An introduction to Investec

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

Investec: a distinctive specialist bank and asset manager

Facilitating the creation of wealth and management of wealth

History

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

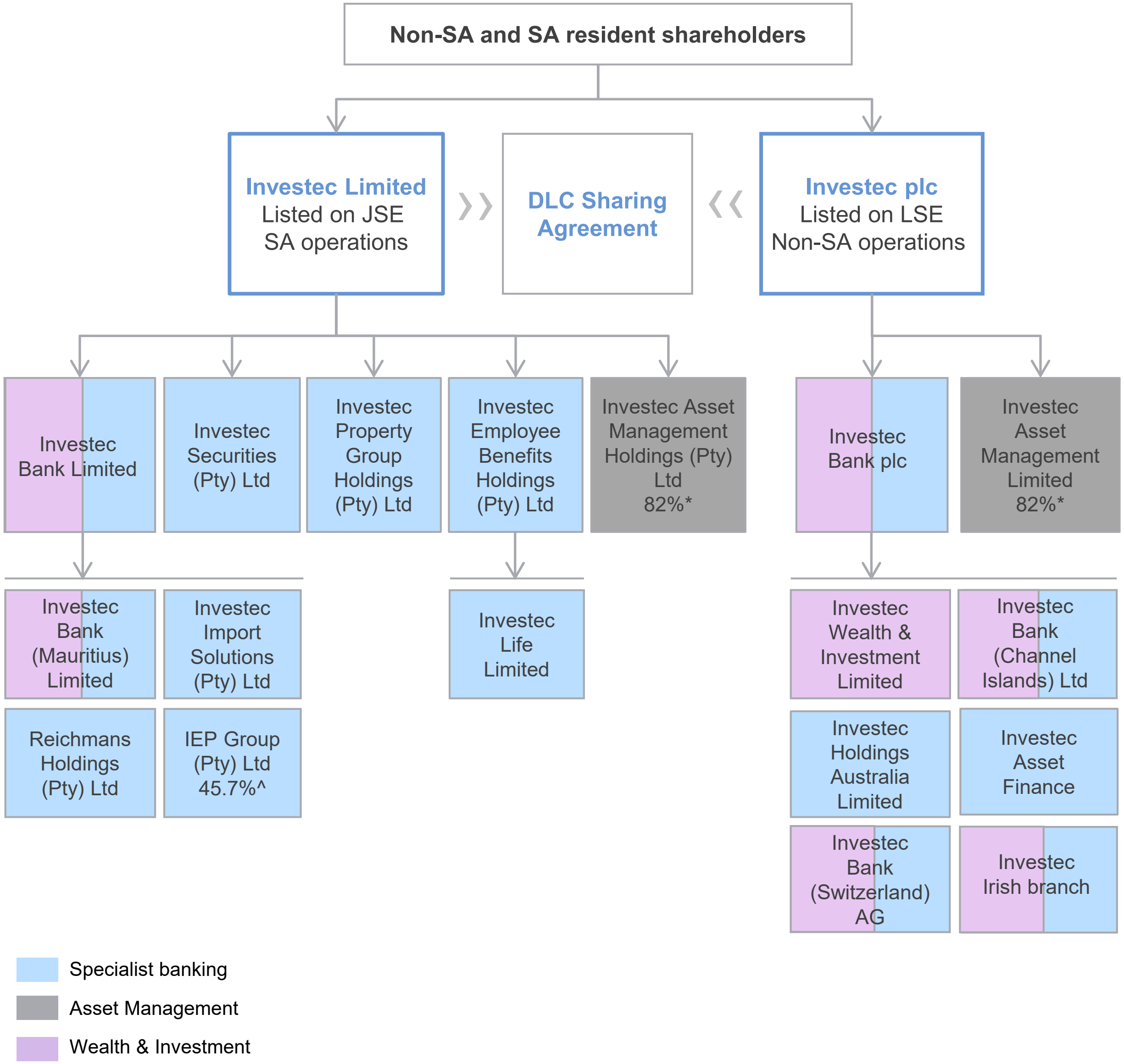
Strategy

- Client focused approach
- Delivering profitable solutions with distinction and integrity
- Not “all things to all people”
- Choose markets where we can compete effectively
- Investec distinction: Nimble, flexible, innovative and high level of service

Culture

- Flat and efficient management structure
- Strong risk management and financial discipline
- Entrepreneurial culture - material employee ownership

Investec DLC structure and main operating subsidiaries



Features of Investec's DLC structure

- Investec implemented a Dual Listed Companies structure in July 2002
- 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 with the same Boards of Directors and management at the holding companies
- **Shareholders** have common economic and voting interests (equivalent dividends on a per share basis; joint electorate and class right voting) as a result of a Sharing Agreement
- **Creditors** are however ring-fenced to either Investec Limited or Investec plc as there are no cross guarantees between the companies

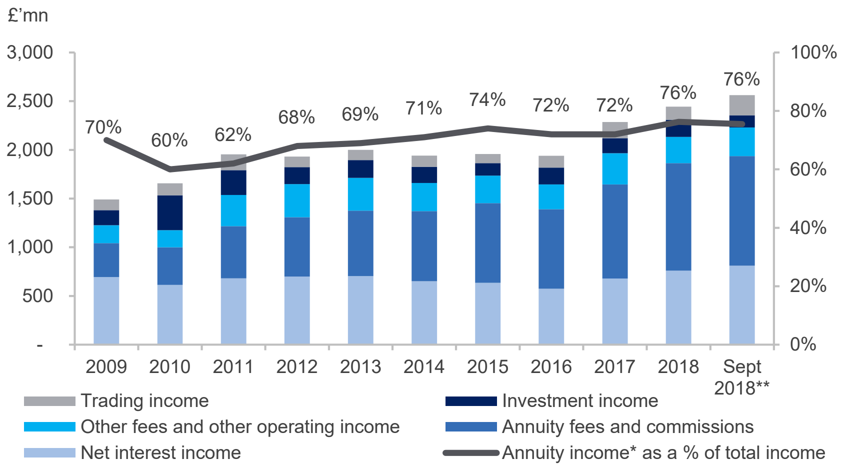
Regulation of the DLC structure

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

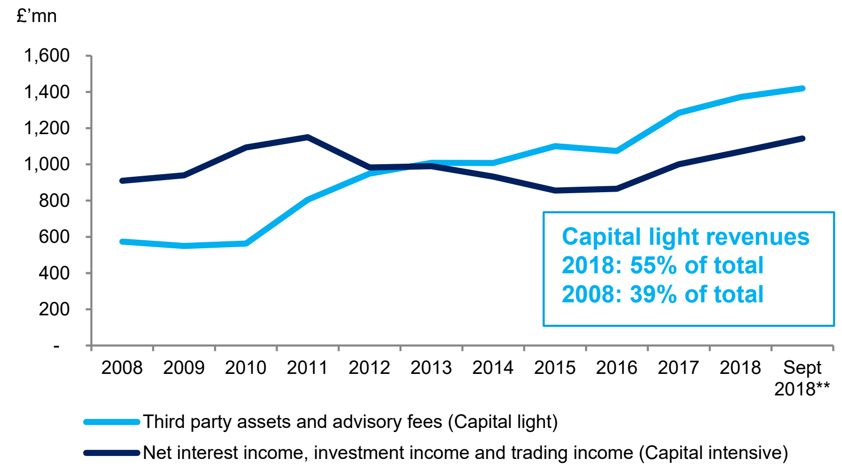
Only main operating subsidiaries are indicated. All shareholdings are 100% unless otherwise stated.
*18% held by senior management in the company as of 1 Oct 2018 (March 2018: 17%).
^54.3% held by third party investors in the company together with senior management of the business.

Balanced and diversified business model

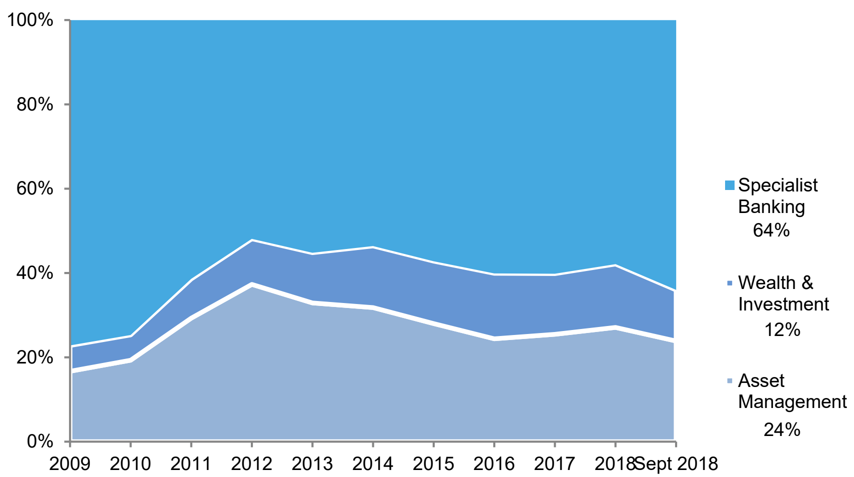
Recurring income – defensive business model supports a stable recurring income base and earnings through varying market conditions



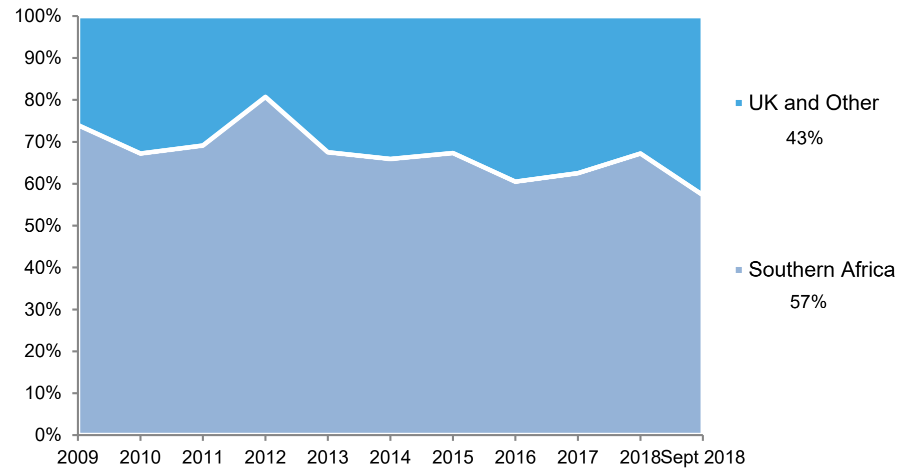
Capital light activities – maintaining balance between revenue earned from capital light and capital intensive activities



Business mix – percentage contribution to operating profit^



Geographical mix – percentage contribution to operating profit^^



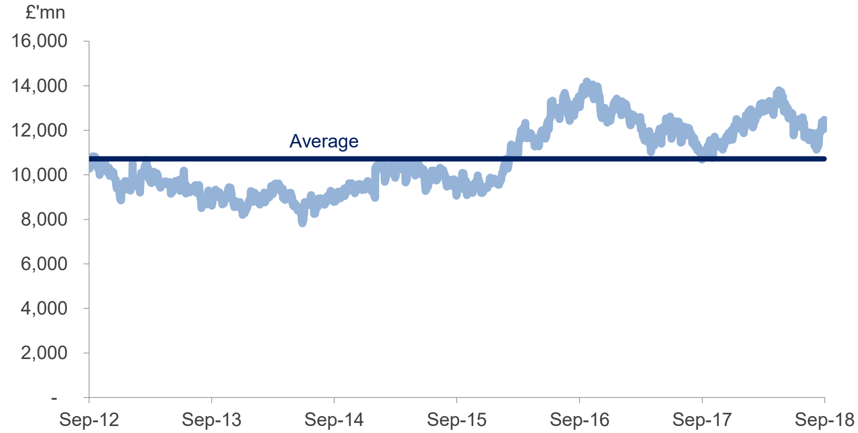
*Where annuity income is net interest income and annuity fees. **Annualised.
^Before goodwill, acquired intangibles, non-operating items, group costs and Asset Management non-controlling interests but after other non-controlling interests.
^Before goodwill, acquired intangibles, non-operating items and Asset Management non-controlling interests but after other non-controlling interests.

Sound risk fundamentals ensuring resilience throughout the crisis

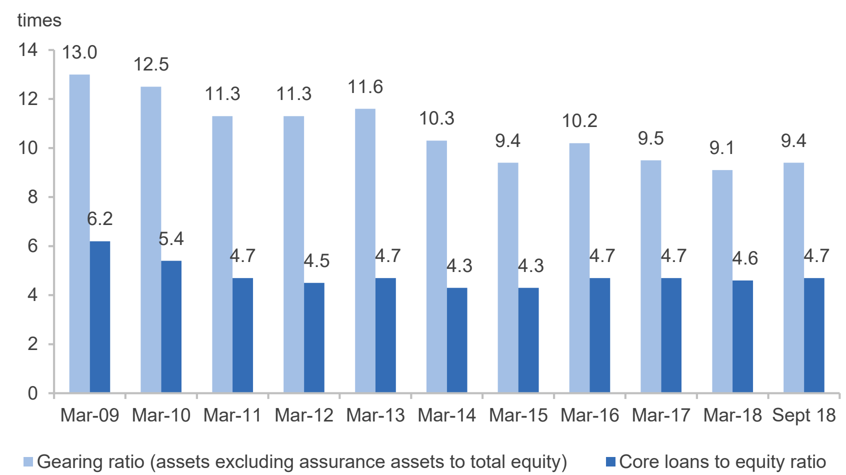
Key operating fundamentals

- Senior management "hands-on" culture
- A high level of readily available, **high quality liquid assets**: Cash and near cash amounted to £12.5bn at 30 Sept 2018, representing 41% of customer deposits (target >25%)
- No reliance on wholesale funding
- Healthy capital ratios: always held **capital in excess of regulatory requirements** and the group intends to perpetuate this philosophy. Target common equity tier 1 ratio >10%, tier 1 ratio > 11% and total capital ratio between 14% and 17%
- **Low gearing ratio**: 9.4x with leverage ratios in excess of 7%
- Geographical and operational diversity with a **high level of recurring income** continues to support sustainability of operating profit

Cash and near cash

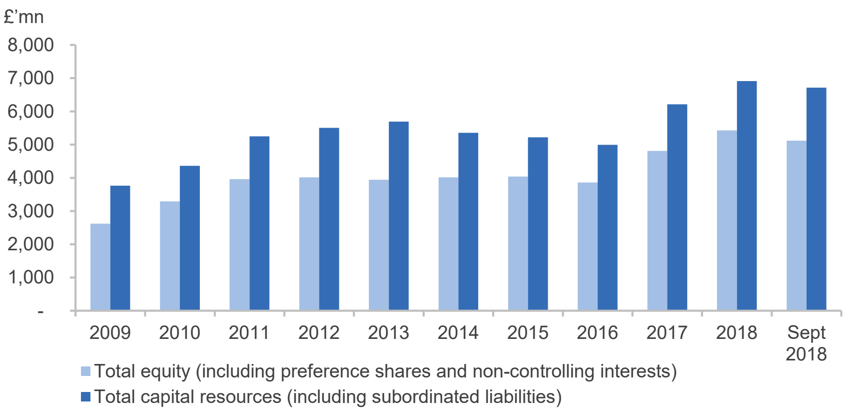


Low gearing ratios

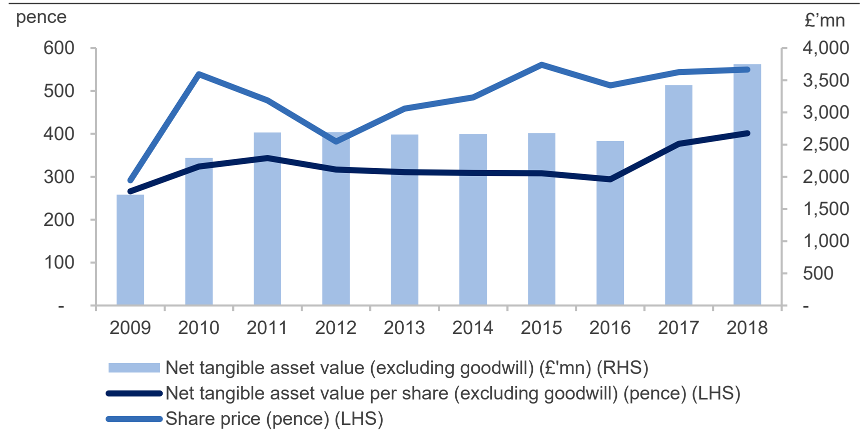


Stable equity and capital resources

Total shareholders' equity and capital resources



Net tangible asset value



- **Total equity: 10 year CAGR of c.7%** **TNAV: 10 year CAGR of c.4%**
- Total equity and TNAV decreased since March 2018 primarily as a result of the adoption of IFRS 9 on 1 April 2018 as well as from the depreciation of the closing Rand:GBP exchange rate.

Summary of capital adequacy and leverage ratios

As at 30 Sept 2018	Investec Limited^	Investec Bank Limited (IBL)^	Investec plcº	Investec Bank plc (IBP)º
Common equity tier 1 (as reported)*	10.3%	10.9%	10.4%	11.2%
Common equity tier 1 (fully loaded*)^^	10.2%	10.8%	10.0%	10.8%
Tier 1 (as reported)	11.1%	11.2%	12.2%	12.6%
Total capital adequacy ratio (as reported)*	14.7%	15.2%	15.4%	16.9%
Leverage ratio** – current	7.5%^^^	7.7%^^^	7.7%	7.7%
Leverage ratio** - fully loaded*^^	7.1%^^^	7.5%^^^	7.3%	7.4%

*The reported CET1, T1 and total capital adequacy ratios are calculated applying the IFRS 9 transitional arrangements. **Leverage ratios are calculated on an end-quarter basis. ^^^Based on revised BIS rules.
ºThe capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc and IBP this does not include the deduction of foreseeable charges and dividends when calculating the CET 1 ratio as required under the Capital Requirements Regulation and European Banking Authority technical standards. The impact of this deduction totalling £45m (31 Mar 2018: £65m) for Investec plc and £19m (31 Mar 2018: £18m) for IBP would lower the CET1 ratio by 30bps (31 Mar 2018: 45bps) and 13bps (31 Mar 2018: 13bps) respectively.
^Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 27bps (31 Mar 2018: 25bps) and 15bps (31 Mar 2018: 13bps) lower, respectively.
^^The CET1 fully loaded ratio and the fully loaded leverage ratio assumes full adoption of IFRS 9 and full adoption of all CRDIV rules or South African Prudential Authority regulations. As a result of the adoption of IFRS 9 Investec plc elected to designate its subordinated fixed rate medium-term notes due in 2022 at fair value. By the time of full adoption of IFRS 9 in 2023, these subordinated liabilities will have reached final maturity and will be redeemed at par value. The remaining interest rate portion of the fair value adjustment at 30 Sept 2018 of £18m (post-tax), has therefore been excluded from the fully loaded ratios as it will be released into profit and loss over the remaining life of the investment.

Leading business franchises with sound operating fundamentals

Three distinct business activities focused on well **defined target clients**

Corporate / Institutional / Government	Private client (high net worth / high income) / charities / trusts

Asset Management

(operating completely independently)

Provides investment management services to external clients

Specialist Banking

Provides a broad range of services:

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

Wealth & Investment

Provides investment management services and independent financial planning advice

OnePlace and digital platform

Asset Management

- Organically built an independent global platform, founded by current leadership
- Five Client Group teams: UK, Africa, Europe, Americas and Asia Pacific
- Core investment capabilities in global equities and fixed income with a growing multi-asset capability
- Low risk, capital light and highly cash generative business
- AUM: £109.2bn (56% EM; 44% global)
- Operating margin: 31.4%
- Ave yield: 54bps
- Ave net inflows (over 5 years): c.4% of opening AUM

Specialist Banking

South Africa:

- Full service Specialist Bank with leading positions in selected areas
- Loans: R260.6bn (£14.1bn); Deposits: R331.7bn (£18.0bn)
- Long term credit loss: 30bps – 40bps
- NIM: c2%
- ROE post tax: 12.4%

UK:

- 19^{th}* largest bank in the UK
- Full service offering to UK mid-caps (FTSE250)
- Growing client base
- Building out our private client offering
- Loans: £10.0bn; Deposits: £12.7bn
- Long term credit loss on ongoing book: 30bps – 40bps
- NIM: c2%
- ROE post-tax: 9.3%

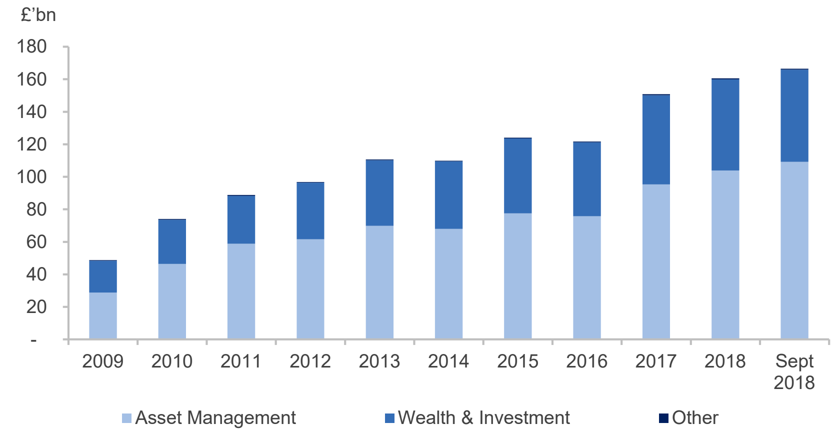
Wealth & Investment

- 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
- Five distinct channels: direct, intermediaries, charities, international and digital
- Low risk, capital light, annuity income generation
- AUM: £56.7bn
- Operating margin: UK:20.5%; SA:31.9%
- Ave yield: UK: 84bps; SA: 48bps
- Target for ave net inflows: 5% of opening AUM for UK business

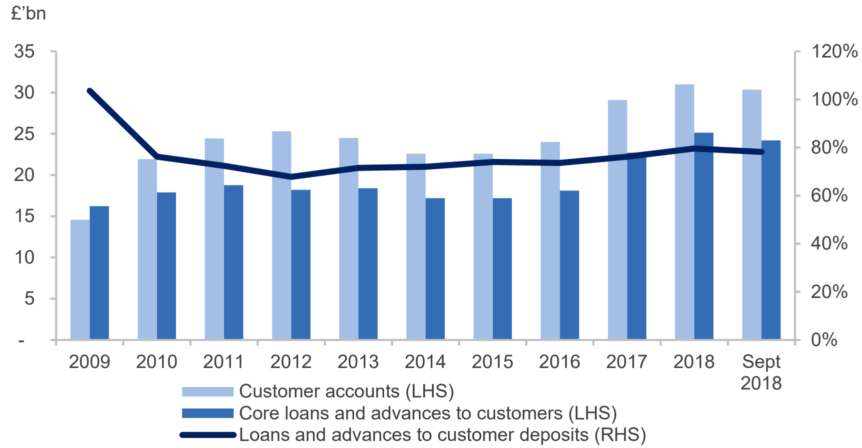
*Source: 'The Banker' July 2018 edition, ranked by Tier 1 capital.

Consistent growth in key earnings drivers

Third party assets under management



Core loans and deposits



Assets under management:

- Net inflows of £4.8bn for the six months to 30 Sept 2018
- AUM have increased by 3.7% since 31 March 2018 to £166.5bn at 30 Sept 2018 (7.2% on a currency neutral basis)
- **10 year CAGR of c.14%**

Deposits:

- Decreased 2.1% in the six months to £30.3bn at 30 Sept 2018 (increase of 4.3% on a currency neutral basis)
- **10 year CAGR of c.8%**

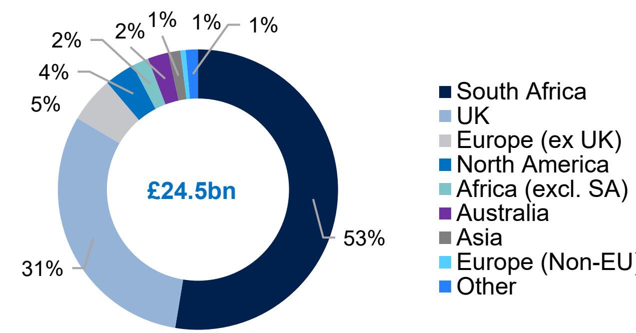
Core loans:

- Decreased 3.7% in the six months to £24.2bn at 30 Sept 2018 (increase of 2.4% on a currency neutral basis)
- **10 year CAGR of c.4%**

Exposures in a select target market

- Credit and counterparty exposures are to a **select target market:**
  - High net worth and high income clients
  - Mid to large sized corporates
  - Public sector bodies and institutions
- The majority of exposures reside **in the UK and South Africa**
- We typically originate loans with the intent of holding these assets to maturity, and thereby developing a 'hands-on' and long-standing relationship with our clients

Gross core loans by country of exposure

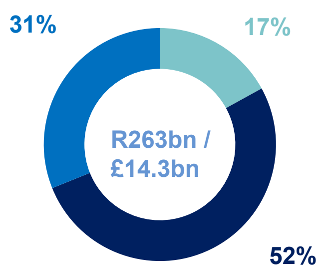


Gross core loans by risk category

South Africa

Corporate and other

Corporate and acquisition finance	5.4%
Asset based lending	2.3%
Fund Finance	1.9%
Other corporate, institutional, govt. loans	17.8%
Asset finance	2.3%
Project finance	2.7%
Resource finance and commodities	0.2%



Lending collateralised against property

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

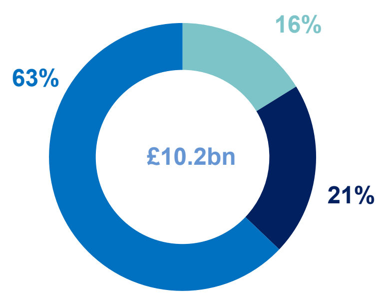
High net worth and other private client

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

UK & Other

Corporate and other

Corporate and acquisition finance	15.9%
Small ticket asset finance	15.1%
Fund finance	12.2%
Other corporate, institutional, govt. loans	7.1%
Project finance	5.2%
Large ticket asset finance	4.1%
Asset-based lending	3.3%
Resource finance	0.1%



Lending collateralised against property

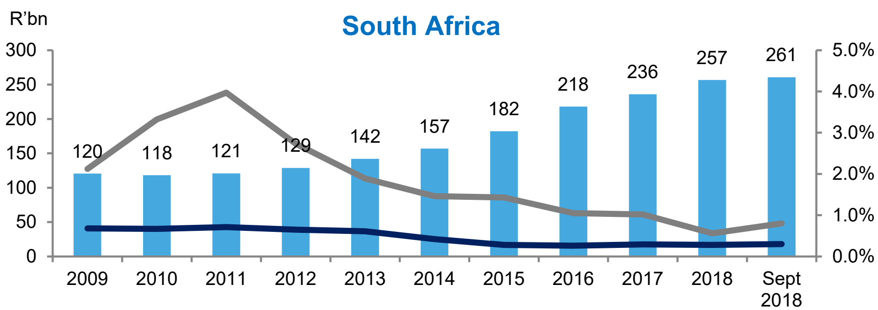
Commercial property investment	8.7%
Commercial property development	0.9%
Commercial vacant land and planning	0.2%
Residential investment	2.7%
Residential property development	3.2%
Residential vacant land and planning	0.5%

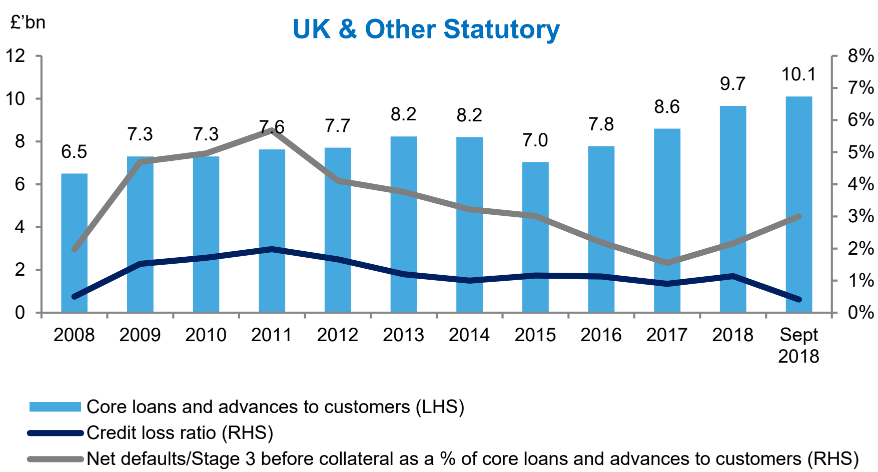
High net worth and other private client

HNW and private client - mortgages	16.5%
HNW and specialised lending	4.4%

Sound and improving asset quality

- We had **sufficient pre-provision income** to support increased impairments during the crisis.
- Statutory **asset quality has improved** as the legacy portfolio* has been managed down





South Africa

- **Expected credit loss impairment charges** (ECL) on loans and advances amounted to R378mn for the six months ended 30 Sept 2018 (2017 impairments: R373mn)
- The annualised **credit loss ratio**** was 0.30% at 30 Sept 2018 (31 Mar 2018: 0.28%)
- **Stage 3 exposures** net of ECL as a % of net core loans subject to ECL was 0.8% at 30 Sept 2018 (1 Apr 2018: 0.7%)

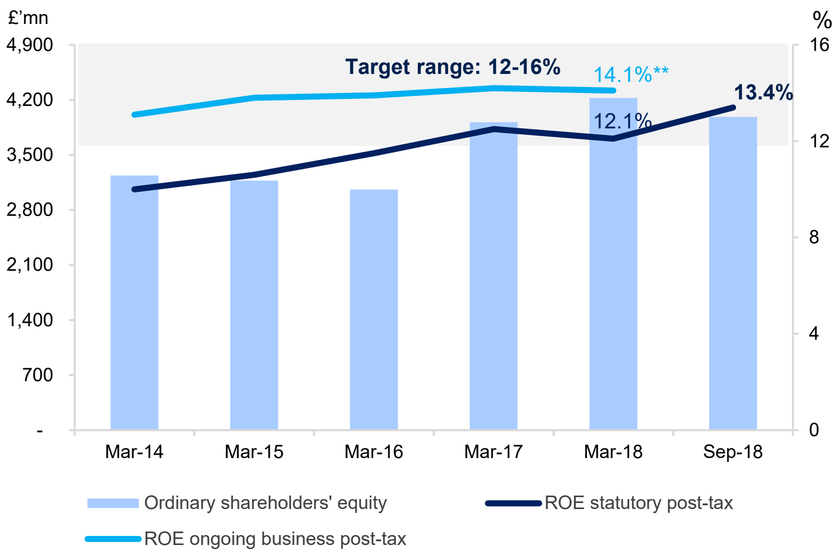
UK & Other Statutory

- **ECL** on loans and advances amounted to £10.0mn for the six months to 30 Sept 2018 (2017 impairments: £37.6mn)
- The annualised **credit loss ratio**** was 0.41% as at 30 Sept 2018 (31 Mar 2018: 1.14%); now within its long-term average range, with the decrease primarily reflecting a reduction in legacy* impairments
- **Stage 3 exposures** net of ECL as a % of net core loans subject to ECL was 3.0% at 30 Sept 2018 (1 Apr 2018: 4.3%)
- Stage 3 exposures are predominantly driven by Legacy* exposures (excluding Legacy Stage 3 as a % of net loans subject to ECL was 1.7% at 30 Sept 2018; 2.0% at 1 April 2018).

*Legacy, as separately disclosed from 2014 to 2018, comprises pre-2008 assets held on the UK bank's balance sheet, that had very low/negative margins and assets relating to business we are no longer undertaking ** Expected credit loss (ECL) impairment charges on gross core loans and advances as a % of average gross core loans and advances subject to ECL.

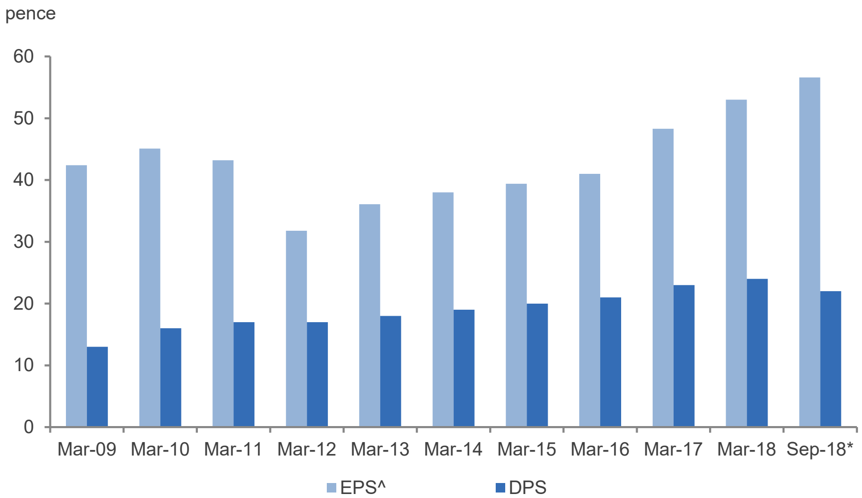
Return metrics

ROE trend



- **ROE of 13.4%** supported by strong client franchise businesses
- Going forward the **levers for ROE** include:
  - Growing our client base
  - Cost discipline
  - Optimising capital allocation

Progressive dividend policy



- **Average pay out ratio since 2008: 45%** (2.3x cover)
- Sound capital base and high leverage ratios

*Annualised.
^Before goodwill, acquired intangibles and non-operating items but after tax and after adjusting for earnings attributable to non-controlling interests.
**Ongoing is no longer separately disclosed.

Strategic focus

Our strategy

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

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

Our long-term internationalisation strategy

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

We have a very deliberate and focused client strategy:

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

Asset Management

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

Investec (Bank and Wealth)

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

The Investec distinction

Client focused approach

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

Specialised strategy

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

Sustainable business

- Contributing to society, macro-economic stability and the environment
- Well-established brand
- Managing and positioning the group for the long term
- Balancing capital light versus capital intensive activities while creating value for shareholders
- Cost and risk conscious.

Strong culture

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

Summary

Diversified revenue streams with high annuity base	• Current business model comprises **three distinct business activities**: Asset Management, Wealth & Investment and Specialist Banking • High level of **annuity revenue***: 76% of total operating income • **Capital light activities** currently 55% of income • **Solid net inflows** of third party FUM
Sound balance sheet provides support for our growth initiatives	• Never required shareholder or government support • **Low gearing**: 9.4x (2009: 13.0x) • CET1 Investec plc: 10.4%**, CET1 Investec Limited: 10.3% • Leverage Investec plc: 7.7%, Leverage Investec Limited: 7.5%, a high ratio vs peers – provides comfort in our CET1 target level (>10%) • Surplus cash: £12.5bn - high level of readily available, high quality liquid assets (41% of customer deposits)
Solid franchise	• Operating in South Africa since 1974 and in the UK since 1992 • Investec plc listed on the LSE in 2002 • Strong player across our niche businesses
Strong culture	• **Stable management** - senior management team average tenor of c.15 – 20 years (founders still on our board) • Strong, entrepreneurial culture balanced with a strong risk awareness • Employee ownership – long-standing philosophy

* Where annuity income is net interest income and annuity fees

**Investec plc CET1 ratio disclosed above follows Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. This does not include the deduction of foreseeable charges and dividends when calculating CET1 capital as now required under the Capital Requirements Regulation and European Banking Authority technical standards. The impact of this deduction totalling £45mn would lower the CET1 ratio by 30bps.

Appendices

Proposed demerger and listing of Investec Asset Management (IAM)

Overview

- On 14 September 2018, the Investec Group Board announced its decision to demerge and publicly list the Global IAM business ("the Transaction")
- The Investec Specialist Banking and Investec Wealth & Investment businesses will remain part of the Group's current Dual Listed Companies structure ("the remaining Group")
- The Board believes that this Transaction simplifies the Group and focuses IAM and the remaining Group on their respective growth paths, which will enhance the long-term prospects and potential of both businesses for the benefit of their shareholders, clients and employees
- The Transaction is subject to regulatory, shareholder and other approvals and is expected to be completed by mid 2019
- It is intended that IAM will be listed on the LSE with an inward listing on the JSE Limited
- The precise mechanics of the demerger and listing will be communicated in due course

Snapshot of Interim results

- for the six months ended 30 Sept 2018 – as announced 15 Nov 2018

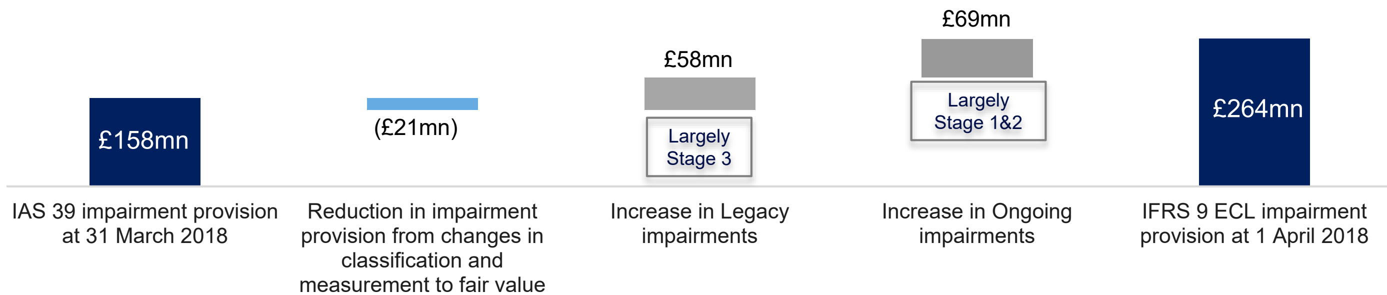
- Growth in operating profit* and adjusted EPS^ of 14.2% and 6.4% respectively
- Asset Management and Wealth & Investment grew assets under management to £166.5bn supported by **net inflows** of £4.8bn
- The Specialist Banking business saw a **substantial reduction in impairments** as well as revenue growth supported by reasonable levels of activity
- The cost to income ratio improved marginally - **revenue growth and cost containment remain priorities**
- A **solid base of annuity revenue** continues to support earnings

IFRS 9 – impact on Investec plc

IAS 39 to IFRS 9 impairment allowance

- The following chart highlights the key drivers of the overall increase in the bank's impairment provision under IFRS 9 relative to IAS 39

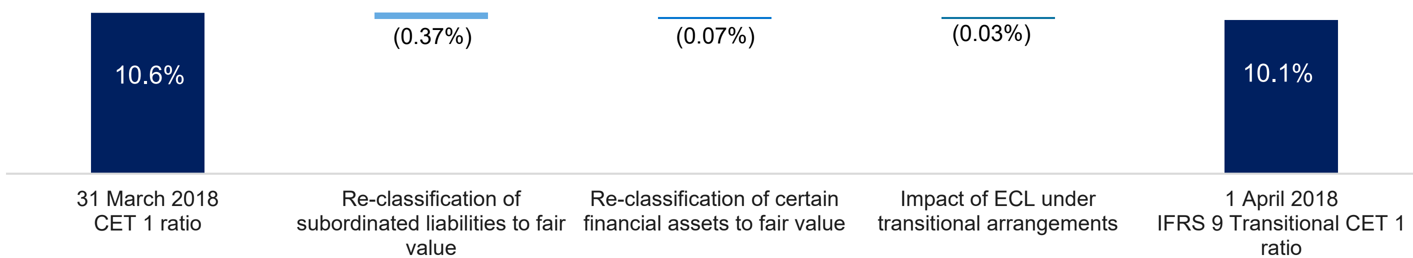
Balance sheet impairments



Day one impact on CET 1 ratio

- The following chart highlights the day one impact on CET 1 ratio

CET 1 ratio

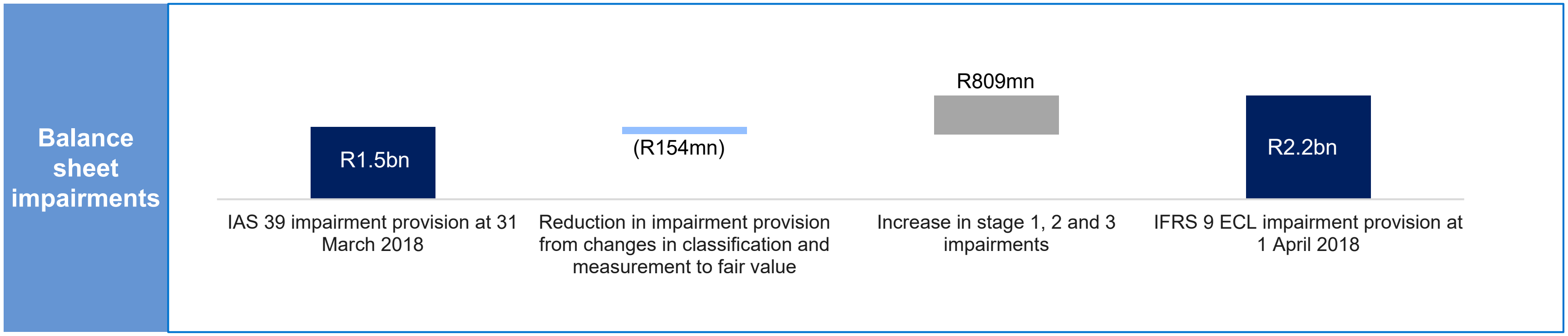


- Increase in impairment provisions: c66bps reduction to CET 1 ratio on full adoption of IFRS 9 or c.3bps on a day one impact transitional basis
- Changes in classification and measurement to fair value of certain financial assets: c7bps reduction to CET 1 ratio
- Designation of subordinated liabilities to fair value:
  - The interest rate portion of the subordinated debt reduced equity by £48mn (post tax) with a c.37bps impact on the day one transitional CET 1 ratio which will come back into retained earnings over the duration of the remaining term of the instrument (maturing Feb 2022)
  - In addition, an amount of £55mn (post tax) was transferred to an own credit reserve which did not have an impact on capital ratios on 1 April 2018
- **Taken together:** the adoption of IFRS 9 resulted in a decrease in Investec plc's transitional CET 1 ratio of c.47bps from 10.6% to 10.1%

IFRS 9 – impact on Investec Limited

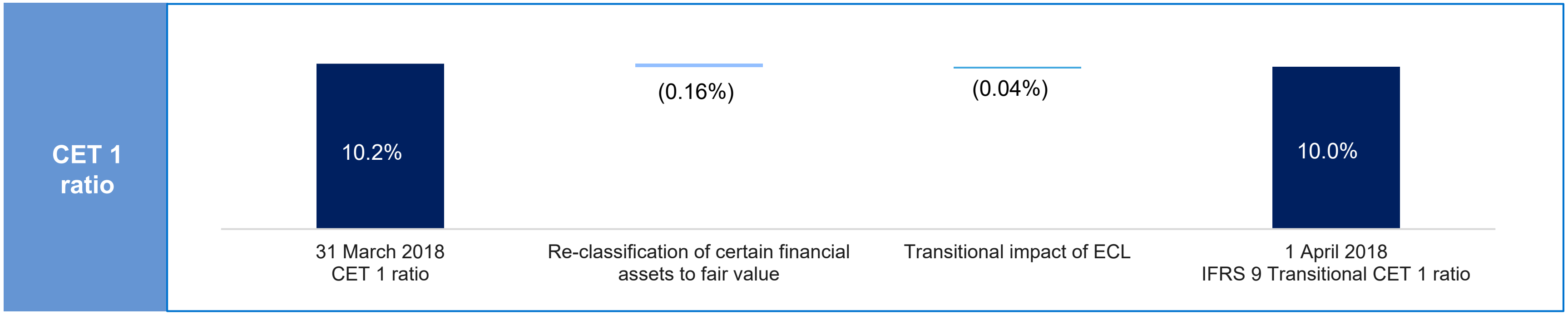
IAS 39 to IFRS 9 impairment allowance

- The following chart highlights the key drivers of the overall increase in the bank's impairment provision under IFRS 9 relative to IAS 39



Day one impact on CET 1 ratio

- The following chart highlights the day one impact on CET 1 ratio



- Increase in impairment provisions: c15bps reduction to CET 1 ratio on full adoption of IFRS 9 or c.4bps on a day one impact transitional basis
- Changes in classification and measurement to fair value of certain financial assets: c16bps reduction to CET 1 ratio
- **Taken together,** the adoption of IFRS 9 resulted in a decrease in Investec Limited's transitional CET 1 ratio of c.20bps from 10.2% to 10.0%

Appendix – further information on our businesses

Asset management: overview

Business profile

Investments

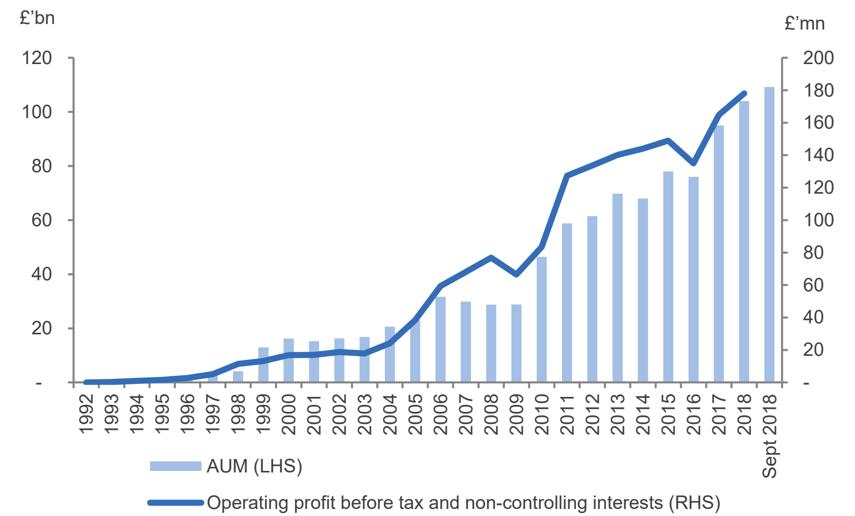
Equities	Fixed Income	Multi-Asset	Alternatives
• Long-only Equity	• Credit • Sovereign • Money Market	• Global solutions • Income solutions	• Commodities • Private equity • Real estate • Infrastructure debt

Client groups

United Kingdom	Africa	Americas	Asia Pacific	Europe

Global operations platform

Growth in profit and AUM



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 specialties
- **Global approach** to: investing – client base – operations platform
- Institutional and advisor focus
- Unique and clearly understood culture
- **Stable and experienced leadership**

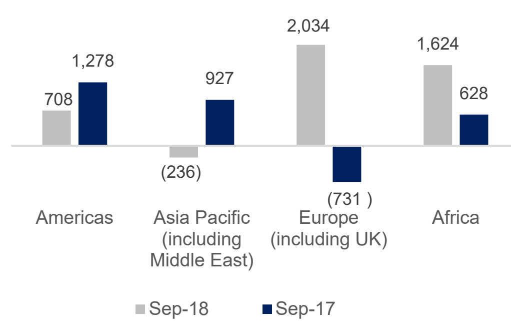
Where we operate

AUM by investment strategy

Emerging Markets 56%

Developed Markets 44%

Net flows by geography (£'mn)



Emerging markets includes Africa and Asia Pacific (excluding Australia).

Asset management: key income drivers and performance statistics

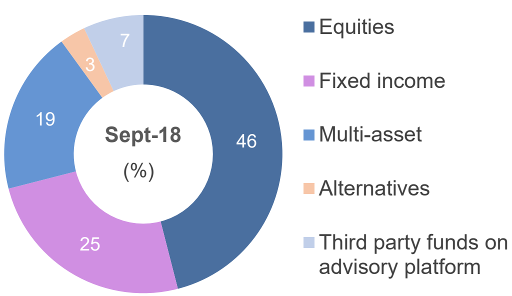
Key income drivers (besides market levels)

- Fees earned on FUM
- Performance fees historically c.10% - 15% of revenue
- Average fees 55bps to 65bps
- Average net inflows:
  - Six months to 30 Sept 18: £4.1bn
  - Ave net inflows (over 5 years): c.4% of opening AUM

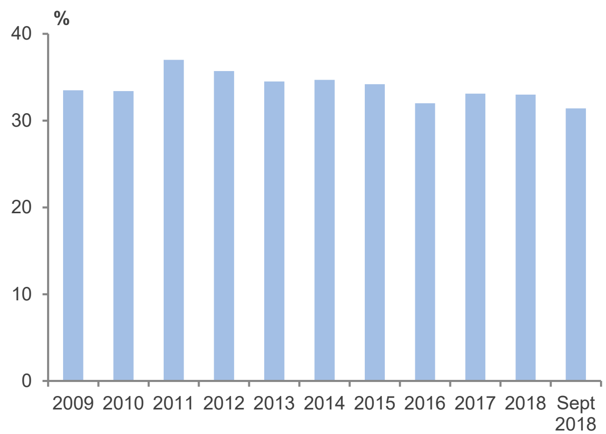
Current positioning

- Number of employees: 1 600
- Cost to income: 68.6%
- ROE post-tax**: 75.8%
- Pre-tax profit: £91.5mn for six months to 30 Sept 2018
- % contribution to group profit^^: 24%

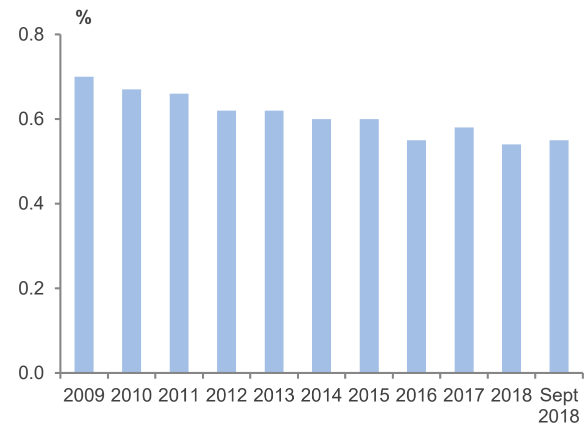
AUM by asset class



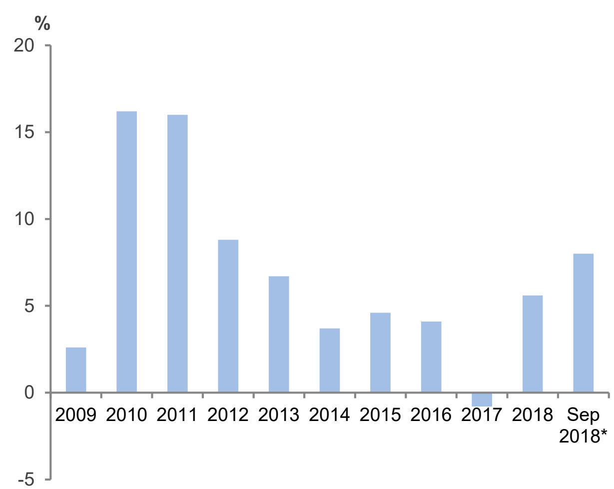
Operating margin



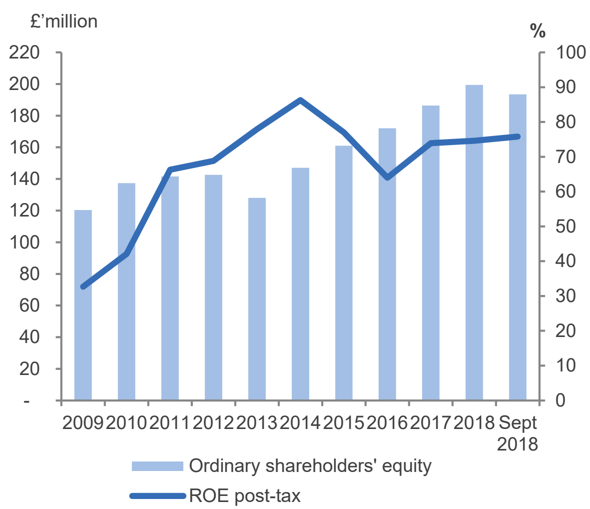
Average income^ as a % of AUM



Net inflows as a % of opening AUM



Shareholders' equity and ROE



^Represents the total operating income for the period as a % of the average of opening and closing FUM; calculation does not take into account the impact of market movements throughout the period or the timing of acquisitions and disposals during the respective periods. *Annualised **A normalised group tax rate has been applied to the divisional pre-tax ROE.
^^Before goodwill, acquired intangibles, non-operating items, group costs and Asset Management non-controlling interests but after other non-controlling interests.

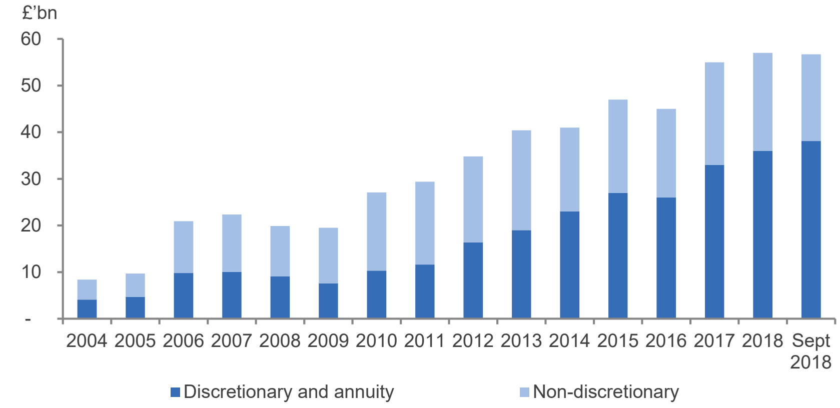
Wealth & Investment: overview

Business profile

Services offered
- Portfolio management
- Stockbroking
- Alternative investments
- Investment advisory services
- Retirement and estate planning
- Financial planning

Client base
- HNW
- Professional individuals
- Charities
- Pension funds
- Trusts

Growth in AUM



Value proposition

- Built via the acquisition and integration of businesses and organic growth over a long period of time
- The business currently has **five distinct channels**: direct, intermediaries, charities, international and digital
- **Strategy to internationalise** within jurisdictions where the group already has an established business
- Focus is on organic growth in our key markets and enhancing our range of services for the benefit of our clients

Where we operate

UK and other

- Brand well recognised
- Established platforms in the UK, Switzerland, Ireland, Guernsey and Hong Kong
- One of the UK's leading private client investment managers
- Proven ability to attract and recruit investment managers
- Newly launched digital investment offering, Click & Invest

SA and Mauritius

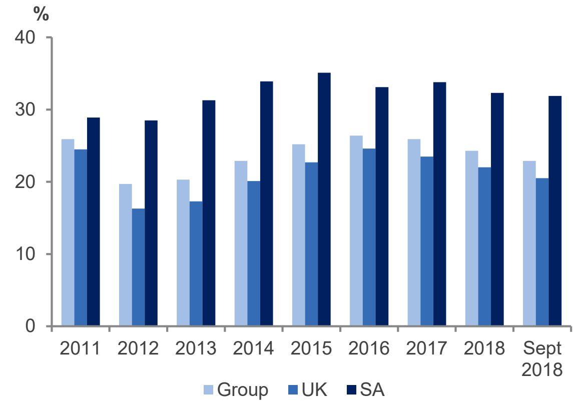
- Strong brand and positioning
- Largest player in the SA market
- Developing a capability in Mauritius

Wealth & Investment: key income drivers and performance statistics

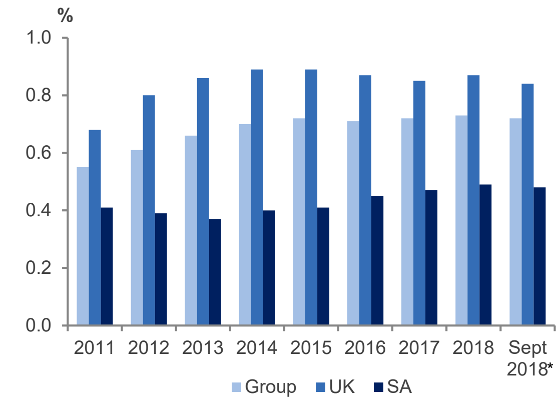
Key income drivers (besides market levels)

- Investment management fees earned on FUM (largely equity mandates)
- Commissions earned for execution
- UK: Largely discretionary FUM with average fees 80-90bps
- SA: largely non-discretionary portfolio/model but discretionary and other annuity assets are growing

Operating margin



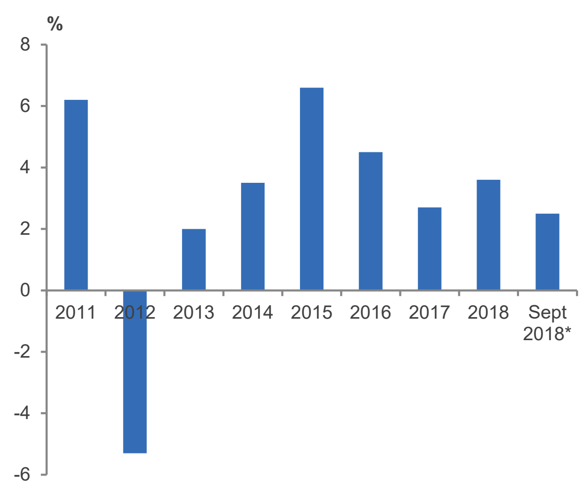
Average income^ as a % of AUM



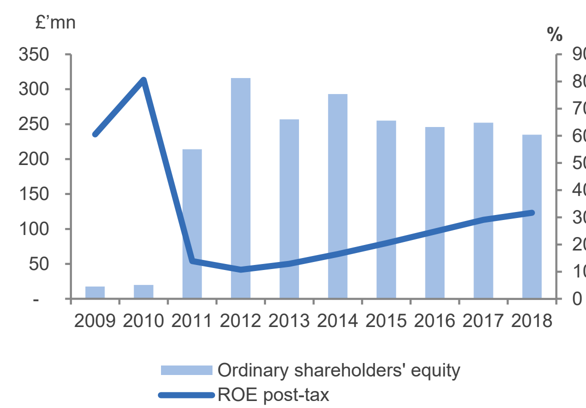
Current positioning

- Number of employees: 1 884
- Cost to income: 77.1%
- ROE post-tax**: 29.8%
- Pre-tax profit: £46.4mn for the six months to 30 Sept 2018
- % contribution to group profit^^: 12%

Net inflows as a % of opening AUM



Shareholders' equity and ROE



^Represents the total operating income for the period as a % of the average of opening and closing FUM; calculation does not take into account the impact of market movements throughout the period or the timing of acquisitions and disposals during the respective periods. *Annualised **A normalised group tax rate has been applied to the divisional pre-tax ROE.
^^Before goodwill, acquired intangibles, non-operating items, group costs and Asset Management non-controlling interests but after other non-controlling interests.

Specialist Banking: overview

Business profile

Well positioned to provide services for both personal and business needs

High net worth and high income private clients	Corporates / Institutional / Government clients	
PRIVATE BANKING ACTIVITIES	CORPORATE AND INSTITUTIONAL BANKING	INVESTMENT ACTIVITIES
• Transactional banking and foreign exchange • Lending • Deposits • Investments	• Treasury and trading services • Specialised lending, funds and debt capital markets • Advisory • Institutional research, sales and trading	• Principal investments • Property investment and fund management

Value proposition

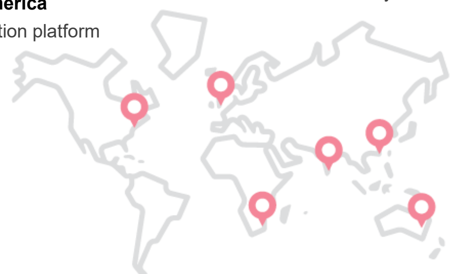
- **High-quality specialist banking solution** to corporate and private clients with lending propositions in selected areas
- **High touch personalised service**, **and high-tech**, with the ability to execute quickly
- Ability to **leverage international cross-border platforms**
- Well positioned to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

Where we operate

UK and Europe
- Brand well established
- Sustainable business on the back of client activity

North America
- Distribution platform

Hong Kong
- Investment activities
- Distribution platform



India
- Established a presence in 2010
- Facilitates the link between India, UK and South Africa

South Africa
- Strong brand and positioning
- Leading in corporate institutional and private client banking activities

Mauritius
- Established in 1997
- 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

Specialist Banking: key income drivers and performance statistics

Key income drivers
(besides market, economic and rate levels)

- **Net interest:** level of loans, surplus cash, deposits
- **Fees and commissions**: levels of private and corporate client activity
- **Investment income**: realised and unrealised returns earned on our investment, fixed income and property trading portfolios
- **Customer flow trading income**: level of client activity

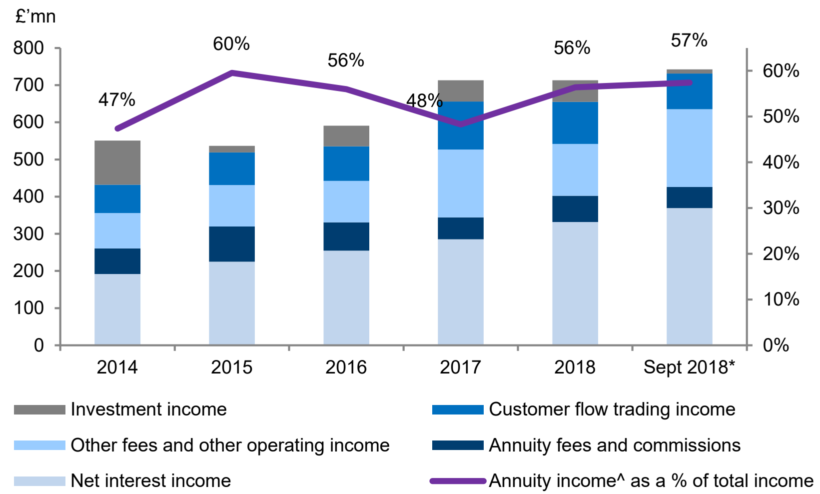
Current positioning

- Number of employees: 6 849
- Cost to income: 60.2%
- ROE post-tax**: UK: 9.3%; SA: 12.4%
- Pre-tax profit: £245.4mn for the six months ended 30 Sept 2018
- % contribution to group profit^: 64%

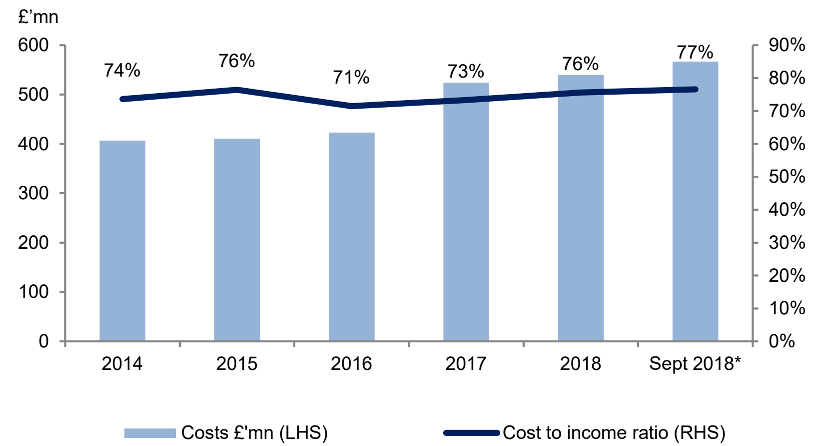
** For the purposes of this calculation we have applied a 'normalised' tax rate of 18%.
^Before goodwill, acquired intangibles, non-operating items, group costs and Asset Management non-controlling interests but after other non-controlling interests.

UK ongoing Specialist Banking: key income drivers and performance statistics

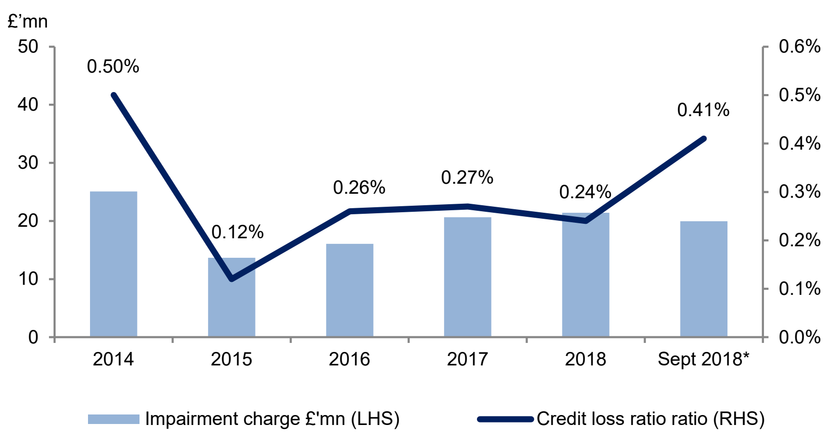
Revenue



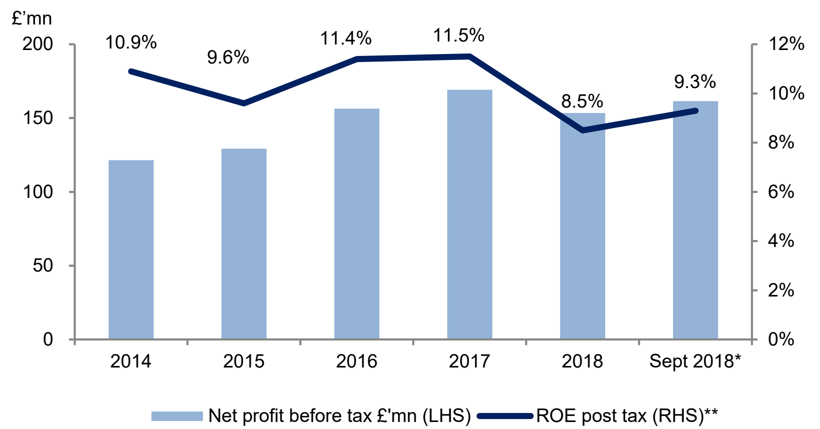
Costs



Impairments



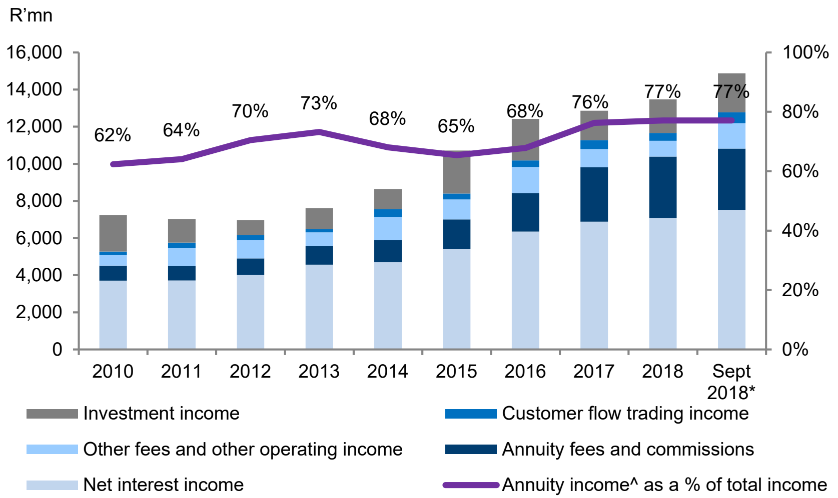
Net profit before tax and ROE



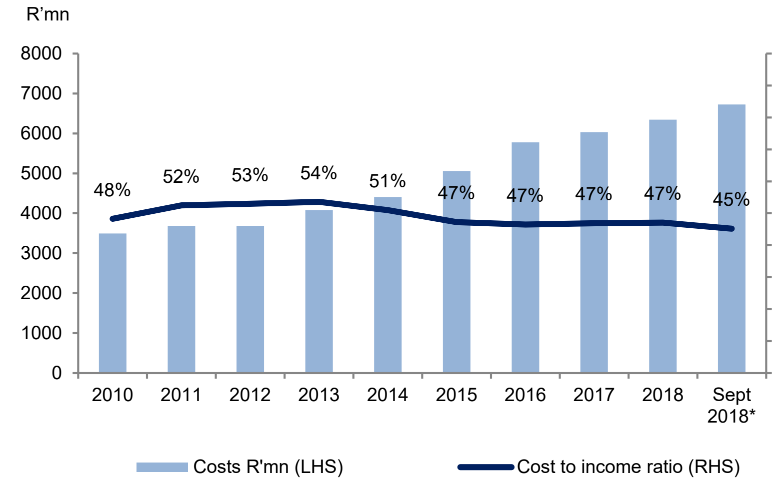
Trends in the above graphs are for the year ended 31 March, and reflect the Ongoing specialist banking business. September 2018 reflects specialist banking statutory results. *Annualised. ^Where annuity income is net interest income and annuity fees. **For the purposes of this calculation the group's effective tax rate has been applied to derive post-tax numbers. For 30 Sept 2018 a 'normalised' tax rate of 18% has been applied instead of 14.4%.

SA Specialist Banking: key income drivers and performance statistics

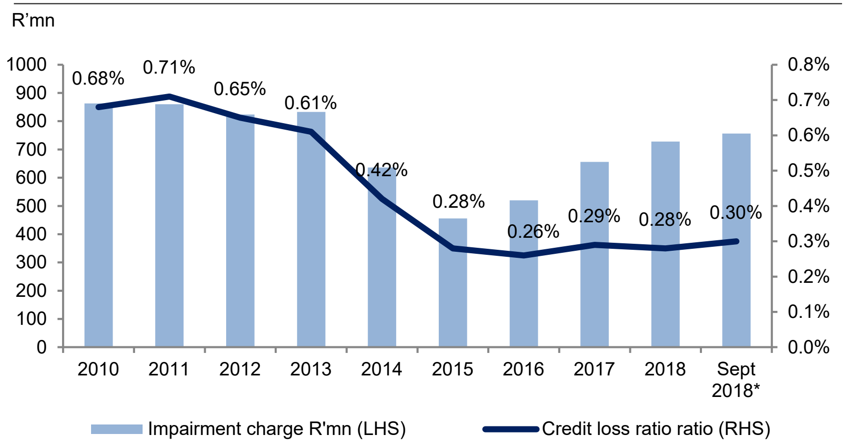
Revenue



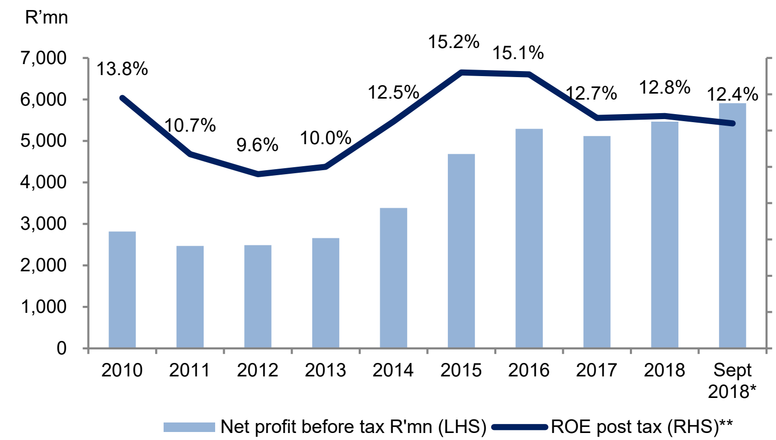
Costs



Impairments



Net profit before tax and ROE



*Annualised. ^Where annuity income is net interest income and annuity fees. **For the purposes of this calculation the group's effective tax rate has been applied to derive post-tax numbers. For 31 Mar 2018 a 'normalised' tax rate of 18% was applied instead of 4.9%.

Adjusted* operating profit – divisional contribution

For the six months ended 30 Sept 2018

£'000	UK & Other	Southern Africa	Total group	% change	% of total
Asset Management	56 840	34 686	91 526	10.0%	25.5%
Wealth & Investment	32 864	13 544	46 408	(6.3%)	12.9%
Specialist Banking	80 756	164 625	245 381	18.8%	68.3%
	170 460	**212 855**	**383 315**	**13.0%**	**106.7%**
Group costs	(17 227)	(6 821)	(24 048)	(2.5%)	(6.7%)
Total group	**153 233**	**206 034**	**359 267**	**14.2%**	**100.0%**
Other non-controlling interest - equity			36 846		
Operating profit before tax			**396 113**		
% change	**40.2%**	**0.4%**	**14.2%**		
% of total	**42.7%**	**57.3%**	**100%**		

For the year ended 30 Sept 2017

£'000	UK & Other	Southern Africa	Total group	% change	% of total
Asset Management	49 949	33 284	83 233	1.2%	26.5%
Wealth & Investment	35 441	14 087	49 528	14.7%	15.7%
Specialist Banking	41 208	165 291	206 499	14.9%	65.6%
	126 598	**212 662**	**339 260**	**11.1%**	**107.8%**
Group costs	(17 295)	(7 361)	(24 656)	3.5%	(7.8%)
Total group	**109 303**	**205 301**	**314 604**	**11.8%**	**100.0%**
Other non-controlling interest - equity			19 800		
Operating profit before tax			**334 404**		
% of total	**34.7%**	**65.3%**	**100%**		

* Adjusted operating profit refers to net profit before tax, goodwill, acquired intangibles and non-operating items but after adjusting for earnings attributable to other non-controlling interests and before non-controlling interests relating to Asset Management.