

corporate

PROFILE  
2014



*Out of the Ordinary®*

 **Investec**

# About the corporate profile

---

This corporate profile serves as a reference for the investment community and other interested parties. It provides an introduction to Investec and offers a simple yet comprehensive handbook of relevant information to assist anyone wishing to know more about us.

This report is based on our latest available year-end financial figures (31 March 2014) and is updated annually.



## Additional information

The corporate profile should be read together with other information we publish, including the full 2014 integrated annual report and the 2014 integrated annual review and summary annual financial statements.



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

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

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



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

## For queries regarding information in this document

### Investor Relations

Telephone (27 11) 286 7070  
(44) 20 7597 5546

e-mail: [investorrelations@investec.com](mailto:investorrelations@investec.com)

Website: <https://www.investec.com/about-investec/investor-relations.html>

# Contents

## introduction



About the Investec group	3
Our strategic focus	5
The Investec group history	6

## financial profile



Our operational footprint	8
Highlights for 2014	12
Track record	18
Financial objectives	19
Ten years in review	20

## business profile



Group divisional structure	23
Asset Management	24
Wealth & Investment	26
Specialist Banking	28
Business highlights	30

## additional information



Risk management	32
Corporate governance	37
Shareholder analysis	38
Contact details	43



---

introduction

# About the Investec group

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

## Who we are

Founded as a leasing company in Johannesburg in 1974.	We acquired a banking licence in 1980 and were listed on the JSE Limited South Africa in 1986.
In July 2002, we created a dual listed companies structure (DLC) listed in London and Johannesburg.	A year later, we concluded a significant empowerment transaction in which our empowerment partners collectively acquired a 25.1% stake in the issued share capital of Investec Limited.
Since inception, we have expanded through a combination of substantial organic growth and a series of strategic acquisitions.	Today we have an efficient integrated international business platform, offering all our core activities in the UK and South Africa and select activities in Australia.

	1	2	3	4
We value	<b>Distinctive performance</b> Outstanding talent – empowered, enabled and inspired Meritocracy Passion, energy, stamina, tenacity Entrepreneurial spirit	<b>Client focus</b> Distinctive offering Leverage resources Break china for the client	<b>Cast-iron integrity</b> Moral strength Risk consciousness Highest ethical standards	<b>Dedicated partnership</b> Respect for others Embrace diversity Open and honest dialogue Unselfish contribution to colleagues, clients and society



Introduction

## Our philosophies

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



**Additional information**  
 History: <https://www.investec.com/about-investec/who-we-are/history.html>  
 Dual listed companies structure: <https://www.investec.com/about-investec/who-we-are/corporate-structure.html>  
 Group strategy: <https://www.investec.com/about-investec/who-we-are/group-strategy.html>

## What we do

**We provide a diverse range of financial products and services to a niche client base in three principal markets – the UK, South Africa and Australia as well as certain other countries.**

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

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

## The Investec distinction

# 1

### Client-focused approach

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

# 2

### 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.

# 3

### Sustainable business

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

# 4

### Strong culture

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

# Our strategic focus

## Our strategy

Our strategy for the past 20 years has been to build a diversified portfolio of businesses and geographies to support clients through varying markets and economic cycles. Since inception we have expanded through a combination of organic growth and strategic acquisitions.

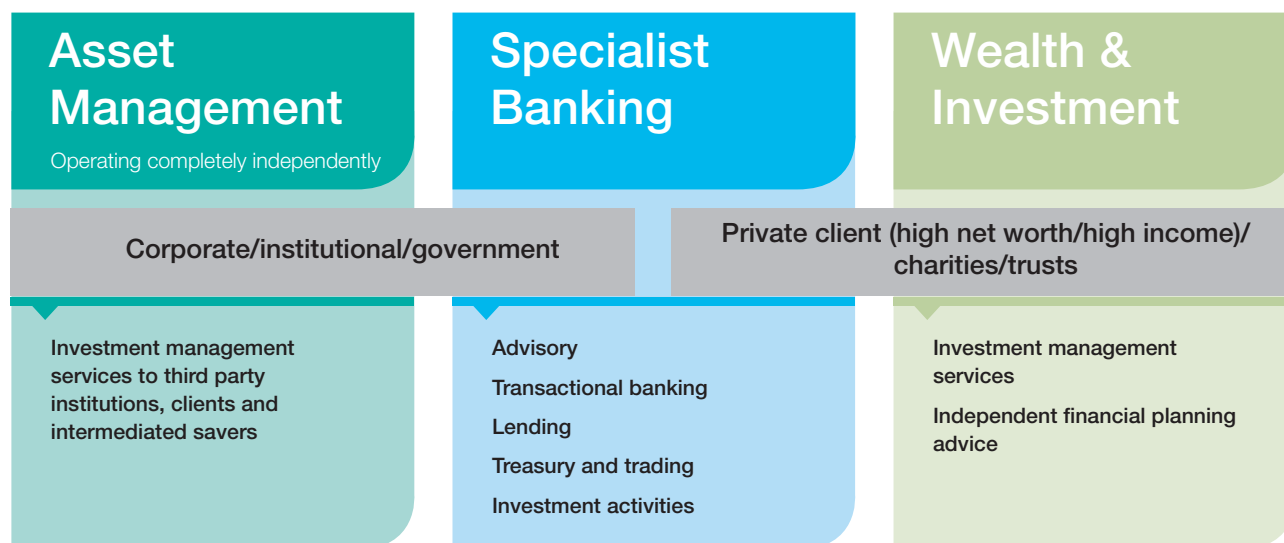
In order to create a meaningful and balanced portfolio we need proper foundations in place which gain traction over time.

### Our current strategic focus is to:

- Continue to build Asset Management organically by investing and building for the next phase of growth in line with a clear long-term strategy
- Maintain momentum in the Wealth & Investment business by building critical mass in future growth areas
- Improve returns in the Specialist Banking business by continuing to simplify the business and grow the business organically
- Provide an integrated full service solution for our private clients by advancing our strong digital platform
- Continue to leverage our extensive client base and attract new clients by extending the breadth and depth of the franchise.

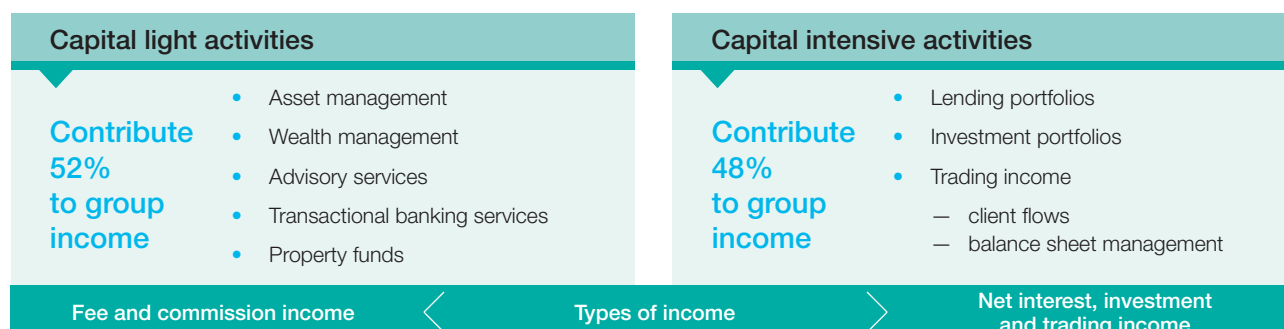
## Our diversified and balanced business model supporting long-term strategy

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



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

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

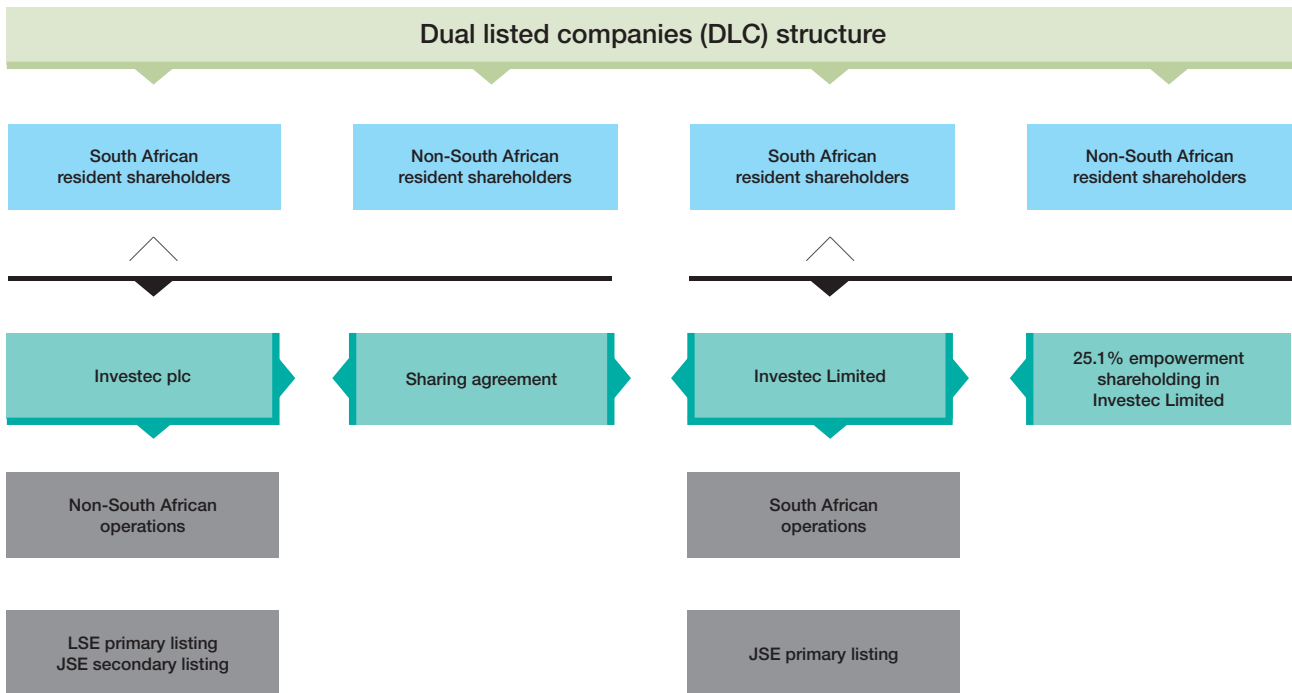
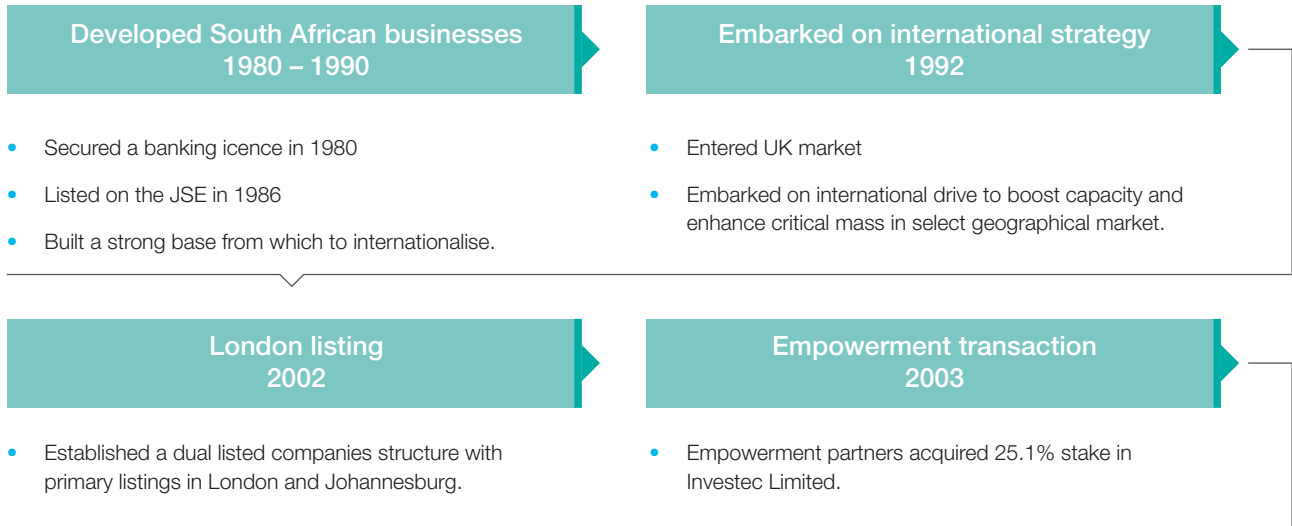


Introduction

# The Investec group history

## History

During July 2002 Investec Group Limited (since renamed Investec Limited) implemented a dual listed companies (DLC) structure and listed its offshore business on the London Stock Exchange. A circular on the establishment of our DLC structure was issued on 20 June 2002 and is available on our website.



Introduction





2



---

financial profile

## Our operational footprint

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

### Investec in total

Operating profit\*  
£451.8 million

Assets  
£47 142 million

NAV\*\*  
£2 660.8 million

Permanent employees  
7 657

COI <sup>^</sup>	ROE <sup>^</sup>
67.5%	10.1%



### UK and Other

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



### Southern Africa

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



### Australia

- Entered the market in 1997
- Significantly expanded our capabilities in 2001 through the acquisition of Wentworth Associates, one of the leading corporate finance boutiques in Australia
- In 2002 we received a banking licence which opened up many growth opportunities
- Have grown our business organically and through select strategic acquisitions
- We have offices in Brisbane; Melbourne; Perth; and Sydney.

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

\*\* NAV is tangible shareholders' equity.

<sup>^</sup> COI is cost to income ratio. ROE is the post-tax return on adjusted average shareholders' equity.

## Our operational footprint (continued)

Operating profit\* of the UK operations increased 24.4% to £168.3 million

£9.4bn	£6.5bn	£69.0bn
<hr/> Total deposit book <hr/>	<hr/> Total core loans <hr/>	<hr/> Total funds under management <hr/>

As a % of group	Actual			
37.2%   Operating profit*	<table> <tr> <td>74.5%</td> <td rowspan="2">COI<sup>^</sup> ROE<sup>^</sup></td> </tr> <tr> <td>7.6%</td> </tr> </table>	74.5%	COI <sup>^</sup> ROE <sup>^</sup>	7.6%
74.5%		COI <sup>^</sup> ROE <sup>^</sup>		
7.6%				
41.6%   Assets				
41.3%   NAV**				
42.2%   Permanent employees				

Operating profit\* of the Southern African operations increased 3.4% to £297.4 million, but was up 25.3% in home currency

£11.7bn	£8.9bn	£40.7bn
<hr/> Total deposit book <hr/>	<hr/> Total core loans <hr/>	<hr/> Total funds under management <hr/>

As a % of group	Actual			
65.9%   Operating profit*	<table> <tr> <td>54.3%</td> <td rowspan="2">COI<sup>^</sup> ROE<sup>^</sup></td> </tr> <tr> <td>16.5%</td> </tr> </table>	54.3%	COI <sup>^</sup> ROE <sup>^</sup>	16.5%
54.3%		COI <sup>^</sup> ROE <sup>^</sup>		
16.5%				
53.2%   Assets				
48.6%   NAV**				
52.1%   Permanent employees				

Operating loss\* of the Australian operations amounted to £13.9 million, due to strategic restructuring

£1.5bn	£1.7bn
<hr/> Total deposit book <hr/>	<hr/> Total core loans <hr/>

As a % of group	Actual			
(3.1%)   Operating profit*	<table> <tr> <td>92.2%</td> <td rowspan="2">COI<sup>^</sup> ROE<sup>^</sup></td> </tr> <tr> <td>(3.8%)</td> </tr> </table>	92.2%	COI <sup>^</sup> ROE <sup>^</sup>	(3.8%)
92.2%		COI <sup>^</sup> ROE <sup>^</sup>		
(3.8%)				
5.2%   Assets				
10.1%   NAV**				
5.7%   Permanent employees				



Additional information:

Refer to our 2014 integrated annual report

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

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

### Asset Management

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

#### Core client base and what we do

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

#### Market positioning

Funds under management

1991: £0.4 billion ⇨ 2014: £68.0 billion

Net inflows of £2.6 billion

Good long-term performance with growing traction in all distribution channels

### Wealth & Investment

Provides investment management services and independent financial planning advice

#### Core client base and what we do

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

#### Market positioning

Total funds under management

1997: £0.04 billion ⇨ 2014: £41.5 billion

UK: One of the top five players

SA: Largest player

### Specialist Banking

Provides a broad range of services:

Advisory  
Transactional banking  
Lending  
Treasury and trading  
Investment activities

#### Core client base and what we do

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

#### Market positioning

Global core loan portfolio: £17.2 billion

– Corporate and other clients: £6.0 billion

– Private clients: £11.2 billion

Global deposit book: £22.6 billion

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

\*\* NAV is tangible shareholders' equity.

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

## Our operational footprint (continued)

### Operating profit\* of Asset Management increased 2.4% to £143.8 million

£41.4bn	£26.6bn	£68.0bn
Segregated mandates	Mutual funds	Total funds under management



31.8%	Operating profit*
2.0%	NAV**
17.5%	Permanent employees

<b>65.3%</b>	COI <sup>^</sup>
<b>96.7%</b>	ROE <sup>^</sup>

### Operating profit\* of Wealth & Investment increased 30.5% to £66.1 million

£21.5bn	£20.0bn	£41.5bn
Discretionary funds under management	Non-discretionary and other funds under management	Total funds under management



14.6%	Operating profit*
2.4%	NAV**
17.0%	Permanent employees

<b>77.1%</b>	COI <sup>^</sup>
<b>18.2%</b>	ROE <sup>^</sup>

### Operating profit\* of Specialist Banking increased 2.8% to £241.9 million

£22.6bn	£17.2bn
Total deposit book	Total core loans



53.6%	Operating profit*
95.6%	NAV**
65.5%	Permanent employees

<b>66.0%</b>	COI <sup>^</sup>
<b>8.7%</b>	ROE <sup>^</sup>



Additional information:

Refer to our 2014 integrated annual report

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

## Highlights

The successful strategic alignment of the group towards low capital-intensive businesses and the simplification of the Specialist Banking business model over the past few years have resulted in a scaleable platform from which the group's businesses can continue to grow

The South African business reported an increase in operating profit\* of 25.3% in Rand terms. The UK business reported an increase of 24.4% in operating profit\*.

The Australian business reported a loss, impacted by strategic restructuring.

Overall group results have been negatively impacted by the depreciation of the average Rand: Pounds Sterling exchange rate of approximately 20% over the year.

- Wealth & Investment's operating profit\* increased by 30.5% and Asset Management reported operating profit\* 2.4% ahead of the prior year, with both divisions benefiting from higher levels of average funds under management and combined net inflows of £4.0 billion

- The Specialist Banking businesses in both the UK and South Africa reported operating profit\* up in excess of 29%, in home currencies

- Recurring revenue as a proportion of total operating income amounted to 70.7% (2013: 68.6%)

- Capital light businesses account for 52.0% of group income

- Impairments on loans and advances decreased by £84.9 million (i.e. 33.8%) with the credit loss charge on core loans improving from 0.84% at 31 March 2013 to 0.68%

- We maintained a sound capital position with tier 1 ratios of 10.5% for Investec plc and 11.0% for Investec Limited

- Liquidity remains strong with cash and near cash balances amounting to £9.1 billion (2013: £9.8 billion).

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

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

**Note:** Amounts represented on a currency neutral basis assume that the closing and average exchange rates of the group's relevant exchange rates relative to Pounds Sterling remain the same at 31 March 2014 when compared to 31 March 2013.

## Our financial performance

Operating profit\* increased 6.0%  
(increase of 20.3% currency neutral)

2013	2014
£426.3mn	£451.8mn

Adjusted attributable earnings^ increased 6.0%  
(increase of 20.5% currency neutral)

2013	2014
£309.3mn	£327.8mn

Adjusted earnings per share (EPS)^ increased 5.3%  
(increase of 19.7% currency neutral)

2013	2014
36.1p	38.0p

Dividends per share increased 5.6%  
(increase of 27.7% in Rands)

2013	2014
18.0p	19.0p

2

Financial profile

Total shareholders' equity increased 1.8% (increase of 12.2% currency neutral)

**2013** | **2014**  
£3 942mn | £4 013mn

Third party assets under management decreased 0.7% (increase of 8.9% currency neutral)

**2013** | **2014**  
£110.7bn | £109.9bn

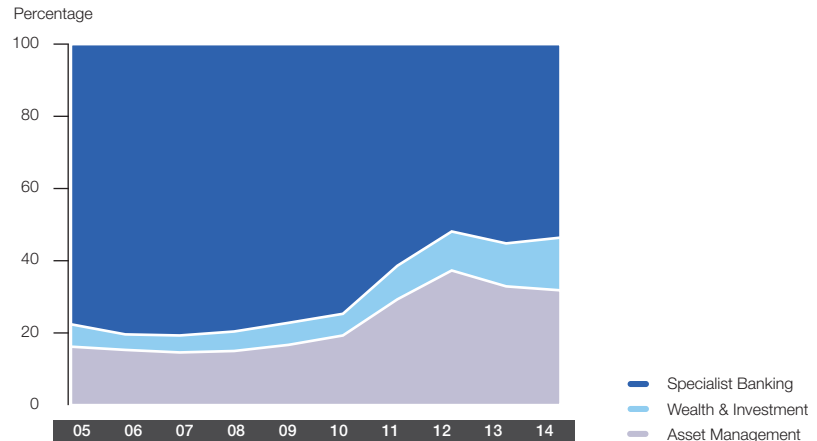
Core loans and advances to customers decreased 6.8% (increase of 7.9% currency neutral)

**2013** | **2014**  
£18.4bn | £17.2bn

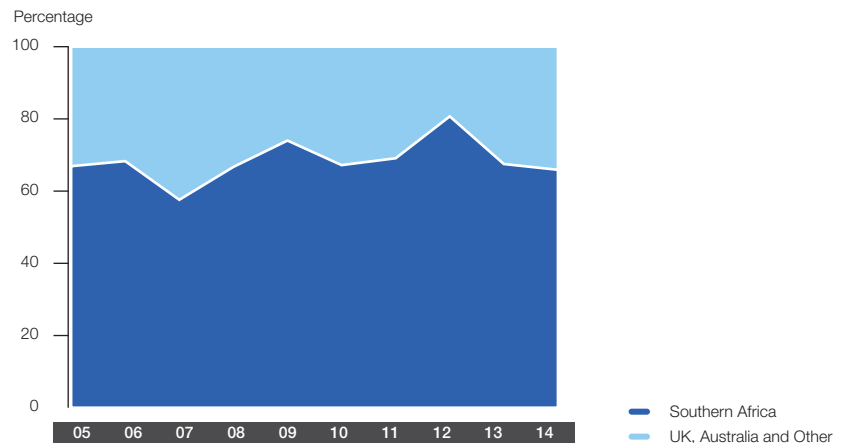
Customer deposits decreased 7.6% (increase of 6.2% currency neutral)

**2013** | **2014**  
£24.5bn | £22.6bn

## % contribution of operating profit\*\* to total group by business

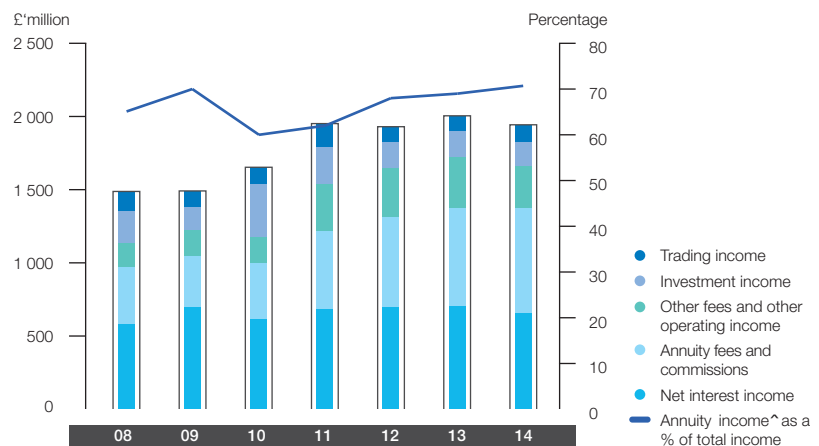


## % contribution of operating profit\*\* to total group by geography



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

## Average recurring annuity income^ since 2008 of 67%



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



# Highlights (continued)

## Continued growth in key earnings drivers . . .

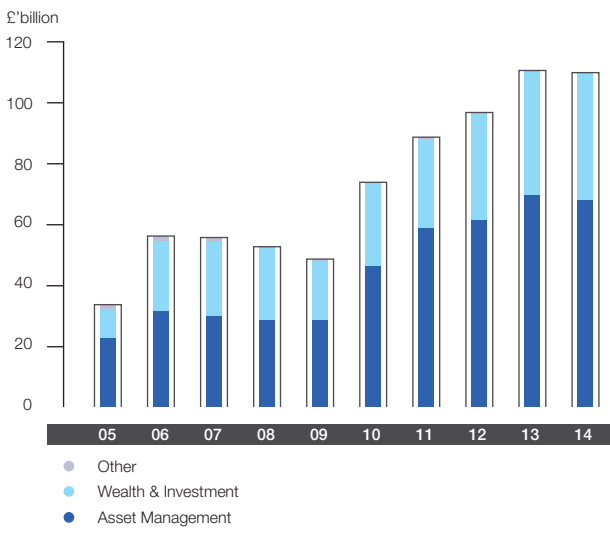
Funds under management down 0.7%  
(up 8.9% currency neutral)

Customer accounts down 7.6%  
(up 6.2% currency neutral)

Core loans and advances down 6.8%  
(up 7.9% currency neutral)

### Third party assets under management

### Customer accounts (deposits) and loans



## Significantly lower impairments . . .

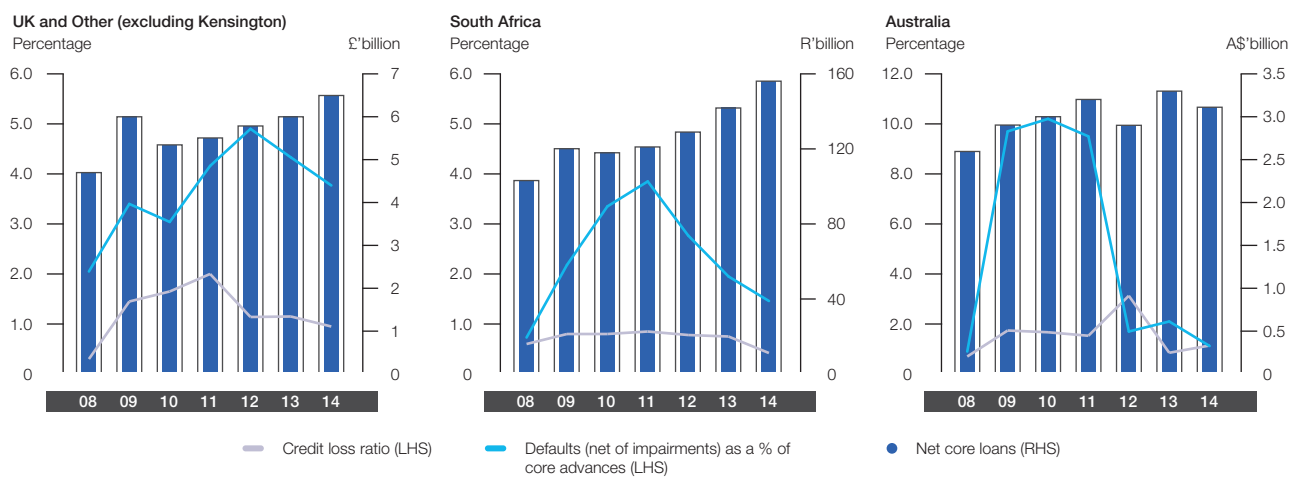
Impairments in South Africa decreased by 23.6% in Rands

Impairments in the UK decreased by 17.1% (including Kensington a decline of 38.8%)

Australia reported an increase in impairments over the year



### Asset quality trends





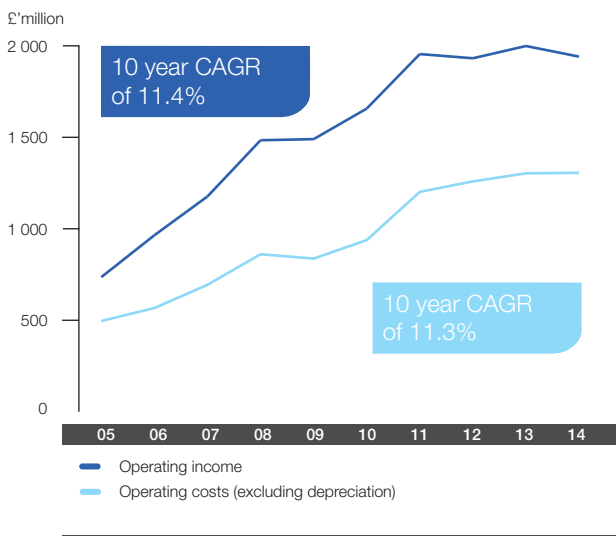
# Highlights (continued)

## Marginal increase in fixed costs . . .

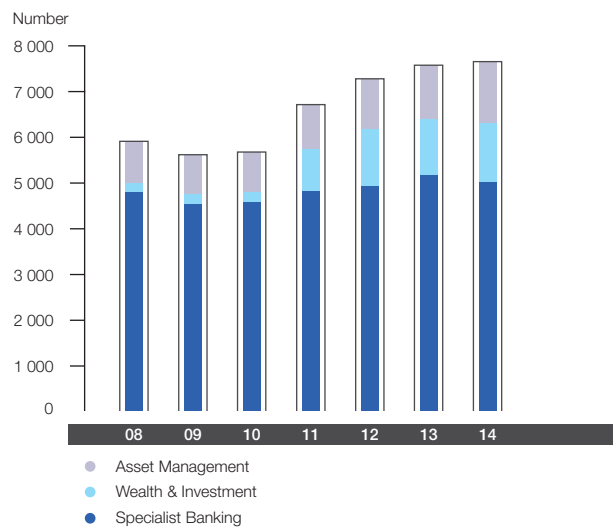
- Asset Management**
  - Headcount increased: 200 people
  - Supporting growth initiatives
- Wealth & Investment**
  - Headcount increased: 51 people
  - Investment in IT, online infrastructure and experienced portfolio managers

- Specialist Banking**
  - Headcount declined: 144 people
  - Costs up in line with inflation (in home currencies) and as a consequence of reshaping

### Narrowing jaws ratio



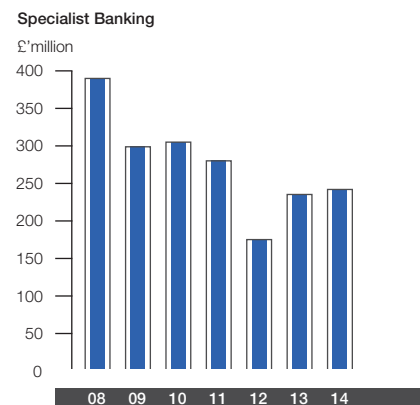
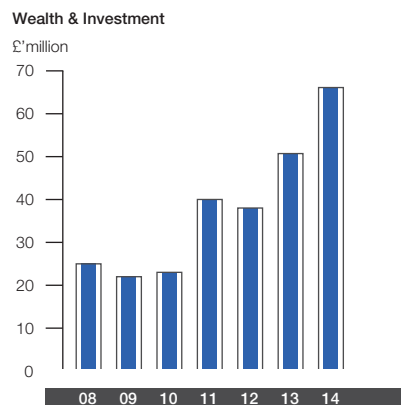
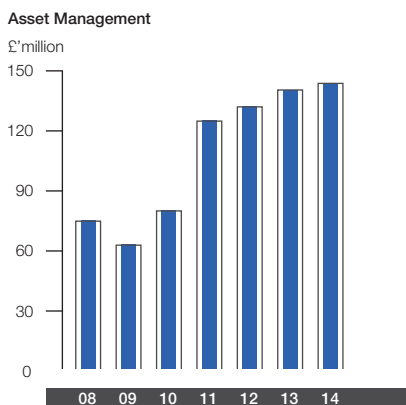
### Headcount\*



\* Permanent headcount and includes acquisitions.

## Resulting in increased operating profit from all three of our businesses . . .

### Operating profit^ by business



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

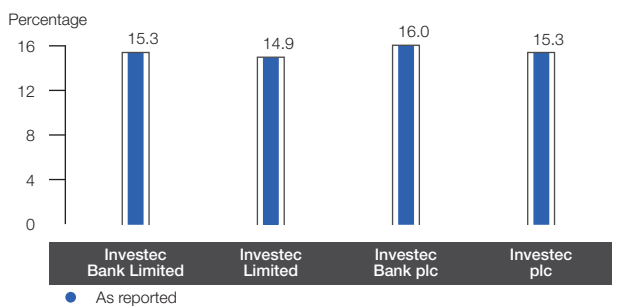


# Highlights (continued)

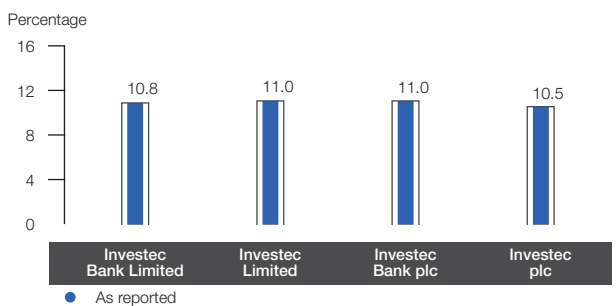
## Stable capital position . . .

Target > Total capital adequacy: 14.0% – 17.0%  
 Common equity tier 1 ratio: >10.0% by March 2016  
 Total tier 1 ratio: >11.0% by March 2016  
 Leverage ratio: >6.0%

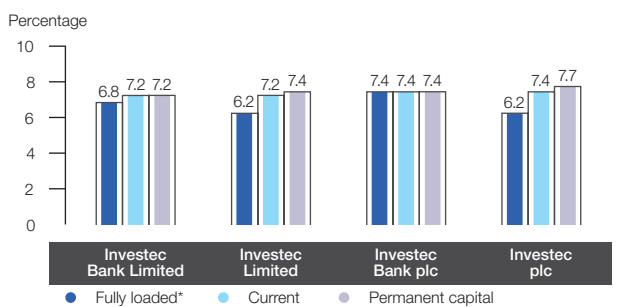
### Capital adequacy



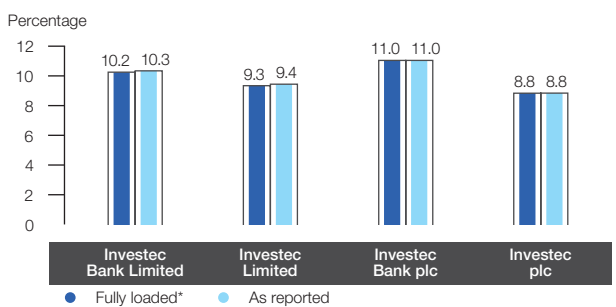
### Tier 1



### Leverage ratios



### Common equity tier 1



\* Based on the group's undertaking of current and draft regulations. 'Fully loaded' is based on Basel III requirements as fully phased in by 2022.

2

Financial profile

## Sound capital and liquidity principles maintained

### Continue to focus on:

- Maintaining a high level of readily available, high quality liquid assets targeting a minimum cash to customer deposit ratio of 20.0%
- Diversifying funding sources
- Maintaining an appropriate mix of term funding
- Limiting concentration risk.

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

A well-established liquidity management philosophy remains in place

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

- Investec Limited: 72.9% (2013: 73.2%)
- Investec plc: 71.0% (2013: 68.9%)

Liquidity remains strong with cash and near cash balances amounting to £9.1 billion (2013: £9.3 billion)

Capital remained well in excess of current regulatory requirements

Our banking subsidiaries meet current internal targets

Investec Limited and Investec plc should comfortably achieve a common equity tier 1 ratio above 10% by March 2016.

# Highlights (continued)

## The value we've added



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

### Contributing to society, macro-economic stability and the environment

For Investec, sustainability is about building our businesses to ensure we have a positive impact on the economic and social progress of communities and on the environment, while growing and preserving clients and stakeholders' wealth based on strong relationships of trust.

This commitment to sustainability means integrating social, ethical and environmental considerations into our day-to-day operations. A key element of this is solid corporate governance that ensures sustainable management with a long-term vision.



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

#### Profit



The financial strength and resilience of Investec depends on a balanced business model that supports our long-term growth vision through varying economic cycles.

#### People



We invest in the communities in which we operate recognising that education and entrepreneurship are integral to our own long-term strategy.

The sustainability of our business depends largely on our people and positioning Investec as an attractive employer in the financial services industry. We focus on building a strong, diverse and capable workforce by providing a workplace that stimulates and rewards distinctive performance.

#### Planet



Effective environmental management is an essential part of our embedding front-of-mind consciousness of sustainability into the organisation.

We are increasingly incorporating environmental considerations into our daily business activities and are exploring the many valuable opportunities in cleaner energy sources, energy efficiency and responsible financing.

### Value added statement

£'000	31 March 2014	31 March 2013*
Net income generated		
Interest receivable	1 905 383	2 132 715
Other income	1 267 405	1 292 545
Interest payable	(1 253 704)	(1 429 108)
Other operating expenditure and impairments on loans	(475 764)	(597 812)
	<b>1 443 320</b>	<b>1 398 340</b>
Distributed as follows:		
Employees	637 399	692 165
Salaries, wages and other benefits		
Government	409 535	312 832
Corporation, deferred payroll and other taxes		
Shareholders	183 865	185 321
Dividends paid to ordinary shareholders	150 053	147 660
Dividends paid to preference shareholders	33 812	37 661
Retention for future expansion and growth	212 521	208 022
Depreciation	34 750	46 372
Retained income for the year	177 771	161 650
	<b>1 443 320</b>	<b>1 398 340</b>

\* Restated.

## Recognition

#### Investec group

- Carbon Disclosure Project Gold recognition status for a score of A- on Climate Performance in 2013
- Inclusion in Climate Disclosure Leadership Index 2013 (Top 11 in South Africa across all sectors).

#### Investec in the UK

- Clean City Awards Scheme Chairman's Cup 2013
- Investec Guernsey won the Guernsey Employer of the Year 2013.

#### Investec in Australia

- Global Best Award for Partnerships Crossing Boundaries in the Australia and Oceania Region.



2

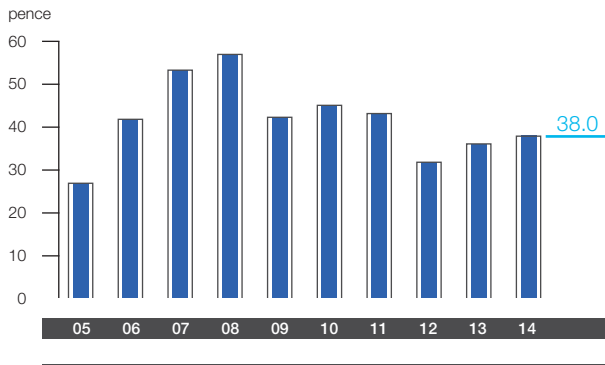
Financial profile

# Track record

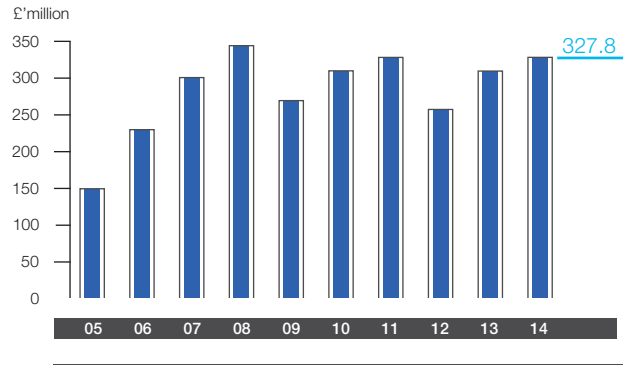
Up 5.3% to 38.0 pence

Up 6.0% to £327.8 million

## Adjusted earnings per share\*



## Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items

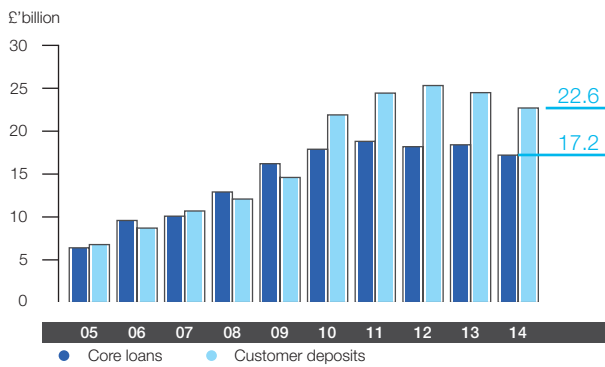


\* Historical EPS numbers have been adjusted for the 5:1 share split that took place on 4 September 2006.

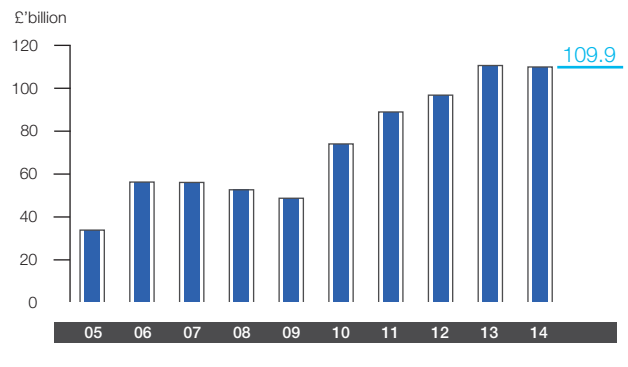
Core loans: down by 6.8% to £17.2 billion since 31 March 2013 – an increase of 7.9% on a currency neutral basis\*\* Deposits: down 7.6% to £22.6 billion since 31 March 2013 – an increase of 6.2% on a currency neutral basis\*\*

Down 0.7% to £109.9 billion since 31 March 2013 – an increase of 8.9% on a currency neutral basis\*\* Net inflows of £4.0 billion

## Core loans and customer deposits



## Third party assets under management



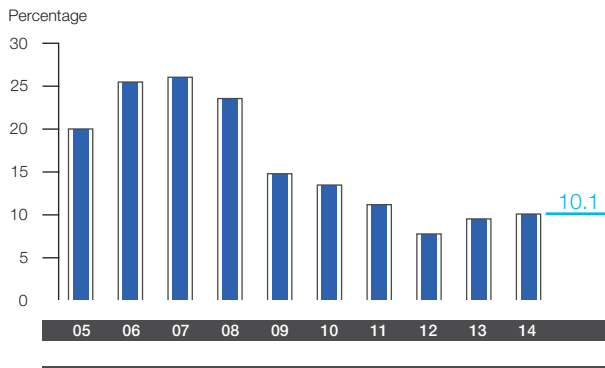
\*\* Currency neutral basis: calculation assumes that the closing exchange rates of the group's relevant exchange rates remain the same at 31 March 2014 when compared to 31 March 2013.



# Financial objectives

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

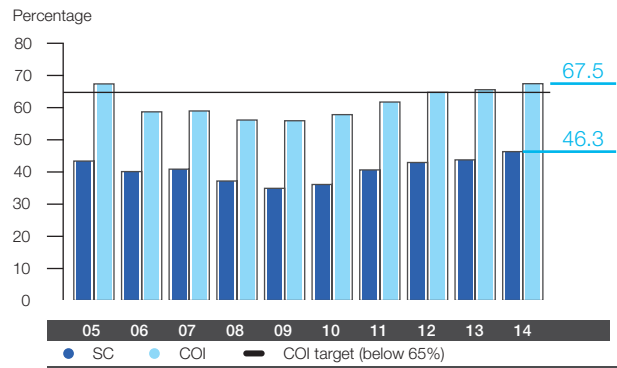
## ROE\*



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

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

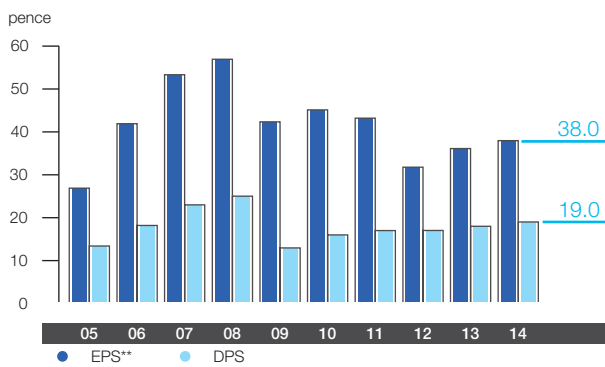
## Cost to income ratio (COI) and staff compensation to operating income ratio (SC)



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

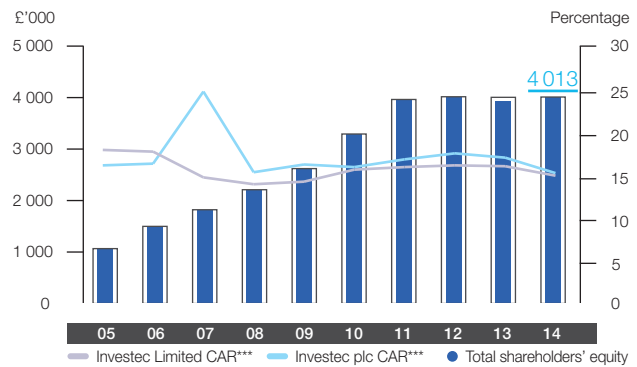
**Target** > We intend to maintain a sufficient level of capital to satisfy regulatory requirements, as well as take advantage of opportunities that may arise in the financial services industry focusing on increasing our return on equity in the medium to long term. We target a capital adequacy ratio range of between 14% and 17% on a consolidated basis for Investec plc and Investec Limited and we target a minimum tier 1 ratio of 10.5% (11.0% by March 2016) and a common equity tier 1 ratio above 10.0% (by March 2016).

## Adjusted earnings per share (EPS) and dividends per share (DPS)



\*\* The numbers have been adjusted for the 5:1 share split that took place on 4 September 2006.

## Total shareholders' equity and capital adequacy ratios (CAR)



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

### Note:

The numbers shown in the financial targets graphs on pages 18 and 19 are for the years ended 31 March, unless otherwise stated.

# Ten years in review

## Salient features

For the year ended 31 March	2014	2013	% change 2014 vs 2013
<b>Income statement and selected returns</b>			
Operating profit before goodwill, acquired intangibles, non-operating items and taxation (£'000) <sup>o</sup>	451 817	426 278	6.0%
Operating profit: Southern Africa (% of total) <sup>o</sup>	65.9%	67.5%	
Operating profit: UK, Europe, Australia and Other (% of total) <sup>o</sup>	34.1%	32.5%	
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items (£'000)	327 824	309 310	6.0%
Headline earnings (£'000)	292 463	265 227	10.3%
Cost to income ratio	67.5%	65.7%	
Staff compensation to operating income ratio	46.3%	43.9%	
Return on average adjusted shareholders' equity (post-tax)	10.1%	9.4%	
Return on average adjusted tangible shareholders' equity (post-tax)	12.3%	11.7%	
Return on average risk-weighted assets	1.14%	1.06%	
Return on average assets (excluding assurance assets)	0.75%	0.67%	
Operating profit per employee (£'000)	55.1	53.5	3.0%
Net interest income as a % of operating income	33.6%	35.2%	
Non-interest income as a % of operating income	66.4%	64.8%	
Recurring income as a % of total operating income	70.7%	68.6%	
Effective operational tax rate	17.1%	18.4%	
<b>Balance sheet</b>			
Total capital resources (including subordinated liabilities) (£'million)	5 352	5 693	(6.0%)
Total shareholders' equity (including preference shares and non-controlling interests) (£'million)	4 013	3 942	1.8%
Shareholders' equity (excluding non-controlling interests) (£'million)	3 569	3 661	(2.5%)
Total assets (£'million)	47 142	52 010	(9.4%)
Net core loans and advances to customers (£'million)	17 157	18 415	(6.8%)
Core loans and advances to customers as a % of total assets	36.4%	35.4%	
Cash and near cash balances (£'million)	9 135	9 828	(7.1%)
Customer accounts (deposits) (£'million)	22 610	24 461	(7.6%)
Third party assets under management (£'million)	109 941	110 678	(0.7%)
Capital adequacy ratio: Investec plc <sup>o</sup>	15.3%	16.7%	
Capital adequacy tier 1 ratio: Investec plc	10.5%	11.0%	
Leverage ratio: Investec plc	7.4%	n/a	
Capital adequacy ratio: Investec Limited <sup>o</sup>	14.9%	15.5%	
Capital adequacy tier 1 ratio: Investec Limited	11.0%	10.8%	
Leverage ratio: Investec Limited	7.2%	n/a	
Credit loss ratio (income statement impairment charge as a % of average gross core loans and advances)	0.68%	0.84%	
Defaults (net of impairments and before collateral) as a % of net core loans and advances to customers	2.30%	2.73%	
Gearing ratio (assets excluding assurance assets to total equity)	10.3x	11.6x	
Core loans to equity ratio	4.3x	4.7x	
Loans and advances to customers: customer deposits	72.0%	71.5%	
<b>Salient financial features and key statistics</b>			
Adjusted earnings per share (pence) <sup>#</sup>	38.0	36.1	5.3%
Headline earnings per share (pence) <sup>#</sup>	33.9	31.0	9.4%
Basic earnings per share (pence) <sup>#</sup>	34.4	31.7	8.5%
Diluted earnings per share (pence) <sup>#</sup>	32.4	29.8	8.7%
Dividends per share (pence) <sup>#</sup>	19.0	18.0	5.6%
Dividend cover (times)	2.0	2.0	–
Net tangible asset value per share (pence) <sup>#</sup>	375.7	384.2	(2.2%)
Net asset value per share <sup>#</sup>	308.7	310.9	(0.7%)
Weighted number of ordinary shares in issue (million) <sup>#</sup>	862.6	856.0	0.8%
Total number of shares in issue (million) <sup>#</sup>	891.7	884.8	0.8%
Closing share price (pence) <sup>#</sup>	485	459	5.7%
Market capitalisation (£'million)	4 324	4 061	6.5%
Number of employees in the group (including temps and contractors)	8 258	8 151	1.3%
Closing ZAR:£ exchange rate	17.56	13.96	25.8%
Average ZAR:£ exchange rate	16.12	13.44	19.9%

<sup>^</sup> Calculation not comparable.

<sup>o</sup> Capital adequacy figures prior to 2008 are disclosed under Basel I. Investec Limited's numbers have been reported in terms of Basel III since 31 March 2013, and Investec plc is reporting in terms of Basel III for the first time at 31 March 2014.

2

Financial profile

	2012	2011	2010	2009	2008	2007	2006	2005
	358 625	434 406	432 258	396 766	508 717	466 585	388 767	224 124
	80.7%	69.1%	67.2%	74.0%	66.7%	57.6%	68.3%	66.9%
	19.3%	30.9%	32.8%	26.0%	33.3%	42.4%	31.7%	33.1%
	257 579	327 897	309 710	269 215	344 695	300 704	230 017	149 510
	217 253	286 659	275 131	261 627	301 499	294 881	222 805	147 037
	64.7%	61.7%	57.8%	55.9%	56.1%	59.0%	58.7%	67.4%
	43.0%	40.7%	36.1%	34.9%	37.2%	40.9%	40.1%	43.4%
	7.8%	11.2%	13.5%	14.8%	23.6%	26.1%	25.5%	20.0%
	9.6%	13.2%	15.4%	17.4%	28.6%	31.7%	32.7%	28.8%
	0.91%	1.23%	1.33%	1.36%	^	^	^	^
	0.57%	0.76%	0.83%	0.84%	1.31%	1.46%	1.35%	1.05%
	47.8	64.4	69.7	62.6	84.4	92.3	91.5	48.6
	36.2%	34.9%	37.0%	46.6%	39.3%	29.2%	26.8%	23.2%
	63.8%	65.1%	63.0%	53.4%	60.7%	70.8%	73.2%	76.8%
	67.7%	62.3%	60.4%	70.0%	65.1%	58.7%	56.9%	59.2%
	18.1%	15.5%	20.6%	21.1%	22.6%	26.3%	27.3%	28.8%
	5 505	5 249	4 362	3 762	3 275	2 665	2 042	1 579
	4 013	3 961	3 292	2 621	2 210	1 820	1 512	1 076
	3 716	3 648	2 955	2 297	1 911	1 542	1 226	931
	51 550	50 941	46 572	37 365	34 224	26 300	23 901	19 917
	18 226	18 758	17 891	16 227	12 854	10 095	9 605	6 408
	35.4%	36.8%	38.4%	43.4%	37.7%	38.4%	40.2%	32.2%
	10 251	9 319	9 117	4 866	5 028	^	^	^
	25 344	24 441	21 934	14 573	12 133	10 650	8 699	6 805
	96 776	88 878	74 081	48 828	52 749	56 121	56 331	33 855
	17.5%	16.8%	15.9%	16.2%	15.3%	24.7%	17.7%	16.1%
	11.6%	11.6%	11.3%	10.1%	9.2%	14.8%	11.6%	9.5%
	16.1%	15.9%	15.6%	14.2%	13.9%	14.7%	16.3%	17.9%
	11.6%	11.9%	12.0%	10.8%	10.0%	10.4%	11.5%	10.9%
	1.12%	1.27%	1.16%	1.08%	0.51%	0.17%	0.11%	0.28%
	3.31%	4.66%	3.98%	3.28%	1.29%	0.92%	0.52%	0.31%
	11.3x	11.3x	12.5x	13.0x	13.8x	12.2x	12.5x	14.8x
	4.5x	4.7x	5.4x	6.2x	5.8x	5.5x	6.4x	6.0x
	67.8x	72.4%	76.2%	103.6%	98.4%	89.1%	105.6%	91.2%
	31.8	43.2	45.1	42.4	56.9	53.3	41.9	26.9
	26.8	37.7	40.1	41.2	49.7	52.3	40.6	26.5
	25.7	49.7	44.0	38.5	57.7	54.7	53.8	17.8
	24.3	46.7	41.5	36.1	54.0	50.4	50.0	17.1
	17.0	17.0	16.0	13.0	25.0	23.0	18.2	13.4
	1.9	2.5	2.8	3.3	2.3	2.3	2.3	2.0
	392.0	343.8	324.1	266.3	215.0	178.6	148.9	99.2
	317.0	416.0	364.0	308.8	260.6	216.0	182.1	135.4
	809.6	759.8	686.3	634.6	606.2	563.8	548.8	555.5
	874.0	810.0	741.0	713.2	657.6	609.3	593.0	593.0
	382	478	539	292	339	658	588	311
	3 340	3 872	3 993	2 083	2 229	4 009	3 488	1 844
	7 781	7 237	6 123	5 951	6 333	5 430	4 453	4 163
	12.27	10.88	11.11	13.58	16.17	14.20	10.72	11.73
	11.85	11.16	12.38	14.83	14.31	13.38	11.43	11.47



# For comparative purposes historical information has been adjusted for the 5:1 share split that took place on 4 September 2006.

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



3



---

business profile



# Group divisional structure



Additional information:  
<https://www.investec.com/about-investec/who-we-are/corporate-governance.html>

**Investec is a focused Specialist Bank and Asset Manager striving to be distinctive in all that it does**

Our strategic goals and objectives are motivated by the desire to develop an efficient and integrated business on an international scale through the active pursuit of clearly established core competencies in our principal business areas. Our core philosophy has been to build well-defined, value-added businesses focused on serving the needs of select market niches where we can compete effectively.

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

## Asset Management

### What we do

- 4Factor™ equities
- Quality
- Frontier and emerging market equities
- Value
- Commodities and resources
- Emerging market fixed income
- Multi-asset

### Where we operate

- Africa
- Americas and Japan
- Asia Pacific
- Europe
- UK

## Wealth & Investment

### What we do

- Portfolio management
- Stockbroking
- Alternative investments
- Investment advisory services
- Electronic trading services
- Retirement portfolios

### Where we operate

- Southern Africa
- UK and Europe

## Specialist Banking

### What we do

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

### Where we operate

- Australia
- Canada
- Hong Kong
- India
- Southern Africa
- UK and Europe
- USA

## Integrated global management structure

### Global roles

Chief executive officer Managing director		Executive director Group risk and finance director	
Stephen Koseff Bernard Kantor		Hendrik du Toit Glynn Burger	
Geographical business leaders	<p><b>South Africa</b> Andy Leith Glynn Burger David Lawrence</p>	<b>Specialist Banking</b> <b>Property activities</b> Sam Hackner <b>Private Banking activities</b> Ciaran Whelan <b>Corporate Advisory and Investment activities</b> Andy Leith <b>Corporate and Institutional Banking activities</b> David van der Walt	<b>Asset Management</b> Hendrik du Toit
	<p><b>United Kingdom</b> David van der Walt</p>		<b>Wealth &amp; Investment</b> Steve Elliott
	<p><b>Australia</b> Ciaran Whelan (Acting)</p>		<b>Support structures</b>
		<b>Banking and institutions</b> David Lawrence <b>Chief integrating officer</b> Allen Zimbler <b>Corporate governance and compliance</b> Bradley Tapnack <b>Marketing</b> Raymond van Niekerk <b>Finance and risk management</b> Glynn Burger <b>Share schemes and secretarial</b> Les Penfold	



Business profile

# Asset Management

Our only business is to manage money on behalf of third parties

We aim to do this to the highest possible standard by exceeding the investment and client service expectations of our clients

Global head: Hendrik du Toit  
 Chief operating and financial officer: Kim McFarland  
 Global head of client group: John Green  
 Co-chief investment officer: Domenico (Mimi) Ferrini  
 Co-chief investment officer: John McNab

Established in 1991, we have grown largely organically from domestic roots in Southern Africa and are still managed by our founding members, representing continuity and stability.

We manage money for clients from right around the world. Our clients include sovereign wealth funds, central banks, many of the world's largest private and public sector pension funds, financial groups and foundations, as well as advisers and those whom they serve.

Our investment team of 177 professionals is organised around seven core capabilities. Our client group is organised in five geographically defined units, serving our target clients around the globe. We have a centralised operations platform supporting these activities.

## Our value proposition

- Organically built an independent global platform from an emerging market base
- Independently managed entity within the Investec group
- Competitive investment performance in chosen specialities
- Global approach:
  - global investing
  - global client base
  - global operations platform
- Institutional and adviser focus
- Unique and clearly understood culture
- Stable and experienced leadership:
  - executive committee: average tenure of 20 years
  - top 30 leaders: average tenure of 15 years.

## Annual highlights

**Operating profit before non-controlling interests increased by 2.4% to £143.8 million, contributing 31.8% to group profit**

**Assets under management**  
**£68.0 billion**  
 (2013: £69.8 billion)

**Net new flows of £2.6 billion**  
 (2013: £4.1 billion)

**Operating margin 34.7%**  
 (2013: 34.5%)

## Financial year 2014 independent recognition

Winner of FERI EuroRating Award 2014 for Best Asset Manager

Winner of European Funds Trophy 2014 for Best Asset Manager: Multi-Countries category with 26 – 40 Funds

Winner of Global Investor/ISF Investment Excellence Award 2013 for Africa Equities Manager of the Year

Winner of aiCIO European Innovation Award for Emerging Markets Category Winner

Winner of TFF – Bloomberg Best Fund Award for Best Fund in Energy Sector Equity (10 Years)

Highly commended for Global Investor/ISF Investment Excellence Award 2013 for Asset Manager of the Year

Nominated by Financial News Awards for Excellence in European Institutional Asset Management 2013 for European Asset Management CEO of the Year Award (for Hendrik du Toit)

3

Business profile

## Capabilities and organisational structure

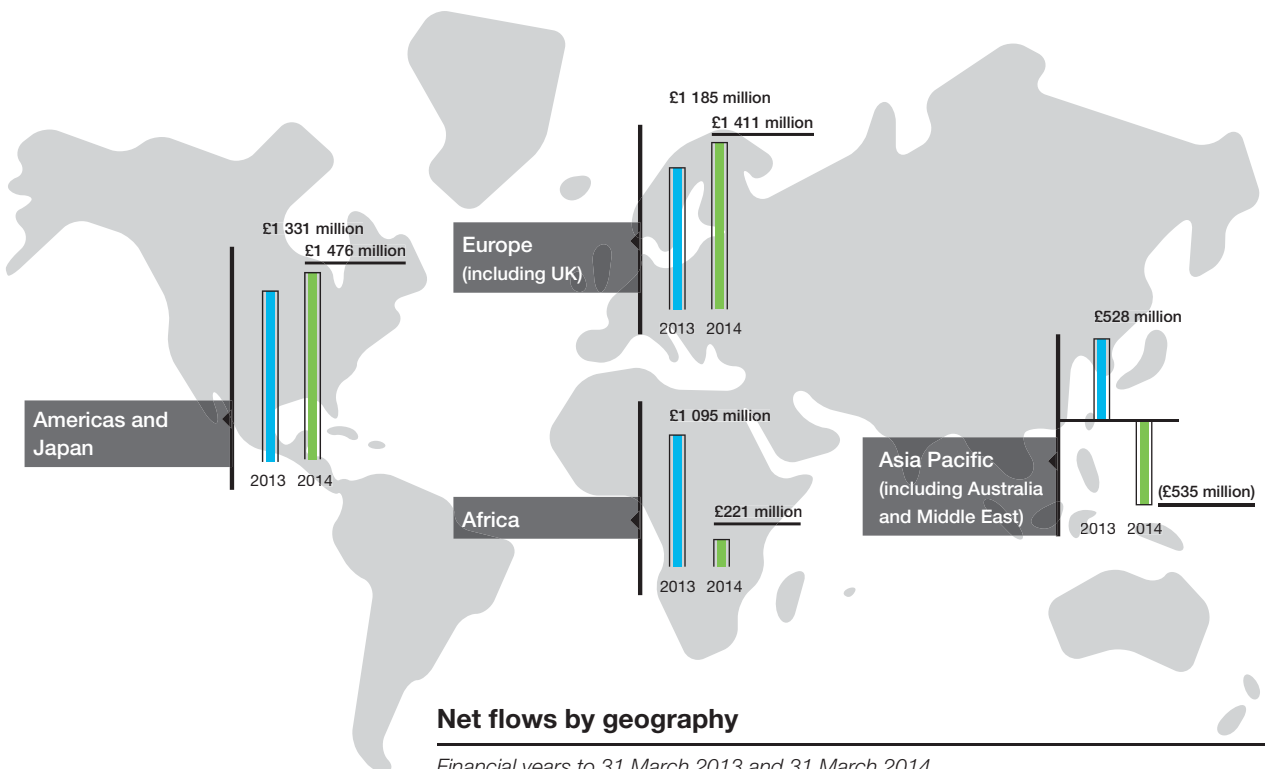
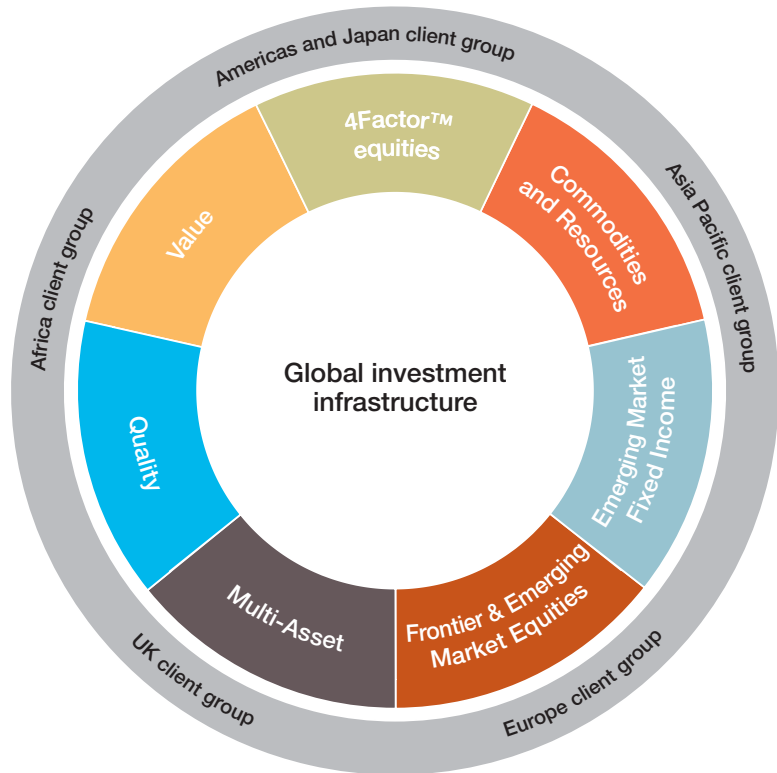
### Investment performance

All of our investment capabilities are managed with the simple aim of delivering performance which meets or exceeds our clients' expectations around specific strict risk parameters.

We measure our investment performance relative to peer group and against benchmark over one, three, five and 10-year periods and since inception. Our long-term track record remains competitive.

### What we do

### Where we operate



Business profile

## Wealth & Investment

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

Today the business specialises in wealth management, portfolio management, private office and stockbroking services for individuals, families, trusts and charities. Formed through the alliance of Investec Private Client Securities, Investec Private Bank's Wealth Management division and the acquisition of Rensburg Sheppards and Williams de Broë in the UK, we are one of the UK's leading private client investment managers and the largest in South Africa.

Global head: Steve Elliott

UK head: Jonathan Wragg

South Africa head: Henry Blumenthal

Switzerland head: Peter Gyger

Ireland Wealth Management head: Eddie Clarke



Further detail on the Wealth & Investment management structure is available on our website: [www.investec.com](http://www.investec.com)

### Our value proposition

### Annual highlights

- Investec Wealth & Investment has been built via the acquisition and integration of businesses and organic growth over a long period of time
- Well established platforms in the UK, South Africa and Switzerland. The new Guernsey business became fully operational in the final quarter of the 2013 calendar year
- Focus is on internationalising the business and organic growth in our key markets
- The business currently has four distinct channels: direct, intermediaries, charities and international, and is in the process of developing its online capabilities to form a fifth 'digital' distribution channel.
- c. 100 000 clients.

Operating profit up 30.5% to £66.1 million, contributing 14.6% to group profit

Assets under management up 2.9% to £41.5 billion

Operating margin 22.9% (2013: 20.3%)

Net new flows of £1.4 billion

3

Business profile

## What we do and where we operate

### United Kingdom and Other

#### Investments and savings

- Discretionary and advisory portfolio management services for private clients
- Specialist investment management services for charities, pension schemes and trusts
- Independent financial planning advice for private clients
- Specialist portfolio management services for international clients.

#### Pensions and retirement

- Discretionary investment management for company pension and Self Invested Personal Pensions (SIPPs)
- Advice and guidance on pension schemes, life assurance and income protection schemes.

#### Tax planning and mitigation

- Individual and corporate tax planning services, including ISAs and Venture Capital Trusts
- Inheritance tax planning.

The European operations are conducted through Investec Wealth & Investment Ireland, European Wealth Management, which operates from Switzerland, and in Guernsey through Investec Wealth & Investment Channel Islands.

Over 1 000 staff operate from offices located throughout the UK and Europe, with combined funds under management of £27.0 billion. Investec Wealth & Investment is one of the UK's leading providers of private client investment management services.

### South Africa

Investec Wealth & Investment South Africa provides portfolio management, wealth management and stockbroking services for private clients, charities, pension funds and trusts, operating from eight offices across South Africa with R47.0 billion of funds under full discretionary management and a further R209.0 billion of funds under various other forms of administration.



3

Business profile

# Specialist Banking

Specialist expertise delivered with dedication and energy

Global heads

Andy Leith Corporate Advisory and Investment activities  
 Sam Hackner Property activities  
 David van der Walt Corporate and Institutional Banking activities  
 Ciaran Whelan Private Banking activities

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



Further information on the Specialist Banking management structure is available on our website: [www.investec.com](http://www.investec.com)

## Our value proposition

## Annual highlights

- High quality specialist banking solution to corporate, institutional and private clients with leading positions in selected areas
- Provide high touch personalised service
- Ability to leverage international, cross-border platforms
- Well positioned to capture opportunities between the developed and the emerging world
- Balanced business model with good business depth and breadth
- Total corporate and other clients: c.238 000
- Total high income and high net worth clients: c.171 000

**66.0%**  
**cost to income**  
 (2013: 63.1%)

**Operating profit**  
**up 2.8% to**  
**£241.9 million**  
 contributing 53.5% to group profit

**8.7%**  
**ROE (pre-tax)**  
 (2013: 7.9%)

**Loans and advances**  
**£17.2 billion**

**9.1%**  
**Tangible ROE (pre-tax)**  
 (2013: 8.4%)

**Customer deposits**  
**£22.6 billion**



Business profile

# Specialist Banking (continued)

## What we do

### High income and high net worth private clients

#### Private Banking activities

Transactional banking and foreign exchange  
Lending  
Deposits  
Investments

Australia  
Southern Africa  
UK and Europe

### Corporates/government/institutional clients

#### Corporate Advisory and Investment activities

Advisory  
Principal investments  
Property investment fund management

Australia  
Hong Kong  
India  
Southern Africa  
UK and Europe

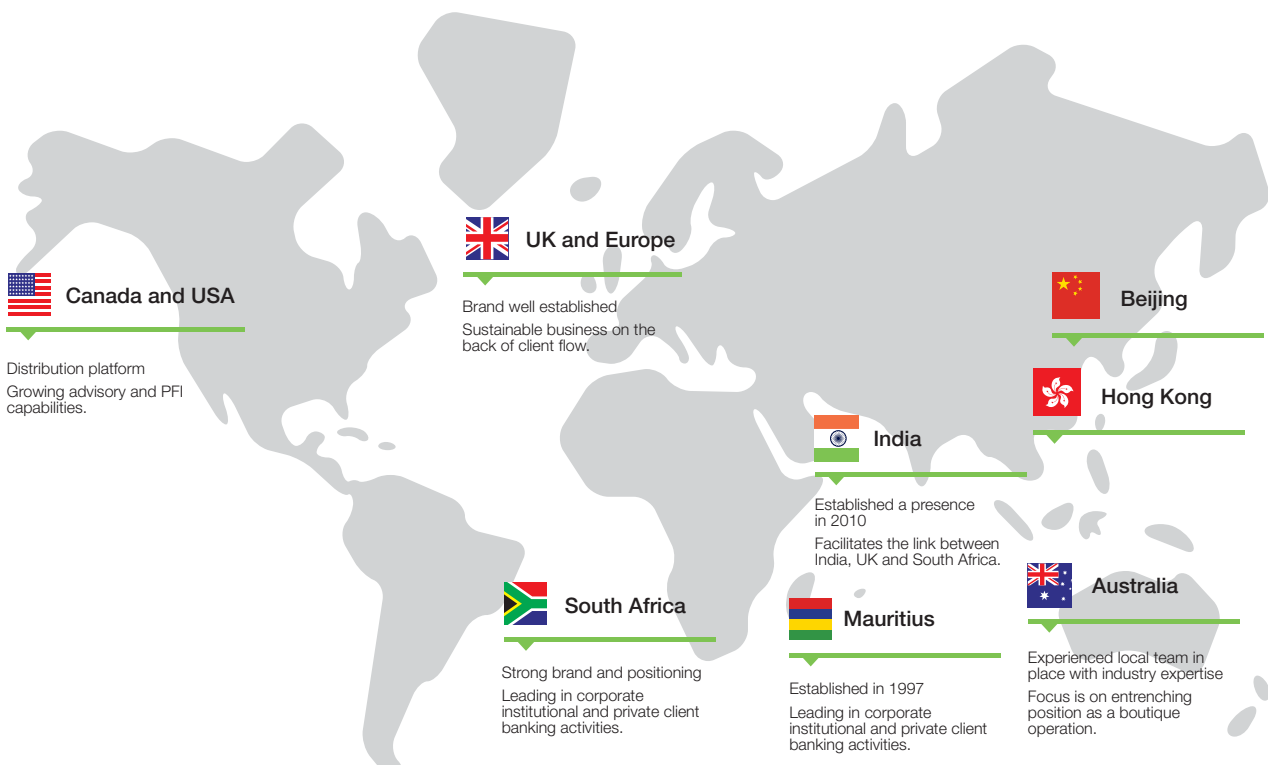
#### Corporate and Institutional Banking activities

Treasury and trading services  
Specialised lending, funds and debt capital markets  
Institutional research sales and trading

Australia  
Canada  
India  
Southern Africa  
UK and Europe  
Hong Kong  
USA

### Integrated systems and infrastructure

## Where we operate



3

Business profile

## Business highlights

Our operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests increased by 6.0% from £426.3 million to £451.8 million.

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

For the year to 31 March 2014 £'000	UK and Other	Southern Africa	Australia	Total group	% change	% of total
Asset Management	67 585	76 234	–	143 819	2.4%	31.8%
Wealth & Investment	46 065	20 034	–	66 099	30.5%	14.6%
Specialist Banking	54 602	201 153	(13 856)	241 899	2.8%	53.6%
Ongoing business	157 354	201 153	(3 222)	355 285	3.9%	78.6%
Legacy business	(102 752)	–	(10 634)	(113 386)	6.1%	(25.0%)
<b>Total group</b>	<b>168 252</b>	<b>297 421</b>	<b>(13 856)</b>	<b>451 817</b>	<b>6.0%</b>	<b>100.0%</b>
Other non-controlling interest – equity				10 849		
<b>Operating profit</b>				<b>462 666</b>		
% change	24.4%	3.4%	(>100.0%)	6.0%		
% of total	37.2%	65.9%	(3.1%)	100.0%		

For the year to 31 March 2013* £'000	UK and Other	Southern Africa	Australia	Total group	% of total
Asset Management	59 341	81 066	–	140 407	32.9%
Wealth & Investment	33 910	16 757	–	50 667	11.9%
Specialist Banking	42 049	189 754	3 401	235 204	55.2%
Ongoing business	128 249	189 754	23 928	341 931	80.2%
Legacy business	(86 200)	–	(20 527)	(106 727)	(25.0%)
<b>Total group</b>	<b>135 300</b>	<b>287 577</b>	<b>3 401</b>	<b>426 278</b>	<b>100.0%</b>
Non-controlling interest – equity				3 074	
<b>Operating profit</b>				<b>429 352</b>	
% of total	31.7%	67.5%	0.8%	100.0%	

\* Restated.







---

additional information

# Risk management

## Group Risk Management objectives are to:

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

## Statement from the chairman of the board risk and capital committee

### Philosophy and approach to risk management

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

Risk awareness, control and compliance are embedded in all our day-to-day activities. Group Risk Management monitors, manages and reports on our risks to ensure it is within the stated risk appetite as mandated by the board of directors through the board risk and capital committee. Business units are ultimately responsible for risks that arise.

We monitor and control risk exposure through Credit, Market, Liquidity, Operational and Legal Risk Reporting teams. This approach is core to assuming a tolerable risk and reward profile, helping us to pursue controlled growth across our business.

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

Group Risk Management divisions with international responsibility are locally responsive yet globally aware. This helps to ensure that all initiatives and businesses operate within our defined risk parameters and objectives. Group Risk Management continually seeks new ways to enhance its techniques.

We believe that the risk management systems and processes we have in place are adequate to support the group's strategy (as explained on page 5) and allow the group to operate within its risk appetite tolerance.

Our integrated annual report, explains in detail our approach to managing our business within our risk appetite tolerance, across all main aspects of risk.

### A summary of the year in review from a risk perspective

The group remained within the majority of its risk appetite limits/targets across the various risk disciplines. Our risk appetite framework continues to be assessed in light of prevailing market conditions and group strategy.

Investec has continued to maintain a sound balance sheet with low gearing, and a diversified business model. This has been supported by the following key operating fundamentals during the year in review:

- Intimate involvement of executive management ensuring stringent management of risk, liquidity and capital
- Strong risk and capital management culture embedded into our day-to-day activities and values. We seek to achieve an appropriate balance between risk and reward in our business, taking cognisance of all stakeholders' interests
- Reward programmes that align directors' and employees' interests with those of stakeholders, ensuring that these programmes promote effective risk management. Annual bonuses are closely linked to business performance, determined largely by realised economic value-added profit performance against pre-determined targets above a risk and capital weighted return. This model has been consistently applied within the group in excess of 15 years
- Credit and counterparty exposures to a select target market; our risk appetite continues to favour lower risk, income-based lending, with credit risk taken over a short to medium term. Exposure is taken against defined target clients displaying sound financial strength and integrity, a core competency and an established track record
- The group's core loan book has grown moderately in home currencies. Strong growth in private client residential mortgages across the board and good momentum in the corporate sector in South Africa, have been partially offset by redemptions in the corporate book in the UK and in the lending collateralised by property book in South Africa. The legacy portfolios (notably in the UK) continue to be managed down and we are starting



Additional information

## Risk management (continued)

to see some opportunities in exiting deals in this book. However, we remain cautiously optimistic in this regard and our view is that the legacy book (excluding Kensington, which we are looking to potentially sell) will still take three to five years to wind down

- Our core loan book remains diversified with commercial rent-producing property loans comprising approximately 18% of the book, other lending collateralised by property 8%, HNW and private client lending 40% and corporate lending 34% (with most industry concentrations well below 5%). We anticipate that future growth in our core loan portfolios will largely come from professional mortgages, commercial rent producing property transactions, asset finance, fund finance and power and infrastructure finance. These asset classes have historically reported low default ratios and provide good gross asset margins
- Impairments on loans and advances decreased from £251.0 million to £166.2 million. Impairments in the UK and South Africa were much improved whilst Australia reported an increase. Since 31 March 2013 gross defaults have improved from £792.2 million to £658.7 million. The percentage of default loans (net of impairments but before taking collateral into account) to core loans and advances amounted to 2.30% (2013: 2.73%). The ratio of collateral to default loans (net of impairments) remains satisfactory at 1.27 times (2013: 1.26 times)
- Limited exposure to structured credit; representing approximately 1.8% of total assets
- Limited private client and corporate client exposures to peripheral Europe amounting to approximately 0.6% of total assets. In addition the group has certain branch-related and subsidiary activities in Ireland, with total assets representing 2.0% of group assets
- A low gearing ratio of 10.3 times

- A low level of net assets and liabilities exposed to the volatility of IFRS fair value accounting; with level 3 assets amounting to 4.4% of total assets
- Low equity and investment risk exposure with total investments comprising 3.6% of total assets. Our investment portfolios in the UK, Hong Kong and South Africa continue to perform well
- Modest proprietary market risk within our trading portfolio. Value at risk and stress testing scenarios remain at prudent levels
- Potential losses that could arise in our trading book portfolio when stress tested under extreme market conditions (i.e. per extreme value theory) amount to less than 0.2% of total operating income
- A high level of readily available, high quality liquid assets; cash and near cash of £9.1 billion, representing 33.0% of our liability base. We continue to maintain a low reliance on interbank wholesale funding to fund core lending asset growth
- Continued increase in retail customer deposits and a sound retail franchise
- Healthy capital and leverage ratios; we have always held capital in excess of regulatory requirements and we intend to perpetuate this philosophy. All our banking subsidiaries meet current internal targets. Investec Limited and Investec plc should comfortably achieve a common equity tier 1 ratio above 10% by March 2016
- Geographical and operational diversity with a high level of recurring income (amounting to 70.7% of total operating income) which continues to support sustainability of operating profit
- We continue to spend much time and effort focusing on operational, reputational, conduct, recovery and resolution risks. We need to assess the impact of cyber risk in greater detail, particularly given our focus on enhancing and expanding

our digitalisation strategies. In the forthcoming year, we will also increase our focus on stress testing and have appointed an external adviser to assist in this regard. The key is to understand potential threats to our sustainability and profitability and thus a number of risk scenarios will be developed and assessed.

### Conclusion

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

Signed on behalf of the board

Stephen Koseff

Chief executive officer and chairman of the board risk and capital committee



Additional information



Additional information:

Refer to our 2014 integrated annual report for detailed information on risk management, internal audit and compliance  
<https://www.investec.com/about-investec/investor-relations/financial-information.html>

# Risk management (continued)



## Salient features

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

Year to 31 March	UK and Europe		Southern Africa		Australia		Investec group	
	2014 £	2013 £	2014 R	2013 R	2014 A\$	2013 A\$	2014 £	2013 <sup>^^</sup> £
Net core loans and advances (million)	6 492	6 045	156 870	141 863	3 114	3 219	17 157	18 415
Gross defaults as a % of gross core loans and advances	6.39%	7.04%	2.24%	2.82%	1.76%	2.91%	3.78%	4.24%
Defaults (net of impairments) as a % of net core loans and advances	3.76%	4.34%	1.46%	1.89%	1.12%	2.13%	2.30%	2.73%
Net defaults (after collateral and impairments) as a % of net core loans and advances	–	–	–	–	–	–	–	–
Credit loss ratio*	0.95%	1.26%	0.42%	0.61%	1.12%	0.85%	0.68%	0.84%
Structured credit investments as a % of total assets	2.20%	2.44%	1.17%	1.24%	0.31%	0.46%	1.77%	1.72%
Banking book investment and equity risk exposures as a % of total assets	2.69%	2.52%	5.02%	4.96%	1.13%	2.56%	3.59%	3.65%
Traded market risk: one-day value at risk (million)	0.9	0.7	2.8	7.2	–	–	n/a	n/a
Cash and near cash (million)	3 791	3 930	84 476	72 974	959	978	9 135	9 828
Customer accounts (deposits) (million)	9 407	9 561	204 903	185 311	2 758	2 472	22 610	24 461
Core loans to equity ratio	3.6x <sup>^</sup>	3.7x <sup>^</sup>	5.0x	5.8x	5.6x	5.4x	4.3x	4.7x
Total gearing ratio**	10.0x <sup>^</sup>	10.9x <sup>^</sup>	10.5x	12.2x	8.2x	7.8x	10.3x	11.6x
Loans and advances to customers to customer deposits	71.0% <sup>^</sup>	69.3% <sup>^</sup>	72.9%	73.2%	83.7%	104.7%	72.0%	71.5%
Capital adequacy ratio	15.3% <sup>^</sup>	16.7% <sup>^</sup>	14.9%	15.5%	16.1%	15.8%	n/a	n/a
Tier 1 ratio	10.5% <sup>^</sup>	11.0% <sup>^</sup>	11.0%	10.8%	12.2%	11.8%	n/a	n/a
Common equity/core tier 1 ratio	8.8% <sup>^</sup>	8.8% <sup>^</sup>	9.4%	8.9%	12.2%	11.8%	n/a	n/a
Leverage ratio	7.4% <sup>^</sup>	n/a	7.2%	n/a	11.2%	n/a	n/a	n/a

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

\*\* Total assets excluding assurance assets to total equity.

<sup>^</sup> Ratios are reflected at an Investec plc level (including Australia).

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

<sup>^^</sup> Restated.



Additional information

## Risk management (continued)

### Overall group risk appetite

The group has a number of board-approved risk appetite statements and policy documents covering our risk tolerance and approach to all aspects of risk. In addition, a number of committees and forums identify and manage risk at a group level. The table below provides a high level summary of the group's overall risk tolerance framework.

Risk appetite and tolerance metrics	Positioning at 31 March 2014
<ul style="list-style-type: none"> <li>We seek to maintain an appropriate balance between revenue earned from capital light and capital intensive activities. Ideally the split in revenue should be 50:50, dependent on prevailing market conditions</li> </ul>	Capital light activities contributed 52% to total operating income and capital intensive activities contributed 48%
<ul style="list-style-type: none"> <li>We have a solid recurring income base supported by diversified revenue streams, and target a recurring income ratio in excess of 65%</li> </ul>	Recurring income amounted to 70.7% of total operating income
<ul style="list-style-type: none"> <li>We seek to maintain a strict control over fixed costs and target a group cost to income ratio of below 65%</li> </ul>	The cost to income ratio amounted to 67.5%. Refer to page 19 for further information
<ul style="list-style-type: none"> <li>We aim to build a sustainable business generating a sufficient return to shareholders over the longer-term, and target a long-term return on equity ratio range of between 12% and 16%, and a return on risk-weighted assets in excess of 1.2%</li> </ul>	The return on equity amounted to 10.1% and our return on risk-weighted assets amounted to 1.14%
<ul style="list-style-type: none"> <li>We are a lowly leveraged firm and target a leverage ratio in all our banking subsidiaries in excess of 6%</li> </ul>	We achieved this internal target, refer to page 16 for further information
<ul style="list-style-type: none"> <li>We intend to maintain a sufficient level of capital to satisfy regulatory requirements and our internal target ratios. We target a capital adequacy ratio range of between 14% and 17% on a consolidated basis for Investec plc and Investec Limited and we target a minimum tier 1 ratio of 10.5% (11.0% by March 2016) and a common equity tier 1 ratio above 10.0% (by March 2016)</li> </ul>	We meet current capital targets, refer to page 16 for further information
<ul style="list-style-type: none"> <li>We target a diversified loan portfolio lending to clients we know and understand. We limit our exposure to a single/connected individual or company to 5% of tier 1 capital (up to 10% if approved by the relevant board committee). We also have a number of risk tolerance limits and targets for specific asset classes</li> </ul>	We maintained this risk tolerance level in place throughout the year
<ul style="list-style-type: none"> <li>There is a preference for primary exposure in the group's three main operating geographies (i.e. South Africa, UK and Australia). The group will accept exposures where we have a branch/banking business. The group will also tolerate exposures to other countries where it has core capabilities</li> </ul>	Refer to the 2014 integrated annual report for further information
<ul style="list-style-type: none"> <li>The level of defaults and impairments continues to improve and we target a credit loss charge on core loans of less than 0.5% of average core advances (less than 1.25% under a weak economic environment/stressed scenario), and we target defaults net of impairments less than 1.5% of total core loans (less than 4% under a weak economic environment/stressed scenario)</li> </ul>	The credit loss charge on core loans amounted to 0.68% and defaults net of impairments amounted to 2.3% of total core loans
<ul style="list-style-type: none"> <li>We carry a high level of liquidity in all our banking subsidiaries in order to be able to cope with shocks to the system, targeting a minimum cash to customer deposit ratio of 20.0%</li> </ul>	Total cash and near cash balances amounted to £9.1 billion, representing 33.0% of our liability base
<ul style="list-style-type: none"> <li>We have very modest market risk as our trading activities primarily focus on supporting client activity. Appetite for proprietary trading is limited and we set a tolerance level of a 1 day 95% VaR of less than R15 million for Investec Limited and less than £5 million for Investec plc</li> </ul>	We meet these internal limits, refer to the 2014 integrated annual report for further information
<ul style="list-style-type: none"> <li>We have moderate appetite for investment risk, and set a risk tolerance of less than 30% of tier 1 capital for our unlisted principal investment portfolio</li> </ul>	Our unlisted investment portfolio is £757 million, representing 25.4% of total tier 1 capital
<ul style="list-style-type: none"> <li>Our Operational Risk Management team focuses on improving business performance and compliance with regulatory requirements, through review, challenge and escalation</li> </ul>	Refer to the 2014 integrated annual report for further information
<ul style="list-style-type: none"> <li>We have a number of policies and practices in place to mitigate reputational, legal and conduct risks.</li> </ul>	Refer to the 2014 integrated annual report for further information



## Risk management (continued)

### Credit ratings

In terms of our dual listed companies structure, Investec plc and Investec Limited are treated separately from a credit point of view. As a result, the rating agencies have assigned ratings to the significant banking entities within the group, namely Investec Bank plc, Investec Bank Limited and Investec Bank (Australia) Limited. Certain rating agencies have assigned ratings to the holding companies, namely, Investec plc and Investec Limited. Our ratings at 30 June 2014 are as follows:

Rating agency	Investec Limited	Investec Bank Limited – a subsidiary of Investec Limited	Investec plc	Investec Bank plc – a subsidiary of Investec plc	Investec Bank (Australia) Limited – a subsidiary of Investec Bank plc
<b>Fitch</b>					
Long-term ratings					
Foreign currency	BBB-	BBB- A+(zaf)		BBB-	BBB-
National					
Short-term ratings					
Foreign currency	F3	F3		F3	F3
National		F1 (zaf)			
Viability rating	bbb-	bbb-		bbb-	
Support rating	5	3		5	3
<b>Moody's</b>					
Long-term deposit ratings					
Foreign currency		Baa1	Ba1	Baa3	Ba1
National		Aa3 (za)			
Short-term deposit ratings					
Foreign currency		Prime-2	Non-prime	Prime-3	Non-prime
National		P1 (za)			
Bank financial strength rating		C-		D+	D
<b>S&amp;P</b>					
Long-term deposit ratings					
Foreign currency		BBB-			
National		za.AA			
Short-term deposit ratings					
Foreign currency		A-3			
National		za.A-1			
<b>Global Credit Ratings</b>					
Local currency					
Short-term rating		A1+(za)		A2	
Long-term rating		AA-(za)		BBB+	



Additional information

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

Investec's values and philosophies provide the framework against which we measure behaviour and practices so as to assess the characteristics of good governance. Our values require that directors and employees act with integrity and conduct themselves to promote and maintain trust.

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

As noted, we operate under a DLC structure, and consider the corporate governance principles and regulations of both the UK and South Africa before adopting the appropriate rule for the group.

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

## Empowerment in South Africa

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



**Further details of our empowerment positioning can be found on our website.**

## Directorate of Investec plc and Investec Limited

### Executive directors

Stephen Koseff  
Chief executive officer

Bernard Kantor  
Managing director

Glynn R Burger  
Group risk and finance director

Hendrik J du Toit  
Investec Asset Management  
Chief executive officer

### Non-executive directors

Sir David Prosser  
Fani Titi  
Joint chairman

George FO Alford  
Cheryl A Carolus  
Perry KO Crosthwaite  
Olivia C Dickson  
Bradley Fried  
David Friedland  
Haruko Fukuda OBE  
Ian R Kantor  
M Peter Malungani  
Peter RS Thomas



Additional information

# Shareholder analysis

## Investec ordinary shares

At 31 March 2014 Investec plc and Investec Limited had 608.8 million and 282.9 million ordinary shares in issue, respectively.

### Spread of ordinary shareholders at 31 March 2014

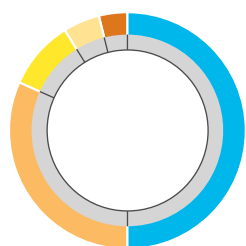
#### Investec plc ordinary shares in issue

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
13 784	1 to 500	50.9%	2 473 178	0.4%
4 695	501 – 1 000	17.3%	3 643 272	0.6%
5 814	1 001 – 5 000	21.5%	13 188 514	2.2%
987	5 001 – 10 000	3.6%	7 186 330	1.2%
1 037	10 001 – 50 000	3.8%	24 005 338	3.9%
256	50 001 – 100 000	0.9%	18 435 072	3.0%
529	100 001 and over	2.0%	539 824 639	88.7%
<b>27 102</b>		<b>100.0%</b>	<b>608 756 343</b>	<b>100.0%</b>

#### Investec Limited ordinary shares in issue

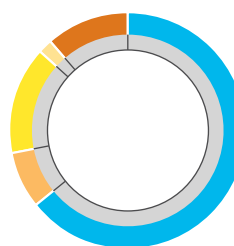
Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
3 183	1 to 500	39.7%	732 663	0.3%
1 561	501 – 1 000	19.4%	1 215 734	0.4%
1 915	1 001 – 5 000	23.8%	4 403 394	1.6%
416	5 001 – 10 000	5.2%	3 079 002	1.1%
529	10 001 – 50 000	6.6%	12 943 426	4.6%
171	50 001 – 100 000	2.1%	12 338 524	4.4%
256	100 001 and over	3.2%	248 221 786	87.6%
<b>8 031</b>		<b>100.0%</b>	<b>282 934 529</b>	<b>100.0%</b>

### Geographical holding by beneficial ordinary share owner at 31 March 2014



**31 March 2014**  
Investec plc

South Africa	50.1%
UK	31.6%
USA and Canada	9.4%
Rest of Europe	5.1%
Other countries and unknown	3.8%



**31 March 2014**  
Investec Limited

South Africa	64.4%
UK	7.8%
USA and Canada	14.7%
Rest of Europe	1.9%
Other countries and unknown	11.2%





## Shareholder analysis (continued)

### Largest ordinary shareholders at 31 March 2014

In accordance with the terms provided for in section 793 of the UK Companies Act 2006 and section 140A of the South African Companies Act, 1973, the group has conducted investigations into the registered holders of its ordinary shares (including nominee and asset management companies) and the results are as discussed below:

#### Investec plc

Shareholder analysis by manager group	Number of shares	% holding
1 Public Investment Corporation (ZA)	71 229 118	11.7%
2 Allan Gray (ZA)	51 047 200	8.4%
3 BlackRock Incorporated (UK and US)	30 224 232	5.0%
4 Old Mutual (ZA)	19 873 218	3.3%
5 Prudential Group (ZA)	19 738 410	3.2%
6 Schroder Investment Management (UK)	16 520 336	2.7%
7 State Street Corporation (UK and US)	16 378 619	2.7%
8 Legal & General Investment Management (UK)	16 252 011	2.7%
9 Sanlam Group (ZA)	16 346 398	2.7%
10 Royal London Mutual Assurance Society (UK)	15 844 463	2.6%
	<b>273 454 005</b>	<b>45.0%</b>

The top 10 shareholders account for 45.0% of the total shareholding in Investec plc. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

#### Investec Limited

Shareholder analysis by manager group	Number of shares	% holding
1 Public Investment Corporation (ZA)	36 303 207	12.8%
2 Allan Gray (ZA)	22 638 951	8.0%
3 Investec Staff Share Scheme (ZA)	19 053 638	6.7%
4 Old Mutual (ZA)	18 750 879	6.6%
5 Sanlam Investment Management (ZA)	14 421 294	5.1%
6 Entrepreneurial Development Trust (ZA)*	11 625 199	4.1%
7 BlackRock Incorporated (UK and US)	10 972 032	3.9%
8 Dimensional Fund Advisors (UK)	10 676 492	3.8%
9 Vanguard Group (UK and US)	7 404 210	2.6%
10 State Street Corporation (US)	6 102 517	2.2%
	<b>157 948 419</b>	<b>55.8%</b>

The top 10 shareholders account for 55.8% of the total shareholding in Investec Limited. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

\* In November 2003, Investec Limited implemented an empowerment transaction in which empowerment partners and an employee share scheme acquired 25.1% of the equity shareholding in Investec Limited shareholder classification at 31 March 2014.



# Shareholder analysis (continued)

## Shareholder classification at 31 March 2014

	Number of Investec plc shares	% holding	Number of Investec Limited shares	% holding
Public*	587 411 787	96.5%	256 438 351	90.7%
Non-public	21 344 556	3.5%	26 496 178	9.3%
Non-executive directors of Investec plc/Investec Limited	3 677 453	0.6%	325	–
Executive directors of Investec plc/Investec Limited	7 049 470	1.2%	7 452 215	2.6%
Investec staff share schemes	10 617 633	1.7%	19 043 638	6.7%
<b>Total</b>	<b>608 756 343</b>	<b>100.0%</b>	<b>282 934 529</b>	<b>100.0%</b>

\* As per the JSE listings requirements.

## Share statistics

### Investec plc

For the period ended	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009	31 March 2008
Closing market price per share (Pounds Sterling)							
– year end	4.85	4.59	3.82	4.78	5.39	2.92	3.39
– highest	5.08	5.14	5.22	5.50	5.62	4.21	7.65
– lowest	3.66	3.10	3.18	4.29	2.87	1.69	2.94
Number of ordinary shares in issue (million) <sup>1</sup>	608.8	605.2	598.3	537.2	471.1	444.9	423.3
Market capitalisation (£'million) <sup>1</sup>	2 953	2 778	2 286	2 568	2 539	1 299	1 435.0
Daily average volume of shares traded ('000)	1 985	1 305	1 683	1 634	1 933	2 604	3 926.0
Price earnings ratio <sup>2</sup>	12.8	12.7	12.0	11.1	12.0	6.9	6.00
Dividend cover (times) <sup>2</sup>	2.0	2.0	1.9	2.5	2.8	3.3	2.30
Dividend yield (%) <sup>2</sup>	3.9	3.9	4.5	3.6	3.0	4.5	7.40
Earnings yield (%) <sup>2</sup>	7.8	7.9	8.3	9.0	8.4	14.5	16.70

### Investec Limited

For the period ended	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009	31 March 2008
Closing market price per share (Rands)							
– year end	84.84	64.26	47.16	52.80	62.49	38.86	57.43
– highest	85.04	69.89	57.36	65.50	65.40	63.19	104.40
– lowest	59.00	41.31	42.00	49.49	37.51	27.20	50.90
Number of ordinary shares in issue (million) <sup>3</sup>	282.9	279.6	276.0	272.8	269.8	268.4	234.3
Market capitalisation (R'million) <sup>3</sup>	75 652	56 857	41 232	42 768	46 299	27 715	37 766
Market capitalisation (£'million) <sup>3</sup>	4 325	4 061	3 340	3 872	3 993	2 083	2 229
Daily average volumes of share traded ('000)	810	980	1 033	794	1 068	1 168	841

<sup>1</sup> The LSE only include the shares in issue for Investec plc, i.e. currently 608.8 million, in calculating market capitalisation, as Investec Limited is not incorporated in the UK.

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

<sup>3</sup> The JSE Limited has agreed to use the total number of shares in issue for the combined group, comprising Investec plc and Investec Limited, in calculating market capitalisation, i.e. currently a total of 891.7 million shares in issue.



## Shareholder analysis (continued)

### Investec perpetual preference shares

Investec plc, Investec Limited and Investec Bank Limited have issued perpetual preference shares.

#### Spread of perpetual preference shareholders at 31 March 2014

##### Investec plc perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
135	1 to 500	12.0%	35 450	0.2%
143	501 – 1 000	12.7%	116 536	0.8%
575	1 001 – 5 000	51.2%	1 197 530	7.9%
90	5 001 – 10 000	8.0%	669 569	4.4%
119	10 001 – 50 000	10.5%	2 638 274	17.5%
31	50 001 – 100 000	2.8%	2 280 446	15.1%
31	100 001 and over	2.8%	8 143 344	54.1%
<b>1 124</b>		<b>100.0%</b>	<b>15 081 149</b>	<b>100.0%</b>

##### Investec plc (Rand denominated) perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
80	1 to 500	23.0%	22 869	1.0%
76	501 – 1 000	21.8%	60 234	2.6%
145	1 001 – 5 000	41.7%	323 183	14.2%
18	5 001 – 10 000	5.2%	133 620	5.9%
20	10 001 – 50 000	5.8%	485 624	21.3%
4	50 001 – 100 000	1.1%	324 724	14.3%
5	100 001 and over	1.4%	925 686	40.7%
<b>348</b>		<b>100.0%</b>	<b>2 275 940</b>	<b>100.0%</b>

##### Investec Limited perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
860	1 to 500	15.3%	283 556	0.9%
1 341	501 – 1 000	23.9%	1 160 221	3.6%
2 538	1 001 – 5 000	45.2%	6 015 271	18.7%
449	5 001 – 10 000	8.0%	3 220 357	10.0%
370	10 001 – 50 000	6.6%	7 055 240	21.9%
18	50 001 – 100 000	0.3%	1 303 024	4.0%
36	100 001 and over	0.7%	13 176 830	40.9%
<b>5 612</b>		<b>100.0%</b>	<b>32 214 499</b>	<b>100.0%</b>



## Shareholder analysis (continued)

### Investec Limited redeemable preference shares

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
747	1 to 500	91.8%	106 072	26.0%
37	501 – 1 000	4.5%	24 960	6.1%
24	1 001 – 5 000	2.9%	60 335	14.8%
2	5 001 – 10 000	0.2%	20 000	4.9%
4	10 001 – 50 000	0.5%	96 952	23.7%
1	50 001 – 100 000	0.1%	100 000	24.5%
–	100 001 and over	–	–	–
<b>815</b>		<b>100.0%</b>	<b>408 319</b>	<b>100.0%</b>

### Investec Bank Limited perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
829	1 to 500	20.8%	243 180	1.6%
1 139	501 – 1 000	28.6%	1 010 159	6.5%
1 551	1 001 – 5 000	38.9%	3 721 039	24.1%
259	5 001 – 10 000	6.5%	1 917 572	12.4%
170	10 001 – 50 000	4.3%	3 237 160	21.0%
15	50 001 – 100 000	0.4%	1 127 889	7.3%
23	100 001 and over	0.5%	4 190 631	27.1%
<b>3 986</b>		<b>100.0%</b>	<b>15 447 630</b>	<b>100.0%</b>

### Largest perpetual preference shareholders at 31 March 2014

Shareholders holding beneficial interests in excess of 5% of the issued preference shares are as follows:

#### Investec plc

Chase Nominees Limited (Artemis) 10.6%

#### Investec plc (Rand denominated)

NES Investments (Pty) Ltd 5.3%

Liberty Active Investment 6.5%

Regent Insurance Company Limited safe custody 6.6%

Cadiz Absolute Yield Fund – CIS 17.6%

#### Investec Limited

Coronation Capital Plus Fund 5.0%

Coronation Strategic Income Fund 5.2%

#### Investec Limited redeemable preference shares

Investec Securities (Pty) Ltd 6.2%

The Saltzman Family Trust 9.8%

National Savings and Investment (Pty) Ltd 24.5%

#### Investec Bank Limited

There were no shareholders holding beneficial interests in excess of 5% of the issued preference shares in Investec Bank Limited, at 31 March 2014.



# Contact details

## Australia, Adelaide

Suite 5 121–129 Hutt Street  
SA 5000 Adelaide Australia  
Telephone (61) 8 8203 9100  
Facsimile (61) 8 8227 0066  
e-mail [australia@investec.com.au](mailto:australia@investec.com.au)

## Australia, Brisbane

Level 8 Riverside Centre  
123 Eagle Street Brisbane  
QLD 4001 Australia  
Telephone (61) 7 3018 8100  
Facsimile (61) 7 3018 8108  
e-mail [australia@investec.com.au](mailto:australia@investec.com.au)

## Australia, Melbourne

Level 49 120 Collins Street  
Melbourne  
VIC 3000 Australia  
Telephone (61) 3 8660 1000  
Facsimile (61) 3 8660 1010  
e-mail [australia@investec.com.au](mailto:australia@investec.com.au)

## Australia, Perth

Unit 30/31, 22 Railway Road  
Subiaco Perth  
WA 6008 Australia  
Telephone (61) 8 9214 4500  
Facsimile (61) 8 9214 4545  
e-mail [australia@investec.com.au](mailto:australia@investec.com.au)

## Australia, Sydney

Level 23, The Chifley Tower  
2 Chifley Square  
Phillip Street Sydney  
GPO Box 2539 NSW 2000 Australia  
Telephone (61) 2 9293 2000  
Facsimile (61) 2 9293 2002  
e-mail [australia@investec.com.au](mailto:australia@investec.com.au)

## Botswana, Gaborone

Plot 64511, Unit 5  
Fairgrounds Gaborone  
Telephone (267) 318 0112  
Facsimile (267) 318 0114  
e-mail [info@investec.com](mailto:info@investec.com)

## Canada, Toronto

66 Wellington Street, West Suite 2701  
PO Box 307 Toronto-Dominion Centre  
Toronto Ontario M5K 1K2  
Telephone (1 416) 687 2400  
Facsimile (1 416) 364 3434

## China, Beijing

Room 11 5/F West Tower  
World Finance Centre  
No.1 East 3rd Ring Middle Road  
Chaoyang District  
Beijing 10 002 P.R. China  
Telephone (86 10) 8535 6200  
Facsimile (86 10) 8535 6299

## Channel Islands, St Helier

One The Esplanade St Helier  
Jersey  
JE2 3QA Channel Islands  
Telephone (44) 1534 512 512  
Facsimile (44) 1534 512 513  
e-mail [enquiries@investectrust.com](mailto:enquiries@investectrust.com)

## Channel Islands, St Peter Port

Glategny Court  
Glategny Esplanade, GY1 1WR  
Channel Islands  
Telephone +(44) 1481 723 506

## Hong Kong

Suite 3609 36/F  
Two International Finance Centre  
8 Finance Street  
Central Hong Kong  
Telephone (852) 3187 5000  
Facsimile (852) 2524 3360  
e-mail [investec.asia@investecmail.com](mailto:investec.asia@investecmail.com)

Suites 2604 – 2606 Tower 2 The Gateway  
Harbour City Tsimshatsui Kowloon  
Hong Kong  
Telephone (852) 2861 6888  
Facsimile (852) 2861 6861

## India, Mumbai

902, The Capital  
Plot No. C-70 Block  
Bandra Kurla Complex Bandra (East)  
Mumbai 400051  
India  
Telephone (91) 226 136 7410

## Ireland, Dublin

The Harcourt Building  
Harcourt Street  
Dublin 2 Ireland  
Telephone (353) 1 421 0000  
Facsimile (353) 1 421 0500  
e-mail [info@investec.ie](mailto:info@investec.ie)

## Mauritius, Ebéne Cyber City

Level 8C Cyber Tower II  
Ebéne Cyber City  
Telephone (230) 403 0400  
Facsimile (230) 403 0498  
e-mail [info@investec.com](mailto:info@investec.com)

## Mauritius, Port Louis

6th Floor Dias Pier Building  
Le Caudan Waterfront Caudan  
Port Louis  
Telephone (230) 207 4000  
Facsimile (230) 207 4002  
e-mail [info@investec.com](mailto:info@investec.com)

## Namibia, Windhoek

Office 1 Ground floor  
Heritage Square Building  
100 Robert Mugabe Avenue Windhoek  
Telephone (264 61) 389 500  
Facsimile (264 61) 249 689  
e-mail [info@investec.com](mailto:info@investec.com)

## South Africa, Cape Town

36 Hans Strijdom Avenue  
Foreshore Cape Town 8001  
PO Box 1826 Cape Town 8000  
Telephone (27 21) 416 1000  
Facsimile (27 21) 416 1001

## South Africa, Durban

5 Richefond Circle  
Ridgeside Office Park  
Umhlanga Durban 4319  
PO Box 25278 Gateway Durban 4321  
Telephone (27 31) 575 4000  
Facsimile (27 865) 009 901

## South Africa, East London

Cube 1  
Cedar Square  
Bonza Bay Road  
Beacon Bay  
East London 5241  
Telephone (27 43) 709 5700  
Facsimile (27 43) 721 0664

## South Africa, Johannesburg

100 Grayston Drive  
Sandown Sandton 2196  
PO Box 785700 Sandton 2146  
Telephone (27 11) 286 7000  
Facsimile (27 11) 286 7777  
e-mail, South African offices

- Recruitment queries:  
[recruitment@investec.co.za](mailto:recruitment@investec.co.za)
- Client queries:
  - Asset management:  
[comcentre@investecmail.com](mailto:comcentre@investecmail.com)
  - Institutional Securities:  
[securities@investec.co.za](mailto:securities@investec.co.za)
  - Private Client Securities:  
[iso@investec.co.za](mailto:iso@investec.co.za)
  - Property Group:  
[ipg@investec.co.za](mailto:ipg@investec.co.za)
  - Private Bank:  
[privatebank@investec.co.za](mailto:privatebank@investec.co.za)
  - Capital Markets:  
[info-ssf@investec.co.za](mailto:info-ssf@investec.co.za)

## South Africa, Knysna

TH24/TH25 Long Street Ext  
Thesen Harbour Town Knysna 6571  
Telephone (27 44) 302 1800  
Facsimile (27 44) 382 4954



## Contact details (continued)

### South Africa, Pietermaritzburg

Acacia House Redlands Estate  
1 George MacFarlane Lane  
Pietermaritzburg 3201  
PO Box 594 Pietermaritzburg 3200  
Telephone (27 33) 264 5800  
Facsimile (27 33) 342 1561

### South Africa, Port Elizabeth

6th Floor Fairview Office Park  
66 Ring Road Greenacres  
Port Elizabeth 6045  
PO Box 27416 Greenacres 6057  
Telephone (27 41) 396 6700  
Facsimile (27 41) 363 1667

### South Africa, Pretoria

Cnr Atterbury and Klarinet Streets  
Menlo Park Pretoria 0081  
PO Box 35209 Menlo Park 0102  
Telephone (27 12) 427 8300  
Facsimile (27 12) 427 8310

### South Africa, Stellenbosch

Block D De Wagen Road Office Park  
Stellentia Street Stellenbosch 7600  
PO Box 516 Stellenbosch 7599  
Telephone (27 21) 809 0700  
Facsimile (27 21) 809 0730

### Switzerland, Geneva

3 Place des Bergues  
Geneva 1201 Switzerland  
Telephone (41) 22 807 2000  
Facsimile (41) 22 807 2005  
e-mail enquiries@investectrust.ch

### Switzerland, Zurich

Loewenstrasse 29  
Zurich CH-8001 Switzerland  
Telephone (41 44) 226 1000  
Facsimile (41 44) 226 1010  
e-mail info@investecbank.ch

### Taiwan

Unit B 20F Taipei 101 Tower  
7 Xin Yi Rd Sec 5 Taipei 110 Taiwan  
Telephone (886 2) 8101 0800  
Facsimile (886 2) 8101 0900

### United Kingdom, London

2 Gresham Street London  
EC2V 7QP UK  
Telephone (44 207) 597 4000  
Facsimile (44 207) 597 4070

100 Wood Street London  
EC2V 7AN UK  
Telephone (44 207) 597 1234  
Facsimile (44 207) 597 4070

25 Basinghall Street London  
EC2V 5HA UK  
Telephone (44 207) 597 2000  
Facsimile (44 207) 597 1818

### United Kingdom, Manchester

3 Hardman Street Spinningfields  
Manchester M3 3HF UK  
Telephone (44 161) 832 6868  
Facsimile (44 161) 832 1233

### United States, New York

1270 Avenue of the Americas  
29th Floor  
New York, NY 10020  
United States of America  
Telephone (212) 259 5610  
Facsimile (917) 206 5103





