

Out of the Ordinary®



2016

CORPORATE
PROFILE

ABOUT THIS corporate profile

This corporate profile serves as a reference for the investment community and other interested parties. It provides an introduction to Investec and offers a simple yet comprehensive handbook of relevant information to assist anyone wishing to know more about us. This report is based on our latest available year-end financial figures (31 March 2016) and is updated annually.

Additional information

The corporate profile should be read together with other information we publish, including the full 2016 integrated annual report and the 2016 integrated annual review and summary annual financial statements.



Our investor relations website at <https://www.investec.com/about-investec/investor-relations.html>

contains a wide range of information on us, including financial information, corporate information, share price data, a calendar, dividend information, announcements and presentations.

Ongoing and statutory information

The sale of businesses during the previous financial year has had a significant effect on the comparability of the group's financial statutory position and results. Consequently, comparison on a statutory basis of the 2016 results with 2015 would be less meaningful.

In order to present a more meaningful view of our performance, certain information is presented on an ongoing basis. The information presented on an ongoing basis excludes items that, in management's view, could distort the comparison of performance between periods. Based

To ensure the information is comprehensive, we have included the URL addresses for our web pages where readers are able to access or download additional information.



The corporate profile may be downloaded from the Investec website at <https://www.investec.com/about-investec/who-we-are.html>

on this principle, the following items are excluded from underlying statutory profit to derive ongoing operating profit:

- The results of the businesses sold in the prior year, i.e. Investec Bank (Australia) Limited, the UK Kensington business and the Start (Irish) mortgage business; and
- The remaining legacy business in the UK.

All information in our corporate profile is based on our statutory accounts unless otherwise indicated. Further information on our ongoing business and a reconciliation between the ongoing and statutory income statement is provided in our 2016 integrated annual report.

FEEDBACK

We value feedback and invite questions and comments on our reporting. To give feedback or request hard copies of our reports, please contact our Investor Relations division.

For queries regarding information in this document

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Section One

Introduction



WE STRIVE to be a distinctive specialist bank and asset manager, driven by commitment to our core philosophies and values

WHO we are

Investec (comprising Investec plc and Investec Limited) is an international specialist bank and asset manager that provides a diverse range of financial products and services to a select client base.

Since inception, we have expanded through a combination of substantial organic growth and a series of strategic acquisitions.

Today, we have an efficient integrated international business platform, offering all our core activities in the UK and South Africa.

Developed South African businesses 1980 – 1990

- Secured a banking licence in 1980
- Listed on the JSE in 1986
- Built a strong base from which to internationalise

Embarked on international strategy 1992

- Entered UK market
- Embarked on international drive to boost capacity and enhance critical mass in select geographical market

London listing 2002

- Established a dual listed companies structure with primary listings in London and Johannesburg

Empowerment transaction 2003

- Empowerment partners acquired a 25.1% stake in Investec Limited



Additional information

History: <https://www.investec.com/about-investec/who-we-are/history.html>

Dual listed companies structure: <https://www.investec.com/about-investec/who-we-are/corporate-structure.html>

Group strategy: <https://www.investec.com/about-investec/who-we-are/group-strategy.html>

OUR PHILOSOPHIES

- Single organisation
- Meritocracy
- Focused businesses
- Differentiated, yet integrated
- Material employee ownership
- Creating an environment that stimulates extraordinary performance.

WE value

DISTINCTIVE PERFORMANCE

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

CLIENT FOCUS

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

CAST-IRON INTEGRITY

- Moral strength
- Risk consciousness
- Highest ethical standards

DEDICATED PARTNERSHIP

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

WHAT we do

We are an international specialist bank and asset manager that provides a diverse range of financial products and services to a select client base in three principal markets, the UK and Europe, South Africa and Asia/Australia as well as certain other countries.

Investec focuses on delivering distinctive profitable solutions for its clients in three core areas of activity namely, Asset Management, Wealth & Investment and Specialist Banking.

Our strategic goals and objectives are based on the aspiration to be recognised as a distinctive specialist bank and asset manager. This distinction is embodied in our entrepreneurial culture, which is balanced by a strong risk management discipline, client-centric approach and an ability to be nimble, flexible and innovative. We do not seek to be all things to all people and aim to build well-defined, value-added businesses focused on serving the needs of select market niches where we can compete effectively.



About the Investec group

(continued)

Operating structure

Investec Limited, which houses our Southern African and Mauritius operations, has been listed in South Africa since 1986.

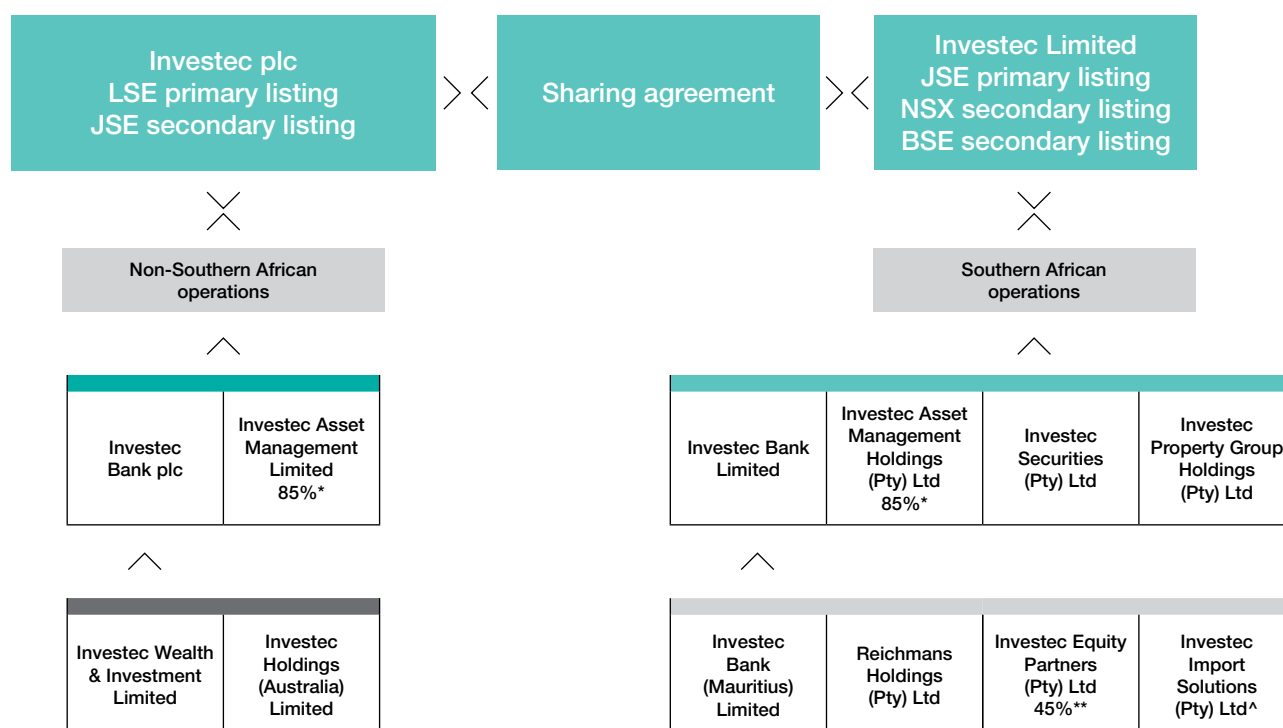
During July 2002 Investec Group Limited (since renamed Investec Limited) implemented a dual listed companies (DLC) structure and listed its offshore business on the London Stock Exchange.



A circular on the establishment of our DLC structure was issued on 20 June 2002 and is available on our website at <https://www.investec.com/about-investec/investor-relations.html>

In terms of our DLC structure, Investec Limited is the controlling company of our businesses in Southern Africa and Mauritius, and Investec plc is the controlling company of our non-Southern African businesses.

OUR DLC STRUCTURE AND MAIN OPERATING SUBSIDIARIES AS AT 31 MARCH 2016



All shareholdings in the ordinary share capital of the subsidiaries are 100%, unless otherwise stated.

* 15% held by senior management in the company.

** 55% held by third party investors in the company together with senior management of the business.

^ Previously Blue Strata Trading (Pty) Ltd.

Salient features of the DLC structure

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

OUR STRATEGIC GOALS and objectives are based on our aspiration to be recognised as a distinctive specialist bank and asset manager

THE INVESTEC DISTINCTION



Client focused approach

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



Specialised strategy

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



Sustainable business

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



Strong culture

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



Our strategic focus

(continued)

OUR STRATEGY

Our strategy for more than 20 years has been 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.

Asset Management

- Maintain a balance between emerging markets and developed world income
- Continue to invest in the business and add capacity to improve competitiveness in the future.

Wealth & Investment

- Build and leverage the private office offering
- Strong collaboration with the private banking offering
- Digitisation of the offering.

Specialist Banking

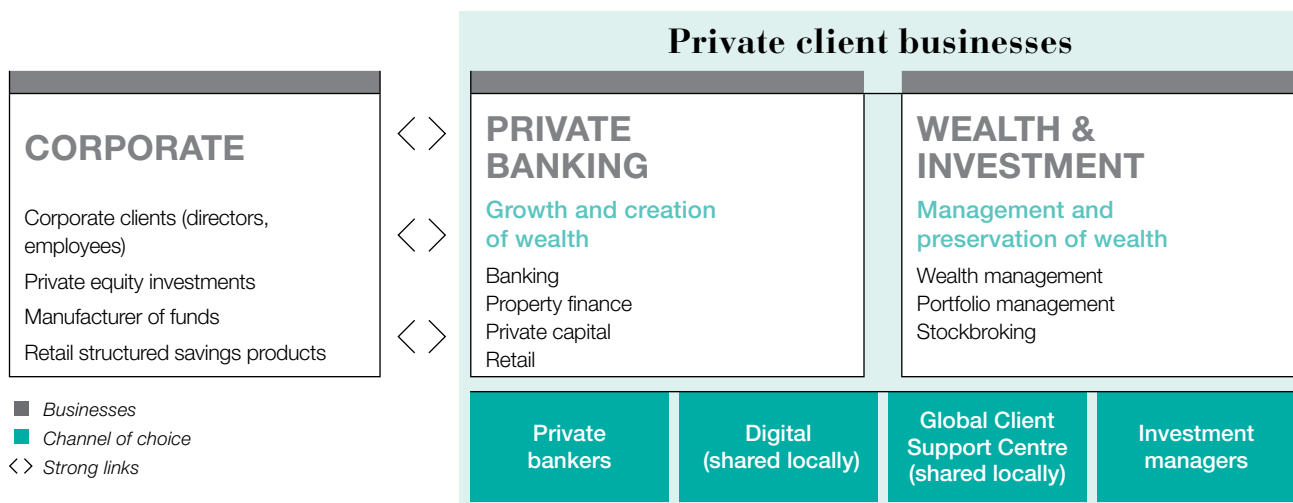
- Continue to build the private client and corporate and institutional client franchise businesses
- Leverage the integration with the Wealth & Investment business.

Strategic review of 2016 – performance vs objectives

Objective	Comment
<ul style="list-style-type: none"> • From a business perspective we focused on growth <ul style="list-style-type: none"> – Focus on investment performance in the Asset Management business – Building and leveraging our Wealth & Investment business – Grow the Specialist Banking business by building the private client and corporate and institutional client franchise businesses 	<p>Ongoing operating profit up 9.9% on currency neutral basis</p> <p>90% outperformance over a 10-year period</p> <p>Established a presence in Asia and Mauritius</p> <p>Strong growth in core drivers</p>
<ul style="list-style-type: none"> • Taking advantage of investment opportunities 	Created Investec Equity Partners (IEP)
<ul style="list-style-type: none"> • Positioning for a new generation of leadership 	Announced several management appointments in the November results
<ul style="list-style-type: none"> • Digitalisation strategy 	Several new services launched

Integrated client strategy

There are natural linkages within the private client businesses and between the private client and corporate banking businesses, which are all centred around the client.



Integrated client strategy

THE DIGITALISATION STRATEGY INTEGRATES SERVICES ACROSS BUSINESS AND GEOGRAPHY

2014	2015		2016
<ul style="list-style-type: none"> South Africa and UK transactional banking capability off same platform Consolidated view of Private Bank, Wealth & Investment, Investec Asset Management, Corporate accounts 1 million logins per month on online platform – up 20% year on year 400 000 logins to Investec App every month – up 50% year on year 		One Place – global platform	<ul style="list-style-type: none"> Launched Digital Briefcase which includes self-service documents (Visa letters, stamped bank statements) Completed and launched the redesign of the platform The inclusion of Channel Islands, Mauritius and Switzerland is in progress Developing One Place for Independent Financial Advisers (IFAs)
<ul style="list-style-type: none"> Incorporated the ability to add services from any other institution Launched Banking Analysis tools in 2014 Made available to UK clients in 2015 24 000 clients actively using the personal portfolio 		Personal portfolio	<ul style="list-style-type: none"> Launching Investments which incorporates a consolidated view of all investments (not just investments with Investec)
<ul style="list-style-type: none"> Launched in 2014 with a minimum of R250 000 Targeted at Private Banking and Wealth & Investment clients Promoted to a further 90 000 clients towards the end of 2015 		South African online portfolio manager	
		UK Online portfolio manager	<ul style="list-style-type: none"> Launching Click & Invest – complete digital offering providing advice online Targeted at public £10 000 minimum investment

Summary:

- The past two years were focused on collaborating, merging and aligning to create one digital solution for clients
- We have a number of new initiatives we are launching in 2016
- With over 1.4 million touch points every month, we are delivering on our promise of a High Touch and High Tech engagement model
- This is a journey in which we continually transform the way we engage with clients to ensure we are consistently providing a seamless, integrated service experience through the channel they choose
- We continue to look for opportunities to build new digitally led businesses in line with our client needs.



Our strategic focus

(continued)

Our diversified and balanced business model supports our long-term strategy

Broadly defined, we operate across three areas of specialisation focused on well-defined target clients:

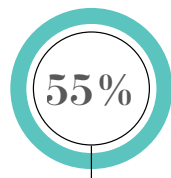
ASSET MANAGEMENT	SPECIALIST BANKING	WEALTH & INVESTMENT
Operating completely independently		
Corporate/institutional/government	Private client (high net worth/high income)/charities/trusts	
<ul style="list-style-type: none">Investment management services to external clients	<ul style="list-style-type: none">LendingTransactional bankingTreasury and tradingAdvisoryInvestment activities	<ul style="list-style-type: none">Investment management servicesIndependent financial planning advice



We aim to maintain an **appropriate balance** between revenue earned from operational risk activities and revenue earned from financial risk activities.

This ensures that we are **not over reliant** on any one part of our businesses to sustain our activities and that we have a large recurring revenue base that enables us to navigate through varying cycles and supports our long-term strategy.

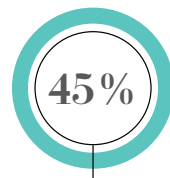
CAPITAL LIGHT ACTIVITIES



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

Contributed to group income

CAPITAL INTENSIVE ACTIVITIES



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

Contributed to group income

Fee and commission income



Types of income



Net interest, investment and trading income



2

Section Two

Financial
profile



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



SOUTHERN AFRICA

- Founded as a leasing company in 1974
- Acquired a banking licence in 1980
- Listed on the JSE Limited South Africa in 1986
- In 2003 we implemented a 25.1% empowerment shareholding transaction
- Market leading position in all three of our core activities
- Fifth largest bank in the country
- Offices supporting the Southern African businesses include Botswana; Cape Town; Durban; East London; Johannesburg; Knysna; Mauritius; Namibia; Pietermaritzburg; Port Elizabeth; Pretoria; and Stellenbosch.

Operating profit* of the Southern African operations decreased 7.5% to £323 million, but was up 8.0% in Rands

INVESTEC IN TOTAL

Operating profit*

£505.6mn

Assets

£45 352mn

NAV**

£2 556mn

Permanent employees

8 421

COI[^]

66.4%

ROE[^]

11.5%

£13.2bn

Total deposit book

£40.5bn

£10.3bn

Total core loans

Total funds under management

As a % of the group

63.8% | Operating profit*

59.2% | Assets

51.4% | NAV**

56.1% | Permanent employees

Actual

52.2% | COI[^]
16.6% | ROE[^]

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

** NAV is tangible shareholders' equity.

[^] COI is cost to income ratio. ROE is the post-tax return on adjusted average shareholders' equity.



UK AND OTHER

- In 1992 we made our first international acquisition, acquiring Allied Trust Bank in London
- Since that date, we have expanded organically and through a number of strategic acquisitions
- Solid positioning in all three of our core activities
- Listed in London in July 2002 through the implementation of a dual listed companies structure
- Offices supporting the UK and Other businesses include Australia; Beijing; Channel Islands; Hong Kong; India; Ireland; London; North America; Singapore; Switzerland; and Taiwan.

Operating profit* (statutory) of the UK operations increased 26.9% to £182.9 million

Operating profit* (ongoing) of the UK operations increased 12.8% to £261.2 million

£10.8bn	£7.8bn
Total deposit book	Total core loans (ongoing business)
£81.2bn	Total funds under management
As a % of the group	
36.2%	Operating profit*
40.8%	Assets
48.6%	NAV**
43.9%	Permanent employees
Actual	
76.7%	COI^
7.6%	ROE^
11.7%	ROE^ ongoing



Additional information:

Refer to our 2016 integrated annual report

<https://www.investec.com/about-investec/investor-relations/financial-information/group-financial-results.html>



Our operational footprint

(continued)

Our three distinct business activities are focused on well-defined target clients

Provides investment management services to third party institutions, clients and intermediated savers

ASSET MANAGEMENT

Core client base and what we do

Operates independently from Investec's other businesses and its sole focus is the provision of investment management services to its predominantly global institutional client base

Market positioning

Funds under management
1991: £0.4 billion → 2016: £75.7 billion

Net inflows of £3.2 billion
Good long-term performance with growing traction in our distribution channels

Provides investment management services and independent financial planning advice

WEALTH & INVESTMENT

Core client base and what we do

Provides investment management services and independent financial planning advice to private clients, charities and trusts

Market positioning

Total funds under management
1997: £0.04 billion → 2016: £45.5 billion

UK: One of the top five players
SA: Largest player

Provides a broad range of services:

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

SPECIALIST BANKING

Core client base and what we do

We offer a broad range of services from lending, transactional banking, treasury and trading, advisory and investment activities. These services are aimed at government, institutional, corporate and high net worth and high-income clients

Market positioning

Global core loan portfolio:
£18.1 billion^^

– Corporate and other clients: £7.8 billion

– Private clients: £10.3 billion^^

Global deposit book:
£24.0 billion

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

** NAV is tangible shareholders' equity.

^ COI is cost to income ratio. ROE is the pre-tax return on adjusted average shareholders' equity.

^^ Including legacy assets of £0.6 billion.

° Contributions are larger than 100% due to group costs amounting to £45.8 million which are included in operating profit.

Operating profit* of Asset Management decreased 9.5% to £134.8 million

£75.7bn

Total funds under management



As a % of group

26.7% | Operating profit*
3.3% | NAV**
17.4% | Permanent employees

Actual

68.0% | COI^
79.1% | ROE^

Operating profit* of Wealth & Investment increased 8.8% to £85.7 million

£26.7bn

Discretionary and annuity funds under management

£18.8bn

Non-discretionary and other funds under management

£45.5bn

Total funds under management



As a % of group

17.0% | Operating profit*
1.7% | NAV**
18.2% | Permanent employees

Actual

73.6% | COI^
30.7% | ROE^

Operating profit* (statutory) of Specialist Banking increased 8.6% to £330.9 million

Operating profit* (ongoing) of Specialist Banking increased 4.3% to £409.2 million

£24.0bn

Total deposit book

£18.1bn

Total core loans^^



As a % of group

65.4% | Operating profit*
95.0% | NAV**
64.4% | Permanent employees

Actual

60.1% | COI^
12.5% | ROE^
16.1% | ROE ongoing^



Additional information:

Refer to our 2016 integrated annual report

<https://www.investec.com/about-investec/investor-relations/financial-information/group-financial-results.html>



Sound performance notwithstanding challenging operating environments

- Macro uncertainty and volatility in the group's key operating geographies during the financial year impacted overall results.
- Net new fund inflows and reasonable levels of activity in the group's banking businesses supported sound performance.
- The Specialist Banking business reported results ahead of the prior year.
- Strong loan growth was supported by client activity in both the corporate and private banking businesses and the investment and debt securities portfolios delivered good results.
- The Asset Management and Wealth & Investment businesses reported solid net inflows of £5.3 billion.
- The group has successfully leveraged its ability to provide clients an international offering, increasing its client base and deepening its core franchise.
- Continued investment in infrastructure, digital platforms and increased headcount are supporting growth initiatives in the overall business.
- Geographical and operational diversity continues to support a stable recurring income base and earnings through varying market conditions.

STATUTORY FINANCIAL PERFORMANCE

Operating profit* increased 2.5% (increase of 13.5% on a currency neutral basis)

2016	2015
£505.6mn	£493.2mn

Adjusted attributable earnings^ increased 6.0% (increase of 16.8% on a currency neutral basis)

2016	2015
£359.7mn	£339.5mn

Adjusted earnings per share^ increased 4.8% (increase of 15.7% on a currency neutral basis)

2016	2015
41.3p	39.4p

We continued to actively manage down the UK legacy portfolio...

- The legacy portfolio reduced from £695 million at 31 March 2015 to £583 million through redemptions and write-offs.
- The legacy business reported a loss before taxation of £78.3 million (2015: £107.7 million) with impairments on the legacy portfolio reducing 18.4% from £83.5 million to £68.1 million.

Dividends per share increased 5.0%

2016	2015
21.0p	20.0p

* 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 and deduction of preference dividends.

SATISFACTORY PERFORMANCE FROM THE ONGOING BUSINESS

Operating profit* increased 0.6% (increase of 9.9% on a currency neutral basis)

2016	2015
£583.9mn	£580.7mn

Adjusted attributable earnings^ increased 3.2% (increase of 12.4% on a currency neutral basis)

2016	2015
£423.1mn	£409.9mn

Adjusted earnings per share^ increased 2.3% (increase of 11.4% on a currency neutral basis)

2016	2015
48.6p	47.5p

Recurring income as a % of total operating income

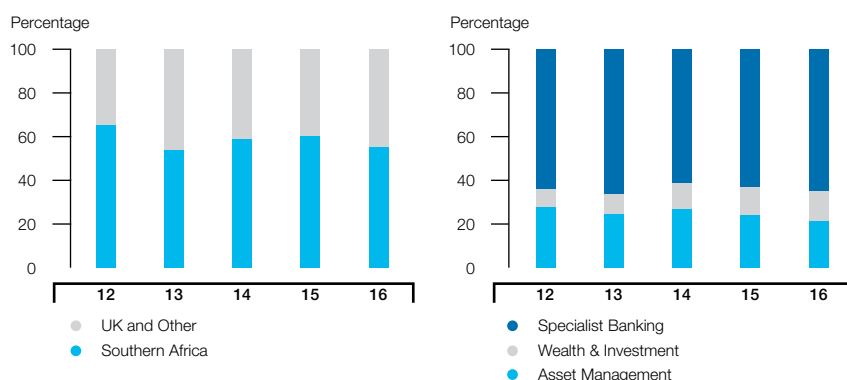
2016	2015
71.8%	71.9%

Credit loss charge as a % of average gross core loans and advances

2016	2015
0.26%	0.22%

We have a diversified business model...

% CONTRIBUTION OF OPERATING PROFIT BEFORE TAXATION OF THE ONGOING BUSINESS (excluding group costs)*

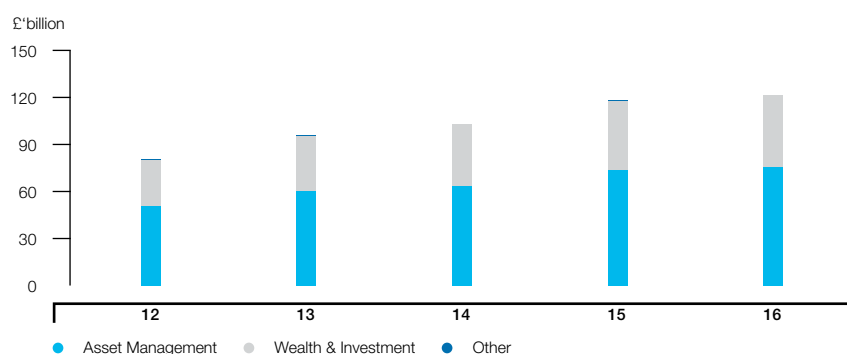


We continued to grow our key earnings drivers...



Funds under management decreased 2.0% to £121.7 billion – an increase of 3.8% on a currency neutral basis

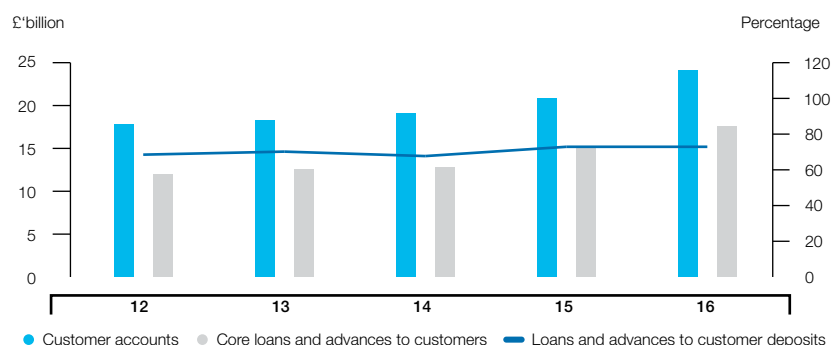
FUNDS UNDER MANAGEMENT ONGOING BUSINESS**



Customer accounts (deposits) increased 6.3% to £24.0 billion – an increase of 16.6% on a currency neutral basis

Core loans and advances increased 6.3% to £17.5 billion – an increase of 17.3% on a currency neutral basis

CUSTOMER ACCOUNTS (DEPOSITS) AND LOANS ONGOING BUSINESS**



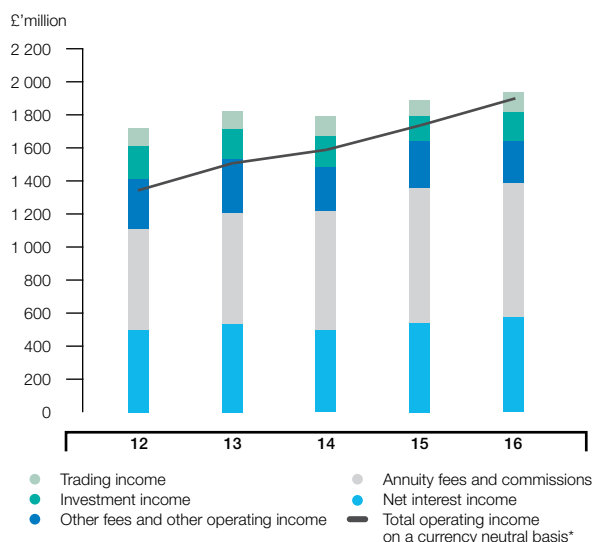
* Before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests.

^ Before goodwill, acquired intangibles, non-operating items and after non-controlling interests and deduction of preference dividends.

** Trends in these graphs are done on a currency neutral basis using the Rand: Pounds Sterling exchange rate applicable at 31 March 2016.

Supporting growth in operating income...

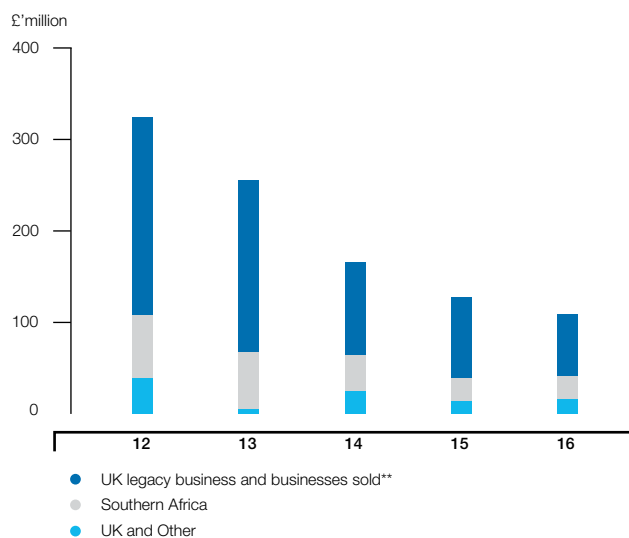
TOTAL OPERATING INCOME ONGOING BUSINESS



* The trend for this line is done on a currency neutral basis using the Rand: Pounds Sterling exchange rate applicable at 31 March 2016.

Impairments continued to decline...

IMPAIRMENTS



** Refers to the remaining UK legacy business and group assets that were sold in the 2015 financial year.

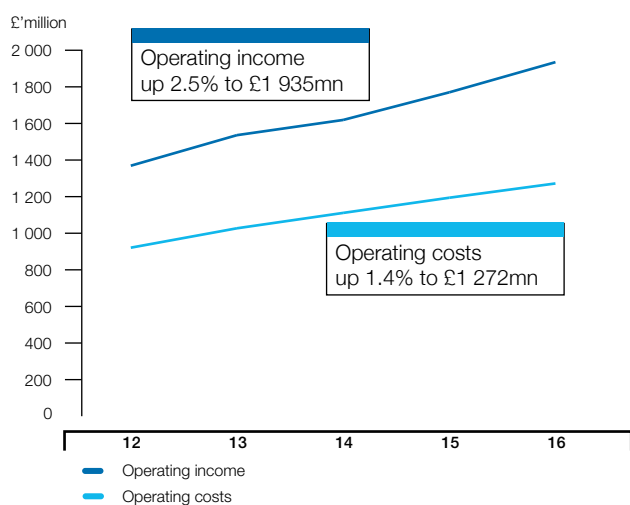
Fixed costs marginally up...



Headcount increased across all businesses in line with growth aspirations

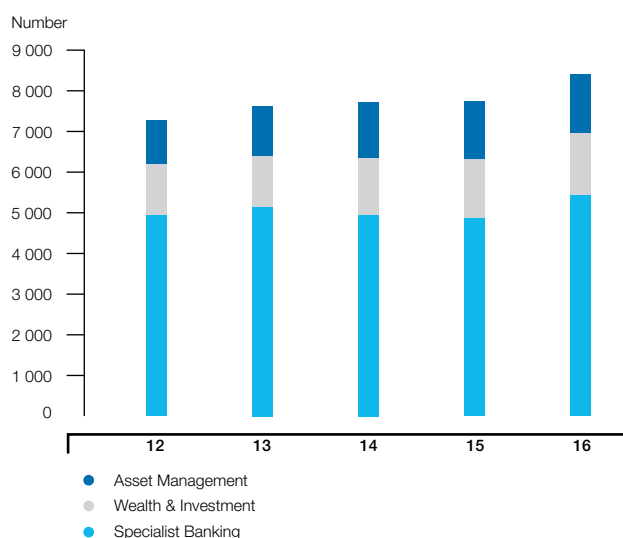
The acquisition of Blue Strata (rebranded as Investec Import Solutions) added 176 to the Specialist Banking headcount

JAWS RATIO FOR THE GROUP^



^ Trends in this graph are done on a currency neutral basis using the Rand: Pounds Sterling exchange rate applicable at 31 March 2016.

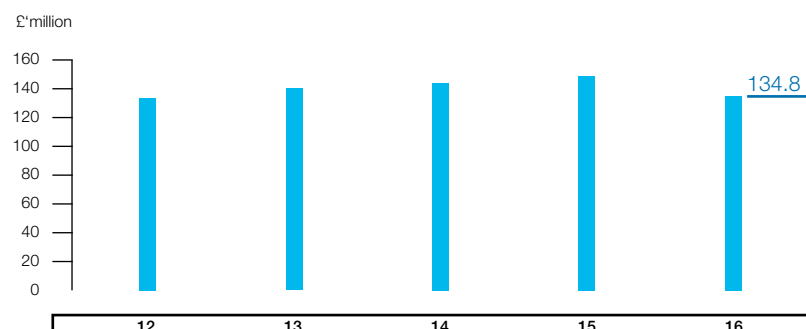
HEADCOUNT^^



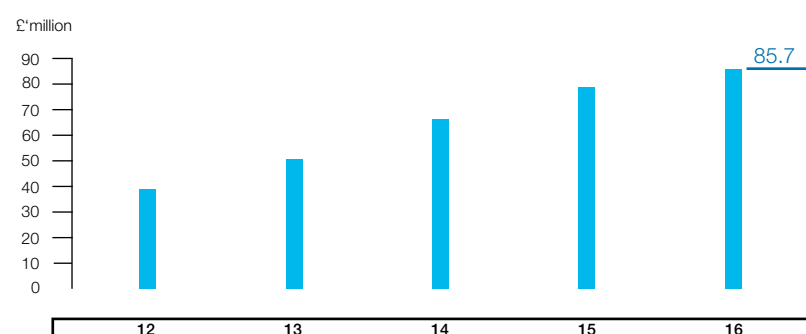
^^ Permanent headcount and includes acquisitions.

Resulting in a satisfactory performance from our ongoing business...

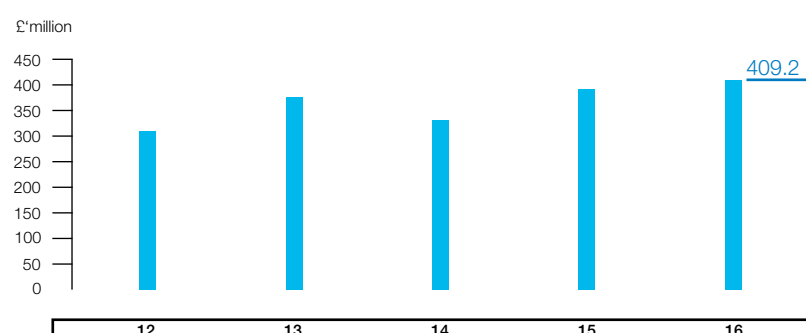
OPERATING PROFIT* – ASSET MANAGEMENT



OPERATING PROFIT* – WEALTH & INVESTMENT



OPERATING PROFIT* – SPECIALIST BANKING ONGOING BUSINESS



Progress made on our financial targets...

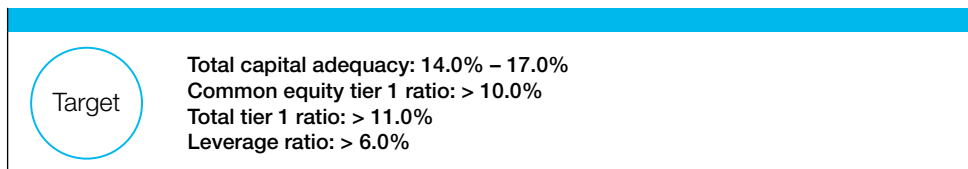
		Ongoing		Statutory	
Target		March 2016	March 2015	March 2016	March 2015
ROE (post tax)	12% – 16% over a rolling five-year period	13.9%	13.8%	11.5%	10.6%
Adjusted [^] EPS growth	Target: 10% > UKPRI	2.3%	10.2%	4.8%	4.0%
Cost to income	Target: < 65%	65.8%	66.5%	66.4%	67.6%
Dividend cover (times)	Target: 1.7x – 3.5x	n/a	n/a	2.0x	2.0x

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

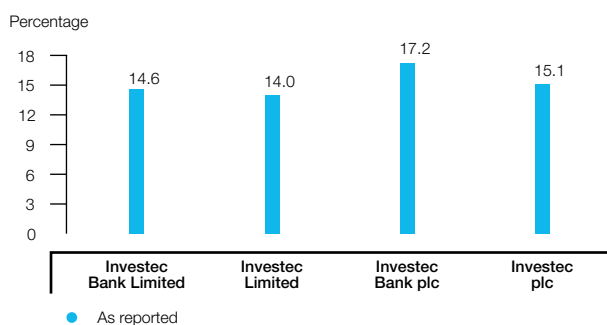
[^] Before goodwill, acquired intangibles, non-operating items and after non-controlling interests and deduction of preference dividends.



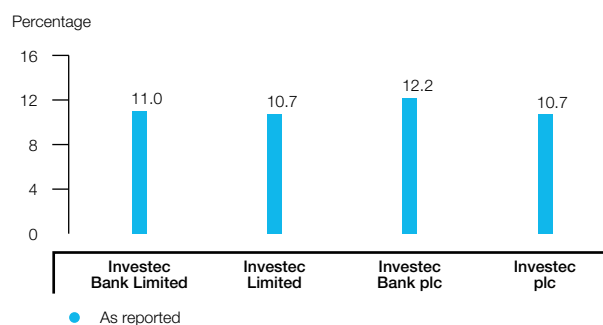
Maintained a sound balance sheet...



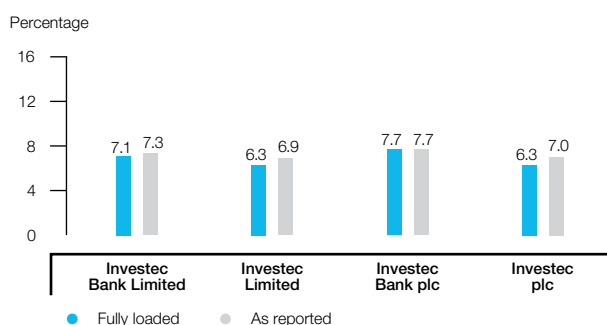
CAPITAL ADEQUACY



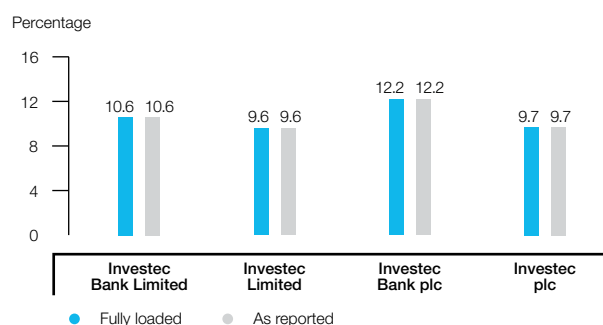
TIER 1



LEVERAGE RATIOS



COMMON EQUITY TIER 1



Sound capital and liquidity principles maintained

Continue to focus on:

- Maintaining a high level of readily available, high-quality liquid assets targeting a minimum cash to customer deposit ratio of 25.0%
- Diversifying funding sources
- Maintaining an appropriate mix of term funding
- Limiting concentration risk.

The intimate involvement of senior management ensures stringent management of risk and liquidity.

A well-established liquidity management philosophy remains in place.

The group's loan to deposit ratios are as follows:

- Investec Limited: 74.6% (2015: 78.6%)
- Investec plc: 72.2% (2015: 68.5%)

Liquidity remains strong with cash and near cash balances amounting to £11.0 billion (2015: £10.0 billion).

Capital remained well in excess of current regulatory requirements.

We are comfortable with our common equity tier 1 ratio target at a 10% level as our leverage ratios for Investec Limited and Investec plc are at 6.9% and 7.0% respectively.

The value we've added



For further information download the sustainability report available on our website.

CONTRIBUTING TO SOCIETY, MACRO-ECONOMIC STABILITY AND THE ENVIRONMENT

For Investec, sustainability is about building our businesses to ensure we have a positive impact on the economic and social progress of communities and on the environment, while growing and preserving clients and stakeholders' wealth based on strong relationships of trust. This commitment to sustainability means integrating social, ethical and environmental considerations into our day-to-day operations. A key element of this is solid corporate governance that ensures sustainable management with a long-term vision.

VALUE ADDED STATEMENT

£'000	31 March 2016	31 March 2015
Net income generated		
Interest receivable	1 705 640	1 790 867
Other income	1 313 997	1 292 617
Interest payable	(1 131 871)	(1 155 890)
Other operating expenditure and impairments on loans	(383 059)	(422 829)
	1 504 707	1 504 765
Distributed as follows:		
Employees	588 759	614 362
Salaries, wages and other benefits		
Government	507 341	488 189
Corporation, deferred payroll and other taxes		
Shareholders	206 139	204 913
Dividends paid to ordinary shareholders	180 009	168 486
Dividends paid to preference shareholders	26 130	36 427
Retention for future expansion and growth	202 468	197 301
Depreciation	22 745	26 264
Retained income for the year	179 723	171 037
	1 504 707	1 504 765

Investec conducts its commitment to sustainability through three key focus areas:

Profit

Our capital light activities contributed 55% to group income and capital intensive activities contributed 45% to group income.

People

Investment in employee learning and development increased 3.9%

2016	2015
£14.7mn	£14.1mn

Total spend on social investment as a percentage of operating profit is at 1.0% (2015: 1.1%)

Planet

Scope 1 emissions (tonnes of CO₂e) decreased 8.7%

2016	2015
1 813	1 986

Scope 2 emissions (tonnes of CO₂e) remained flat

2016	2015
36 683	36 548

Scope 3 emissions (tonnes of CO₂e) remained flat

2016	2015
31 400	31 111

We arranged funding for the renewable energy sector of £884 million.

RECOGNITION



Awards

- Investec is a finalist in the Business Charity Awards 2016 for community impact in the UK for our partnership with the Bromley by Bow Beyond Business incubator
- Investec has been voted third most attractive employer in South Africa through the Universum survey
- Investec in South Africa has been awarded a level 2 rating in terms of the Financial Sector Code, as independently verified by Empowerdex
- Our Gresham Street office won their ninth platinum award in the city of London Corporation's Clean City Awards Scheme
- The Gresham Street office retained the ISO 14001 certification and the Energy Reduction Verification (ERV) Kitemark in December 2015
- Investec Limited was one of five companies in South Africa and 113 companies globally to make the CDP 2015 climate A list. This includes companies that received an A grade for their actions to mitigate climate change
- Investec Bank Limited has been voted by the members of the Investment Analyst Society as a leader in corporate reporting in the sector Financial Services
- Investec is a finalist in the Lord Mayor's Dragon Awards 2016 for our project Beyond Business in the enterprise and employment award category.

Track record

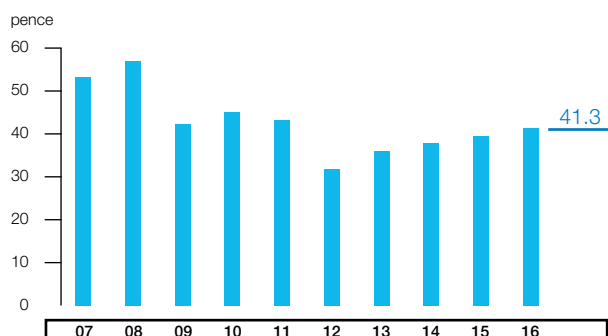


Up 4.8% to 41.3 pence

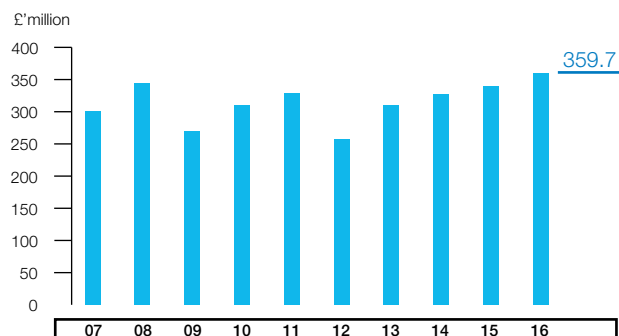


Up 6.0% to £359.7 million

ADJUSTED EARNINGS PER SHARE



ADJUSTED EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS BEFORE GOODWILL, ACQUIRED INTANGIBLES AND NON-OPERATING ITEMS



Core loans: up 5.4% to £18.1 billion since 31 March 2015 – an increase of 15.9% on a currency neutral basis*

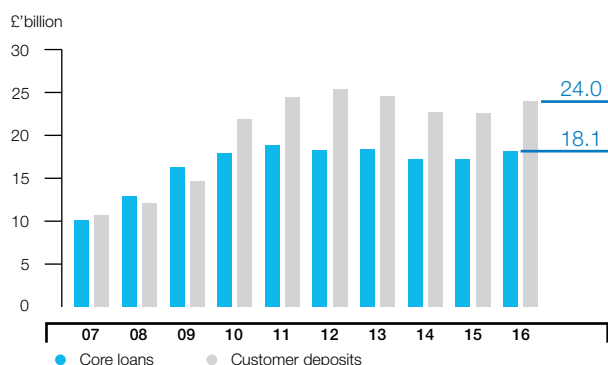
Deposits: up 6.3% to £24.0 billion since 31 March 2015 – an increase of 16.6% on a currency neutral basis*



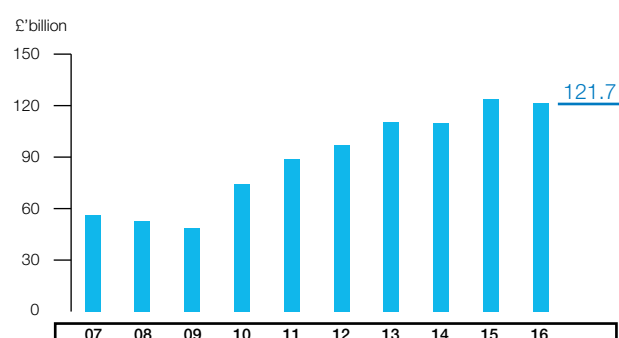
Down 2.0% to £121.7 billion since 31 March 2015 – an increase of 3.8% on a currency neutral basis*

Net inflows of £5.3 billion

CORE LOANS AND CUSTOMER DEPOSITS



THIRD-PARTY ASSETS UNDER MANAGEMENT



* Currency neutral basis: calculation assumes that the closing exchange rates of the group's relevant exchange rates remain the same at 31 March 2016 when compared to 31 March 2015.

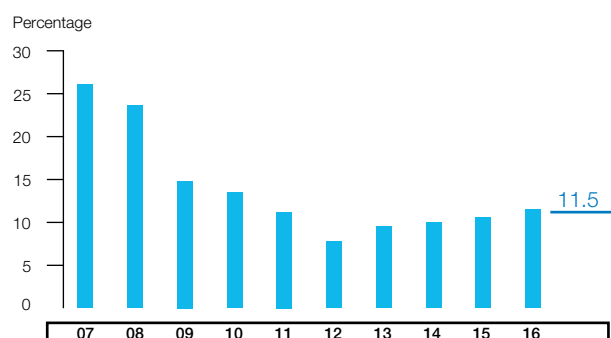
(continued)

Financial targets

Target

We have set the following target over the medium to long term:
Group ROE: 12% to 16% over a rolling five-year period in Pounds Sterling

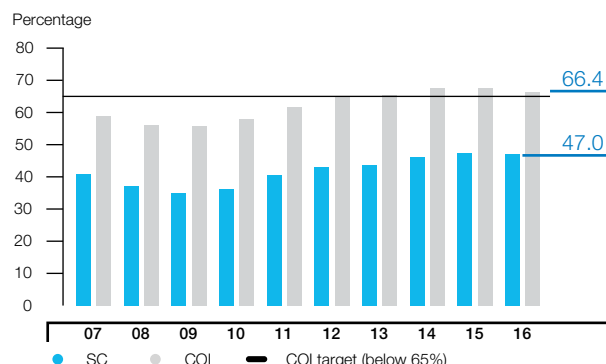
ROE*



Target

We have set the following target over the medium to long term:
Group COI ratio: less than 65% in Pounds Sterling

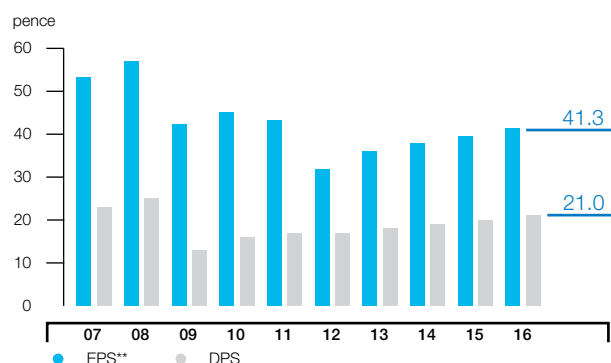
COST TO INCOME RATIO (COI) AND STAFF COMPENSATION TO OPERATING INCOME RATIO (SC)



Target

In the medium to long term, we aim to achieve adjusted EPS growth of 10% in excess of UK inflation (in Pounds Sterling). We continually strive to build and maintain a sustainable business model. We intend to maintain a dividend cover of between 1.7 to 3.5 times based on earnings per share as defined above, denominated in Pounds Sterling

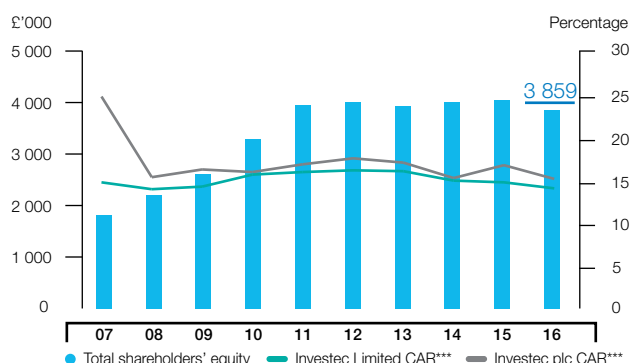
ADJUSTED EARNINGS PER SHARE (EPS) AND DIVIDENDS PER SHARE (DPS)



Target

We intend to maintain a sufficient level of capital to satisfy regulatory requirements, as well as take advantage of opportunities that may arise in the financial services industry focusing on increasing our return on equity in the medium to long term. We target a capital adequacy ratio range of between 14% and 17% on a consolidated basis for Investec plc and Investec Limited, and we target a minimum tier 1 ratio of 11.0% and a common equity tier 1 ratio above 10.0%

TOTAL SHAREHOLDERS' EQUITY AND CAPITAL ADEQUACY RATIOS (CAR)



* ROE is post-tax return on adjusted average shareholders' equity.

** Adjusted EPS before goodwill, acquired intangibles and non-operating items.

*** Capital adequacy figures prior to 2008 are disclosed under Basel I. Investec Limited's numbers have been reported in terms of Basel III since 31 March 2013, and Investec plc has been reporting in terms of Basel III since 31 March 2014.

Note:

The numbers shown in the financial targets graphs on this page are for the years ended 31 March, unless otherwise stated.



Ten-year review

SALIENT FEATURES

For the year ended 31 March	2016	2015	% change 2016 vs 2015
Income statement and selected returns			
Operating profit before goodwill, acquired intangibles, non-operating items and taxation (£'000) ^a	505 593	493 157	2.5%
Operating profit: Southern Africa (% of total) ^a	63.8%	70.8%	
Operating profit: UK and Other (% of total) ^a	36.2%	29.2%	
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items (£'000)	359 732	339 532	6.0%
Headline earnings (£'000)	334 720	308 770	8.4%
Cost to income ratio	66.4%	67.6%	
Staff compensation to operating income ratio	47.0%	47.4%	
Return on average adjusted shareholders' equity (post-tax)	11.5%	10.6%	
Return on average adjusted tangible shareholders' equity (post-tax)	13.7%	12.7%	
Return on average risk-weighted assets	1.34%	1.25%	
Return on average assets (excluding assurance assets)	0.93%	0.86%	
Operating profit per employee (£'000)	58.7	59.7	(1.7%)
Net interest income as a % of operating income	29.6%	32.4%	
Non-interest income as a % of operating income	70.4%	67.6%	
Recurring income as a % of total operating income	71.7%	74.2%	
Effective operational tax rate	19.1%	19.6%	
Balance sheet			
Total capital resources (including subordinated liabilities) (£'million)	4 994	5 219	(4.3%)
Total shareholders' equity (including preference shares and non-controlling interests) (£'million)	3 859	4 040	(4.5%)
Shareholders' equity (excluding non-controlling interests) (£'million)	3 360	3 501	(4.0%)
Total assets (£'million)	45 352	44 353	2.3%
Net core loans and advances to customers (£'million)	18 119	17 189	5.4%
Core loans and advances to customers as a % of total assets	40.0%	38.8%	
Cash and near cash balances (£'million)	10 994	9 975	10.2%
Customer accounts (deposits) (£'million)	24 044	22 615	6.3%
Third party assets under management (£'million)	121 683	124 106	(2.0%)
Capital adequacy ratio: Investec plc ^a	15.1%	16.7%	
Capital adequacy tier 1 ratio: Investec plc ^a	10.7%	11.9%	
Common equity tier 1 ratio: Investec plc ^a	9.7%	10.2%	
Leverage ratio: Investec plc – current ^a	7.0%	7.7%	
Capital adequacy ratio: Investec Limited ^a	14.0%	14.7%	
Capital adequacy tier 1 ratio: Investec Limited ^a	10.7%	11.3%	
Common equity tier 1 ratio: Investec Limited ^a	9.6%	9.6%	
Leverage ratio: Investec Limited – current ^a	6.9%	8.1%	
Credit loss ratio (income statement impairment charge as a % of average gross core loans and advances)	0.62%	0.68%	
Defaults (net of impairments and before collateral) as a % of net core loans and advances to customers	1.54%	2.07%	
Gearing ratio (assets excluding assurance assets to total equity)	10.2x	9.4x	
Core loans to equity ratio	4.7x	4.3x	
Loans and advances to customers: customer deposits	73.6%	74.0%	
Salient financial features and key statistics			
Adjusted earnings per share (pence)	41.3	39.4	4.8%
Headline earnings per share (pence)	38.5	35.8	7.5%
Basic earnings per share (pence)	38.5	24.4	57.8%
Diluted earnings per share (pence)	36.7	23.1	58.9%
Dividends per share (pence)	21.0	20.0	5.0%
Dividend cover (times)	2.0	2.0	–
Net asset value per share (pence)	352.3	364.9	(3.5%)
Net tangible asset value per share (pence)	294.3	308.1	(4.5%)
Weighted number of ordinary shares in issue (million)	870.5	862.7	0.9%
Total number of shares in issue (million)	908.8	899.4	1.0%
Closing share price (pence)	513	561	(8.6%)
Market capitalisation (£'million)	4 662	5 045	(7.6%)
Number of employees in the group (including temps and contractors)	8 966	8 254	8.6%
Closing ZAR:£ exchange rate	21.13	17.97	17.6%
Average ZAR:£ exchange rate	20.72	17.82	16.3%

^a Calculation not comparable.

^a Capital adequacy figures prior to 2008 are disclosed under Basel I. Investec Limited's numbers have been reported in terms of Basel III since 31 March 2013, and Investec plc has been reporting in terms of Basel III since 31 March 2014.

^a Information prior to 2008 is shown before non-controlling interests and thereafter post other non-controlling interests.

(continued)

2014	2013	2012	2011	2010	2009	2008	2007
450 676	426 278	358 625	434 406	432 258	396 766	508 717	466 585
66.0%	67.5%	80.7%	69.1%	67.2%	74.0%	66.7%	57.6%
34.0%	32.5%	19.3%	30.9%	32.8%	26.0%	33.3%	42.4%
326 923	309 310	257 579	327 897	309 710	269 215	344 695	300 704
291 561	265 227	217 253	286 659	275 131	261 627	301 499	294 881
67.6%	65.7%	64.7%	61.7%	57.8%	55.9%	56.1%	59.0%
46.3%	43.9%	43.0%	40.7%	36.1%	34.9%	37.2%	40.9%
10.0%	9.4%	7.8%	11.2%	13.5%	14.8%	23.6%	26.1%
12.3%	11.7%	9.6%	13.2%	15.4%	17.4%	28.6%	31.7%
1.14%	1.06%	0.91%	1.23%	1.33%	1.36%	^	^
0.75%	0.67%	0.57%	0.76%	0.83%	0.84%	1.31%	1.46%
54.9	53.5	47.8	64.4	69.7	62.6	84.4	92.3
33.6%	35.2%	36.2%	34.9%	37.0%	46.6%	39.3%	29.2%
66.4%	64.8%	63.8%	65.1%	63.0%	53.4%	60.7%	70.8%
70.7%	68.6%	67.7%	62.3%	60.4%	70.0%	65.1%	58.7%
17.1%	18.4%	18.1%	15.5%	20.6%	21.1%	22.6%	26.3%
5 355	5 693	5 505	5 249	4 362	3 762	3 275	2 665
4 016	3 942	4 013	3 961	3 292	2 621	2 210	1 820
3 572	3 661	3 716	3 648	2 955	2 297	1 911	1 542
47 142	52 010	51 550	50 941	46 572	37 365	34 224	26 300
17 157	18 415	18 226	18 758	17 891	16 227	12 854	10 095
36.4%	35.4%	35.4%	36.8%	38.4%	43.4%	37.7%	38.4%
9 136	9 828	10 251	9 319	9 117	4 866	5 028	^
22 610	24 461	25 344	24 441	21 934	14 573	12 133	10 650
109 189	110 678	96 776	88 878	74 081	48 828	52 749	56 121
15.3%	16.7%	17.5%	16.8%	15.9%	16.2%	15.3%	24.7%
10.5%	11.0%	11.6%	11.6%	11.3%	10.1%	9.2%	14.8%
8.8%	8.8%	9.3%					
7.4%							
14.9%	15.5%	16.1%	15.9%	15.6%	14.2%	13.9%	14.7%
11.0%	10.8%	11.6%	11.9%	12.0%	10.8%	10.0%	10.4%
9.4%	8.9%	9.3%					
7.8%							
0.68%	0.84%	1.12%	1.27%	1.16%	1.08%	0.51%	0.17%
2.30%	2.73%	3.31%	4.66%	3.98%	3.28%	1.29%	0.92%
10.3x	11.6x	11.3x	11.3x	12.5x	13.0x	13.8x	12.2x
4.3x	4.7x	4.5x	4.7x	5.4x	6.2x	5.8x	5.5x
72.0%	71.5%	67.8%	72.4%	76.2%	103.6%	98.4%	89.1%
37.9	36.1	31.8	43.2	45.1	42.4	56.9	53.3
33.8	31.0	26.8	37.7	40.1	41.2	49.7	52.3
34.3	31.7	25.7	49.7	44.0	38.5	57.7	54.7
32.3	29.8	24.3	46.7	41.5	36.1	54.0	50.4
19.0	18.0	17.0	17.0	16.0	13.0	25.0	23.0
2.0	2.0	1.9	2.5	2.8	3.3	2.3	2.3
376.0	384.2	392.0	416.0	364.0	308.8	260.6	216.0
309.0	310.9	317.0	343.8	324.1	266.3	215.0	178.6
862.6	856.0	809.6	759.8	686.3	634.6	606.2	563.8
891.7	884.8	874.0	810.0	741.0	713.2	657.6	609.3
485	459	382	478	539	292	339	658
4 325	4 061	3 340	3 872	3 993	2 083	2 229	4 009
8 258	8 151	7 781	7 237	6 123	5 951	6 333	5 430
17.56	13.96	12.27	10.88	11.11	13.58	16.17	14.20
16.12	13.44	11.85	11.16	12.38	14.83	14.31	13.38



3

Section Three

Business
profile



Additional information:

Refer to our 2016 integrated annual report

<https://www.investec.com/about-investec/investor-relations/financial-information/group-financial-results.html>

Investec is a focused specialist bank and asset manager striving to be distinctive in all that it does

Our 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 our principal business areas. Our core philosophy has been to build well-defined, value-added businesses focused on serving the needs of select market niches where we can compete effectively.

We seek to maintain an appropriate balance between revenue earned from operational risk businesses and revenue

earned from financial risk businesses. This ensures that we are not over reliant on any one part of our business to sustain our activities and that we have a large recurring revenue base that enables us to navigate through varying cycles and to support our long-term growth objectives.

Our current strategic objectives include increasing the proportion of our non-lending revenue base which we largely intend to achieve through the continued strengthening and development of our wealth and asset management businesses.

ASSET MANAGEMENT

What we do

Equities
Fixed Income
Multi Asset
Alternative

Where we operate

Africa
Americas
Asia Pacific
Europe
UK

WEALTH & INVESTMENT

What we do

Portfolio management
Stockbroking
Alternative investments
Investment advisory services
Electronic trading services
Retirement and succession planning

Where we operate

Southern Africa
Hong Kong
UK and Europe

SPECIALIST BANKING

What we do

Private Banking activities
Corporate and Institutional Banking activities
Investment activities
Property activities
Group Services and Other activities

Where we operate

Australia
Hong Kong
India
Southern Africa
UK and Europe
USA

Integrated global management structure

GLOBAL EXECUTIVE

Chief executive officer Managing director		Stephen Koseff Bernard Kantor		Executive director Group risk and finance director		Hendrik du Toit Glynn Burger	
Global Roles							
GEOGRAPHICAL BUSINESS LEADERS	South Africa Glynn Burger Richard Wainwright United Kingdom David van der Walt Steve Elliott	Specialist Banking		Asset Management		SUPPORT STRUCTURES	Human resources and organisational development Marc Kahn Corporate governance and compliance Bradley Tapnack Finance and risk management Glynn Burger Share schemes and secretarial Les Penfold
		Ciaran Whelan David van der Walt		Hendrik du Toit			
				Wealth & Investment			
				Steve Elliott			



At Investec **ASSET MANAGEMENT**, we want to assist people around the globe to retire with dignity or to meet their financial objectives by offering specialist, active investment expertise. Our clients include some of the world's largest private and public sector pension funds, insurers and corporates, and range from foundations and central banks to intermediaries serving individual investors. Our business is to manage our clients' investments to the highest standard possible by exceeding their investment and client service expectations

Global head: Hendrik du Toit

Established in South Africa in 1991, we have built a successful global investment management firm from emerging markets. We are still managed by our founding members whose tenure and continuity has balanced stability and growth.

Our investment team of over 180 investment professionals applies clear investment philosophies and processes across multiple asset classes. Our client group is organised across five geographically defined units serving our clients around the globe. These teams are supported by our global operations platform.

ANNUAL HIGHLIGHTS

Net inflows of

£3.2bn
(2015: £3.1bn)

Assets under management

£75.7bn
(2015: £77.5bn)

Operating profit before non-controlling interests decreased by 9.5% to £134.8 million, contributing 26.7% to group profit

Operating margin

32.0%
(2015: 34.2%)

OUR
value
proposition

- Organically built an independent global platform from an emerging market base
- Independently managed entity within the Investec group
- Competitive investment performance in chosen specialities
- Global approach to:
 - Investing
 - Client base
 - Operations platform
- Institutional and advisor focus
- Unique and clearly understood culture
- Stable and experienced leadership.

WHAT we do

Global executive committee

Chief executive officer
Hendrik du Toit

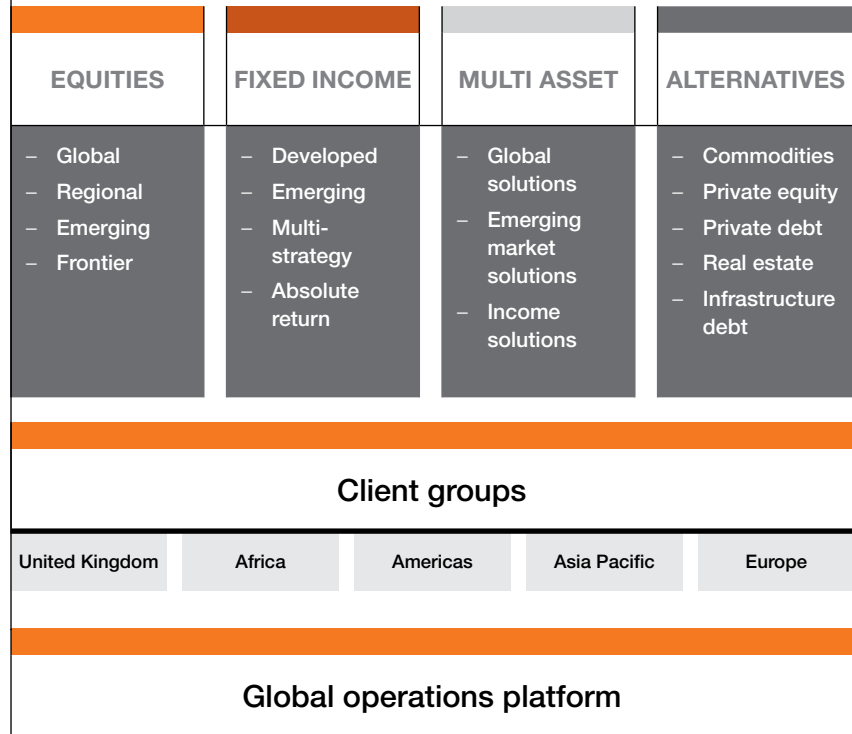
Chief operating officer
Kim McFarland

Global head of client group
John Green

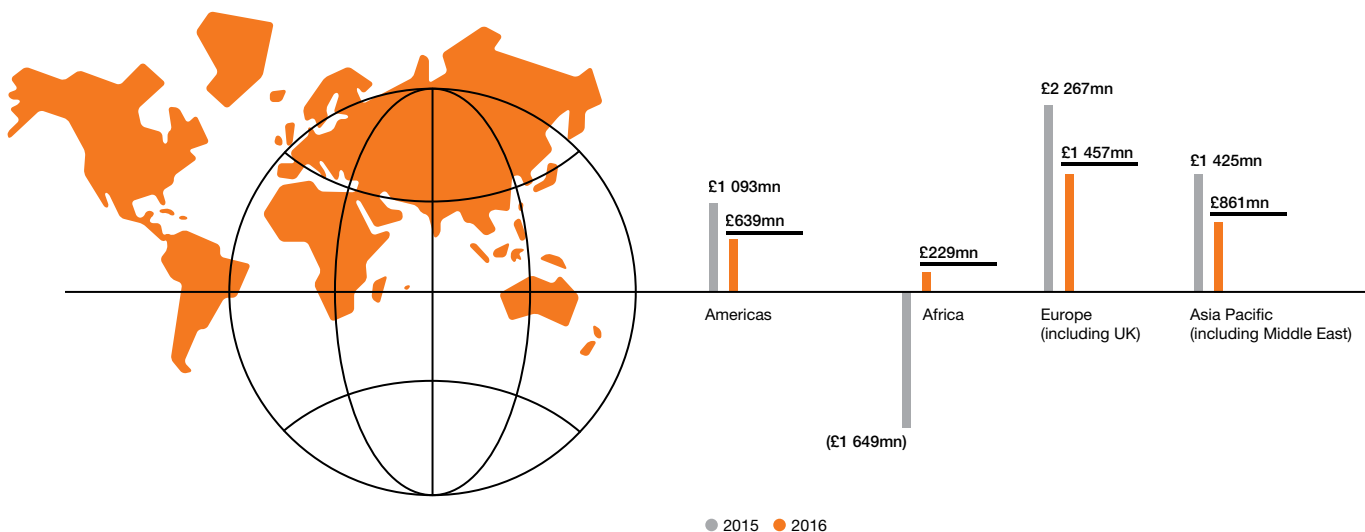
Co-chief investment officer
Domenico (Mimi) Ferrini

Co-chief investment officer
John McNab

Capabilities and organisational structure



WHERE we operate



NET FLOWS BY GEOGRAPHY

Financial years to 31 March 2015 and 31 March 2016.



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

Global head: Steve Elliott

UK head: Jonathan Wragg

South Africa head: Henry Blumenthal

Switzerland head: Peter Gyger

Ireland head: Eddie Clarke



Further detail on the Wealth & Investment management structure is available on our website: www.investec.com

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

Investec Wealth & Investment is one of the UK's leading private client investment managers, the largest in South Africa, has a significant European presence and is developing its operations internationally.

ANNUAL HIGHLIGHTS

Operating profit up 8.8% to £85.7mn, contributing 17.0% to group profit

Operating margin
26.4%
(2015: 25.2%)
positively impacted by investment gains

Assets under management down only 1.3% since March 2015 to £45.5bn, despite falls in the UK equity markets and the impact of the weaker Rand

Net new flows of
£2.1bn
(2015: £2.7bn)

OUR value proposition

- Investec Wealth & Investment has been built via the acquisition and integration of businesses and organic growth over a long period of time
- Well-established platforms in the UK, South Africa, Switzerland, Ireland and Guernsey
- The business currently has four distinct channels: direct, intermediaries, charities and international, and is progressing with the development of its online capabilities to form a fifth 'digital' distribution channel
- 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.

WHAT we do

UK and Europe		
Investments and savings	Pensions and retirement	Financial planning
<ul style="list-style-type: none"> Discretionary and advisory portfolio management services for private clients Specialist investment management services for charities, pension schemes and trusts Independent financial planning advice for private clients Specialist portfolio management services for international clients. 	<ul style="list-style-type: none"> Discretionary investment management for company pension and Self Invested Personal Pensions (SIPPs) Advice and guidance on pension schemes, life assurance and income protection schemes. 	<ul style="list-style-type: none"> Succession planning ISAs Retirement planning.
<p>The European operations are conducted through Investec Wealth & Investment Limited in the UK, Investec Bank Switzerland, Investec Wealth & Investment Ireland and in Guernsey through Investec Wealth & Investment Channel Islands.</p> <p>Over 1 200 staff operate from offices located throughout the UK and Europe, with combined funds under management of £29.8 billion. Investec Wealth & Investment is one of the UK's leading providers of private client investment management services.</p>		
Southern Africa		
<p>Investec Wealth & Investment South Africa provides portfolio management, wealth management and stockbroking services for private clients, charities, pension funds and trusts, operating from eight offices across South Africa with R104.5 billion of discretionary and annuity managed assets and a further R227.0 billion of funds under various other forms of administration.</p>		

WHERE we operate



UK and Europe

Brand well recognised
Established platforms in the UK, Switzerland, Republic of Ireland and Guernsey
One of the UK's leading private client investment managers
Proven ability to attract and recruit investment managers

Asia

Developing Wealth & Investment capability in Hong Kong

South Africa and Mauritius

Strong brand and positioning
Largest player in the South African market
Newly launched Wealth & Investment capability in Mauritius



Specialist expertise delivered with dedication and energy

Global heads:

David van der Walt

Ciaran Whelan



Further information on the Specialist Banking management structure is available on our website: www.investec.com

The specialist teams are well positioned to provide services for both personal and business needs right across Private Banking, Corporate and Institutional Banking, Investment and Property activities.

OUR value proposition

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


ANNUAL HIGHLIGHTS

Operating profit (ongoing) up 4.3% to £409.2mn	Operating profit (statutory) up 8.6% to £330.9mn
12.5% ROE (pre-tax) (statutory) (2015: 10.7%)	Loans and advances (statutory) £18.1bn
16.1% ROE (pre-tax) (ongoing) (2015: 15.9%)	Customer deposits (statutory) £24.0bn

WHAT we do

Focus on helping our clients create and preserve wealth	A highly valued partner and advisor to our clients	
High-income and high net worth private clients	Corporates/government/institutional clients	
Private Banking activities Transactional banking and foreign exchange Lending Deposits Investments – Southern Africa – UK and Europe	Investment activities Principal investments Property investment fund management – Australia – Hong Kong – Southern Africa – UK and Europe	Corporate and Institutional Banking activities Treasury and trading services Specialised lending, funds and debt capital markets Institutional research sales and trading Advisory – Australia – Hong Kong – India – Southern Africa – UK and Europe – USA
Natural linkages between the private client and corporate businesses		

WHERE we operate



North America Distribution platform Growing advisory and PFI capabilities	UK and Europe Brand well established Sustainable business on the back of client activity	Hong Kong Investment activities Distribution platform
India Established a presence in 2010 Facilitates the link between India, UK and South Africa		
Mauritius Established in 1997 Leading in corporate institutional and private client banking activities	South Africa Strong brand and positioning Leading in corporate institutional and private client banking activities	Australia Experienced local teams in place with industry expertise Focus is on entrenching position as a boutique operation



Key income drivers in our core businesses

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

ASSET MANAGEMENT

Global business (in Pounds Sterling)	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Operating margin	32.0%	34.2%	34.7%	34.5%	35.7%	37.0%
Net inflows in funds under management as a % of opening funds under management	4.1%	4.6%	3.7%	6.7%	8.8%	16.0%
Average income yield earned on funds under management [^]	0.55%	0.60%	0.60%	0.62%	0.62%	0.66%

WEALTH & INVESTMENT

Global business (in Pounds Sterling)	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Operating margin	26.4%	25.2%	22.9%	20.3%	19.7%	25.9%
Net organic growth in funds under management as a % of opening funds under management	4.5%	6.6%	3.5%	2.0%	(5.3%)	6.2%
Average income yield earned on funds under management [^]	0.71%	0.72%	0.71%	0.66%	0.61%	0.55%
UK and Other^{^^} (in Pounds Sterling)						
Operating margin	24.6%	22.7%	20.1%	17.3%	16.3%	24.5%
Net organic growth in funds under management as a % of opening funds under management	4.5%	7.1%	5.1%	1.3%	(7.4%)	3.5%
Average income yield earned on funds under management [^]	0.87%	0.89%	0.89%	0.86%	0.80%	0.68%
South Africa (in Rands)						
Operating margin	33.1%	35.1%	33.9%	31.3%	28.5%	28.9%
Net organic growth in discretionary funds under management as a % of opening discretionary funds under management	10.4%	8.5%	13.6%	13.9%	8.7%	6.0%
Average income yield earned on funds under management ^{^*}	0.45%	0.41%	0.41%	0.37%	0.39%	0.41%

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

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

^{^^} 'Other' comprises European Wealth Management, Investec Wealth & Investment Ireland (formerly NCB), which was acquired on 12 June 2012 and Investec Wealth & Investment Channel Islands.

SPECIALIST BANKING – STATUTORY BASIS

Global business (in Pounds Sterling)	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Cost to income ratio	60.1%*	63.1%*	63.2%*	63.1%	62.4%	60.1%
ROE post-tax [^]	10.1%	8.6%	7.9%	6.4%	5.1%	8.2%
ROE post-tax (ongoing business) [^]	13.0%	12.8%	11.9%	–	–	–
Growth in net core loans	5.4%	0.2% ^{^^}	(6.8%)	1.0%	(2.8%)	4.8%
Growth in risk-weighted assets	2.2%	(4.9%) ^{^^}	(6.0%)	4.7%	1.5%	13.3%
Defaults (net of impairments as a % of core loans)	1.54%	2.07%	2.30%	2.73%	3.31%	4.66%
Credit loss ratio on core loans	0.62%	0.68%	0.68%	0.84%	1.12%	1.27%
UK and Other[#] (in Pounds Sterling)						
Cost to income ratio	73.4%*	78.9%*	72.5%*	69.0%	68.3%	64.1%
ROE post-tax [^]	5.5%	2.1%	3.6%	1.7%	(1.8%)	2.6%
ROE post-tax (ongoing business) [^]	11.4%	9.6%	10.9%	–	–	–
Growth in net core loans	10.5%	(14.1%) ^{^^}	(0.3%)	6.6%	0.3%	6.2%
Growth in risk-weighted assets	6.7%	(15.5%) ^{^^}	0.4%	7.7%	4.6%	9.6%
Defaults (net of impairments as a % of core loans)	2.19%	3.00%	3.21%	3.75%	4.10%	5.67%
Credit loss ratio on core loans	1.13%	1.16%	0.99%	1.16%	1.65%	2.05%
Southern Africa (in Rands)						
Cost to income ratio	46.8%*	47.2%*	51.0%*	55.5%	55.2%	54.7%
ROE post-tax [^]	15.1%*	15.2%*	12.5%*	10.0%	9.6%	10.7%
Growth in net core loans	19.7%	16.1%	10.6%	10.2%	6.6%	0.3%
Growth in risk-weighted assets	15.1%	8.3%	11.0%	16.5%	11.9%	13.8%
Defaults (net of impairments as a % of core loans)	1.05%	1.43%	1.46%	1.89%	2.73%	3.97%
Credit loss ratio on core loans	0.26%	0.28%	0.42%	0.61%	0.65%	0.71%

[^] Divisional ROEs are reported on a pre-tax basis. For the purpose of this calculation we have applied the group's effective tax rate to derive post-tax numbers. Capital as at 31 March 2016 was c.£1.1 billion in the UK and c.R27.4 billion in South Africa.

^{^^} Impacted by sale of assets.

* Excludes group costs.

[#] Includes UK, Europe, Australia and the legacy businesses.



Business highlights

(continued)

OPERATING PROFIT BEFORE GOODWILL, ACQUIRED INTANGIBLES, NON-OPERATING ITEMS, TAXATION AND AFTER OTHER NON-CONTROLLING INTERESTS

Our operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests increased by 2.5% from £493.2 million to £505.6 million.

The following tables set out information on operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests by geography and by division for the year under review.

For the year to 31 March 2016 £'000	UK and Other	Southern Africa	Total group	% change	% of total
Asset Management	76 853	57 930	134 783	(9.5%)	26.7%
Wealth & Investment	63 127	22 608	85 735	8.8%	17.0%
Specialist Banking	78 043	252 837	330 880	8.6%	65.4%
	218 023	333 375	551 398	3.6%	109.1%
Group costs	(35 160)	(10 645)	(45 805)	16.5%	(9.1%)
Total group	182 863	322 730	505 593	2.5%	100.0%
Other non-controlling interest – equity			35 201		
Operating profit			540 794		
% change	26.9%	(7.5%)	2.5%		
% of total	36.2%	63.8%	100.0%		

For the year to 31 March 2015 £'000	UK and Other	Southern Africa	Total group	% of total
Asset Management	75 491	73 484	148 975	30.2%
Wealth & Investment	56 871	21 910	78 781	16.0%
Specialist Banking	41 795	262 918	304 713	61.8%
	174 157	358 312	532 469	108.0%
Group costs	(30 048)	(9 264)	(39 312)	(8.0%)
Total group	144 109	349 048	493 157	100.0%
Other non-controlling interest – equity			11 701	
Operating profit			504 858	
% of total	29.2%	70.8%	100.0%	



4

Section Four

Additional
information

Group Risk Management objectives are to:

- Be the custodian of adherence to our risk management culture
- Ensure the business operates within the board-stated risk appetite
- Support the long-term sustainability of the group by providing an established, independent framework for identifying, evaluating, monitoring and mitigating risk
- Set, approve and monitor adherence to risk parameters and limits across the group and ensure they are implemented and adhered to consistently
- Aggregate and monitor our exposure across risk classes
- Coordinate risk management activities across the organisation, covering all legal entities and jurisdictions
- Give the boards reasonable assurance that the risks we are exposed to are identified and appropriately managed and controlled
- Run appropriate risk committees, as mandated by the board.

Statement from the chairman of the group risk and capital committee

PHILOSOPHY AND APPROACH TO RISK MANAGEMENT

The board risk and capital committee (comprising both executive and non-executive directors) meets six times per annum and approves the overall risk appetite for the Investec group. The group's risk appetite statement sets broad parameters relating to the board's expectations around performance, business stability and risk management. The board ensures that there are appropriate resources to manage the risk arising from running our businesses.

Our comprehensive risk management process involves identifying, quantifying, managing and mitigating the risks associated with each of our businesses.

Risk awareness, control and compliance are embedded in all our day-to-day activities. We seek to achieve an appropriate balance between risk and reward, taking cognisance of all stakeholders' interests. A strong risk and capital management culture is embedded into our values.

Group Risk Management monitors, manages and reports on our risks to ensure that they are within the stated risk appetite mandated by the board of directors through the board risk and capital committee.

We monitor and control risk exposure through independent credit, market, liquidity, operational, legal risk, internal audit and compliance teams. This approach is core to assuming a tolerable risk and reward profile, helping us to pursue controlled growth across our business.

Group Risk Management operates within an integrated geographical and divisional structure, in line with our management approach, ensuring that the appropriate processes are used to address all risks across the group. There are specialist divisions in the UK and South Africa and smaller risk divisions in other regions tasked with promoting sound risk management practices.

Risk Management units are locally responsive yet globally aware. This helps to ensure that all initiatives and businesses operate within our defined risk parameters

and objectives, continually seeking new ways to enhance techniques.

We believe that the risk management systems and processes we have in place are adequate to support the group's strategy and allow the group to operate within its risk appetite tolerance.

A SUMMARY OF THE YEAR IN REVIEW FROM A RISK PERSPECTIVE

Executive management is intimately involved in ensuring stringent management of risk, liquidity, capital and conduct. We continue to seek to achieve an appropriate balance between risk and reward in our business, taking cognisance of all stakeholders' interests.

Notwithstanding, a challenging and uncertain environment experienced in the group's core geographies, the group was able to maintain sound risk metrics throughout the year in review. The group remained within the majority of its risk appetite limits/targets across the various risk disciplines with any exceptions noted and approved by the board. Our risk appetite framework continues to be assessed in light of prevailing market conditions and group strategy.

Our core loan book has grown steadily over the year in home currencies, reflecting an increase of 19.7% in South Africa, and 10.5% in the UK. This has been supported by solid growth in our residential owner-occupied mortgage portfolios, private client and corporate client lending portfolios. Growth in our books has been diversified across our business lines, with loan to values at conservative levels and margins broadly in line with the prior year.

Our credit exposures are to a select target market comprising high-income and high net worth individuals, established corporates, and medium-sized enterprises. Our risk appetite continues to favour lower risk, income-based lending, with exposures well collateralised and credit risk taken over a short to medium term. These target clients have remained active during the financial year, and have displayed a level of resilience, seeking out opportunities, despite the volatility in the markets.

Our core loan book remains well diversified with commercial rent producing property loans comprising approximately 15% of the book, other lending collateralised by property 10%, high net worth and private client lending 35% and corporate lending

40% (with most industry concentrations well below 5%). Our focus over the past few years to realign and rebalance our portfolios in line with our risk appetite framework is reflected in the relative changes in asset classes on our balance sheet; showing an increase in private client and corporate and other lending, and a reduction in lending collateralised by property as a proportion of our book.

Our legacy portfolio in the UK has been actively managed down from £695 million at 31 March 2015 to £583 million largely through redemptions and write-offs (notably on the Irish portfolio).

We will continue to manage this portfolio down, although we remain cautiously optimistic in this regard and our view is that the remaining legacy book will still take two to four years to clear.

Impairments on loans and advances decreased from £128.4 million to £109.5 million. Since 31 March 2015 gross defaults have improved from £608.4 million to £466.1 million. The percentage of default loans (net of impairments but before taking collateral into account) to core loans and advances amounted to 1.54% (2015: 2.07%). The ratio of collateral to default loans (net of impairments) remains satisfactory at 1.35 times (2015: 1.37 times).

We reported an increase in the level of impairments taken on our South African portfolio, but remain comfortable with the overall performance of the book, as the credit loss ratio amounts to 0.26% and defaults (net of impairments but before collateral) are 1.05% of our book. The increase in interest rates in South Africa has had little impact on the performance of our book to date, as our target market is less sensitive to the moderate interest rate moves incurred to date. We will however, monitor our portfolio in light of the increasing interest rate environment. Given the weaker growth outlook in South Africa, it is likely that defaults could increase, although we would still expect our credit loss ratio to remain within our long-term trend of 30bps to 40bps. The credit loss ratio in our UK and Other businesses improved during the year to 1.13%, with the bulk of impairments taken on the legacy portfolio. Our credit losses on our core 'ongoing' UK and Other book remain low at 0.26%.

The group has minimal exposure to the agriculture sector in South Africa, and our overall group exposure to mining and resources amounts to 2.6% of our credit

and counterparty exposures. Overall net defaults of the group are at a manageable level, amounting to 9.7% of our tier 1 equity, with total impairments amounting to 17.8% of our pre-provision income.

Our investment portfolios in the UK and South Africa delivered a sound performance. During the year we transferred a sizeable portion of our South African unlisted investments portfolio to an investment vehicle called Investec Equity Partners (IEP), in which we retain a 45% interest. With the backing of external strategic investors, we believe that IEP is better positioned to deliver value from, and grow this portfolio. Overall, we remain comfortable with the performance of our equity investment portfolios which comprise 3.88% of total assets.

Proprietary market risk within our trading portfolio remains modest with value at risk and stress testing scenarios remaining at prudent levels. Potential losses that could arise in our trading book portfolio when stress tested under extreme market conditions (i.e. per extreme value theory) amount to less than 0.2% of total operating income.

Investec has continued to maintain a sound balance sheet with a low gearing ratio of 10.2 times and a core loans to equity ratio of 4.7 times. Our current leverage ratios for Investec Limited and Investec plc are at 6.9% and 7.0% respectively.

We have always held capital in excess of regulatory requirements and we intend to perpetuate this philosophy. All our banking subsidiaries meet current internal targets for total capital adequacy. We did not meet our internal target for our common equity tier 1 ratio to be in excess of 10% at our holding companies, as a result of solid growth in credit risk-weighted assets during the year. Capital continued to grow and we are comfortable that credit growth is in line with our risk appetite framework and supported by sound risk metrics. We believe that a common equity tier 1 ratio in excess of 10% is appropriate for our business, given our high leverage ratios and we will continue to build our business in a manner that achieves this target.

Holding a high level of readily available, high quality liquid assets remains paramount in the management of our balance sheet. We continue to maintain a low reliance on interbank wholesale funding to fund core lending asset growth. Cash and near cash balances amounted to £11.0 billion at year-end, representing 38.8% of our liability base.

The strategy in the UK to normalise balance sheet liquidity levels following the strategic sales in the last quarter of the previous financial year was achieved by mid-year through a combination of asset growth and liability management. Our loan to deposit ratio is at 72.2%. Our weighted average cost of funding over the year continued to decrease and we comfortably meet Basel liquidity requirements for the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

In South Africa surplus cash balances increased significantly as we remained conservative given the volatility in the markets. We ended the year with the three-month average of Investec Bank Limited's (solo) LCR at 117.3%, which is well ahead of the minimum levels required. We were successful in raising two to three year term US Dollar (USD) funding at levels last witnessed over five years ago. The bank's long-term USD liquidity position is very positive and places us in a strong position ahead of any concern over South Africa's heightened risk of a credit rating downgrade. Our USD funding merely augments our surplus cash balances, and core loans and advances are fully funded from domestic deposits, with our loan to deposit ratio (excluding USD funding) at 74.6%.

We continue to spend much time and effort focusing on operational, reputational, conduct, recovery and resolution risks. During the year customer and market conduct committees were established in South Africa and the UK, with the objective of ensuring that Investec maintains a client-focused and fair outcomes-based culture.

Financial and cybercrime remain high priorities, and Investec continually aims to strengthen its systems and controls in order to meet its regulatory obligations to combat money laundering, bribery and corruption.

Investec's stress testing framework is well embedded in its operations and is designed to identify and regularly test the group's key 'vulnerabilities under stress'. A fundamental part of the stress testing process is a full and comprehensive analysis of all the group's material business activities, incorporating views from risk, the business and the executive – a process called the 'bottom-up' analysis. Resulting from the 'bottom-up' analysis, the Investec-specific stress scenarios are designed to specifically test the unique attributes of the group's portfolio. The key is to understand the potential threats

to our sustainability and profitability and thus a number of risk scenarios have been developed and assessed. These Investec specific stress scenarios form an integral part of our capital planning process. The stress testing process also informs the risk appetite review process and the management of risk appetite limits and is a key risk management tool of the group. This process allows the group to identify underlying risks and manage them accordingly.

During the year, Investec continued to enhance its stress testing framework. Given the volatility and uncertainty in the market, a number of new stress scenarios were incorporated into our processes, these included for example, the events that unfolded in South Africa in December 2015 with the removal of Finance Minister Nene; a sovereign rating downgrade of South Africa to below investment grade; and 'Brexit'.

The board, through its various risk and capital committees, continued to assess the impact of its principal risks and the abovementioned stress scenarios on its business. The board has concluded that the group has robust systems and processes in place to manage these risks, and that while under a severe stress scenario, business activity would be very subdued, the group would continue to maintain adequate liquidity and capital balances to support the continued operation of the group.

We were very pleased to receive a number of credit rating upgrades during the period, with upward adjustments made to our ratings both in South Africa and the UK. We believe these rating upgrades are a reflection of the progress we have made over the past few years in simplifying and derisking our business, maintaining sound capital and high liquidity ratios, and managing credit risk metrics at tolerable levels.

CONCLUSION

The current regulatory and economic environment continues to prove challenging to our business, however, we are comfortable that we have robust risk management processes and systems in place which provide a strong foundation to the board and the business to manage and mitigate risks within our risk appetite tolerance framework.

Signed on behalf of the board



Stephen Koseff

Chairman of the group risk and capital committee



Additional information:

Refer to our 2016 integrated annual report for detailed information on risk management, internal audit and compliance
<https://www.investec.com/about-investec/investor-relations/financial-information.html>

Salient features

A summary of key risk indicators is provided in the table below.

	UK and Other		Southern Africa		Investec group	
Year to 31 March	2016 £	2015 £	2016 R	2015 R	2016 £	2015 £
Net core loans and advances (million)	7 804	7 061	217 958	182 058	18 119	17 189
Total assets (excluding assurance assets) (million)	18 489	17 970	445 239	359 728	39 505	38 016
Total risk-weighted assets (million)	12 297	11 608	309 052	269 466	26 923 [^]	26 601 [^]
Total equity (million)	1 881	2 074	41 851	35 526	3 859	4 040
Cash and near cash (million)	5 082	5 039	124 907	88 691	10 994	9 975
Customer accounts (deposits) (million)	10 801	10 298	279 820	221 377	24 044	22 615
Gross defaults as a % of gross core loans and advances	3.95%	5.52%	1.47%	2.04%	2.55%	3.49%
Defaults (net of impairments) as a % of net core loans and advances	2.19%	3.00%	1.05%	1.43%	1.54%	2.07%
Net defaults (after collateral and impairments) as a % of net core loans and advances	—	—	—	—	—	—
Credit loss ratio*	1.13%	1.16%	0.26%	0.28%	0.62%	0.68%
Structured credit as a % of total assets**	1.92%	1.92%	0.17%	0.44%	0.99%	1.15%
Banking book investment and equity risk exposures as a % of total assets**	3.56%	3.44%	4.16%	4.88%	3.88%	4.19%
Level 3 (fair value assets) as a % of total assets**	3.63%	4.32%	0.63%	2.32%	2.06%	3.87%
Traded market risk: one-day value at risk (million)	0.5	0.7	4.8	3.5	n/a	n/a
Core loans to equity ratio	4.1x	3.4x	5.2x	5.1x	4.7x	4.3x
Total gearing ratio ^{^^}	9.8x	8.8x	10.6x	10.1x	10.2x	9.4x
Loans and advances to customers to customer deposits	72.2%	68.5%	74.6%	78.6%	73.5%	74.0%
Capital adequacy ratio	15.1%	16.7%	14.0%	14.7%	n/a	n/a
Tier 1 ratio	10.7%	11.9%	10.7%	11.3%	n/a	n/a
Common equity tier 1 ratio	9.7%	10.2%	9.6%	9.6%	n/a	n/a
Leverage ratio – current	7.0%	7.7%	6.9%	8.1%	n/a	n/a
Return on average assets [#]	0.71%	0.44%	1.15%	1.20%	0.93%	0.86%
Return on average risk-weighted assets [#]	1.10%	0.72%	1.61%	1.59%	1.34%	1.25%

* Income statement impairment charge on core loans as a percentage of average advances.

** Total assets excluding assurance assets.

[^] The group numbers have been 'derived' by adding Investec plc and Investec Limited (Rand converted into Pounds Sterling) numbers together.

^{^^} Total assets excluding assurance assets to total equity.

[#] Where return represents operating profit after taxation and non-controlling interests and after deducting preference dividends, but before goodwill, acquired intangibles and non-operating items. Average balances are calculated on a straight-line average.

Certain information is denoted as n/a as these statistics are not applicable at a consolidated group level and are best reflected per banking entity or jurisdiction in line with regulatory and other requirements; or were not previously disclosed.

(continued)

Overall group risk appetite

The group has a number of board-approved risk appetite statements and policy documents covering our risk tolerance and approach to our principal aspects of risk. In addition, a number of committees and forums identify and manage risk at a group level. The group risk appetite statement and framework sets out the board's mandated risk appetite. The group risk appetite framework acts as a guide to determine the acceptable risk profile of the group by the owners of the group's capital. The group risk appetite statement ensures that limits/targets are applied and monitored across all key operating jurisdictions and legal entities. The group risk appetite statement is a high-level, strategic framework that supplements and does not replace the detailed risk policy documents at each entity and geographic level. The group risk appetite framework is a function of business strategy, budget and capital processes, our stress testing reviews and the regulatory and economic environment in which the group is operating. The group risk appetite framework is reviewed (in light of the above aspects) and approved at least annually or as business needs dictate. A documented process exists where our risk profile is measured against our risk appetite and this positioning is presented to the group risk and capital committee and the board risk and capital committee.

The table below provides a high-level summary of the group's overall risk tolerance framework.

Risk appetite and tolerance metrics	Positioning at 31 March 2016
<ul style="list-style-type: none"> We seek to maintain an appropriate balance between revenue earned from capital light and capital intensive activities. Ideally the split in revenue should be 50:50, dependent on prevailing market conditions 	Capital light activities contributed 55% to total operating income and capital intensive activities contributed 45%
<ul style="list-style-type: none"> We have a solid recurring income base supported by diversified revenue streams, and target a recurring income ratio in excess of 65% 	Recurring income amounted to 71.7% of total operating income
<ul style="list-style-type: none"> We seek to maintain strict control over fixed costs and target a group cost to income ratio of below 65% 	The cost to income ratio amounted to 66.4%.
<ul style="list-style-type: none"> We aim to build a sustainable business generating sufficient return to shareholders over the longer term, and target a long-term return on equity ratio range of between 12% and 16%, and a return on risk-weighted assets in excess of 1.2% 	The return on equity amounted to 11.5% and our return on risk-weighted assets amounted to 1.34%.
<ul style="list-style-type: none"> We are a lowly leveraged firm and target a leverage ratio in all our banking subsidiaries in excess of 6% 	We achieved this internal target
<ul style="list-style-type: none"> We intend to maintain a sufficient level of capital to satisfy regulatory requirements and our internal target ratios. We target a capital adequacy ratio range of between 14% and 17% on a consolidated basis for Investec plc and Investec Limited and we target a minimum tier 1 ratio of 11.0% and a common equity tier 1 ratio above 10.0% 	We meet total capital targets; however, we have not met our common equity targets due to strong growth in credit risk-weighted assets
<ul style="list-style-type: none"> We target a diversified loan portfolio, lending to clients we know and understand. We limit our exposure to a single/connected individual or company to 5% of tier 1 capital (up to 10% if approved by the relevant board committee). We also have a number of risk tolerance limits and targets for specific asset classes 	We maintained this risk tolerance level in place throughout the year
<ul style="list-style-type: none"> There is a preference for primary exposure in the group's main operating geographies (i.e. South Africa and UK). The group will accept exposures where we have a branch or local banking subsidiary and tolerate exposures to other countries where we have developed a local understanding and capability or we are facilitating a transaction for a client who requires facilities in a foreign geography 	
<ul style="list-style-type: none"> The level of defaults and impairments continues to improve and we target a credit loss charge on core loans of less than 0.5% of average core advances (less than 1.25% under a weak economic environment/stressed scenario), and we target defaults net of impairments less than 1.5% of total core loans (less than 4% under a weak economic environment/stressed scenario) 	The credit loss charge on core loans amounted to 0.62% and defaults net of impairments amounted to 1.54% of total core loans
<ul style="list-style-type: none"> We carry a high level of liquidity in all our banking subsidiaries in order to be able to cope with shocks to the system, targeting a minimum cash to customer deposit ratio of 25% 	Total cash and near cash balances amounted to £11.0 billion representing 45.7% of customer deposits
<ul style="list-style-type: none"> We have modest market risk as our trading activities primarily focus on supporting client activity and our appetite for proprietary trading is limited. We set an overall tolerance level of a one-day 95% VaR of less than R15 million for Investec Limited and less than £5 million for Investec plc 	We meet these internal limits
<ul style="list-style-type: none"> We have moderate appetite for investment risk, and set a risk tolerance of less than 20% of tier 1 capital for our unlisted principal investment portfolio (excluding IEP) 	Our unlisted investment portfolio is £500 million, representing 17.4% of total tier 1 capital
<ul style="list-style-type: none"> Our operational risk management team focuses on improving business performance and compliance with regulatory requirements through review, challenge and escalation 	
<ul style="list-style-type: none"> We have a number of policies and practices in place to mitigate reputational, legal and conduct risks 	

(continued)

Credit ratings

In terms of our dual listed companies structure, Investec plc and Investec Limited are treated separately from a credit point of view. As a result, the rating agencies have assigned separate ratings to the significant banking entities within the group, namely Investec Bank plc and Investec Bank Limited. Certain rating agencies have also assigned ratings to the holding companies, namely, Investec plc and Investec Limited. Our ratings at 9 June 2016 are as follows:

Rating agency	Investec Limited	Investec Bank Limited – a subsidiary of Investec Limited	Investec plc	Investec Bank plc – a subsidiary of Investec plc
FITCH				
Long-term ratings				
Foreign currency	BBB-	BBB-		BBB
National		AA-(zaf)		
Short-term ratings				
Foreign currency	F3	F3		F2
National		F1+(zaf)		
Viability rating	bbb-	bbb-		bbb
Support rating	5	3		5
MOODY'S				
Long-term ratings				
Foreign currency		Baa2	Baa1	A2
National		Aa1.za		
Short-term ratings				
Foreign currency		Prime-2	Prime-2	Prime-1
National		P-1(za)		
Baseline Credit Assessment (BCA) and adjusted BCA		baa2		baa2
S&P				
Long-term ratings				
Foreign currency		BBB-		
National		za.AA-		
Short-term ratings				
Foreign currency		A-3		
National		za.A-1		
GLOBAL CREDIT RATINGS				
Local currency				
Long-term rating		AA-(za)		BBB+
Short-term rating		A1+(za)		A2

Sound corporate governance is implicit in our values, culture, processes, functions and organisational structure

Investec's culture, values and philosophies provide the framework for how we conduct our business and measure behaviour and practices to ensure that we demonstrate the characteristics of good governance. Our values require that directors and employees act with moral strength and integrity, and conduct themselves to the highest ethical standard to promote and maintain trust.

Sound corporate governance is therefore implicit in our values, culture, processes, functions and organisational structure. Structures are designed to ensure that our values remain embedded in all businesses and processes. We continually refine these structures and a written statement of values serves as our code of ethics.

We operate under a DLC structure, and consider the corporate governance principles and regulations of both the UK and South Africa before adopting the appropriate standard for the group which also complies with requirements in both jurisdictions.

All international business units operate in accordance with the above determined corporate governance requirements, in addition to those of their jurisdiction, but with clear adherence at all times to group values and culture.

Empowerment in South Africa

- A key consideration in so far as sustainability within Investec is concerned relates to how we are tackling the subject of transformation within South Africa. Our approach is to employ young black professionals and grow and nurture them into more senior positions
- A strong entrepreneurial culture shapes our approach to transformation. This approach involves:
 - Using our entrepreneurial expertise to foster the creation of new black entrepreneurial platforms
 - Serving as a leading source of empowerment financing
 - Encouraging internal transformation by bringing about greater representivity in our workplace. In this regard, we are focusing on creating black entrepreneurs within the organisation.



Further details of our empowerment positioning can be found on our website at <https://www.investec.com/about-investec/investor-relations.html>

Directorate of Investec plc and Investec Limited

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Chief executive officer

Bernard Kantor
Managing director

Glynn R Burger
Group risk and finance director

Hendrik J du Toit
Investec Asset Management
Chief executive officer

NON-EXECUTIVE DIRECTORS

Fani Titi
Chairman

Zarina BM Bassa
Laurel C Bowden
Cheryl A Carolus
Perry KO Crosthwaite
(senior independent director)
David Friedland
Charles R Jacobs
Ian R Kantor
Lord Malloch-Brown KCMG
Khumo L Shuenyane
Peter RS Thomas

Investec ordinary shares

As at 31 March 2016, Investec plc and Investec Limited had 617.4 million and 291.4 million ordinary shares in issue respectively.

SPREAD OF ORDINARY SHAREHOLDERS AS AT 31 MARCH 2016

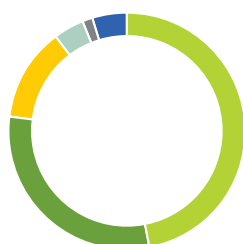
Investec plc ordinary shares in issue

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
15 391	1 – 500	54.0%	2 831 046	0.4%
4 666	501 – 1 000	16.4%	3 579 883	0.6%
5 445	1 001 – 5 000	19.1%	12 289 439	2.0%
995	5 001 – 10 000	3.5%	7 249 498	1.2%
1 146	10 001 – 50 000	4.0%	27 647 593	4.5%
309	50 001 – 100 000	1.1%	21 977 520	3.5%
554	100 001 and over	1.9%	541 843 885	87.8%
28 506		100.0%	617 418 864	100.0%

Investec Limited ordinary shares in issue

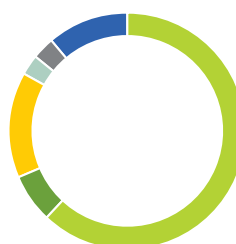
Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
3 383	1 – 500	42.1%	703 530	0.2%
1 382	501 – 1 000	17.2%	1 065 453	0.4%
1 724	1 001 – 5 000	21.5%	3 992 596	1.4%
418	5 001 – 10 000	5.2%	3 094 108	1.1%
690	10 001 – 50 000	8.6%	16 711 411	5.7%
162	50 001 – 100 000	2.0%	11 493 717	3.9%
270	100 001 and over	3.4%	254 302 891	87.3%
8 029		100.0%	291 363 706	100.0%

GEOGRAPHICAL HOLDING BY BENEFICIAL ORDINARY SHARE OWNER AS AT 31 MARCH 2016



Investec plc

47.0%	South Africa
30.0%	UK
12.8%	USA and Canada
4.1%	Rest of Europe
1.5%	Asia
4.6%	Other countries and unknown



Investec Limited

62.0%	South Africa
6.7%	UK
14.5%	USA and Canada
2.9%	Rest of Europe
2.8%	Asia
11.1%	Other countries and unknown



Shareholder analysis

(continued)

Largest ordinary shareholders as at 31 March 2016

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

INVESTEC PLC

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	47 208 864	7.6%
2. BlackRock Inc (UK and US)	31 339 094	5.1%
3. Allan Gray (ZA)	31 199 907	5.1%
4. Old Mutual (ZA)	25 291 526	4.1%
5. Prudential Group (ZA)	22 287 014	3.6%
6. T Rowe Price Associates (UK)	21 301 483	3.5%
7. Royal London Mutual Assurance Society (UK)	17 606 939	2.9%
8. Investec Staff Share Schemes (UK)	16 141 177	2.6%
9. State Street Corporation (UK and US)	15 671 161	2.5%
10. Legal & General Investment Mgt (UK)	15 555 721	2.5%
	243 602 886	39.5%

The top 10 shareholders account for 39.5% of the total shareholding in Investec plc. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

INVESTEC LIMITED

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	34 648 763	11.9%
2. Investec Staff Share Schemes (ZA)	24 168 089	8.3%
3. Old Mutual (ZA)	20 128 341	6.9%
4. Allan Gray (ZA)	13 565 085	4.7%
5. Sanlam Group (ZA)	13 180 460	4.5%
6. Dimensional Fund Advisors (UK and US)	10 185 439	3.5%
7. Coronation Fund Mgrs (ZA)	8 827 801	3.0%
8. MMI Holdings (ZA)	8 462 492	2.9%
9. BlackRock Inc (UK and US)	8 343 386	2.9%
10. Vanguard Group (UK and US)	8 174 947	2.8%
	149 684 803	51.4%

The top 10 shareholders account for 51.4% of the total shareholding in Investec Limited. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

(continued)

Shareholder classification as at 31 March 2016

	Number of Investec plc shares	% holding	Number of Investec Limited shares	% holding
Public*	588 209 422	95.3%	262 228 577	90.0%
Non-public	29 209 442	4.7%	29 135 129	10.0%
Non-executive directors of Investec plc/Investec Limited	3 645 183	0.6%	325	0.0%
Executive directors of Investec plc/Investec Limited	9 423 082	1.5%	4 966 715	1.7%
Investec staff share schemes	16 141 177	2.6%	24 168 089	8.3%
Total	617 418 864	100.0%	291 363 706	100.0%

* As per the JSE Listings Requirements.

Share statistics

INVESTEC PLC

For the year ended	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Closing market price per share (Pounds Sterling)							
– year ended	5.13	5.61	4.85	4.59	3.82	4.78	5.39
– highest	6.47	6.06	5.08	5.14	5.22	5.50	5.62
– lowest	4.03	4.91	3.66	3.10	3.18	4.29	2.87
Number of ordinary shares in issue (million) ¹	617.4	613.6	608.8	605.2	598.3	537.2	471.1
Market capitalisation (£'million) ¹	3 167	3 442	2 953	2 778	2 286	2 568	2 539
Daily average volumes of share traded ('000)	1 474	2 170	1 985	1 305	1 683	1 634	1 933
Price earnings ratio ²	12.4	14.2	12.8	12.7	12.0	11.1	12.0
Dividend cover (times) ²	2.0	2.0	2.0	2.0	1.9	2.5	2.8
Dividend yield (%) ²	4.1	3.5	3.9	3.9	4.5	3.6	3.0
Earnings yield (%) ²	8.1	7.0	7.8	7.9	8.3	9.0	8.4

INVESTEC LIMITED

For the year ended	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Closing market price per share (Rands)							
– year ended	109.91	100.51	84.84	64.26	47.16	52.80	62.49
– highest	121.90	107.35	85.04	69.89	57.36	65.50	65.40
– lowest	93.91	86.02	59.00	41.31	42.00	49.49	37.51
Number of ordinary shares in issue (million) ³	291.4	285.7	282.9	279.6	276.0	272.8	269.8
Market capitalisation (R'million) ³	99 886	90 388	75 652	56 857	41 232	42 768	46 299
Market capitalisation (£'million) ³	4 662	5 045	4 325	4 061	3 340	3 872	3 378
Daily average volume of shares traded ('000)	963	739	810	980	1 033	794	1 068

¹ The LSE only includes the shares in issue for Investec plc, i.e. currently 617.4 million, in calculating market capitalisation, as Investec Limited is not incorporated in the UK.

² Calculations are based on the group's consolidated earnings per share before goodwill, acquired intangibles and non-operating items; and dividends per share as prepared in accordance with IFRS and denominated in Pounds Sterling.

³ The JSE Limited agreed to use the total number of shares in issue for the combined group, comprising Investec plc and Investec Limited in calculating market capitalisation, i.e. currently a total of 908.8 million shares in issue.



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