

*(combined results) Unaudited combined
consolidated financial results
for the year ended 31 March 2019*



This announcement covers the statutory results of Investec plc and Investec Limited (together “the Investec group” or “the group”) for the year ended 31 March 2019.

Group operational performance supported by our client franchises

- The group has delivered a sound operational performance supported by substantial net inflows, good loan book growth in home currency, and a significantly improved performance from the UK Specialist Banking business.
- This is against a challenging operating environment with weak economic growth in both South Africa and the UK, the group’s two core banking markets, as well as mixed equity market performance over the year.
- The Asset Management business generated substantial net inflows supporting higher average funds under management and annuity fees.
- The Bank and Wealth business benefitted from client acquisition and growth in key earnings drivers.
- The Specialist Banking business performance was supported by loan book growth. A reduction in impairments was partly offset by a weak performance from the investment portfolio.
- The Wealth & Investment business generated positive discretionary net inflows. Reported results were affected by certain non-recurring items.
- Operating costs grew faster than revenue. Revenue growth and cost containment remain priorities as outlined over the past year.
- ROE improved from 12.1% to 12.9%.

Overview of results

Group adjusted operating profit increased 9.4% year-on-year to GBP664.5 million. The combined South African businesses reported adjusted operating profit 1.8% ahead of the prior period in Rands, whilst the combined UK and Other businesses posted a 36.1% increase in adjusted operating profit in Pounds Sterling. Overall group results have been negatively impacted by the depreciation of the average Rand: Pound Sterling exchange rate of 4.8% over the year. Key earnings drivers have been negatively impacted by the depreciation of the closing Rand: Pound Sterling exchange rate of 13.1% over the year.

	31 March 2019	31 March 2018	% change	Neutral Currency % change
Salient features¹				
Adjusted operating profit (GBP’m)	664.5	607.5	9.4%	12.6%
Adjusted earnings attributable to shareholders (GBP’m)	519.3	491.1	5.8%	9.2%
Adjusted basic earnings per share (pence)	55.1	53.2	3.6%	7.0%
Basic earnings per share (pence)	52.0	51.2	1.6%	4.9%
Dividend per share (pence)	24.5	24.0	2.1%	
Dividend cover (times)	2.2	2.2		
Dividend payout ratio	44.5%	45.1%		
Annuity income as a % of total operating income	76.9%	76.2%		
Credit loss ratio	0.31%	0.61%		
Cost to income ratio (net of non-controlling interests) ²	69.9%	68.3%		
Return on adjusted average shareholders’ equity	12.9%	12.1%		
Third party assets under management (GBP’bn)	167.2	160.6	4.1%	8.3%
Customer accounts (deposits) (GBP’bn)	31.3	31.0	1.0%	8.7%
Core loans and advances (GBP’bn)	24.9	25.1	(0.8%)	6.8%
Cash and near cash (GBP’bn)	13.3	12.8	3.6%	10.0%

¹ Refer to definitions in the Notes.

² The group has changed its cost to income ratio definition to exclude operating profits or losses attributable to other non-controlling interests. Refer to definitions in the Notes for further detail.

- The group maintained a sound capital position with common equity tier one (CET1) ratios of 10.8% for Investec plc and 10.5% for Investec Limited. Investec Limited has received regulatory permission to adopt the Foundation Internal Ratings Based (FIRB) approach, effective 1 April 2019, resulting in a pro-forma CET1 ratio of 11.6% had the FIRB approach been applied as of 31 March 2019. Leverage ratios are robust and remain comfortably ahead of the group’s target of 6%.
- The proposed demerger and separate listing of Investec Asset Management (still subject to regulatory and shareholder approvals) is progressing well.

Fani Titi and Hendrik du Toit, Joint Chief Executive Officers of Investec said:

"We are implementing our strategy to simplify, focus and grow with discipline. We are committed to the demerger and listing of the Asset Management business and the positioning of the Bank and Wealth business for long-term growth. In spite of a challenging operating environment, these results speak to strong support from our clients."

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Presentation/conference call details

A presentation on the results will commence at 9:00 UK time/10:00 SA time on 16 May 2019. Viewing and telephone conference options as below:

- Live on South African TV (Business Day TV channel 412 DSTV)
- A live and delayed video webcast at www.investec.com
- Toll free numbers for the telephone conference facilities
 - SA participants: 011 535 3500
 - UK participants: 0808 143 3720
 - rest of Europe and other participants: +27 11 535 3500
 - Australian participants: 0 280 152 168
 - USA participants: 1 855 242 3083

About Investec

Investec is 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. The group was established in 1974 and currently has approximately 10 500 employees.

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

- **IAM:** A leading global asset manager with GBP111 billion in assets under management (as at 31 March 2019), well diversified by asset class and region.
- **Wealth & Investment Business:** One of the leading UK and South African private client investment managers with over GBP55 billion in assets under management as at 31 March 2019.
- **Specialist Banking Business:** Market-leading specialist corporate and institutional banking, investment and private banking activities in South Africa and the UK with GBP25 billion in core loans and advances and GBP31 billion in customer deposits as at 31 March 2019.

In July 2002 the Investec group implemented a dual listed company structure with listings on the London and Johannesburg Stock Exchanges. On 14 September 2018, the board of directors of the Investec group announced the proposed demerger and separate listing of the Investec Asset Management business subject to regulatory and shareholder approvals. The combined group's current market capitalisation is approximately GBP4.9 billion.

Investec plc and Investec Limited (combined results)

Unaudited combined consolidated financial results for the year ended 31 March 2019

Business unit review

Asset Management

Assets under management have increased by 7.3% to GBP111.4 billion as at 31 March 2019. Substantial net inflows of GBP6.1 billion supported higher average assets under management, together with favourable market and currency movements. Asset Management adjusted operating profit

increased by 0.7% to GBP179.4 million (2018: GBP178.0 million). Earnings were impacted by lower performance fees in South Africa and higher costs in the UK, including ongoing investment in the business, Markets in Financial Instruments Directive II (MiFID II) and new premises costs.

Bank and Wealth

Adjusted operating profit from the combined Bank and Wealth business increased by 13.0% to GBP485.2 million (2018: GBP429.5 million).

Specialist Banking – adjusted operating profit increased by 18.0% to GBP448.9 million (2018: GBP380.5 million).

The South African business reported an increase in adjusted operating profit in Rands of 2.3%. Earnings were supported by growth in private client interest and fee income and an increase in associate earnings from a realisation in the IEP Group. This was partially offset by subdued corporate activity levels and a weaker performance from the equity and investment property portfolios; impacted by a weak domestic economy. Overall net core loans grew 5.6% to R271.2 billion at 31 March 2019. Costs increased ahead of revenue, impacted by the prior-year rental provision release. The credit loss ratio amounted to 0.28%, remaining flat at the lower end of its long term average, despite the business reporting an increase in impairments.

The UK and Other businesses reported a significant increase in adjusted operating profit. A strong increase in net interest income was supported by loan book growth of 8.5% (to GBP10.5 billion) driven by both corporate client lending and Private Bank mortgage origination. This was largely offset by a decrease in non-interest revenue with a weaker performance from the investment portfolio and subdued levels of client trading. Impairments decreased with no repeat of substantial legacy portfolio losses. The credit loss ratio amounted to 0.38% (2018: 1.14% under the IAS 39 incurred impairment loss model). Costs increased 2.0%, broadly in line with inflation, as the investment phase in the Private Bank is now largely complete. Taken together, the bank's cost to income ratio was 77.4% (2018: 76.7%).

Wealth & Investment – adjusted operating profit decreased by 16.2% to GBP82.6 million (2018: GBP98.6 million).

The core global Wealth & Investment business performed in line with the prior year. However, overall reported earnings were impacted by a non-recurring investment gain realised in the prior year and the current year write-off of capitalised software in the Click & Invest business as detailed below. The underlying business generated annuity revenue growth, but lower transaction based fees. Positive discretionary net inflows were partly offset by non-discretionary outflows resulting in net inflows of GBP0.4 billion. Assets under management decreased by 1.7% to GBP55.1 billion as at 31 March 2019, primarily impacted by currency and market movements.

We have reviewed the Click & Invest online investment platform and decided to discontinue the service in line with the group's commitment to manage costs and allocate capital effectively. The underlying operating loss of Click & Invest was circa GBP12.8 million (2018: GBP13.5 million). In addition a circa GBP6 million write-off of capitalised software was taken in the current year. The group remains committed to developing its digital initiatives and will look to incorporate the technology into its offering.

Further information on key developments within each of the business units is provided in the group results analyst booklet published on the group's website: <http://www.investec.com>

Group costs

These largely relate to a portion of executive and support functions costs associated with group level activities, group brand, marketing, and corporate social responsibility initiatives. These costs are not incurred by the operating divisions and are necessary to support the operational functioning of the group. These costs decreased to GBP46.3 million (2018: GBP49.6 million). Management is committed to bringing these costs down further over time.

Financial statement analysis

Total operating income

Total operating income before expected credit loss impairment charges increased by 1.8% to GBP2,486.3 million (2018: GBP2,443.5 million).

Net interest income increased by 7.2% to GBP815.4 million (2018: GBP760.4 million) driven by lending activity and endowment impact from rate rises in the UK.

Net fee and commission income increased by 0.9% to GBP1,373.6 million (2018: GBP1,361.2 million). Strong annuity fees from the asset and wealth management businesses, as well as a good performance from the UK investment banking business was offset by lower performance, brokerage and deal fees in the South African businesses.

Investment income decreased to GBP50.0 million (2018: GBP130.0 million) reflecting a weak performance from the group's listed and unlisted investment portfolio, as well as from the investment property portfolio in South Africa.

Share of post taxation profit of associates of GBP68.3 million (2018: GBP46.8 million) reflects earnings in relation to the group's investment in the IEP Group. The increase is largely driven by a realisation within the IEP Group.

Trading income arising from customer flow decreased by 12.7% to GBP120.7 million (2018: GBP138.2 million) reflecting subdued client flow trading levels given the uncertainty in both geographies.

Trading income from balance sheet management and other trading activities increased to GBP42.0 million (2018: GBP4.3 million loss). The increase is largely reflective of translation gains on foreign currency equity investments in South Africa (partially offsetting the related weaker investment income performance) as well as the unwind of the UK subordinated debt fair value adjustment (recognised on the adoption of IFRS 9) as the instrument pulls to par over its remaining term.

Expected credit loss (ECL) impairment charges

The total ECL impairment charges amounted to GBP66.5 million, a substantial reduction from GBP148.6 million (under the IAS 39 incurred loss model) in the prior year, primarily reflecting a reduction in legacy impairments. The group's credit loss ratio is within its long term average range at 0.31% (2018: 0.61%). Since 1 April 2018 gross core loan Stage 3 exposures have reduced by 29% to GBP521 million driven by a reduction of legacy exposures. Net Stage 3 exposures as a percentage of net core loans subject to ECL was 1.3% (1 April 2018: 2.0%).

Total operating costs

Operating costs increased 3.8% to GBP1,695.0 million (2018: GBP1,632.7 million) primarily driven by higher premises costs given the prior-year rental provision release in South Africa and headcount growth to support business activity, regulatory requirements and information technology development. The cost to income ratio (net of non-controlling interests) amounted to 69.9% (2018: 68.3%).

Taxation

The effective tax rate amounted to 12.0% (2018: 9.6%) which remains below the group's historical effective tax rate impacted by the utilisation of tax losses and the release of provisions no longer required.

Non-operational costs

Non-operational costs amounted to GBP19.5 million (2018: GBP6.0 million) and relate primarily to the restructure of the Irish branch as a consequence of Brexit and costs incurred as part of the proposed demerger and separate listing of the Investec Asset Management business.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests mainly comprises:

- GBP25.7 million (2018: GBP23.8 million) profit attributable to non-controlling interests in the Asset Management business.
- GBP58.0 million (2018: GBP52.6 million) profit attributable to non-controlling interests in the Investec Property Fund.

Balance sheet analysis

Since 31 March 2018:

- Shareholders' equity decreased by 2.8% to GBP4.3 billion primarily as a result of the adoption of IFRS 9 on 1 April 2018 as well as from the depreciation of the closing Rand: Pounds Sterling exchange rate.
- Net asset value per share decreased 4.1% to 434.1 pence and net tangible asset value per share (which excludes goodwill and intangible assets) decreased 3.9% to 386.0 pence, primarily as a result of the adoption of IFRS 9 as well as from the depreciation of the closing Rand: Pound Sterling exchange rate.

- The return on adjusted average shareholders' equity increased from 12.1% to 12.9%.

Liquidity and funding

As at 31 March 2019 the group held GBP13.3 billion in cash and near cash balances (GBP7.0 billion in Investec plc and R118.4 billion in Investec Limited) which amounted to 42.4% of customer deposits. Cash balances increased in the UK largely driven by prefunding ahead of the restructure of the Irish branch. As a result of Brexit, deposit raising in our Irish business will no longer be undertaken and existing deposits are being unwound. The group continues to focus on maintaining an optimal overall liquidity and funding profile. Loans and advances to customers as a percentage of customer deposits amounted to 78.4% (31 March 2018: 79.6%). The group comfortably exceeds regulatory liquidity requirements for the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). Investec Bank Limited (solo basis) ended the period to 31 March 2019 with the three-month average of its LCR at 135.6% and an NSFR of 115.6%. Further detail with respect to the bank's LCR and NSFR in South Africa is provided on the website. For Investec plc and Investec Bank plc (solo basis) the LCR is calculated using our own interpretations of the EU Delegated Act. The LCR reported to the PRA at 31 March 2019 was 313% for Investec plc and 291% for Investec Bank plc (solo basis). Ahead of the implementation of the final NSFR rules, the group has applied its own interpretations of regulatory guidance and definitions from the BCBS final guidelines to calculate the NSFR which was 128% for Investec plc and 126% for Investec Bank plc (solo basis). The reported NSFR and LCR may change over time with regulatory developments and guidance.

Capital adequacy and leverage ratios

The group maintained a sound capital position with a CET1 ratio of 10.8% for Investec plc and 10.5% for Investec Limited. Investec Limited has received regulatory permission to adopt the FIRB approach, effective 1 April 2019, resulting in a pro-forma CET1 ratio of 11.6% had the FIRB approach been applied as of 31 March 2019. Leverage ratios are robust and remain comfortably ahead of the group's target of 6%.

	31 March 2019	1 April 2018	31 March 2018
Investec plc¹			
Capital adequacy ratio	15.7%	15.0%	15.4%
Tier 1 ratio	12.6%	12.4%	12.9%
Common equity tier 1 ratio	10.8%	10.5%	11.0%
Common equity tier 1 ratio ('fully loaded' ³)	10.4%	10.3%	11.0%
Leverage ratio (current)	7.9%	8.3%	8.5%
Leverage ratio ('fully loaded' ³)	7.5%	8.0%	8.4%
Investec Limited²			
Capital adequacy ratio	14.9%	14.5%	14.6%
Tier 1 ratio	11.2%	10.8%	11.0%
Common equity tier 1 ratio	10.5%	10.0%	10.2%
Common equity tier 1 ratio ('fully loaded' ³)	10.5%	9.8%	10.2%
Leverage ratio (current)	7.6%	7.4%	7.5%
Leverage ratio ('fully loaded' ³)	7.3%	6.9%	7.1%

- 1 The 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 this does not include the deduction of foreseeable charges and dividends when calculating CET1 capital as required under the Capital Requirements Regulation and European Banking Authority technical standards. The impact of this deduction totalling GBP63 million for Investec plc would lower the CET1 ratio by 41bps (31 March 2018: 45bps).
- 2 Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from the capital information, Investec Limited's CET1 ratio would be 27bps (31 March 2018: 25bps) lower.
- 3 The CET 1 fully loaded ratio and the fully loaded leverage ratio assume full adoption of IFRS 9 and full adoption of all CRD IV rules or South African Prudential Authority regulations, as applicable in the relevant jurisdictions. 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 31 March 2019 of GBP18 million (post-taxation), has therefore been excluded from the fully loaded ratios as it will be released into profit and loss over the remaining life of the instrument.

Additional information – proposed demerger and listing of Investec Asset Management business

On 14 September 2018, the board of directors of Investec plc and Investec Limited announced that the Investec Asset Management business would become a separately listed entity. The demerger and the listing of Investec Asset Management is subject to regulatory and shareholder approvals, and is expected to be completed during the second half of 2019.

Outlook

The past year has seen a smooth leadership transition combined with a strategic review of the group. We are on track with the proposed demerger and separate listing of Investec Asset Management which should enhance the long-term prospects of both businesses. We are confident that we have positioned the businesses to ensure they meet their growth objectives and deliver long-term shareholder returns.

On behalf of the boards of Investec plc and Investec Limited

Perry Crosthwaite	Fani Titi	Hendrik du Toit
<i>Chairman</i>	<i>Joint Chief Executive Officer</i>	<i>Joint Chief Executive Officer</i>

15 May 2019

Notes to the commentary section above

Presentation of financial information

Investec operates under a Dual Listed Companies (DLC) structure with primary listings of Investec plc on the London Stock Exchange and Investec Limited on the JSE Limited.

In terms of the contracts constituting the DLC structure, Investec plc and Investec Limited effectively form a single economic enterprise in which the economic and voting rights of ordinary shareholders of the companies are maintained in equilibrium relative to each other. The directors of the two companies consider that for financial reporting purposes, the fairest presentation is achieved by combining the results and financial position of both companies.

Accordingly, the year-end results for Investec plc and Investec Limited present the results and financial position of the combined DLC group under International Financial Reporting Standards (IFRS), denominated in Pounds Sterling. In the commentary above, all references to Investec or the group relate to the combined DLC group comprising Investec plc and Investec Limited.

Unless the context indicates otherwise, all comparatives included in the commentary above relate to the year ended 31 March 2018.

Amounts represented on a neutral currency basis for income statement items assume that the relevant average exchange rates for the year to 31 March 2019 remain the same as those in the prior year. Amounts represented on a neutral currency basis for balance sheet items assume that the relevant closing exchange rates at 31 March 2019 remain the same as those at 31 March 2018.

Foreign currency impact

The group's reporting currency is Pounds Sterling. Certain of the group's operations are conducted by entities outside the UK. The results of operations and the financial position of the individual companies are reported in the local currencies in which they are domiciled, including Rands, Australian Dollars, Euros and US Dollars. These results are then translated into Pounds Sterling at the applicable foreign currency exchange rates for inclusion in the group's combined consolidated financial statements. In the case of the income statement, the weighted average rate for the relevant period is applied and, in the case of the balance sheet, the relevant closing rate is used.

The following table sets out the movements in certain relevant exchange rates against Pounds Sterling over the period:

Currency per GBP1.00	Year to 31 March 2019		Year to 31 March 2018	
	Period end	Average	Period end	Average
South African Rand	18.80	18.04	16.62	17.21
Australian Dollar	1.83	1.80	1.83	1.72
Euro	1.16	1.13	1.14	1.14
US Dollar	1.30	1.31	1.40	1.33

Exchange rates between local currencies and Pounds Sterling have fluctuated over the year. The most significant impact arises from the volatility of the Rand. The average exchange rate over the period has depreciated by 4.8% and the closing rate has depreciated by 13.1% since 31 March 2018.

Accounting policies and disclosures

These unaudited condensed combined consolidated financial results have been prepared in terms of the recognition and measurement criteria of International Financial Reporting Standards, and the presentation and disclosure requirements of IAS 34, 'Interim Financial Reporting'.

The accounting policies applied in the preparation of the results for the year ended 31 March 2019 are consistent with those adopted in the financial statements for the year ended 31 March 2018 except as noted below.

On 1 April 2018 the group adopted IFRS 9 'Financial Instruments' which replaced IAS 39 'Financial Instruments: Recognition and Measurement' and sets out the new requirements for the recognition and measurement of financial instruments. These requirements focus primarily on the classification and measurement of financial instruments and measurement of impairment losses based on an ECL model as opposed to an incurred loss methodology under IAS 39. Disclosure related to the initial application and the impact of the transition from IAS 39 to IFRS 9 were included in the group's transition disclosures published on 15 June 2018 which can be accessed via the Investec website at www.investec.com.

Additionally, on 1 April 2018 the group adopted IFRS 15 'Revenue from contracts with customers' which replaced IAS 18 'Revenue'. IFRS 15 provides a principles-based approach for revenue recognition and introduces the concept of recognising revenue for obligations as they are satisfied. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The group's measurement and recognition principles were aligned to the new standard and hence there has been no material impact on measurement and recognition principles or on disclosure requirements from the adoption of IFRS 15.

The financial results have been prepared under the supervision of Nishlan Samujh, the Group Finance Director. The financial statements for the year ended 31 March 2019 will be posted to stakeholders on 28 June 2019. These accounts will be available on the group's website on the same date.

Proviso

- Please note that matters discussed in this announcement may contain forward looking statements which are subject to various risks and uncertainties and other factors, including, but not limited to:
 - changes in the political and/or economic environment that would materially affect the Investec group
 - changes in legislation or regulation impacting on the Investec group's operations or its accounting policies
 - changes in business conditions that will have a significant impact on the Investec group's operations
 - changes in exchange rates and/or tax rates from the prevailing rates outlined in this announcement
 - changes in the structure of the markets, client demand or the competitive environment.
- A number of these factors are beyond the group's control.
- These factors may cause the group's actual future results, performance or achievements in the markets in which it operates to differ from those expressed or implied.

- Any forward looking statements made are based on the knowledge of the group at 15 May 2019.
- The information in the announcement for the year ended 31 March 2019, which was approved by the board of directors on 15 May 2019, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006. The 31 March 2018 financial statements were filed with the registrar and were unqualified with the audit report containing no statements in respect of sections 498(2) or 498(3) of the UK Companies Act.
- This announcement is available on the group's website: www.investec.com

Definitions

- 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. Trends within the divisional sections relate to adjusted operating profit before group costs. Adjusted operating profit is considered an important measure by Investec of the profit realised by the group in the ordinary course of operations. In addition, it forms the basis of the dividend pay-out policy. Non-IFRS measures such as adjusted operating profit are considered as pro forma financial information as per the JSE Listing Requirements. The pro forma financial information is the responsibility of the group's Board of Directors.
- Adjusted earnings attributable to shareholders is defined as earnings attributable to shareholders before goodwill, acquired intangibles and non-operating items but after non-controlling interests and the deduction of preference dividends.
- Adjusted basic earnings per share is calculated as adjusted earnings attributable to shareholders divided by the weighted average number of ordinary shares in issue during the year
- Dividend cover is calculated as adjusted earnings per share divided by the dividend per share

- Annuity income is defined as net interest income plus net annuity fees and commissions expressed as a percentage of total operating income.
- The credit loss ratio is calculated as expected credit loss (ECL) impairment charges on gross core loans and advances as a percentage of average gross core loans and advances subject to ECL.
- The group has changed its cost to income ratio definition to exclude operating profits or losses attributable to other non-controlling interests. As such, the cost to income ratio is calculated as: operating costs divided by operating income (net of depreciation on operating leased assets and net of operating profits or losses attributable to other non-controlling interests).
- Return on adjusted average shareholders' equity is calculated as adjusted earnings attributable to shareholders divided by average adjusted shareholders' equity; where average adjusted shareholders' equity is ordinary shareholders' equity less goodwill and intangible assets (excluding software).
- Core loans and advances is defined as net loans and advances to customers plus net own originated securitised assets.

Financial assistance

Shareholders are referred to Special Resolution number 3, which was approved at the annual general meeting held on 8 August 2018, relating to the provision of direct or indirect financial assistance in terms of Section 45 of the South African Companies Act, No 71 of 2008 to related or inter-related companies. Shareholders are hereby notified that in terms of S45(5)(a) of the South African Companies Act, the boards of directors of Investec Limited and Investec Bank Limited provided such financial assistance during the period 1 October 2018 to 31 March 2019 to various group subsidiaries.

Johannesburg and London

Sponsor: Investec Bank Limited

Statutory financial information

Salient financial features

	Results in Pounds Sterling				
	Actual as reported Year to 31 March 2019	Actual as reported Year to 31 March 2018	Actual as reported %	Neutral currency [^] Year to 31 March 2019	Neutral currency %
Operating profit before taxation* (million)	665	608	9.4%	684	12.6%
Earnings attributable to shareholders (million)	531	506	5.1%	549	8.6%
Adjusted earnings attributable to shareholders** (million)	519	491	5.8%	536	9.2%
Adjusted earnings per share**	55.1p	53.2p	3.6%	56.9p	7.0%
Basic earnings per share	52.0p	51.2p	1.6%	53.7p	4.9%
Dividends per share	24.5p	24.0p	2.1%	n/a	n/a

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

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

[^] For income statement items we have used the average Rand: Pounds Sterling exchange rate that was applied in the prior year, i.e. 17.21.

	Results in Pounds Sterling				
	Actual as reported Year to 31 March 2019	Actual as reported At 31 March 2018	Actual as reported %	Neutral currency ^{^^} At 31 March 2019	Neutral currency %
Net asset value per share	434.1p	452.5p	(4.1%)	456.5p	1.0%
Net tangible asset value per share	386.0p	401.5p	(3.9%)	408.1p	1.6%
Total equity (million)	5 251	5 428	(3.3%)	5 554	2.3%
Total assets (million)	57 724	57 617	0.2%	62 331	8.2%
Core loans and advances (million)	24 941	25 132	(0.8%)	26 833	6.8%
Cash and near cash balances (million)	13 288	12 825	3.6%	14 113	10.0%
Customer deposits (million)	31 307	30 987	1.0%	33 688	8.7%
Third party assets under management (million)	167 172	160 576	4.1%	173 950	8.3%
Return on average adjusted shareholders' equity	12.9%	12.1%			
Return on average risk-weighted assets	1.52%	1.45%			
Stage 3/defaults net of ECL as a percentage of net core loans and advances to customers subject to ECL	1.3%	1.17%			
Loans and advances to customers as a percentage of customer deposits	78.4%	79.6%			
Credit loss ratio (income statement impairment charge as a % of average gross core loans and advances)	0.31%	0.61%			

^{^^} For balance sheet items we have assumed that the Rand: Pounds Sterling closing exchange rate has remained neutral since 31 March 2018.

Condensed combined consolidated income statement

GBP'000	Year to 31 March 2019	Year to 31 March 2018
Interest income	2 641 920	2 491 009
Interest expense	(1 826 493)	(1 730 611)
Net interest income	815 427	760 398
Fee and commission income	1 590 004	1 543 447
Fee and commission expense	(216 452)	(182 240)
Investment income	49 985	130 048
Share of post taxation profit of associates	68 317	46 823
Trading income/(loss) arising from		
– customer flow	120 662	138 226
– balance sheet management and other trading activities	41 966	(4 307)
Other operating income	16 431	11 115
Total operating income before expected credit losses/impairment losses	2 486 340	2 443 510
Expected credit loss impairment charges*	(66 452)	–
Impairment losses on loans and advances*	–	(148 556)
Operating income	2 419 888	2 294 954
Operating costs	(1 695 012)	(1 632 740)
Depreciation on operating leased assets	(2 157)	(2 421)
Operating profit before goodwill and acquired intangibles	722 719	659 793
Impairment of goodwill	(155)	–
Amortisation of acquired intangibles	(15 816)	(16 255)
Operating profit after goodwill and acquired intangibles	706 748	643 538
Financial impact of group restructures and acquisition of subsidiaries	(19 543)	(6 039)
Profit before taxation	687 205	637 499
Taxation on operating profit before goodwill and acquired intangibles	(78 210)	(59 099)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries/restructurings	5 979	3 253
Profit after taxation	614 974	581 653
Profit attributable to other non-controlling interests	(58 192)	(52 288)
Profit attributable to Asset Management non-controlling interests	(25 658)	(23 817)
Earnings attributable to shareholders	531 124	505 548
Impairment of goodwill	155	–
Amortisation of acquired intangibles	15 816	16 255
Financial impact of group restructures and acquisition of subsidiaries	19 543	6 039
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries/restructurings	(5 979)	(3 253)
Preference dividends paid	(41 560)	(32 980)
Accrual adjustment on earnings attributable to other equity holders	243	(547)
Adjusted earnings	519 342	491 062
Headline earnings adjustments**	(23 726)	(41 415)
Headline earnings	495 616	449 647
Earnings per share (pence)		
– Basic	52.0	51.2
– Diluted	50.9	49.8
Adjusted earnings per share (pence)		
– Basic	55.1	53.2
– Diluted	54.0	51.7
Dividends per share (pence)		
– Interim	11.0	10.5
– Final	13.5	13.5
Headline earnings per share (pence)		
– Basic	52.6	48.7
– Diluted	51.5	47.4
Number of weighted average shares (million)	942.2	923.5

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

** The headline earnings adjustments are made up of property revaluations of GBP1.0 million loss (2018: GBP15.4 million gains), amortisation of acquired intangibles of GBP15.8 million (2018: GBP16.2 million), gains on available-for-sale instruments recycled to the income statement GBPnil (2018: GBP6.7 million), profit on realisation of associate company of GBPnil (2018: GBP0.8 million), taxation on acquired intangibles on acquisition/disposal/integration of subsidiaries/restructurings of GBP6.0 million (2018: GBP3.3 million) and accrual adjustment of earnings attributable to other equity holders of GBP0.2 million (2018: GBP0.5 million). This line represents the reconciling items from adjusted earnings to headline earnings.

Combined consolidated statement of total comprehensive income

GBP'000	Year to 31 March 2019	Year to 31 March 2018
Profit after taxation	614 974	581 653
Other comprehensive income:		
Items that may be reclassified to the income statement		
Fair value movements on cash flow hedges taken directly to other comprehensive income*	1 797	(5 746)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income [^] *	(12 918)	–
Gains on realisation of debt instruments at FVOCI recycled to the income statement [^] *	(7 116)	–
Gains on realisation of available-for-sale assets recycled to the income statement [^] *	–	(6 676)
Fair value movements on available-for-sale assets taken directly to other comprehensive income [^] *	–	20 051
Foreign currency adjustments on translating foreign operations	(302 598)	(25 300)
Items that will never be reclassified to the income statement		
Effect of rate change on deferred taxation relating to adjustment for IFRS 9*	(1 572)	–
Remeasurement of net defined pension asset	(1 924)	3 938
Gains and losses attributable to own credit risk*	8 887	–
Total comprehensive income	299 530	567 920
Total comprehensive income attributable to ordinary shareholders	252 677	451 913
Total comprehensive income attributable to non-controlling interests	5 293	83 027
Total comprehensive income attributable to perpetual preferred securities	41 560	32 980
Total comprehensive income	299 530	567 920

* Net of taxation of GBP17.5 million (year to 31 March 2018: GBP11.7 million), except for the impact of rate changes on deferred tax as separately shown above.

[^] On adoption of IFRS 9 on 1 April 2018, the fair value reserve was introduced, replacing the available-for-sale reserve.

Condensed combined consolidated cash flow statement

GBP'000	Year to 31 March 2019	Year to 31 March 2018
Cash inflows from operations	697 877	732 242
Increase in operating assets	(3 283 153)	(3 352 869)
Increase in operating liabilities	3 990 382	3 075 779
Net cash inflow from operating activities	1 405 106	455 152
Net cash outflow from investing activities	(65 425)	(37 799)
Net cash (outflow)/inflow from financing activities	(218 027)	45 383
Effects of exchange rate changes on cash and cash equivalents	(136 927)	(54 085)
Net increase in cash and cash equivalents	984 727	408 651
Cash and cash equivalents at the beginning of the year	6 130 379	5 721 728
Cash and cash equivalents at the end of the year	7 115 106	6 130 379

Cash and cash equivalents is defined as including cash and balances at central banks, on demand loans and advances to banks and non-sovereign and non-bank cash placements (all of which have a maturity profile of less than three months).

Combined consolidated balance sheet

GBP'000	At 31 March 2019	At 1 April 2018*	At 31 March 2018
Assets			
Cash and balances at central banks	4 992 820	4 040 010	4 040 512
Loans and advances to banks	2 322 821	2 164 598	2 165 533
Non-sovereign and non-bank cash placements	648 547	599 982	601 243
Reverse repurchase agreements and cash collateral on securities borrowed	1 768 748	2 207 137	2 207 477
Sovereign debt securities	4 538 223	4 907 624	4 910 027
Bank debt securities	717 313	591 428	587 164
Other debt securities	1 220 651	898 122	903 603
Derivative financial instruments	1 034 166	1 345 744	1 352 408
Securities arising from trading activities	1 859 254	1 434 391	1 434 391
Investment portfolio	1 028 976	956 560	885 499
Loans and advances to customers	24 534 753	24 410 334	24 673 009
Own originated loans and advances to customers securitised	407 869	458 814	459 088
Other loans and advances	195 693	345 742	347 809
Other securitised assets	133 804	148 387	148 387
Interests in associated undertakings	387 750	467 852	467 852
Deferred taxation assets	248 893	242 239	157 321
Other assets	1 735 956	1 875 357	1 876 116
Property and equipment	261 650	233 340	233 340
Investment properties	994 645	1 184 097	1 184 097
Goodwill	366 870	368 803	368 803
Intangible assets	107 237	125 389	125 389
	49 506 639	49 005 950	49 129 068
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	8 217 573	8 487 776	8 487 776
	57 724 212	57 493 726	57 616 844
Liabilities			
Deposits by banks	3 016 306	2 931 267	2 931 267
Derivative financial instruments	1 277 233	1 471 563	1 471 563
Other trading liabilities	672 405	960 166	960 166
Repurchase agreements and cash collateral on securities lent	1 105 063	655 840	655 840
Customer accounts (deposits)	31 307 107	30 985 251	30 987 173
Debt securities in issue	3 073 320	2 717 187	2 717 187
Liabilities arising on securitisation of own originated loans and advances	91 522	136 812	136 812
Liabilities arising on securitisation of other assets	113 711	127 853	127 853
Current taxation liabilities	162 448	185 486	185 486
Deferred taxation liabilities	23 590	32 158	32 158
Other liabilities	1 765 649	2 019 906	2 012 268
	42 608 354	42 223 489	42 217 773
Liabilities to customers under investment contracts	8 214 634	8 484 296	8 484 296
Insurance liabilities, including unit-linked liabilities	2 939	3 480	3 480
	50 825 927	50 711 265	50 705 549
Subordinated liabilities	1 647 271	1 619 878	1 482 987
	52 473 198	52 331 143	52 188 536
Equity			
Ordinary share capital	245	240	240
Perpetual preference share capital	31	31	31
Share premium	2 471 506	2 416 736	2 416 736
Treasury shares	(189 134)	(160 132)	(160 132)
Other reserves	(577 491)	(406 718)	(345 606)
Retained income	2 611 256	2 326 212	2 530 825
	4 316 413	4 176 369	4 442 094
Shareholders' equity excluding non-controlling interests			
Other Additional Tier 1 securities in issue	303 728	304 150	304 150
Non-controlling interests	630 873	682 064	682 064
– Perpetual preferred securities issued by subsidiaries	81 616	92 312	92 312
– Non-controlling interests in partially held subsidiaries	549 257	589 752	589 752
	5 251 014	5 162 583	5 428 308
Total equity	5 251 014	5 162 583	5 428 308
Total liabilities and equity	57 724 212	57 493 726	57 616 844

* The 1 April 2018 balance sheet has been presented on an IFRS 9 basis and the comparative as at 31 March 2018 on a IAS 39 basis.

Condensed combined consolidated statement of changes in equity

GBP'000	Year to 31 March 2019	Year to 31 March 2018
Balance at the beginning of the year	5 428 308	4 808 629
Adoption of IFRS 9	(265 725)	–
Total comprehensive income for the year	299 530	567 920
Share-based payments adjustments	72 714	69 218
Dividends paid to ordinary shareholders	(238 072)	(227 908)
Dividends declared to perpetual preference shareholders and Other Additional Tier 1 security holders	(14 742)	(15 736)
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 security holders	(26 818)	(17 244)
Dividends paid to non-controlling interests	(63 897)	(63 688)
Issue of ordinary shares	108 414	125 240
Issue of Other Additional Tier 1 security instruments	5 852	271 058
Issue of equity by subsidiaries	4 319	12 695
Net equity impact of non-controlling interest movements	50 643	20 057
Movement of treasury shares	(103 841)	(121 933)
Net equity movements of interest in associated undertakings	(5 671)	–
Balance at the end of the year	5 251 014	5 428 308

Combined consolidated segmental analysis

Segmental geographical and business analysis of operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests

For the year to 31 March 2019 GBP'000	UK and Other	Southern Africa	Total group
Wealth & Investment	56 363	26 250	82 613
Specialist Banking	138 566	310 329	448 895
Group costs	(31 518)	(14 825)	(46 343)
Specialist Bank and Wealth	163 411	321 754	485 165
Asset Management	107 835	71 527	179 362
Total group	271 246	393 281	664 527
Other non-controlling interest - equity			58 192
Operating profit			722 719

For the year to 31 March 2018 GBP'000	UK and Other	Southern Africa	Total group
Wealth & Investment	69 269	29 296	98 565
Specialist Banking	59 958	320 535	380 493
Group costs	(33 789)	(15 809)	(49 598)
Specialist Bank and Wealth	95 438	334 022	429 460
Asset Management	103 918	74 127	178 045
Total group	199 356	408 149	607 505
Other non-controlling interest - equity			52 288
Operating profit			659 793

Fees and commission income

For the year to 31 March GBP'000	UK and Other	Southern Africa	Total Group
2019			
Asset management and wealth management	683 621	257 736	941 357
Fund management fees/fees for assets under management	807 507	226 705	1 034 212
Private client transactional fees	47 771	36 612	84 383
Fee and commission expense	(171 657)	(5 581)	(177 238)
Specialist Banking	205 610	226 585	432 195
Corporate and institutional transactional and advisory services	206 798	191 786	398 584
Private client transactional fees	10 691	62 134	72 825
Fee and commission expense	(11 879)	(27 335)	(39 214)
Net fee and commission income	889 231	484 321	1 373 552
Annuity fees (net of fees payable)	675 619	422 176	1 097 795
Deal fees	213 612	62 145	275 757

Included in Specialist Banking corporate and institutional and advisory services is net fee income of GBP92 million (2018: GBP105 million) for operating lease income which is out of the scope of IFRS 15 - Revenue from Contracts with Customers.

Analysis of financial assets and liabilities by category of financial instrument

At 31 March 2019 GBP'000	Total instruments at fair value	Total instruments at amortised cost	Non-financial instruments or scoped out of IFRS 9	Total
Assets				
Cash and balances at central banks	1	4 992 819	–	4 992 820
Loans and advances to banks	–	2 322 821	–	2 322 821
Non-sovereign and non-bank cash placements	32 471	616 076	–	648 547
Reverse repurchase agreements and cash collateral on securities borrowed	549 914	1 218 834	–	1 768 748
Sovereign debt securities	4 256 811	281 412	–	4 538 223
Bank debt securities	350 134	367 179	–	717 313
Other debt securities	741 834	478 817	–	1 220 651
Derivative financial instruments	1 034 166	–	–	1 034 166
Securities arising from trading activities	1 859 254	–	–	1 859 254
Investment portfolio	1 028 976	–	–	1 026 976
Loans and advances to customers	2 025 679	22 509 074	–	24 534 753
Own originated loans and advances to customers securitised	–	407 869	–	407 869
Other loans and advances	–	195 693	–	195 693
Other securitised assets	118 169	15 635	–	133 804
Interests in associated undertakings	–	–	387 750	387 750
Deferred taxation assets	–	–	248 893	248 893
Other assets	131 853	1 041 116	562 987	1 735 956
Property and equipment	–	–	261 650	261 650
Investment properties	–	–	994 645	994 645
Goodwill	–	–	366 870	366 870
Intangible assets	–	–	107 237	107 237
	12 129 262	34 447 345	2 930 032	49 506 639
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	8 217 573	–	–	8 217 573
	20 346 835	34 447 345	2 930 032	57 724 212
Liabilities				
Deposits by banks	–	3 016 306	–	3 016 306
Derivative financial instruments	1 277 233	–	–	1 277 233
Other trading liabilities	672 405	–	–	672 405
Repurchase agreements and cash collateral on securities lent	433 790	671 273	–	1 105 063
Customer accounts (deposits)	2 372 841	28 934 266	–	31 307 107
Debt securities in issue	520 806	2 552 514	–	3 073 320
Liabilities arising on securitisation of own originated loans and advances	–	91 522	–	91 522
Liabilities arising on securitisation of other assets	113 711	–	–	113 711
Current taxation liabilities	–	–	162 448	162 448
Deferred taxation liabilities	–	–	23 590	23 590
Other liabilities	47 676	1 029 239	688 734	1 765 649
	5 438 462	36 295 120	874 772	42 608 354
Liabilities to customers under investment contracts	8 214 634	–	–	8 214 634
Insurance liabilities, including unit-linked liabilities	2 939	–	–	2 939
	13 656 035	36 295 120	874 772	50 825 927
Subordinated liabilities	367 707	1 279 564	–	1 647 271
	14 023 742	37 574 684	874 772	52 473 198

Financial instruments carried at fair value

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation technique used. The different levels are identified as follows:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

At 31 March 2019 GBP'000	Total instruments at fair value	Fair value category		
		Level 1	Level 2	Level 3
Assets				
Cash and balances at central banks	1	1	–	–
Non-sovereign and non-bank cash placements	32 471	–	32 471	–
Reverse repurchase agreements and cash collateral on securities borrowed	549 914	–	549 914	–
Sovereign debt securities	4 256 811	4 256 811	–	–
Bank debt securities	350 134	148 918	201 216	–
Other debt securities	741 834	222 689	429 850	89 295
Derivative financial instruments	1 034 166	–	995 531	38 635
Securities arising from trading activities	1 859 254	1 827 306	24 830	7 118
Investment portfolio	1 028 976	173 587	25 418	829 971
Loans and advances to customers	2 025 679	–	816 099	1 209 580
Other securitised assets	118 169	–	–	118 169
Other assets	131 853	131 853	–	–
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	8 217 573	8 217 573	–	–
	20 346 835	14 978 738	3 075 329	2 292 768
Liabilities				
Derivative financial instruments	1 277 233	5 857	1 254 750	16 626
Other trading liabilities	672 405	556 125	116 280	–
Repurchase agreements and cash collateral on securities lent	433 790	–	433 790	–
Customer accounts (deposits)	2 372 841	–	2 372 841	–
Debt securities in issue	520 806	–	520 806	–
Liabilities arising on securitisation of other assets	113 711	–	–	113 711
Other liabilities	47 676	–	44 071	3 605
Liabilities to customers under investment contracts	8 214 634	–	8 214 634	–
Insurance liabilities, including unit-linked liabilities	2 939	–	2 939	–
Subordinated liabilities	367 707	367 707	–	–
	14 023 742	929 689	12 960 111	133 942
Net financial assets at fair value	6 323 093	14 049 049	(9 884 782)	2 158 826

Transfers between level 1 and level 2

During the current year, there were no transfers between level 1 and level 2.

Level 2 financial assets and financial liabilities

The following table sets out the group's principal valuation techniques as at 31 March 2019 used in determining the fair value of its financial assets and financial liabilities that are classified within level 2 of the fair value hierarchy.

	Valuation basis/techniques	Main assumptions
Assets		
Non-sovereign and non-bank cash placements	Discounted cash flow model	Yield curves
Reverse repurchase agreements and cash collateral on securities borrowed	Discounted cash flow model, Hermite interpolation, Black-Scholes	Yield curves, discount rates, volatilities
Bank debt securities	Discounted cash flow model	Yield curves
Other debt securities	Discounted cash flow model	Yield curves, NCD curves and swap curves, discount rates, external prices, broker quotes
Derivative financial instruments	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Black-Scholes	Yield curves, risk free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves, discount rates
Securities arising from trading activities	Standard industry derivative pricing model Discounted cash flow model	Interest rate curves, implied bond spreads, equity volatilities, yield curves
Investment portfolio	Discounted cash flow model, relative valuation model Comparable quoted inputs	Discount rate and fund unit price, net assets
Loans and advances to customers	Discounted cash flow model	Yield curves
Liabilities		
Derivative financial instruments	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Black-Scholes	Yield curves, discount rates, risk free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Other trading liabilities	Discounted cash flow model	Yield curves
Repurchase agreements and cash collateral on securities lent	Discounted cash flow model, Hermite interpolation	Yield curves, discount rates
Customer accounts (deposits)	Discounted cash flow model	Yield curves, discount rates
Debt securities in issue	Discounted cash flow model	Yield curves
Other liabilities	Discounted cash flow model	Yield curves

The following is a reconciliation of the opening balances to the closing balances for fair value measurement in level 3 of the fair value hierarchy.

GBP'000	Investment portfolio	Loans and advances to customers	Other securitised assets	Other balance sheet assets	Total
Assets					
Balance as at 31 March 2018	587 819	133 740	130 388	67 723	919 670
Adoption of IFRS 9	74 768	1 203 939	–	74 381	1 353 088
Balance as at 1 April 2018	662 587	1 337 679	130 388	142 104	2 272 758
Total gains or losses	(175)	69 261	(2 834)	16 865	83 117
In the income statement	(175)	69 056	(2 834)	16 865	82 912
In the statement of comprehensive income	–	205	–	–	205
Purchases	338 782*	1 268 572	–	6 909	1 614 263
Sales	(95 646)	(889 145)	–	(8 404)	(993 195)
Settlements	(60 095)	(624 061)	(9 385)	(29 456)	(722 997)
Transfers into level 3	12 211	3 499	–	–	15 710
Foreign exchange adjustments	(27 693)	43 775	–	7 026	23 108
Balance as at 31 March 2019	829 971	1 209 580	118 169	135 044	2 292 764

* Includes investments acquired by Investec Property Fund, a subsidiary of Investec Limited.

For the year to 31 March 2019 GBP'000	Liabilities arising on securitisation of other assets	Other balance sheet liabilities	Total
Liabilities			
Balance as at 1 April 2018	127 853	15 641	143 494
Total gains or losses	(5 084)	(12 653)	(17 737)
In the income statement	(5 084)	(12 653)	(17 737)
In the statement of comprehensive income	–	–	–
Purchases	–	27 561	27 561
Sales	–	(11 800)	(11 800)
Settlements	(9 058)	–	(9 058)
Transfers into level 3	–	2 854	2 854
Foreign exchange adjustments	–	(1 372)	(1 372)
Balance as at 31 March 2019	113 711	20 231	133 942

During the year GBP15.7 million of level 2 instruments have been transferred into level 3 as a result of inputs to valuation models becoming unobservable in the market.

The group transfers between levels within the fair value hierarchy when the significance of the unobservable inputs change or if the valuation methods changes.

The following table quantifies the gains or (losses) included in the income statement and other comprehensive income recognised on level 3 financial instruments:

For the year to 31 March 2019 GBP'000	Total	Realised	Unrealised
Total gains or (losses) included in the income statement for the year			
Net interest income	100 041	86 118	13 923
Investment income	(11 000)	9 675	(20 675)
Trading loss arising from customer flow	(3 272)	1 348	(4 620)
Trading income arising from balance sheet management and other trading activities	14 880	–	14 880
	100 649	97 141	3 508
Total gains or losses recognised in other comprehensive income for the year			
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	205	–	205
	205	–	205

Sensitivity of fair values to reasonably possible alternative assumptions by level 3 instrument type

The fair value of financial instruments in level 3 are measured using valuation techniques that incorporate assumptions that are not evidenced by prices from observable market data. The following table shows the sensitivity of these fair values to reasonably possible alternative assumptions, determined at a transactional level:

31 March 2019	Balance sheet value GBP'000	Significant unobservable input	Range of unobservable input used	Favourable changes GBP'000	Unfavourable changes GBP'000
Assets					
Other debt securities	89 295	Potential impact on income statement		8 047	(7 849)
		Credit spreads	5.8%	117	(114)
		EBITDA	(5%)/5%	306	(306)
		Other [^]	^	7 624	(7 429)
Derivative financial instruments	38 635	Potential impact on income statement		22 720	(5 882)
		Volatilities	4.0% – 9.0%	129	(129)
		Credit spreads	7.1%	6	(9)
		Cash flow adjustments	CPR 6.2% – 10.2%	134	(124)
		Underlying asset value	^^	7 731	(3 731)
		Other [^]	^	14 720	(1 889)
Securities arising from trading activities	7 118	Potential impact on income statement			
		Cash flow adjustments	CPR 9.2%	1 119	(1 480)
Investment portfolio	829 971	Potential impact on income statement		158 957	(134 600)
		Price earnings multiple	3.2 x – 9.0 x	8 852	(8 563)
		Underlying asset value ^{^^}	^^	17 229	(11 739)
		Other [^]	^	83 729	(60 072)
		EBITDA	*	21 470	(21 043)
		Precious and industrial metals prices	(10%)/6%	2 186	(2 186)
		Cash flows	(50%)/50%	10 568	(9 552)
		Property values	(5%)/5%	10 151	(10 151)
		Various	**	4 772	(11 294)
Loans and advances to customers	1 209 580	Potential impact on income statement		75 262	(91 448)
		Credit spreads	0.1% – 6.2%	6 327	(9 089)
		Price earnings multiple	4.9 x	703	(493)
		Underlying asset value ^{^^}	^^	2 778	(2 347)
		Cash flows	(50%)/50%	16 053	(16 053)
		EBITDA	*	335	(335)
		Property values	(5%)/5%	100	(100)
		Other [^]	^	48 966	(63 031)
		Potential impact on other comprehensive income			
		Credit spreads	0.03% – 2.1%	1 673	(2 933)
Other securitised assets	118 169	Potential impact on income statement			
		Cash flow adjustments	CPR 6.2%	496	(473)
Total level 3 assets	2 292 768			268 274	(244 665)
Liabilities					
Derivative financial instruments	16 626	Potential impact on income statement		(8 035)	8 045
		Cash flow adjustments	CPR 6.2% – 10.2%	(107)	116
		Volatilities	5.0% – 9.0%	(174)	174
		Underlying asset value ^{^^}	^^	(7 754)	7 755
Liabilities arising on securitisation of other assets	113 711	Potential impact on income statement			
		Cash flow adjustments	CPR 6.2%	(365)	344
Other liabilities	3 605	Potential impact on income statement			
		Property values	(5%)/5%	(505)	505
Total level 3 liabilities	133 942			(8 905)	8 894
Net level 3 assets	2 158 826				

* The EBITDA and cash flows has been stressed on an investment-by-investment basis in order to obtain favourable and unfavourable valuations

** The valuation sensitivity for certain equity investments and fair value loans have been assessed by adjusting various inputs such as expected cash flows, discount rates, earnings multiples rather than a single input. It is deemed appropriate to reflect the outcome on a portfolio basis for the purpose of this analysis as the sensitivity of the investments cannot be determined through the adjustment of a single input.

* The sensitivity of the fair value of liabilities arising on securitisation of other assets has been considered together with other securitised assets.

^ Other – The valuation sensitivity has been assessed by adjusting various inputs such as expected cash flows, discount rates, earnings multiples rather than a single input. It is deemed appropriate to reflect the outcome on a portfolio basis for the purposes of this analysis as the sensitivity of the assets cannot be determined through the adjustment of a single input.

^^ Underlying asset values are calculated by reference to a tangible asset, for example property, aircraft or shares.

Within the Hong Kong portfolio there is a connected exposure across the investment portfolio, loans and advances to customers and derivatives financial instruments lines with a balance sheet value of GBP69 million. The consideration of reasonably possible alternative assumptions with respect to the fair value of this exposure results in a favourable change of GBP95 million and an unfavourable change of GBP69 million, included within the above table.

In determining the value of level 3 financial instruments, the following are the principal inputs that can require judgement:

Credit spreads

Credit spreads reflect the additional yield that a market participant would demand for taking exposure to the credit risk of an instrument. The credit spread for an instrument forms part of the yield used in a discounted cash flow calculation. In general a significant increase in a credit spread in isolation will result in a movement in fair value that is unfavourable for the holder of a financial instrument.

Discount rates

Discount rates (including WACC) are used to adjust for the time value of money when using a discounted cash flow valuation method. Where relevant, the discount rate also accounts for illiquidity, market conditions and uncertainty of future cash flows.

Volatilities

Volatility is a key input in the valuation of derivative products containing optionality. Volatility is a measure of the variability or uncertainty in returns for a given derivative underlying. It represents an estimate of how much a particular underlying instrument, parameter or index will change in value over time.

Cash flows

Cash flows relate to the future cash flows which can be expected from the instrument and requires judgement.

EBITDA

A company's earnings before interest, taxes, depreciation and amortisation. This is the main input into a price earnings multiple valuation.

Price earnings multiple

The price-to-earnings ratio is an equity valuation multiple. It is a key driver in the valuation of unlisted investments.

Property value and precious and industrial metals

The property value and price of precious and industrial metals is a key driver of future cash flows on these investments.

Underlying asset value

In instances where cash flows have links to referenced assets, the underlying asset value is used to determine the fair value. The underlying asset valuation is derived using observable market prices sourced from broker quotes, specialist valuers or other reliable pricing sources.

Fair value of financial assets and liabilities at amortised cost

The following table sets out the fair value of financial instruments held at amortised cost where the carrying value is not a reasonable approximation of fair value.

GBP'000	Carrying amount	Fair value
2019		
Assets		
Reverse repurchase agreements and cash collateral on securities borrowed	1 218 834	1 218 958
Sovereign debt securities	281 412	271 125
Bank debt securities	367 179	366 845
Other debt securities	478 817	467 820
Loans and advances to customers	22 509 074	22 561 179
Other loans and advances	195 693	197 587
Other assets	1 041 116	1 041 759
Liabilities		
Deposits by banks	3 016 306	3 049 306
Repurchase agreements and cash collateral on securities lent	671 273	668 870
Customer accounts (deposits)	28 934 266	28 934 451
Debt securities in issue	2 552 514	2 588 218
Other liabilities	1 029 239	1 027 905
Subordinated liabilities	1 279 564	1 361 823

Investec Limited
Incorporated in the Republic of South Africa
Registration number: 1925/002833/06
JSE ordinary share code: INL
NSX ordinary share code: IVD
BSE ordinary share code: INVESTEC
ISIN: ZAE000081949

Ordinary share dividend announcement

Declaration of dividend number 127

Notice is hereby given that final dividend number 127, being a gross dividend of 251 cents (2018: 232 cents) per ordinary share has been recommended by the Board from income reserves in respect of the financial year ended 31 March 2019 payable to shareholders recorded in the shareholders' register of the company at the close of business on Friday, 26 July 2019.

The relevant dates for the payment of dividend number 127 are as follows:

Last day to trade cum-dividend	Tuesday, 23 July 2019
Shares commence trading ex-dividend	Wednesday, 24 July 2019
Record date	Friday, 26 July 2019
Payment date	Monday, 12 August 2019

The final gross dividend of 251 cents per ordinary share has been determined by converting the Investec plc distribution of 13.5 pence per ordinary share into Rands using the Rand/Pounds Sterling average buy/sell forward rate at 11h00 (SA time) on Wednesday, 15 May 2019.

Share certificates may not be dematerialised or rematerialised between Wednesday, 24 July 2019 and Friday, 26 July 2019, both dates inclusive.

Additional information to take note of:

- Investec Limited South African tax reference number: 9800/181/71/2
- The issued ordinary share capital of Investec Limited is 318 904 709 ordinary shares
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- Shareholders who are exempt from paying the Dividend Tax will receive a net dividend of 251 cents per ordinary share
- Shareholders who are not exempt from paying the Dividend Tax will receive a net dividend of 200.8 cents per ordinary share (gross dividend of 251 cents per ordinary share less Dividend Tax of 50.2 cents per ordinary share).

By order of the board

N van Wyk
Company Secretary

15 May 2019

Investec Limited
Incorporated in the Republic of South Africa
Registration number: 1925/002833/06
JSE share code: INPR
NSX ordinary share code: IVD
BSE ordinary share code: INVESTEC
ISIN: ZAE000063814

Preference share dividend announcement

Non-redeemable non-cumulative non-participating preference shares ("preference shares")

Declaration of dividend number 29

Notice is hereby given that preference dividend number 29 has been declared by the Board from income reserves for the period 01 October 2018 to 31 March 2019 amounting to a gross preference dividend of 394.65612 cents per preference share payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 07 June 2019.

The relevant dates for the payment of dividend number 29 are as follows:

Last day to trade cum-dividend	Tuesday, 04 June 2019
Shares commence trading ex-dividend	Wednesday, 05 June 2019
Record date	Friday, 07 June 2019
Payment date	Tuesday, 18 June 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 05 June 2019 and Friday, 07 June 2019, both dates inclusive.

Additional information to take note of:

- Investec Limited South African tax reference number: 9800/181/71/2
- The issued preference share capital of Investec Limited is 32 214 499 preference shares
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 315.7249 cents per preference share for shareholders liable to pay the Dividend Tax and 394.65612 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

N van Wyk
Company Secretary

15 May 2019

Investec plc
Incorporated in England and Wales
Registration number: 3633621
LSE ordinary share code: INVP
JSE ordinary share code: INP
ISIN: GB00B17BBQ50

Ordinary share dividend announcement

In terms of the DLC structure, Investec plc shareholders registered on the United Kingdom share register may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and/or through dividends declared and paid on the SA DAN share issued by Investec Limited.

Investec plc shareholders registered on the South African branch register may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and/or through dividends declared and paid on the SA DAS share issued by Investec Limited.

Declaration of dividend number 34

Notice is hereby given that the final dividend number 34, being a gross dividend of 13.5 pence (2018: 13.5 pence) per ordinary share has been recommended by the Board from income reserves in respect of the financial year ended 31 March 2019 payable to shareholders recorded in the shareholders' register of the company at the close of business on Friday, 26 July 2019.

- for Investec plc shareholders, registered on the United Kingdom share register, through a dividend payment by Investec plc from income reserves of 13.5 pence per ordinary share
- for Investec plc shareholders, registered on the South African branch register, through a dividend payment by Investec plc from income reserves of 5.5 pence per ordinary share and through a dividend paid by Investec Limited, on the SA DAS share, payable from income reserves, equivalent to 8 pence per ordinary share.

The relevant dates for the payment of dividend number 34 are as follows:

Last day to trade cum-dividend

On the Johannesburg Stock Exchange (JSE)	Tuesday, 23 July 2019
On the London Stock Exchange (LSE)	Wednesday, 24 July 2019

Shares commence trading ex-dividend

On the Johannesburg Stock Exchange (JSE)	Wednesday, 24 July 2019
On the London Stock Exchange (LSE)	Thursday, 25 July 2019

Record date (on the JSE and LSE)

Friday, 26 July 2019

Payment date (on the JSE and LSE)

Monday, 12 August 2019

Share certificates on the South African branch register may not be dematerialised or rematerialised between Wednesday, 24 July 2019 and Friday, 26 July 2019, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 24 July 2019 and Friday, 26 July 2019, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Shareholders registered on the South African branch register are advised that the distribution of 13.5 pence, equivalent to a gross dividend of 251 cents per share, has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Wednesday, 15 May 2019
- Investec plc United Kingdom tax reference number: 2683967322360
- The issued ordinary share capital of Investec plc is 682 121 211 ordinary shares
- The dividend paid by Investec plc to South African resident shareholders registered on the South African branch register and the dividend paid by Investec Limited to Investec plc shareholders on the SA DAS share are subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- Shareholders registered on the South African branch register who are exempt from paying the Dividend Tax will receive a net dividend of 251 cents per share, comprising 148.74074 cents per share paid by Investec Limited on the SA DAS share and 102.25926 cents per ordinary share paid by Investec plc
- Shareholders registered on the South African branch register who are not exempt from paying the Dividend Tax will receive a net dividend of 200.8 cents per share (gross dividend of 251 cents per share less Dividend Tax of 50.2 cents per share) comprising 118.99259 cents per share paid by Investec Limited on the SA DAS share and 81.80741 cents per ordinary share paid by Investec plc.

By order of the board

D Miller
Company Secretary

15 May 2019

Investec plc
Incorporated in England and Wales
Registration number: 3633621
Share code: INPP
ISIN: GB00B19RX541

Preference share dividend announcement

Non-redeemable non-cumulative non-participating preference shares ("preference shares")

Declaration of dividend number 26

Notice is hereby given that preference dividend number 26 has been declared by the Board from income reserves for the period 01 October 2018 to 31 March 2019 amounting to a gross preference dividend of 8.72603 pence per preference share payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 07 June 2019.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 8.72603 pence per preference share is equivalent to a gross dividend of 160.82597 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA time) on Wednesday, 15 May 2019.

The relevant dates for the payment of dividend number 26 are as follows:

Last day to trade cum-dividend

On the Johannesburg Stock Exchange (JSE)	Tuesday, 04 June 2019
On The International Stock Exchange (TISE)	Wednesday, 05 June 2019

Shares commence trading ex-dividend

On the Johannesburg Stock Exchange (JSE)	Wednesday, 05 June 2019
On The International Stock Exchange (TISE)	Thursday, 06 June 2019

Record date (on the JSE and TISE)

Friday, 07 June 2019

Payment date (on the JSE and TISE)

Tuesday, 18 June 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 05 June 2019 and Friday, 07 June 2019, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 05 June 2019 and Friday, 07 June 2019, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Investec plc United Kingdom tax reference number: 2683967322360
- The issued preference share capital of Investec plc is 2 754 587 preference shares
- The dividend paid by Investec plc to shareholders recorded on the South African branch register is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 128.66078 cents per preference share for preference shareholders liable to pay the Dividend Tax and 160.82597 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

D Miller
Company Secretary

15 May 2019

Investec plc
Incorporated in England and Wales
Registration number: 3633621
JSE share code: INPPR
ISIN: GB00B4B0Q974

Rand-denominated preference share dividend announcement

Rand-denominated non-redeemable non-cumulative non-participating perpetual preference shares (“preference shares”)

Declaration of dividend number 16

Notice is hereby given that preference dividend number 16 has been declared by the Board from income reserves for the period 01 October 2018 to 31 March 2019 amounting to a gross preference dividend of 482.09247 cents per preference share payable to holders of the Rand-denominated non-redeemable non-cumulative non-participating perpetual preference shares as recorded in the books of the company at the close of business on Friday, 07 June 2019.

The relevant dates for the payment of dividend number 16 are as follows:

Last day to trade cum-dividend	Tuesday, 04 June 2019
Shares commence trading ex-dividend	Wednesday, 05 June 2019
Record date	Friday, 07 June 2019
Payment date	Monday, 18 June 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 05 June 2019 and Friday, 07 June 2019, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Investec plc United Kingdom tax reference number: 2683967322360
- The issued Rand-denominated preference share capital of Investec plc is 131 447 preference shares
- The dividend paid by Investec plc to shareholders recorded on the South African branch register is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 385.67398 cents per preference share for preference shareholders liable to pay the Dividend Tax and 482.09247 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

D Miller
Company Secretary

15 May 2019

Investec plc
Incorporated in England and Wales
(Registration number 3633621)
JSE ordinary share code: INP
LSE ordinary share code: INVP
ISIN: GB00B17BBQ50

Registered office:

30 Gresham Street, London
EC2V 7QP, United Kingdom

Transfer secretaries:

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Company Secretary:

D Miller•

Investec Limited

Incorporated in the Republic of South Africa
(Registration number 1925/002833/06)
JSE ordinary share code: INL
NSX ordinary share code: IVD
BSE ordinary share code: INVESTEC
ISIN: ZAE000081949

Registered office:

100 Grayston Drive
Sandown, Sandton, 2196

Transfer secretaries:

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Company Secretary:

N van Wyk

Directors:

PKO Crosthwaite• (Chairman)
HJ du Toit (Joint Chief Executive Officer)
F Titi (Joint Chief Executive Officer)
NA Samujh (Finance Director)
S Koseff (Executive)
B Kantor (Executive)
K McFarland (Executive)
ZBM Bassa
LC Bowden•
CA Carolus
D Friedland
PA Hourquebie
CR Jacobs^
IR Kantor^
Lord Malloch-Brown KCMG•
KL Shuenyane

•British ^Dutch ^Irish

K McFarland appointed 01 October 2018

GR Burger retired 31 March 2019

NA Samujh appointed 01 April 2019

Sponsor:

Investec Bank Limited

