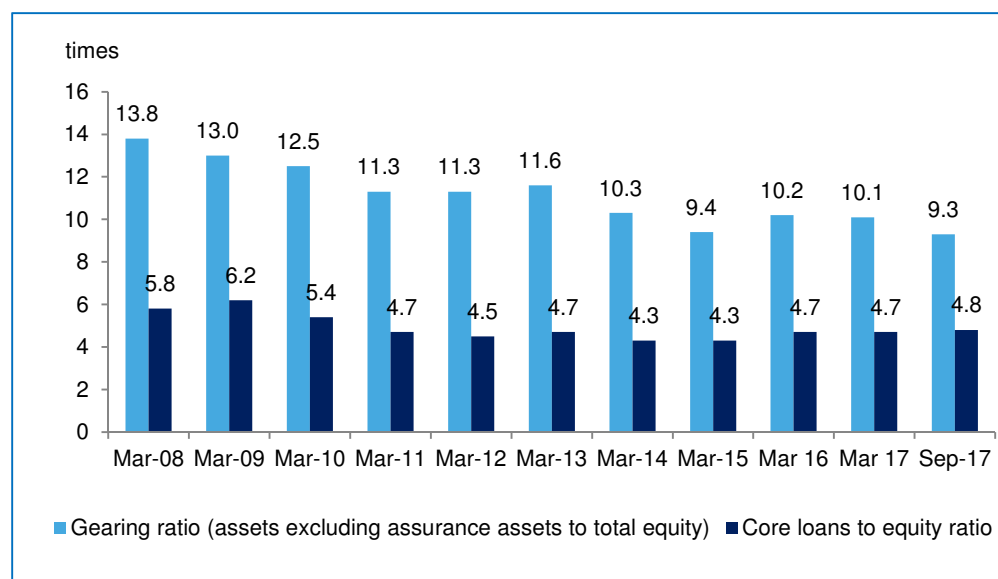
Key operating fundamentals

- Senior management “hands-on” culture
- A high level of readily available, high quality liquid assets – representing approx 25% - 35% of our liability base. Balance as at 30 September 2017 was £10.7bn
- 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 of 14%-17%
- Low gearing ratio – approx. 10 times; 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

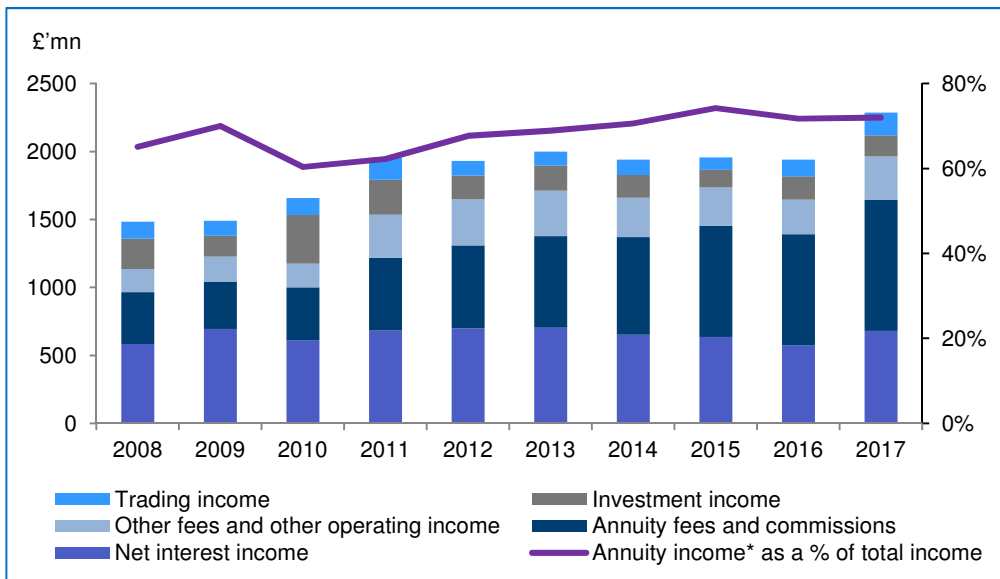


Low gearing ratios

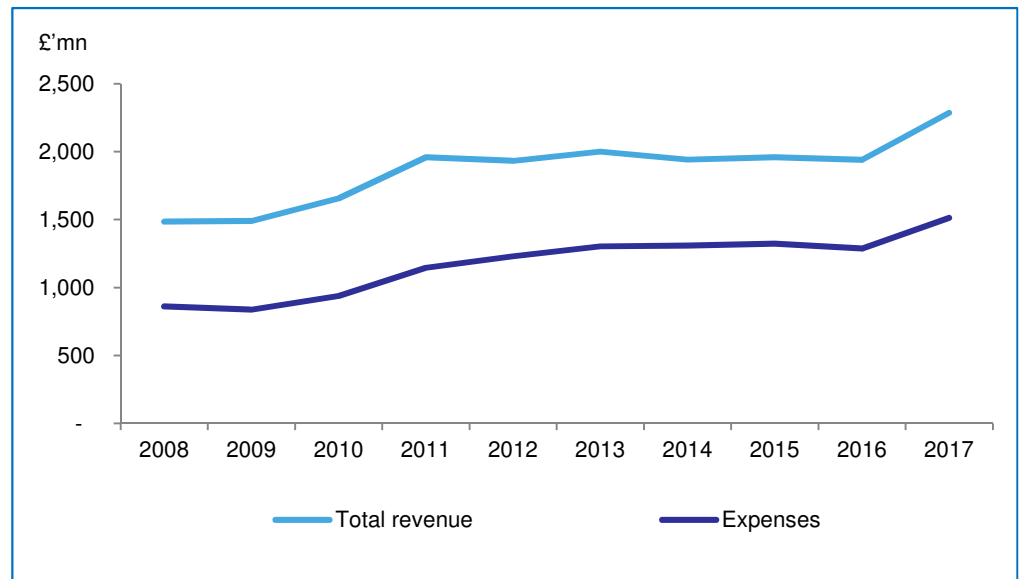


We have a sound track record

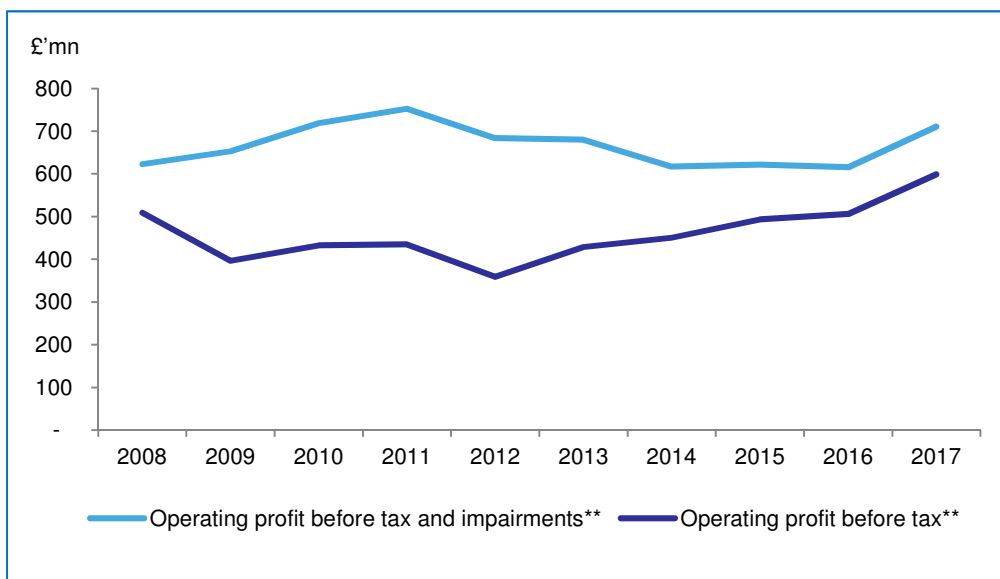
Recurring income



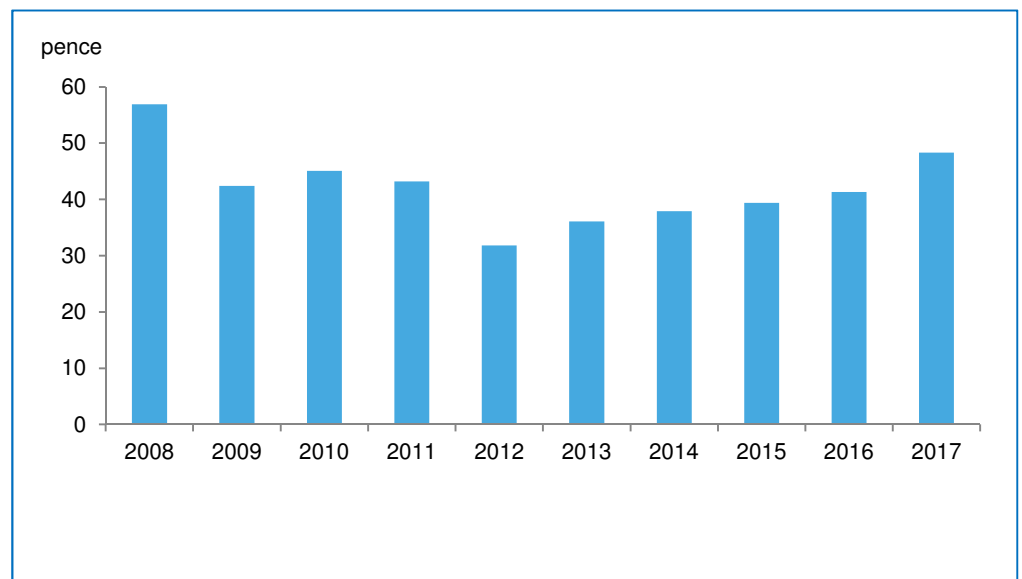
Revenue versus expenses



Operating profit before tax** and impairments



Adjusted EPS^



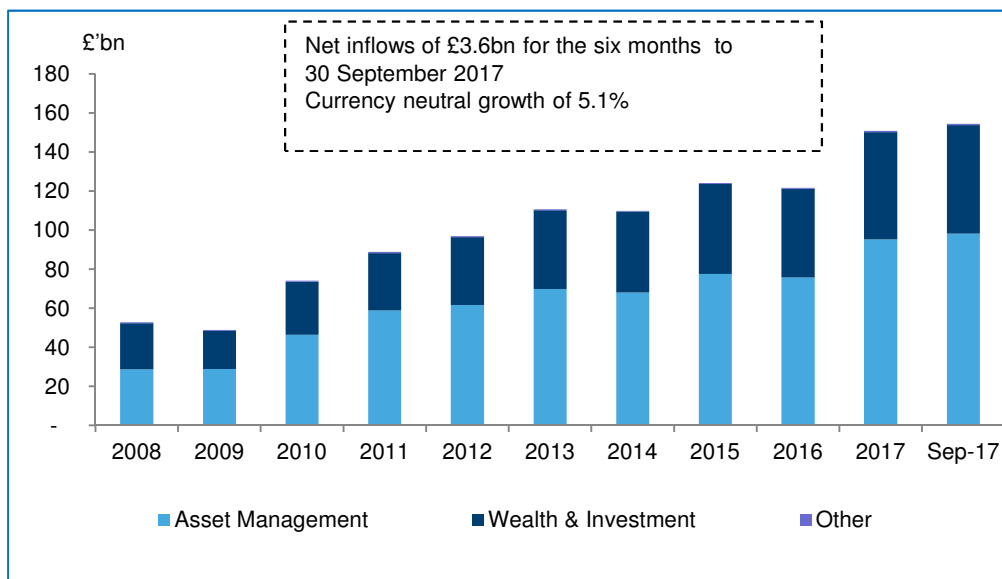
*Where annuity income is net interest income and annuity fees.

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

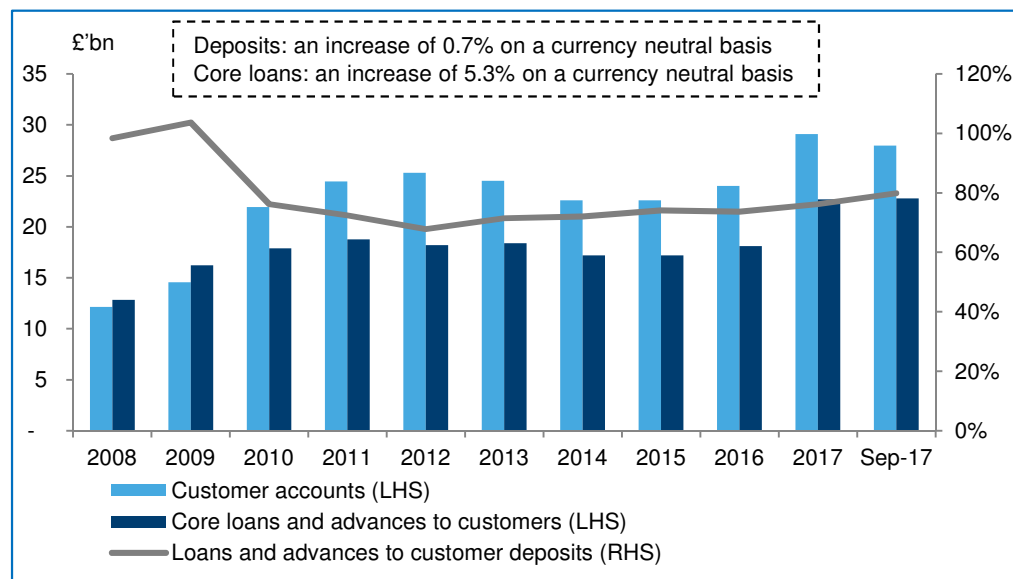
^Where Adjusted EPS is earnings per share before goodwill, acquired intangibles and non-operating items.

We have a sound track record

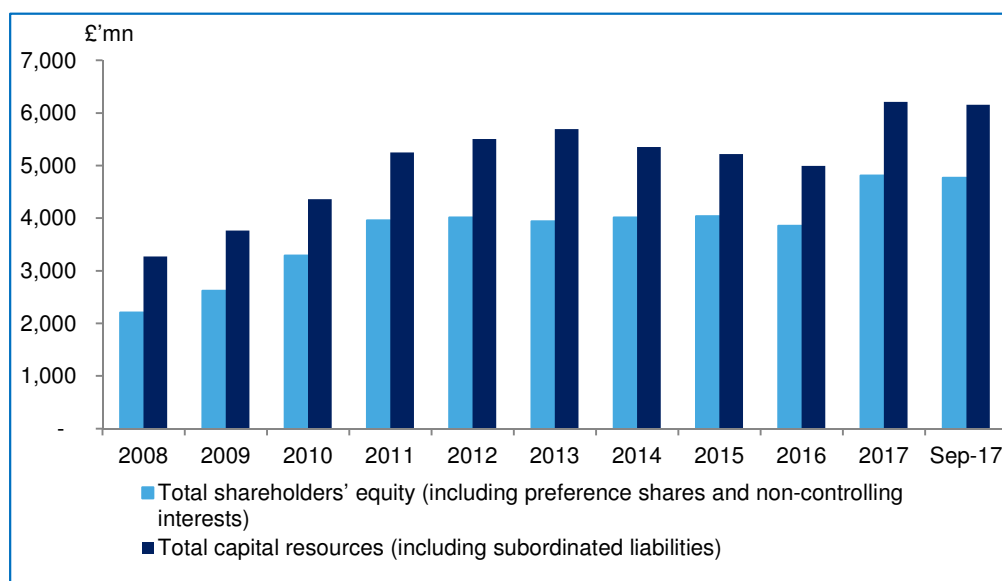
Third party assets under management



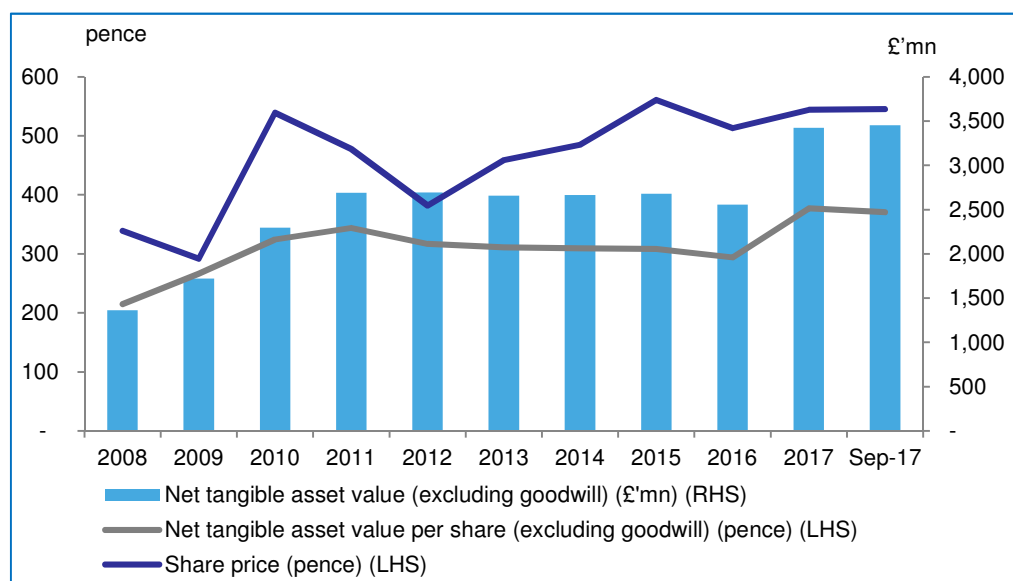
Core loans and advances and deposits



Total shareholders' equity and capital resources



Net tangible asset value



Results are shown for the year-ended 31 March, unless otherwise indicated.

Currency neutral basis: calculation assumes that the closing exchange rates of the group's relevant exchange rates remain the same as at 30 September 2017 when compared to 31 March 2017.

We have invested in our Brand



...our Communities



...our People

... and the Planet



Summary of year end results – salient financial features

Investec group consolidated results in Pounds Sterling	Year to 31 Mar 2017	Year to 31 Mar 2016	% change**
Income statement			
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items (£'000)	434,504	359,732	20.8%
Operating profit* (£'000)	599,121	505,593	18.5%
Balance sheet			
Total capital resources (including subordinated liabilities) (£'million)	6,211	4,994	24.4%
Total shareholders' equity (including preference shares and non-controlling interests (£'million))	4,809	3,859	24.6%
Total assets (£'million)	53,535	45,352	18.0%
Net core loans and advances to customers (including own originated securitised assets) (£'million)	22,707	18,119	25.3%
Cash and near cash balances (£'million)	12,038	10,962	9.8%
Customer accounts (deposits) (£'million)	29,109	24,044	21.1%
Third party assets under management (£'million)	150,735	121,683	23.9%
Capital adequacy ratio: Investec plc	15.1%	15.1%	
Capital adequacy tier 1 ratio: Investec plc	11.3%	10.7%	
Capital adequacy ratio: Investec Limited	14.2%	14.0%	
Capital adequacy tier 1 ratio: Investec Limited	10.8%	10.7%	
Credit loss ratio (core income statement impairment charge as a % of average gross core loans and advances)	0.54%	0.62%	
Defaults (net of impairments and before collateral) as a % of net core loans and advances to customers	1.22%	1.54%	
Gearing ratio (assets excluding assurance assets to total equity)	10.1x	10.2x	
Core loans to equity ratio	4.7x	4.7x	
Loans and advances to customers as a % of customer deposits	76.2%	73.6%	
Selected ratios and other information			
Adjusted earnings per share^ (pence)	48.3	41.3	16.9%
Net tangible asset value per share (pence)	377.0	294.3	28.1%
Dividends per share (pence)	23.0	21.0	9.5%
Cost to income ratio	66.3%	66.4%	
Return on average adjusted shareholders' equity (post tax)	12.5%	11.5%	
Return on average adjusted tangible shareholders' equity (post tax)	14.5%	13.7%	
Return on risk-weighted assets	1.45%	1.34%	
Recurring income as a % of operating income	72.0%	71.7%	
Weighted number of ordinary shares in issues (million)	900.4	870.5	3.4%
Total number of shares in issue (million)	958.3	908.8	5.4%
Closing share price (pence)	544	513	6.0%
Market capitalisation (£'million)	5,213	4,662	11.8%
Number of employees in the group (including temps and contractors)	9,716	8,966	8.4%
Closing ZAR: £ exchange rate	16.77	21.13	20.6%
Average ZAR: £ exchange rate	18.42	20.72	11.1%

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

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

**Refer to the next slide for information on a currency neutral basis.

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

Results in Pounds Sterling					
	Actual as reported Year to 31 March 2017	Actual as reported Year to 31 March 2016	Actual as reported % change	Neutral currency Year to 31 March 2017 [^]	Neutral currency %
Operating profit before taxation* (million)	£599	£506	18.5%	£546	8.0%
Earnings attributable to shareholders (million)	£442	£368	20.1%	£401	8.8%
Adjusted earnings attributable to shareholders** (million)	£435	£360	20.8%	£395	9.9%
Adjusted earnings per share**	48.3p	41.3p	16.9%	43.9p	6.3%

Results in Pounds Sterling					
	Actual as reported At 31 March 2017	Actual as reported At 31 March 2016	Actual as reported % change	Neutral currency At 31 March 2017 [^]	Neutral currency %
Net tangible asset value per share	377.0p	294.3p	28.1%	341.6p	16.1%
Total shareholders' equity (million)	£4,809	3,859	24.6%	£4,252	10.2%
Total assets (million)	£53,535	45,352	18.0%	£46,338	2.2%
Net core loans and advances to customers (million)	£22,707	18,119	25.3%	£19,501	7.6%
Cash and near cash balances (million)	£12,038	10,962	9.8%	£10,591	(3.4%)
Customer accounts (deposits) (million)	£29,109	24,044	21.1%	£25,376	5.5%
Third party assets under management (million)	£150,735	121,683	23.9%	£139,664	14.8%

* 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. 20.72. For balance sheet items we have assumed that the Rand: Pounds Sterling closing exchange rate has remained neutral since 31 March 2016.

Summary of the Interim results – salient financial features

Investec group consolidated results in Pounds Sterling	Six months to 30 Sep 2017	Six months to 30 Sep 2016	% change**
Income statement			
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items (£'000)	245,280	203,290	20.7%
Operating profit* (£'000)	314,604	281,418	11.8%
Balance sheet			
Total capital resources (including subordinated liabilities) (£'million)	6,155	5,839	5.4%
Total shareholders' equity (including preference shares and non-controlling interests (£'million)	4,766	4,485	6.3%
Total assets (£'million)	51,818	52,479	(1.3%)
Net core loans and advances to customers (including own originated securitised assets) (£'million)	22,797	20,898	9.1%
Cash and near cash balances (£'million)	10,683	13,114	(18.5%)
Customer accounts (deposits) (£'million)	27,966	28,305	(1.2%)
Third party assets under management (£'million)	154,338	141,783	8.9%
Capital adequacy ratio: Investec plc	14.5%	15.0%	
Capital adequacy tier 1 ratio: Investec plc	11.4%	11.1%	
Capital adequacy ratio: Investec Limited	14.3%	14.4%	
Capital adequacy tier 1 ratio: Investec Limited	10.8%	10.8%	
Annualised credit loss ratio (core income statement impairment charge as a % of average gross core loans and advances)	0.52%	0.48%	
Defaults (net of impairments and before collateral) as a % of net core loans and advances to customers	1.01%	1.48%	
Gearing ratio (assets excluding assurance assets to total equity)	9.3x	10.1x	
Core loans to equity ratio	4.8x	4.7x	
Loans and advances to customers as a % of customer deposits	79.9%	72.0%	
Selected ratios and other information			
Adjusted earnings per share^ (pence)	26.6	22.7	17.2%
Net tangible asset value per share (pence)	370.2	348.5	6.2%
Dividends per share (pence)	10.5	10.0	5.0%
Cost to income ratio	66.9%	67.1%	
Annualised return on average adjusted shareholders' equity (post tax)	12.5%	12.1%	
Annualised return on average adjusted tangible shareholders' equity (post tax)	14.3%	14.2%	
Annualised return on risk-weighted assets	1.50%	1.40%	
Recurring income as a % of operating income	76.4%	72.4%	
Weighted number of ordinary shares in issues (million)	922.9	895.7	3.0%
Total number of shares in issue (million)	976.6	954.5	2.3%
Closing share price (pence)	545	471	15.7%
Market capitalisation (£'million)	5,322	4,496	18.4%
Number of employees in the group (including temps and contractors)	9,895	9,333	6.0%
Closing ZAR: £ exchange rate	18.10	17.88	1.2%
Average ZAR: £ exchange rate	17.06	19.99	14.7%

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

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

**Refer to the next slide for information on a currency neutral basis.

Summary of Interim 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

Results in Pounds Sterling					
	Actual as reported Six months to 30 Sept 2017	Actual as reported Six months to 30 Sept 2016	Actual as reported % change	Neutral currency Six months to 30 Sept 2017 [^]	Neutral currency % change
Operating profit before taxation* (million)	£315	£281	11.8%	£285	1.1%
Earnings attributable to shareholders (million)	£252	£209	21.0%	£227	8.8%
Adjusted earnings attributable to shareholders** (million)	£245	£203	20.7%	£222	9.1%
Adjusted earnings per share**	26.6p	22.7p	17.2%	24.0p	5.7%

Results in Pounds Sterling					
	Actual as reported At 30 Sept 2017	Actual as reported At 30 Sept 2016	Actual as reported % change	Neutral currency At 30 Sept 2017 [^]	Neutral currency % change
Net tangible asset value per share	421.8p	431.0p	(2.1%)	386.6p	2.5%
Total shareholders' equity (million)	£4 766	£4 809	(0.9%)	£4 987	3.7%
Total assets (million)	£51 818	£53 535	(3.2%)	£54 442	1.7%
Net core loans and advances to customers (million)	£22 797	£22 707	0.4%	£23 900	5.3%
Cash and near cash balances (million)	£10 683	£12 038	(11.3%)	£11 133	(7.5%)
Customer accounts (deposits) (million)	£27 966	£29 109	(3.9%)	£29 325	0.7%
Third party assets under management (million)	£154 338	£150 735	2.4%	£158 475	5.1%

* 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. 19.99. For balance sheet items we have assumed that the Rand: Pounds Sterling closing exchange rate has remained neutral since 31 March 2017.

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.

Our long-term **internationalisation 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

Our **current strategic objectives** include:

Asset Management	Wealth & Investment	Specialist Banking	Other
<ul style="list-style-type: none">• Focusing on delivery of competitive investment performance• Grow in Advisor channel and continue to scale Multi-Asset and Global Equities• Focus on our large markets, especially North America	<ul style="list-style-type: none">• Continue to develop the digital channel and enhance Click & Invest offering• Continued coordination of capabilities across businesses	<ul style="list-style-type: none">• Building and developing our client franchises across all areas• Improving the ROE in the business• Implementing the UK Private Banking strategy	<ul style="list-style-type: none">• Continue investing in technology and people to maintain digital client experience• Improving the cost to income ratio by focusing on operational efficiencies• Diversity across the group

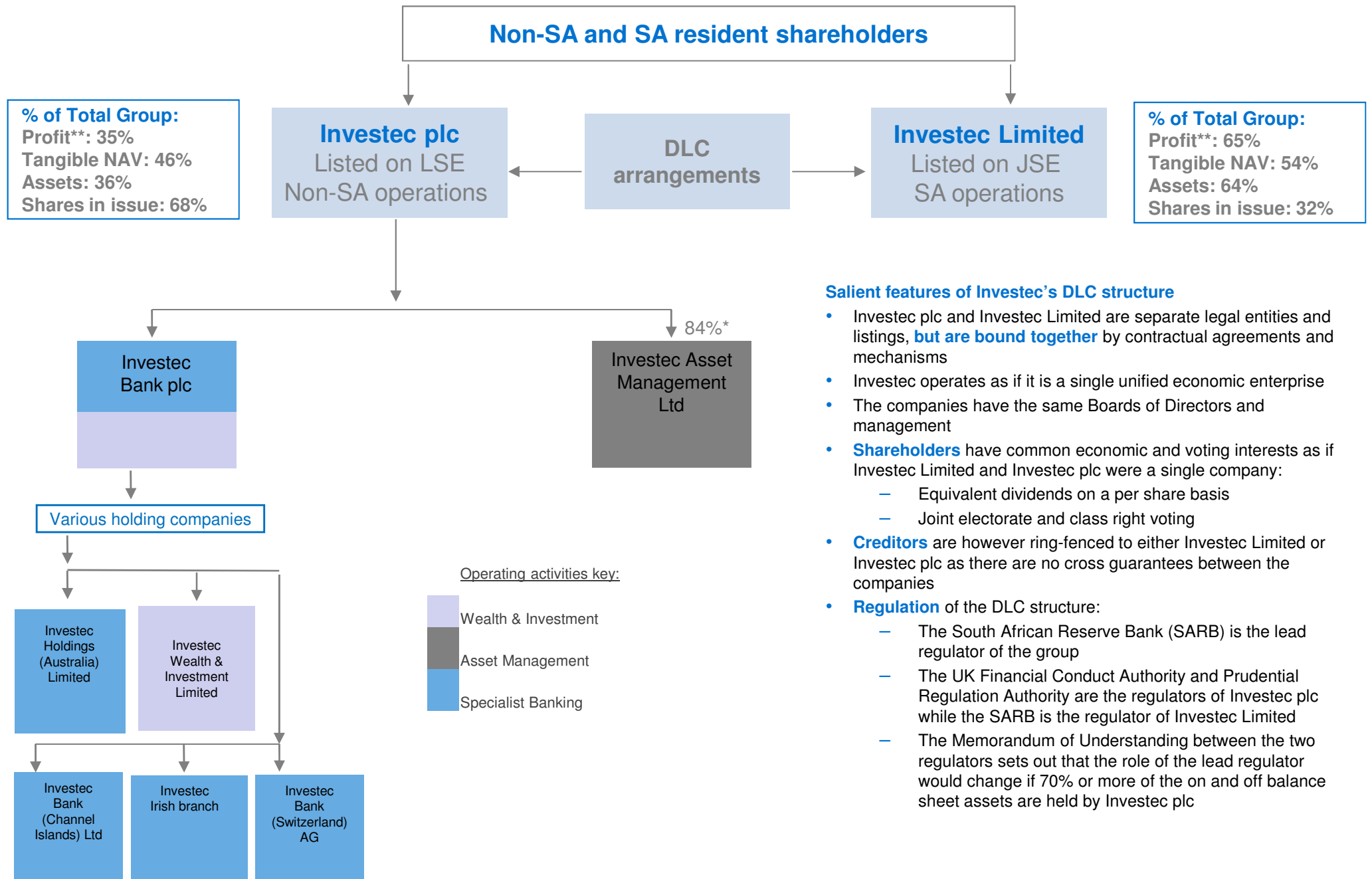
A close-up, black and white profile of a zebra's head, showing its distinctive black and white stripes. The zebra's eye is visible, looking towards the right. A white circular graphic element is positioned above the zebra's ear. The background is plain white.

An overview of Investec plc

Overview of Investec plc

- The Investec group implemented a Dual Listed Companies Structure in July 2002, in terms of which its non-South African subsidiaries were listed on the London Stock Exchange
- 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, and also has a secondary listing on the Johannesburg Stock Exchange
- **Total assets of £18.9bn and total shareholders' equity of £2.0bn**
- Regulated by the Prudential Regulation Authority and the Financial Conduct Authority
- Follows the same strategic approach as the greater Investec group
- 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.
- The three principal business units of Investec plc are:
 - Asset Management
 - Wealth & Investment
 - Specialist Banking

Investec plc: organisational structure as at 30 September 2017




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

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

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

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



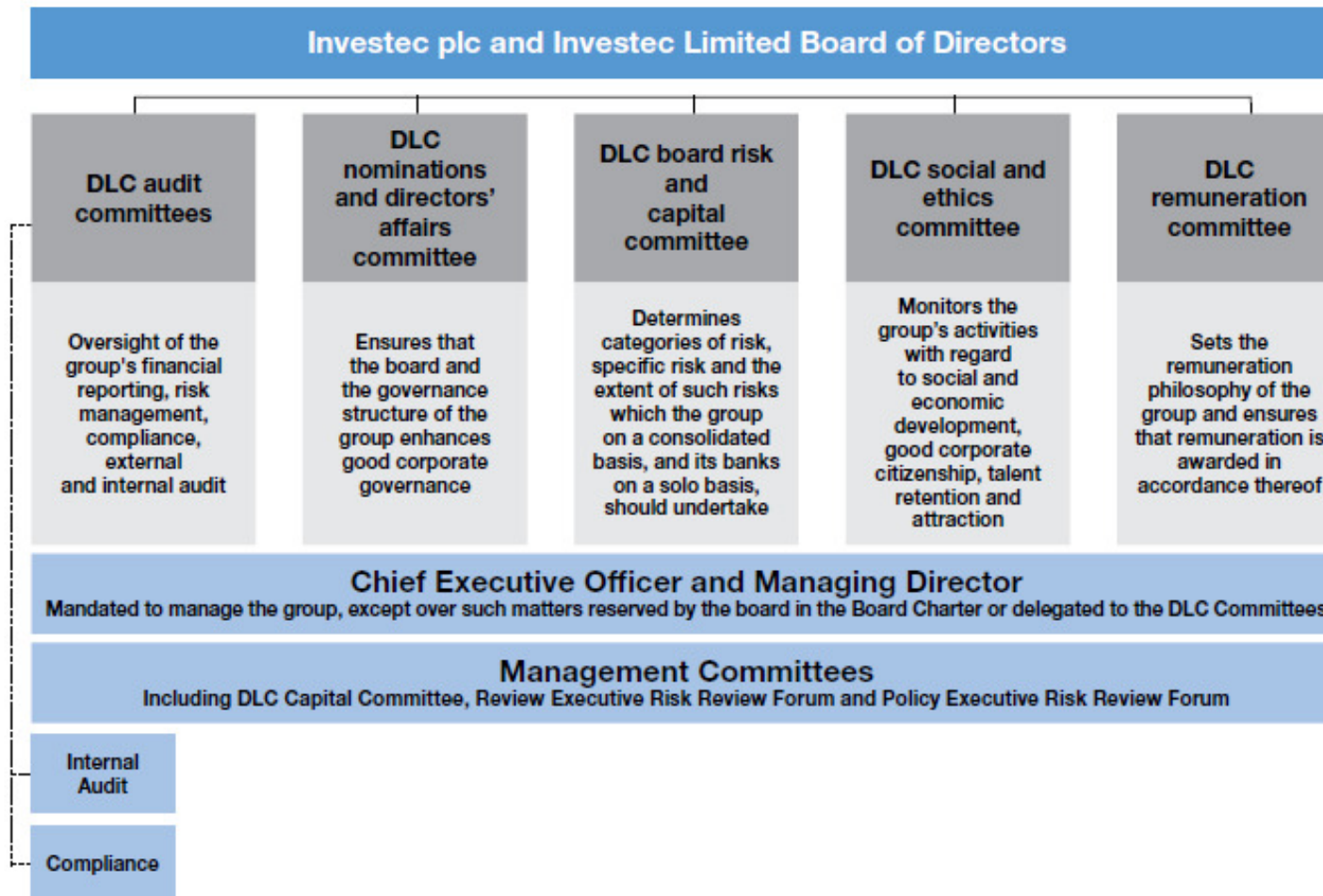
Investec plc:
sound balance sheet and
operating fundamentals

Investec plc: sound balance sheet and operating fundamentals

Supported by:

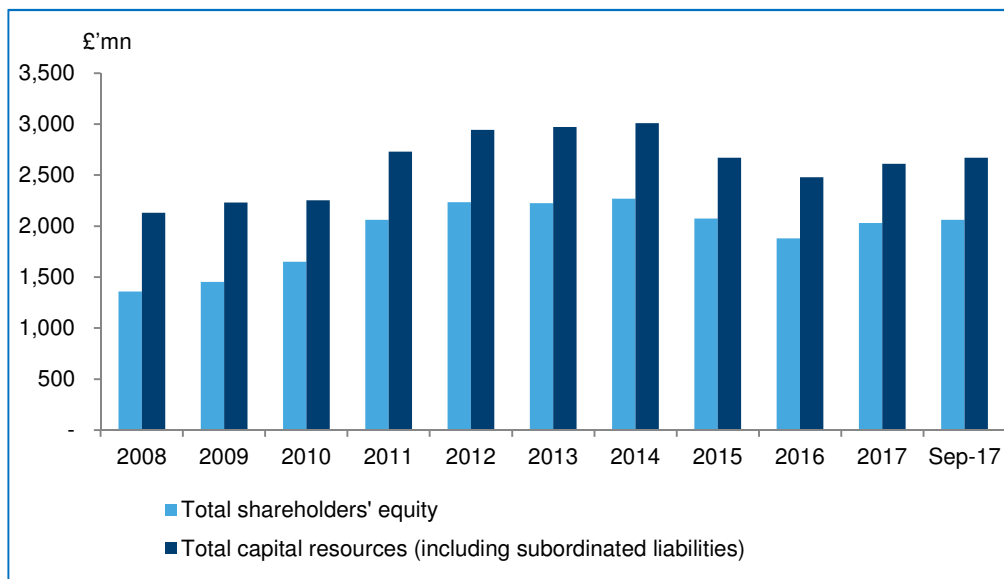
- Senior management “hands-on” culture
- Board, executives and management are intimately involved in the risk management process
- Risk awareness, control and compliance are embedded in our day-to-day activities

Risk and governance framework

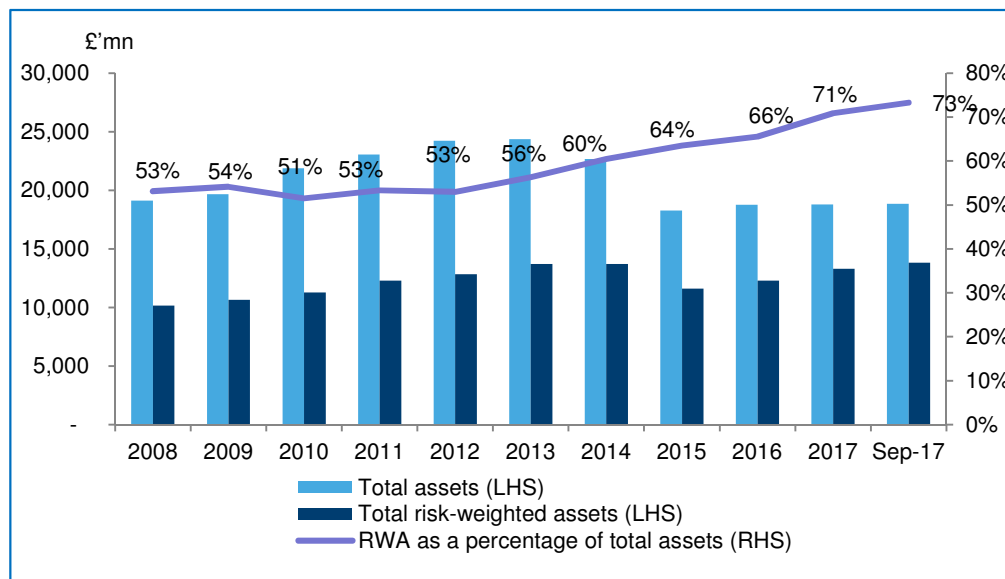


Investec plc: sound capital base and capital ratios

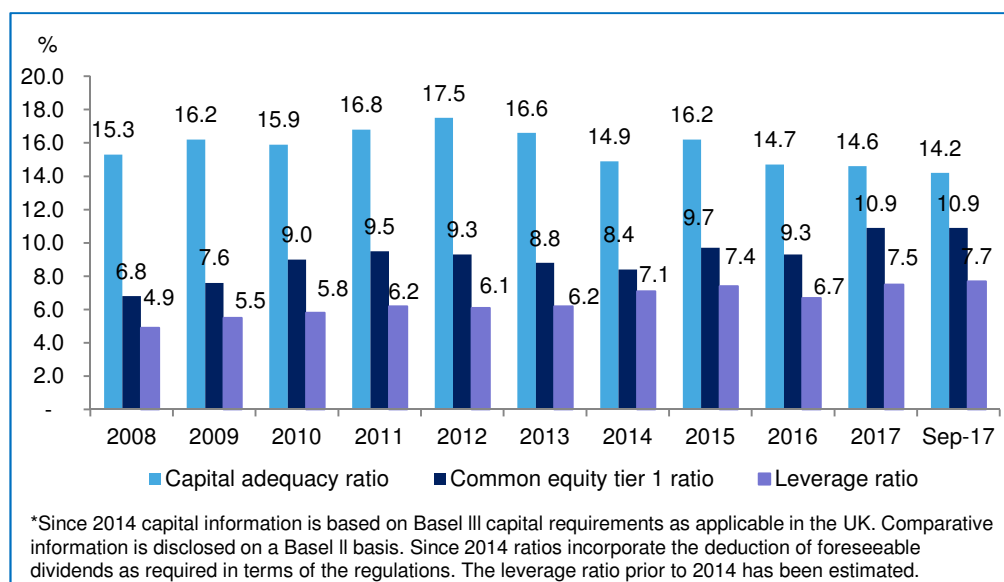
Total capital



Total risk-weighted assets



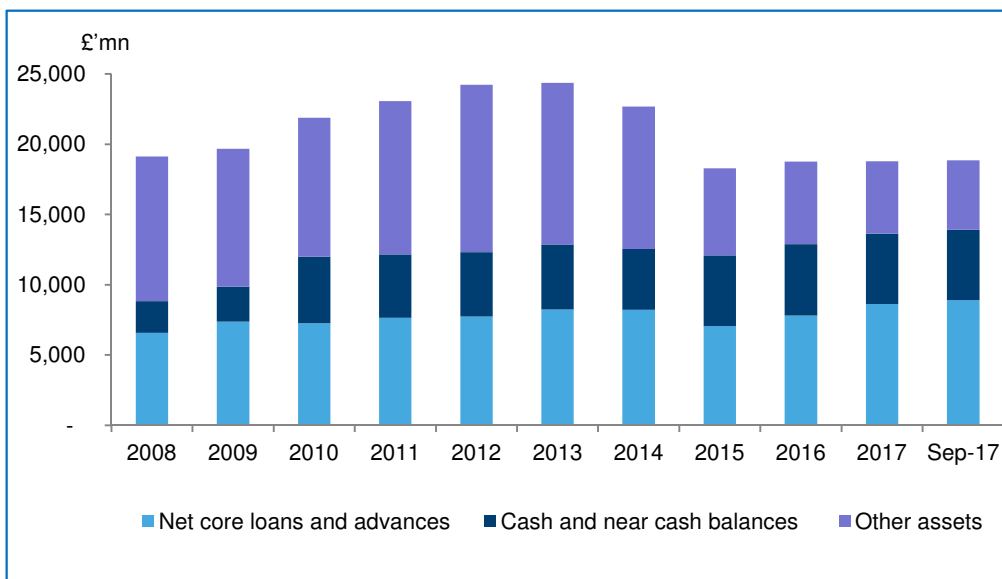
Basel capital ratios*



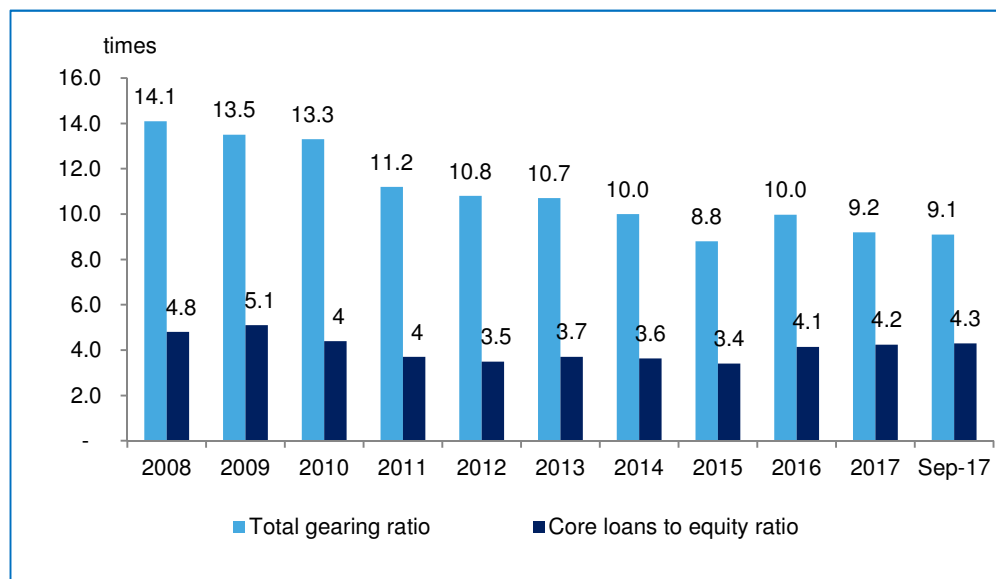
- Investec has always held capital in excess of regulatory requirements and the group intends to perpetuate this philosophy and ensure that it remains well capitalised
- Capital adequacy targets:
 - Common equity tier 1 target: above 10%
 - Total CAR target: 14% – 17%
- As we are on the Standardised 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
- We have continued to grow our capital base** throughout the crisis without recourse to government and shareholders. Our total shareholders' equity has grown by c50% since 2008 to £2.0bn at 30 September 2017
- 30 September 2017: total capital adequacy ratio of 14.2% and common equity tier 1 ratio of 10.9%** (these ratios now incorporate the deduction of foreseeable dividends as required in terms of the regulations. Excluding these adjustments the common equity tier 1 ratio would be 45bps higher)
- Our fully loaded Basel III common equity tier 1 ratio is estimated to be 10.9% and our fully loaded leverage ratio is 7.6%**

Investec plc: low gearing ratios

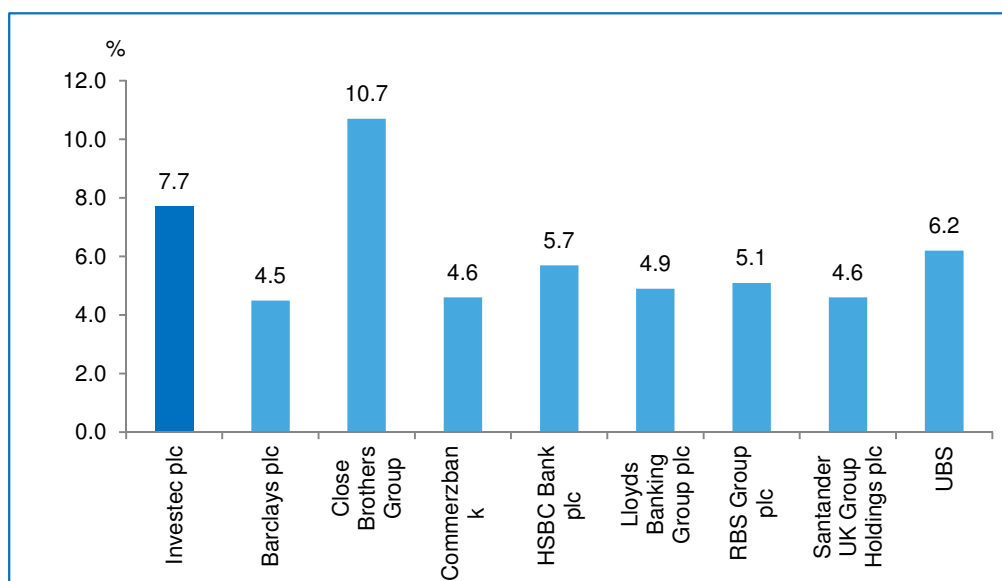
Total assets



Gearing



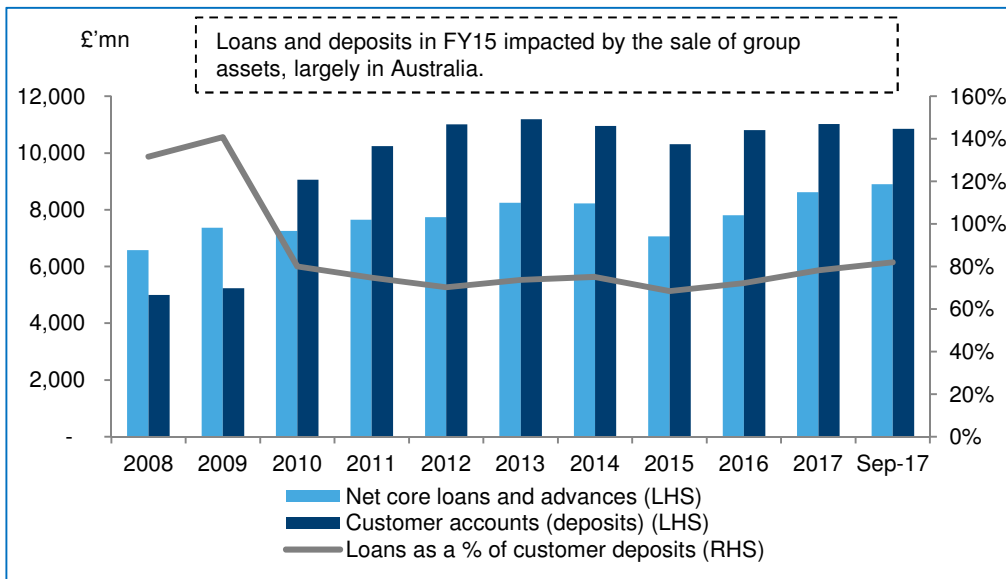
Regulatory leverage ratios - peer group comparisons



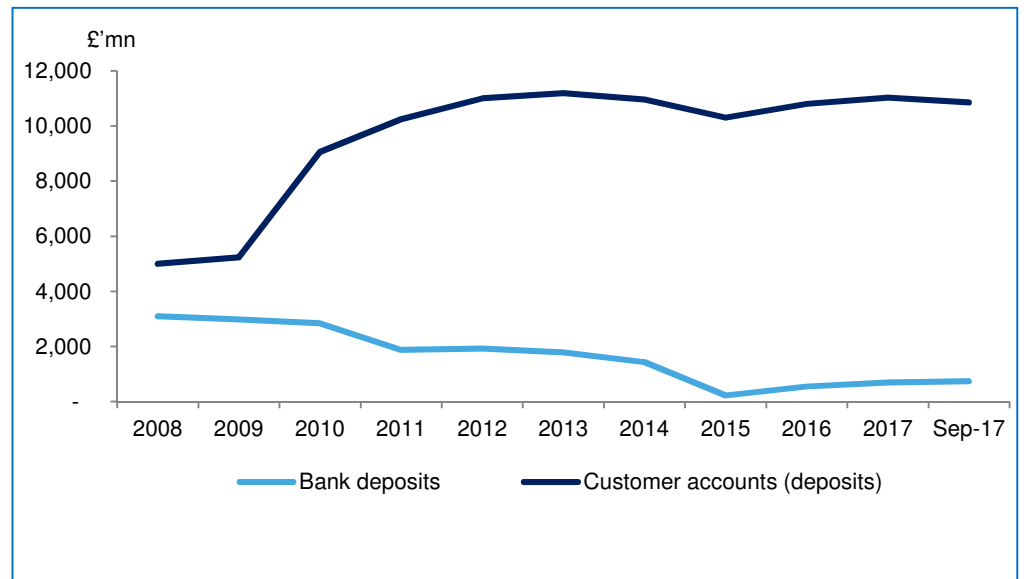
- Our core loans and advances have grown moderately over the past few years with the biggest increase in assets representing an increase in our cash and near cash balances which have grown by approximately 8% each year since 2008
- Total assets reduced during FY15 as a result of the group's strategic sales of certain businesses
- **We have maintained low gearing ratios with total gearing at 9.1x and an average of 11.0x since 2008**

Investec plc: surplus liquidity

Total loans and deposits



Total deposits – increase in retail deposits



Cash and near cash balances

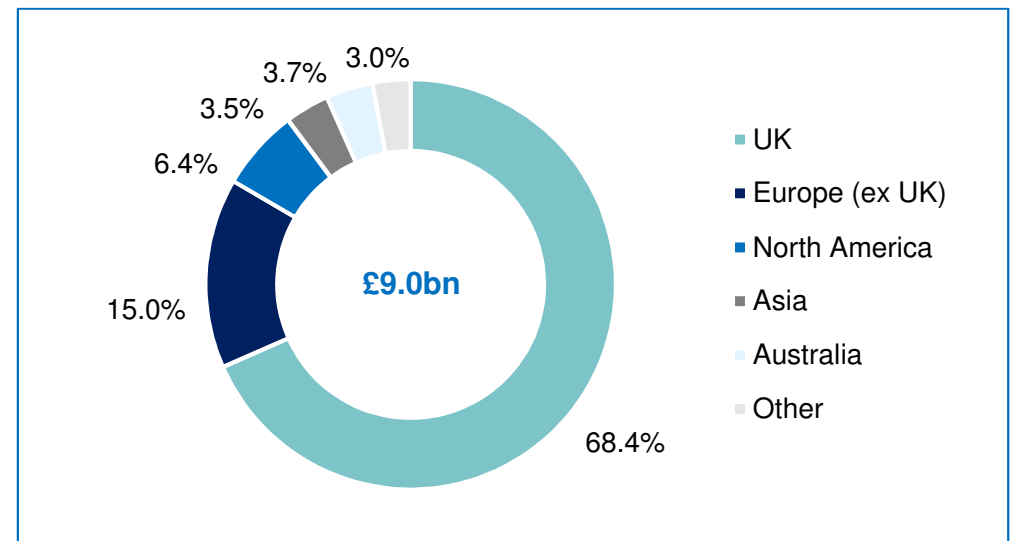


- We exceed Basel III liquidity requirements
- Customer deposits have grown by 117% (c.8% CAGR p.a.) since 2008 to £10.9bn at 30 September 2017
- We maintain a high level of readily available, high quality liquid assets – targeting a minimum cash to customer deposit ratio of 25%. These balances have increased significantly since 2008 to £5.0bn at 30 September 2017 (representing 46% of customer deposits)
- Advances as a percentage of customer deposits is at 82.0%
- Fixed and notice customer deposits have continued to grow with our customers display a strong 'stickiness' and willingness to reinvest in our suite of term and notice products.
- The LCR reported to the Prudential Regulatory Authority at 30 September 2017 was 610% for Investec plc.

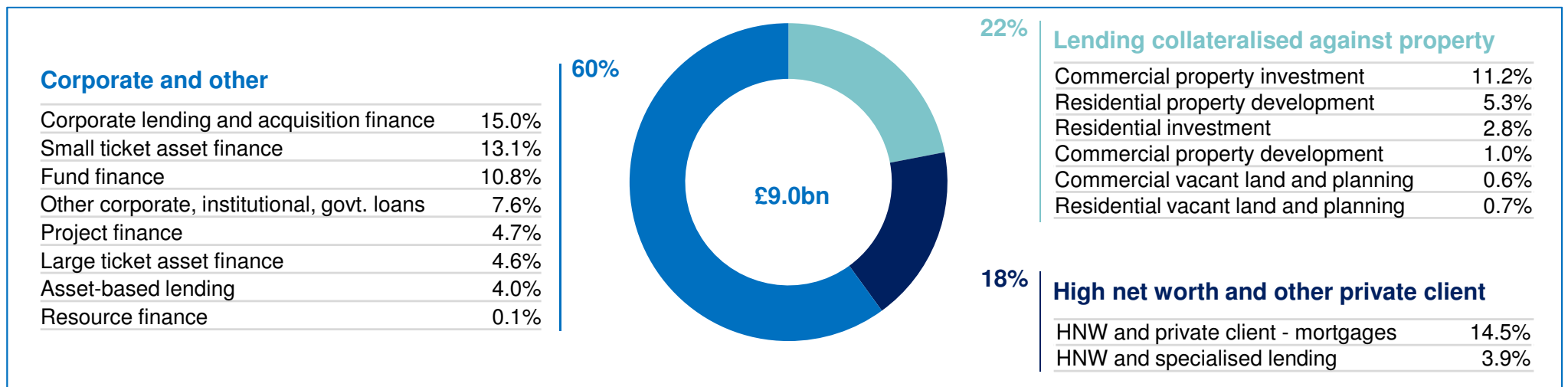
Investec plc: exposures in a select target market

- 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
- The majority of exposures reside **within the UK**
- 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
- **Ongoing portfolio makes up 95.2% of net core loans**
- **Actively managing down UK legacy portfolio*** (4.8% of net core loans and advances at 30 Sept 2017) – for further details see slide 26

Gross core loans by country of exposure at 30 Sept 2017



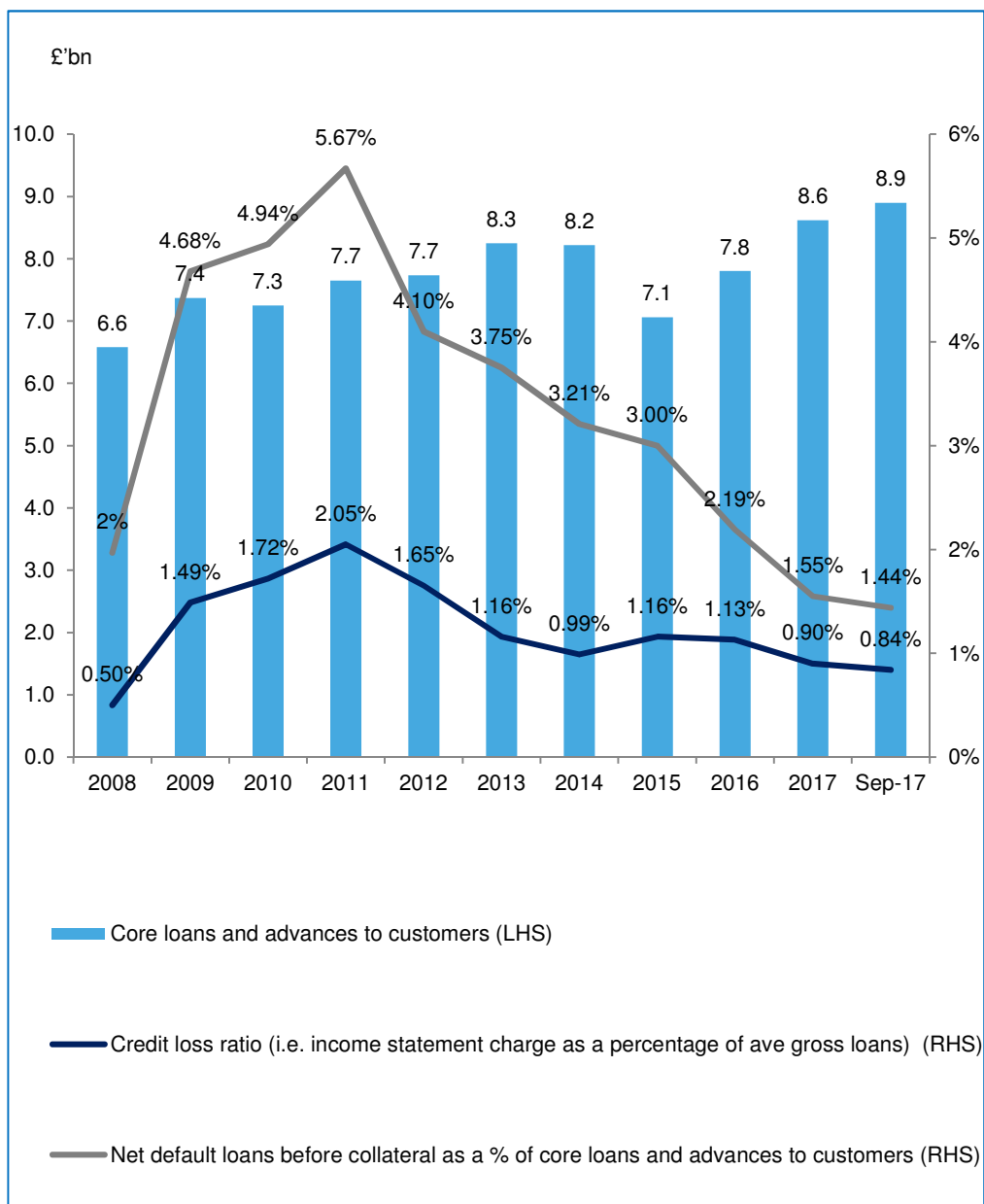
Gross core loans by risk category at 30 Sept 2017



*UK legacy assets are pre-2008 business with very low/negative margins and assets relating to discontinued business

Investec plc: core lending and asset quality

Core loans and asset quality



- Credit quality on core loans and advances for the six months ended 30 September 2017:
- Asset quality has improved as the legacy portfolio* has been managed down
 - Impairments on loans and advances amounted to £37.6mn for the six months ended 30 September 2017 (2016: £30.1mn)
 - The credit loss charge as a percentage of average gross core loans and advances amounted to 0.84% (31 March 2017: 0.90%)
 - The percentage of default loans** to core loans and advances reduced to 1.44% (31 March 2017: 1.55%)
 - The ratio of collateral to default loans^ remains satisfactory at 1.50x (31 March 2017: 1.44x)
- The ongoing portfolio continues to have very low levels of impairments and defaults
 - Credit loss charge on the ongoing portfolio of 0.22% (31 March 2017: 0.27%)
 - Defaults** as a percentage of ongoing core loans and advances reduced to 0.26% (31 March 2017: 0.11%)

*For further details see slide 26

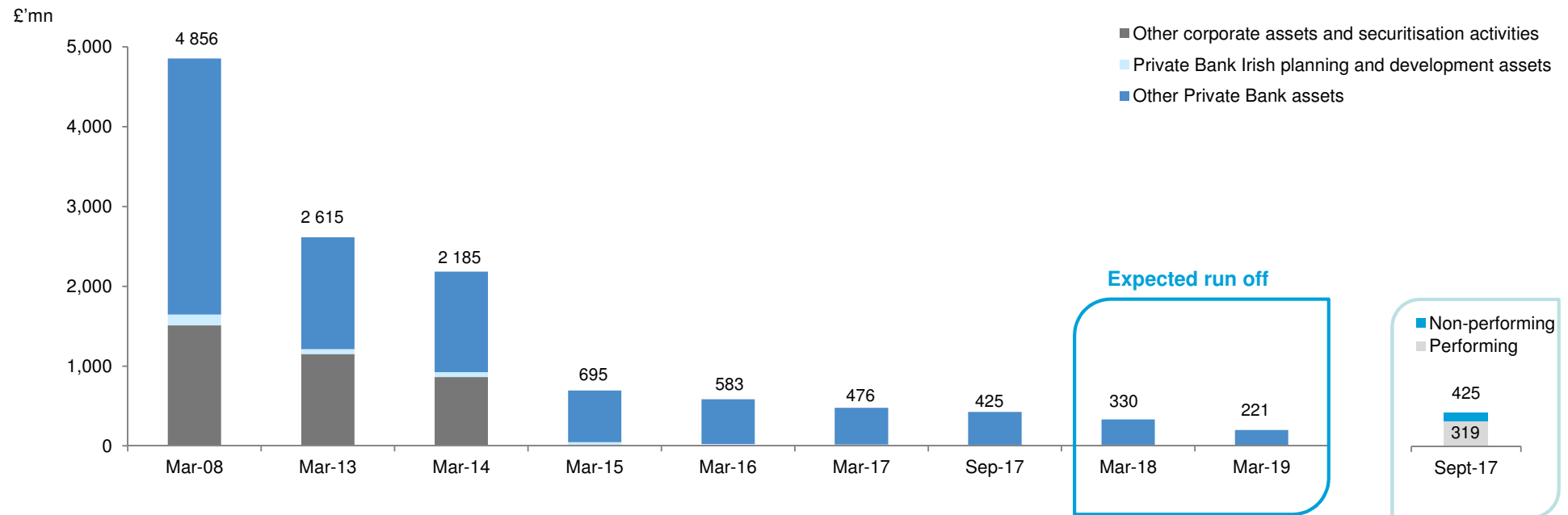
**Net of impairments but before taking collateral into account

^Net of impairments

Investec plc: UK legacy portfolio continues to reduce

- Our UK legacy portfolio is pre-2008 business with very low/negative margins, and assets relating to discontinued business
- The group's legacy portfolio in the UK has continued to be actively managed down to £425mn (4.8% of net core loans and advances) at 30 September 2017 (31 March 2017: £476mn)
- The legacy business over the year reported a loss before taxation of £32.9mn for the six months ended 30 September 2017 (2016: £33.0mn)
- Total net defaults in the legacy book amount to £106mn (31 March 2017: £125mn)
- The remaining legacy portfolio will continue to be managed down

Total remaining UK legacy assets*



Investec plc: low levels of market risk

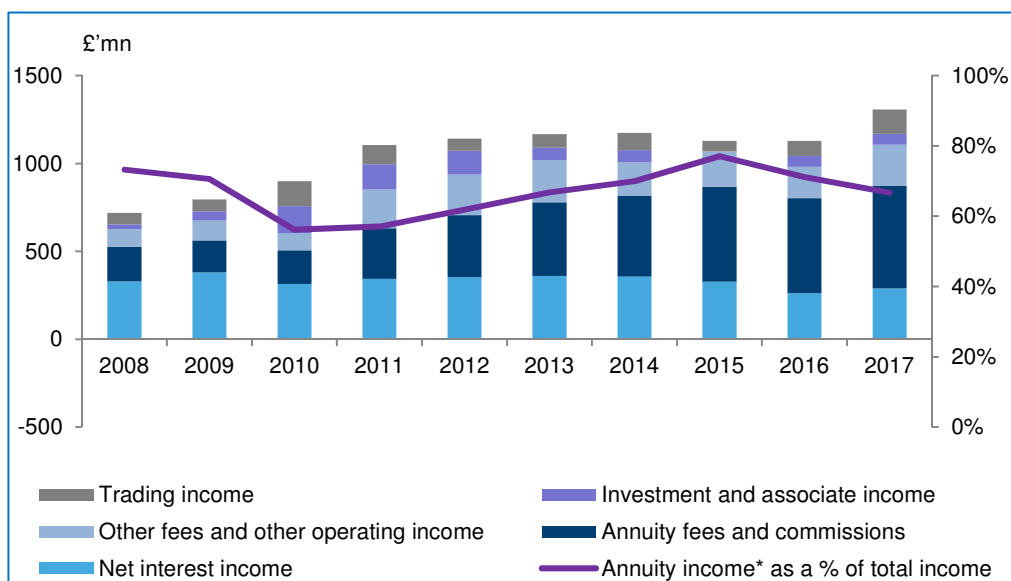
- Within our trading activities, we act as principal with clients or the market
- Market risk, therefore, exists where we have taken on principal positions, resulting from proprietary trading, market making, arbitrage, underwriting and investments in the commodity, foreign exchange, equity, capital and money markets
- **The focus of these businesses is primarily on supporting client activity**
- Our strategic intent is that proprietary trading should be limited and that trading should be conducted largely to facilitate clients in deal execution

VaR £'000	UK and Other 95% (one-day)			
	Period end	Average	High	Low
30 September 2017				
Equities	541	580	746	448
Foreign exchange	7	21	80	2
Interest rates	81	83	108	71
Consolidated*	515	575	740	439
31 March 2017				
Equities	503	547	1,317	340
Foreign exchange	13	34	162	1
Interest rates	88	191	287	83
Consolidated*	547	586	1,364	373

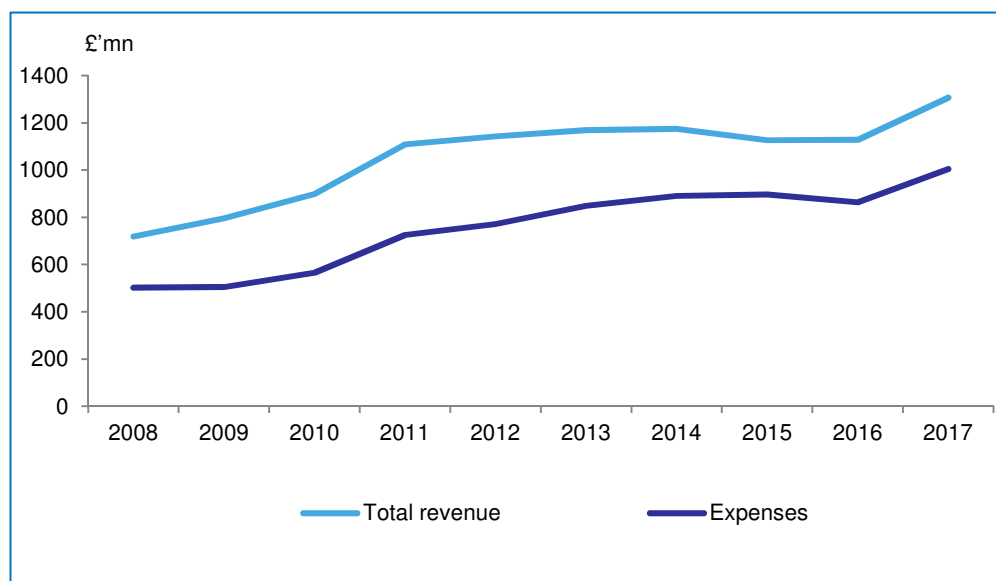
*The consolidated VaR is lower than the sum of the individual VaRs. This arises from the correlation offset between various asset classes (diversification).

Investec plc: profitability supported by diversified revenue streams

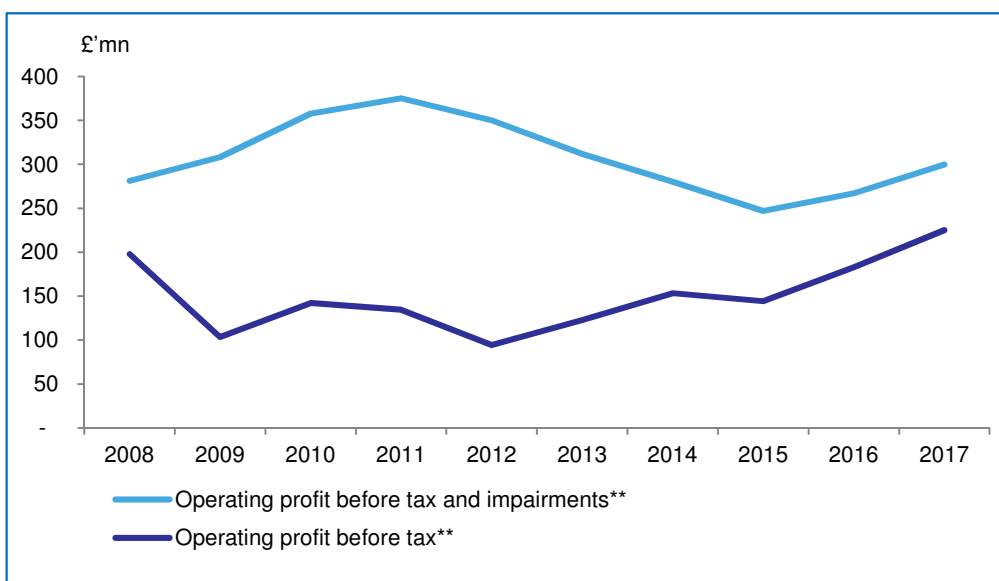
Recurring income



Revenue versus expenses



Operating profit before tax** and impairments



- Info for the year-ended 31 March 2017:
- **We have grown our operating profit**
 Since 2008 our results have however, been 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
- We are **maintaining a disciplined approach to cost control**. More recently costs have increased largely as a result of restructuring some of our businesses and investment into our digitization platforms and franchise businesses
- We have a **solid recurring income base** comprising net interest income and recurring fees which has been enhanced by the growth in our asset and wealth management businesses
- **Total capital light activities account for 63% of Investec plc's income**

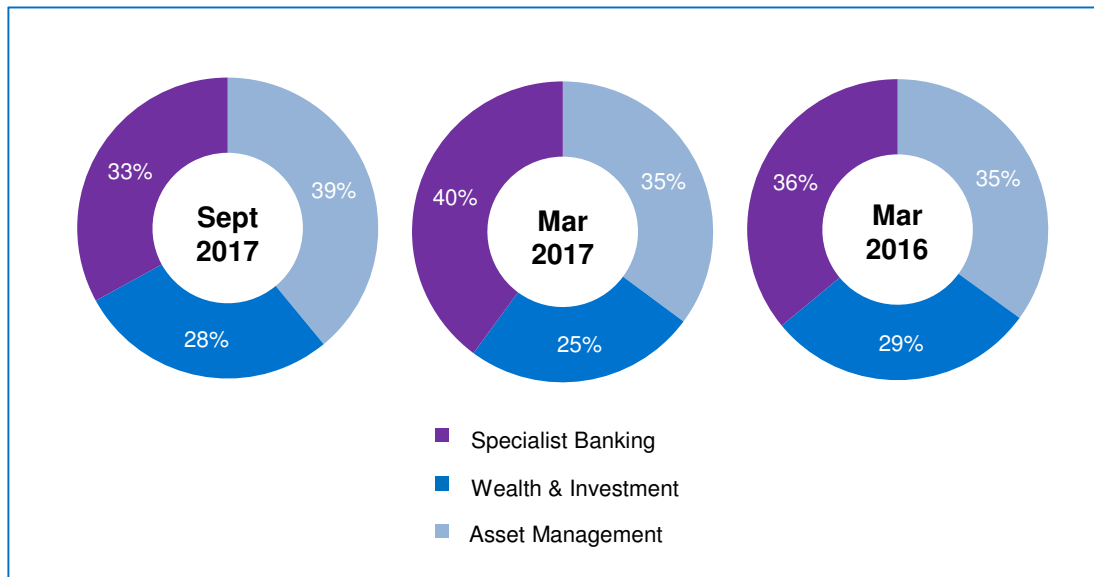
*Where annuity income is net interest income and annuity fees.

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

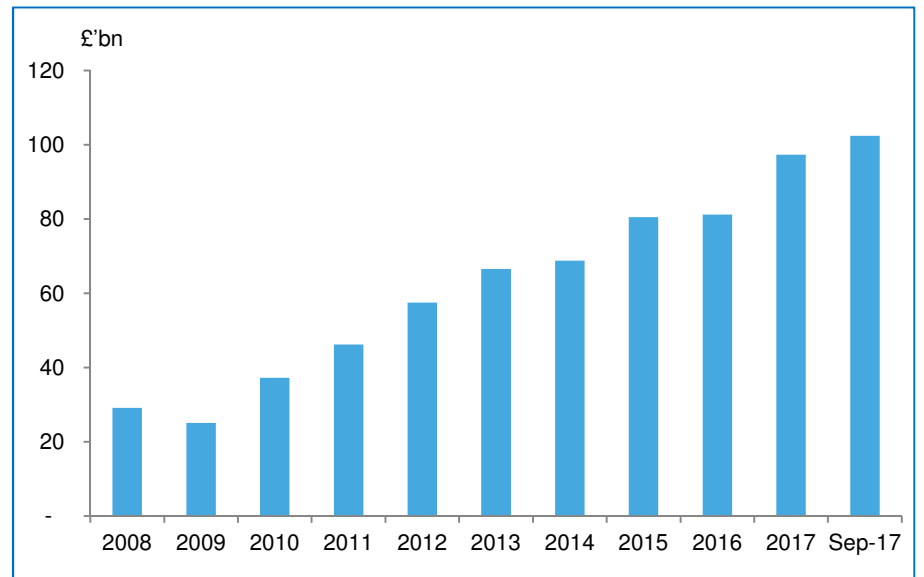
Investec plc: we have realigned the business model

by continued focus on building capital light revenues from the Asset Management and Wealth & Investment businesses

% contribution to operating profit*



Funds under management



Results are shown for the year-ended 31 March, unless otherwise indicated.

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

Credit ratings

Investec plc

Moody's

Long-term issuer and senior unsecured ratings: Baa1 (Outlook positive)

Investec Bank plc

Moody's

Long-term rating: A2 (Outlook positive)

Short-term rating: Prime-1

Baseline Credit Assessment (BCA) and adjusted BCA: baa2

Fitch

Long-term rating: BBB (Outlook stable)

Short-term rating: F2

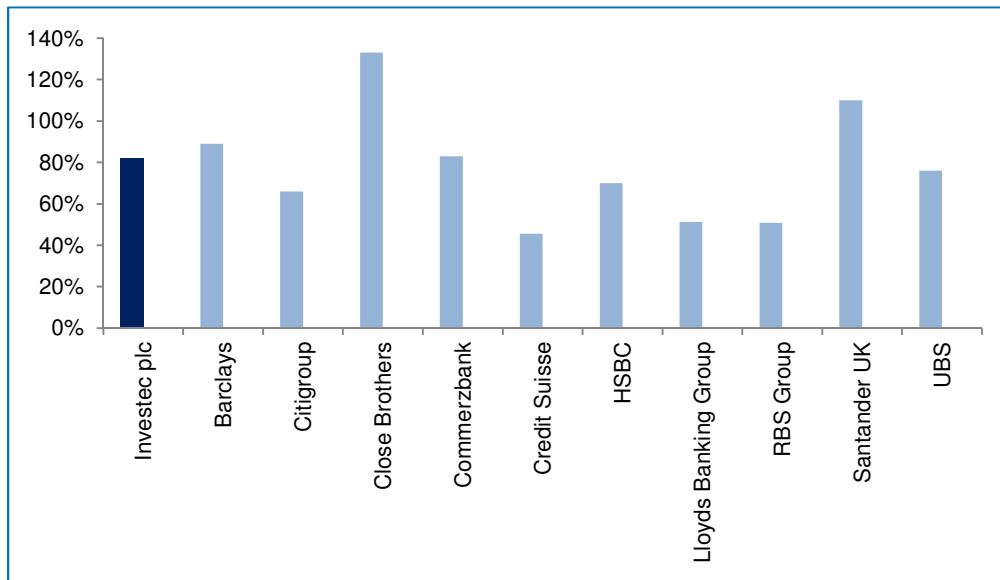
Viability Rating: bbb

A close-up, black and white profile of a zebra's head, facing right. The zebra's eye is prominent, and its characteristic black and white stripes are clearly visible. A white circular highlight is present on the zebra's forehead. The background is plain white.

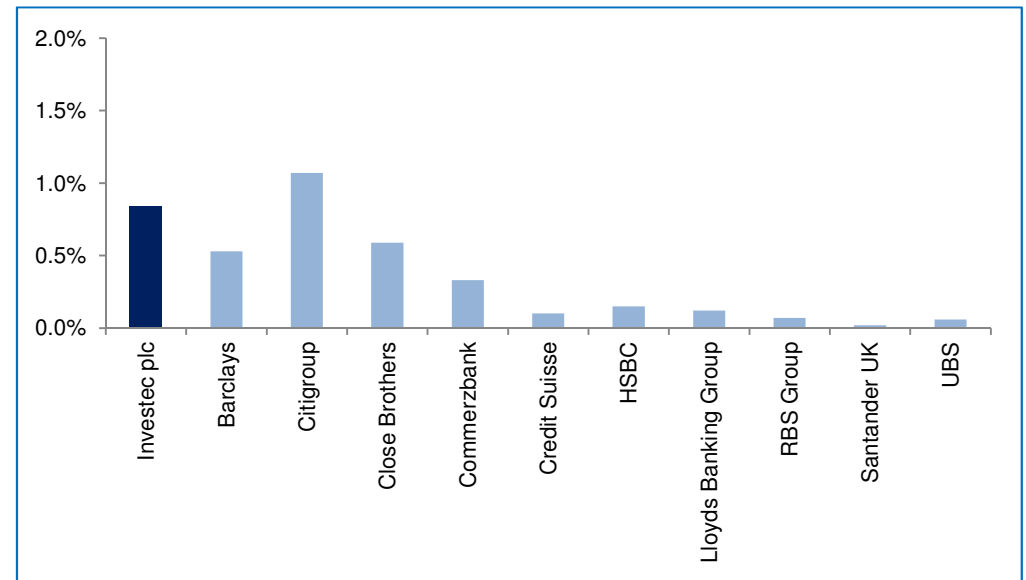
Investec plc: peer analysis

Investec Bank plc: peer group comparisons

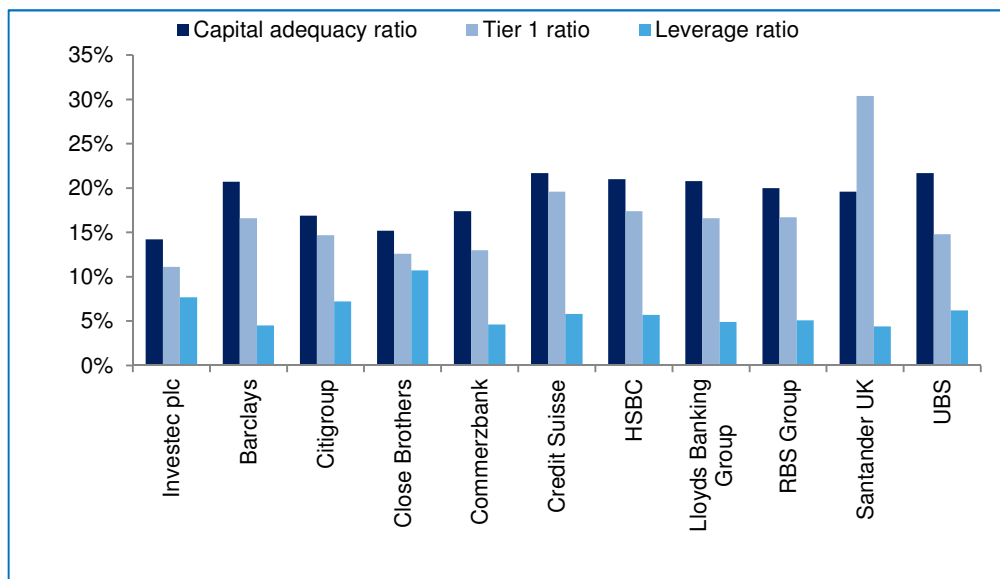
Funding: Advances to customers: customer deposits (smaller number is better)



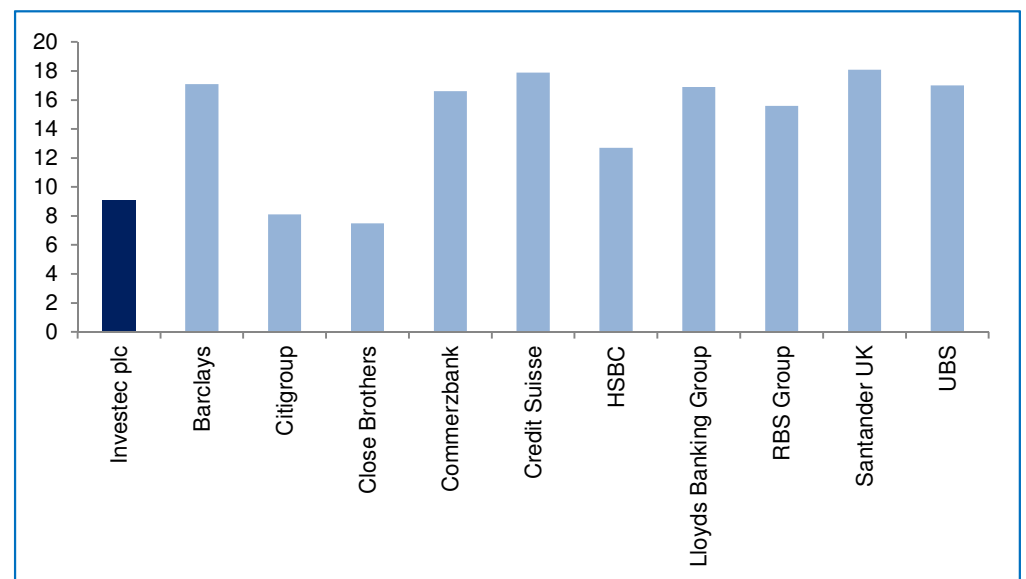
Credit loss ratio: P&L impairments as a % of average advances (smaller number is better)



Capital ratios: (larger number is better)



Gearing ratio: Assets: equity (smaller number is better)



Investec plc: peer group comparisons

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 being funded from the wholesale market.
- A capital adequacy ratio is a regulatory ratio which determines the capacity of the bank in terms of meeting the time liabilities and other risks such as credit risk, operational risk, etc. It is based on regulatory qualifying capital (including tier 1 and 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 gearing ratio is calculated as total assets divided by total equity (according to accounting definitions).
- The leverage ratio is calculated as tier one capital (according to regulatory definitions) divided by total assets (exposure measure). This ratio effectively assures 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 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 largest shareholders as at 30 September 2017

Investec Limited

	Shareholder analysis by manager group	Number of shares	% holding
1	Public Investment Corporation (ZA)	35,492,302	11.5%
2	Allan Gray (ZA)	32,394,701	10.5%
3	Investec Staff Share Schemes (ZA)*	20,620,129	6.7%
4	Old Mutual (ZA)	13,484,458	4.4%
5	Sanlam Group (ZA)	12,589,575	4.1%
6	BlackRock Inc (UK and US)	12,342,603	4.0%
7	The Vanguard Group, Inc (UK and US)	10,354,958	3.4%
8	Dimensional Fund Advisors (UK)	9,075,802	3.0%
9	Coronation Fund Mgrs (ZA)	7,544,198	2.5%
10	AQR Capital Mgt (US)	6,873,732	2.2%
		160,772,458	52.2%

Investec plc

	Shareholder analysis by manager group	Number of shares	% holding
1	Allan Gray (ZA)	59,577,341	8.9%
2	Public Investment Corporation (ZA)	40,355,857	6.0%
3	BlackRock Inc (UK and US)	38,415,559	5.8%
4	Old Mutual (ZA)	30,118,274	4.5%
5	Prudential Group (ZA)	25,031,879	3.7%
6	Schroders (UK)	22,389,129	3.4%
7	The Vanguard Group, Inc (UK and US)	19,162,608	2.9%
8	Investec Asset Management*(ZA)	19,015,595	2.8%
9	State Street Corporation (UK and US)	17,581,716	2.6%
10	Legal & General Group (UK)	17,237,198	2.6%
		288,865,156	43.2%

The 10 largest shareholders account for 52.2% and 43.2% of the total Investec Limited and Investec plc shares, respectively - based on a threshold of 20,000 shares.

Contact details

- For further information please refer to the investor relations website:
www.investec.com/en_za/#home/investor_relations.html
- Or contact the investor relations team:
 - Telephone
 - UK: +44 (0) 207 597 5546 / +44 (0) 207 597 4493
 - SA: +27 (0)11 286 7070
 - Fax: +27 11 (0) 291 1597
 - E-mail: investorrelations@investec.com



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, 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 AND 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 Europe UK 	<ul style="list-style-type: none"> Southern Africa Hong Kong UK and Europe 	<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 plc - appendices

Investec plc: salient financial features

	Year to 30 Sept 2017	Year to 30 Sept 2016	% change	Year to 31 March 2017
Total operating income before impairment losses on loans and advances (£'000)	656,025	624,391	5.1%	1,306,941
Operating costs (£'000)	512,165	475,477	7.7%	1,005,130
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests (£'000)	109,303	116,717	(6.3%)	224,894
Earnings attributable to ordinary shareholder (£'000)	78,216	83,770	(6.6%)	159,728
Cost to income ratio	78.2%	76.2%	2.6%	77.0%
Total capital resources (including subordinated liabilities) (£'000)	2,670,584	2,659,484	0.4%	2,610,875
Total shareholder's equity (£'000)	2,063,244	2,034,309	1.4%	2,031,519
Total assets (£'000)	18,858,338	20,365,915	(7.4%)	18,788,617
Net core loans and advances (£'000)	8,899,704	8,299,100	7.2%	8,620,742
Customer accounts (deposits) (£'000)	10,849,643	12,042,361	(9.9%)	11,021,581
Cash and near cash balances (£'000)	5,013,067	6,186,729	(19.0%)	5,026,198
Funds under management (£'mn)	102,412	92,753	10.4%	97,320
Capital adequacy ratio	14.2%	14.6%		14.6%
Tier 1 ratio	11.1%	10.7%		11.1%
Common equity tier 1 ratio	10.9%	10.5%		10.9%
Leverage ratio - current	7.7%	6.8%		7.5%
Leverage ratio - "fully loaded"	7.6%	6.7%		7.4%
Defaults (net of impairments) as a % of net core loans and advances	1.44%	1.86%		1.55%
Net defaults (after collateral and impairments) as a % of net core loans and advances	-	-		-
Annualised credit loss ratio (i.e. income statement impairment charge as a % of average core loans and advances)	0.84%	0.73%		0.90%
Total gearing ratio (i.e. total assets to total equity)	9.1x	10.0x		9.2x
Loans and advances to customers: customer deposits	82.0%	68.9%		78.2%

Investec plc: income statement

£'000	6 months to 30Sept 2017	6 months to 30 Sept 2016	Year to 31 March 2017
Interest income	285,884	277,779	563,354
Interest expense	(128,358)	(145,133)	(274,173)
Net interest income	157,526	132,646	289,181
Fee and commission income	493,238	447,833	932,146
Fee and commission expense	(73,545)	(58,367)	(128,283)
Investment income	15,474	18,751	59,975
Share of post tax operating profit of associates	1,368	1,016	2,349
Trading income arising from:			
- customer flow	55,400	64,913	129,706
- balance sheet management and other trading activities	1,823	12,269	8,672
Other operating income	4,741	5,330	13,195
Total operating income before impairment losses on loans and advances	656,025	624,391	1,306,941
Impairment losses on loans and advances	(37,631)	(30,078)	(74,956)
Operating income	618,394	594,313	1,231,985
Operating costs	(512,165)	(475,477)	(1,005,130)
Depreciation on operating leased assets	(1,149)	-	(2,141)
Operating profit before goodwill and acquired intangibles	105,080	118,836	224,714
Impairment of goodwill	-	-	(3,134)
Amortisation of acquired intangibles	(6,636)	(7,187)	(14,386)
Operating profit	98,444	111,649	207,194
Net (loss)/gain on disposal of subsidiaries	-	-	-
Profit before taxation	98,444	111,649	207,194
Taxation on operating profit before goodwill	(18,787)	(21,789)	(39,144)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	1,209	1,785	3,305
Profit after taxation	80,866	91,645	171,355
Profit attributable to Asset Management non-controlling interests	(6,873)	(5,756)	(11,807)
Loss attributable to other non-controlling interests	4,223	(2,119)	180
Earnings attributable to shareholders	78,216	83,770	159,728

Investec plc : balance sheet

£'000	30 Sept 2017	31 March 2017	30 Sept 2016
Assets			
Cash and balances at central banks	2,847,986	2,853,571	3,780,240
Loans and advances to banks	1,035,550	1,130,998	1,262,188
Reverse repurchase agreements and cash collateral on securities borrowed	479,243	536,173	521,751
Sovereign debt securities	806,063	952,902	966,144
Bank debt securities	157,953	184,626	185,546
Other debt securities	291,532	398,278	436,613
Derivative financial instruments	587,833	604,175	979,968
Securities arising from trading activities	714,393	522,760	470,418
Investment portfolio	481,517	459,745	526,437
Loans and advances to customers	8,899,704	8,620,742	8,299,100
Other loans and advances	401,160	413,430	420,290
Other securitised assets	135,580	138,628	143,411
Interests in associated undertakings	45,439	63,390	30,310
Deferred taxation assets	87,607	89,941	71,795
Other assets	1,351,142	1,276,132	1,737,835
Property and equipment	58,353	60,528	58,026
Investment properties	14,500	14,500	
Goodwill	355,482	355,155	358,141
Intangible assets	107,301	112,943	117,702
	18,858,338	18,788,617	20,365,915

Investec plc : balance sheet (cont.)

£'000	30 Sept 2017	31 March 2017	30 Sept 2016
Liabilities			
Deposits by banks	730,554	690,749	594,024
Derivative financial instruments	448,950	582,600	1,116,873
Other trading liabilities	108,813	136,041	132,578
Repurchase agreements and cash collateral on securities lent	182,920	223,997	175,005
Customer accounts (deposits)	10,849,643	11,021,581	12,042,361
Debt securities in issue	2,293,815	1,955,447	1,926,300
Liabilities arising on securitisation of other assets	131,740	128,838	112,754
Current taxation liabilities	140,197	143,585	135,819
Deferred taxation liabilities	23,833	26,236	38,744
Other liabilities	1,277,289	1,268,668	1,431,973
	16,187,754	16,177,742	17,706,431
Subordinated liabilities	607,340	579,356	625,175
	16,795,094	16,757,098	18,331,606
Equity			
Ordinary share capital	194	191	191
Perpetual preference share capital	29	29	29
Share premium	1,310,086	1,246,282	1,245,347
Treasury shares	(111,648)	(90,411)	(91,170)
Other reserves	(82,579)	(45,381)	(49,216)
Retained income	935,671	905,809	912,952
Shareholders' equity excluding non-controlling interests	2,051,753	2,016,519	2,018,133
Non-controlling interests	11,491	15,000	16,176
Total equity	2,063,244	2,031,519	2,034,309
Total liabilities and equity	18,858,338	18,788,617	20,365,915

Investec plc: segmental analysis of operating profit

For the six months to 30 September 2017 £'000	Asset Management	Wealth & Investment	Specialist Banking	Group Costs	Total group
Net interest income	19	2,025	155,482	-	157,526
Fee and commission income	238,823	147,539	106,876	-	493,238
Fee and commission expense	(69,280)	(395)	(3,870)	-	(73,545)
Investment income	-	411	15,063	-	15,474
Share of post tax operating profit of associates	-	415	953	-	1,368
Trading income arising from					
- customer flow	-	380	55,020	-	55,400
- balance sheet management and other trading activities	(1,683)	2	3,504	-	1,823
Other operating income	1,972	-	2,769	-	4,741
Total operating income before impairment losses on loans and advances	169,851	150,377	335,797	-	656,025
Impairment losses on loans and advances	-	-	(37,631)	-	(37,631)
Operating income	169,851	150,377	298,166	-	618,394
Operating costs	(119,902)	(114,936)	(260,032)	(17,295)	(512,165)
Depreciation on operating leased assets	-	-	(1,149)	-	(1,149)
Operating profit before goodwill and acquired intangibles	49,949	35,441	36,985	(17,295)	105,080
Operating loss attributable to other non-controlling interests	-	-	4,223	-	4,223
Operating profit before goodwill, acquired intangibles and after other non-controlling interests	49,949	35,441	41,208	(17,295)	109,303
Operating profit attributable to Asset Management non-controlling interests	(6,873)	-	-	-	(6,873)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	43,076	35,441	41,208	(17,295)	102,430
Cost to income ratio	70.6%	76.4%	77.7%	n/a	78.2%

Investec plc: segmental analysis of operating profit

For the six months to 30 September 2016 £'000	Asset Management	Wealth & Investment	Specialist Banking	Group Costs	Total group
Net interest income	90	2,124	130,432	-	132,646
Fee and commission income	200,316	129,106	118,411	-	447,833
Fee and commission expense	(53,938)	(315)	(4,114)	-	(58,367)
Investment income	-	1,366	17,385	-	18,751
Share of post tax operating profit of associates	-	702	314	-	1,016
Trading income arising from					
- customer flow	-	246	64,667	-	64,913
- balance sheet management and other trading activities	1,337	185	10,747	-	12,269
Other operating income	1,472	-	3,858	-	5,330
Total operating income before impairment losses on loans and advances	149,277	133,414	341,700	-	624,391
Impairment losses on loans and advances	-	-	(30,078)	-	(30,078)
Operating income	149,277	133,414	311,622	-	594,313
Operating costs	(106,162)	(104,223)	(247,334)	(17,758)	(475,477)
Depreciation on operating leased assets	-	-	-	-	-
Operating profit before goodwill and acquired intangibles	43,115	29,191	64,288	(17,758)	118,836
Operating loss attributable to other non-controlling interests	-	-	(2,119)	-	(2,119)
Operating profit before goodwill, acquired intangibles and after other non-controlling interests	43,115	29,191	62,169	(17,758)	116,717
Operating profit attributable to Asset Management non-controlling interests	(5,756)	-	-	-	(5,756)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	37,359	29,191	62,169	(17,758)	110,961
Cost to income ratio	71.1%	78.1%	72.4%	n/a	76.2%

Investec plc: asset quality

£'000	31 Sept 2017	31 March 2017
Gross core loans and advances to customers	9,033,858	8,747,618
Total impairments	(134,154)	(126,876)
Specific impairments	(81,490)	(83,488)
Portfolio impairments	(52,664)	(43,388)
Net core loans and advances to customers	8,899,704	8,620,742
Average gross core loans and advances to customers	8,890,738	8,347,205
Current loans and advances to customers	8,690,355	8,416,683
Past due loans and advances to customers (1 - 60 days)	5,121	48,003
Special mention loans and advances to customers	115,283	22,585
Default loans and advances to customers	223,099	260,347
Gross core loans and advances to customers	9,033,858	8,747,618
Total income statement charge for impairments on core loans and advances	(37,457)	(74,995)
Gross default loans and advances to customers	262,559	260,347
Specific impairments	(81,490)	(83,488)
Portfolio impairments	(52,664)	(43,388)
Defaults net of impairments	128,405	133,471
Aggregate collateral and other credit enhancements on defaults	192,934	192,760
Net default loans and advances to customers (limited to zero)	-	-
Ratios:		
Total impairments as a % of gross core loans and advances to customers	1.49%	1.45%
Total impairments as a % of gross default loans	51.09%	48.73%
Gross defaults as a % of gross core loans and advances to customers	2.91%	2.98%
Defaults (net of impairments) as a % of net core loans and advances to customers	1.44%	1.55%
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)	0.84%	0.90%

Investec plc: capital adequacy

£'million*	30 Sept 2017	31 March 2017
Common equity tier 1 capital	1,509	1,448
Additional tier 1 capital	24	24
Total tier 1 capital	1,533	1,472
Tier 2 capital	430	475
Total regulatory capital	1,963	1,947
Risk-weighted assets	13,824	13,312
Capital requirements	1,106	1,064

A summary of capital adequacy and leverage ratios

	30 Sept 2017	31 March 2017
Common equity tier 1 (as reported)	10.9%	10.3%
Common equity tier 1 ("fully loaded")^^	10.9%	9.3%
Tier 1 (as reported)	11.1%	11.1%
Total capital adequacy ratio (as reported)	14.2%	14.6%
Leverage ratio** - permanent capital	7.7%	7.5%
Leverage ratio** - current	7.7%	7.5%
Leverage ratio** - ("fully loaded")^^	7.6%	7.4%

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 integrated annual report and Investec's 2017 interim integrated 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 31bps (31 March 2017: 45bps) 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.