

INVESTEC PLC AND INVESTEC LIMITED (COMBINED RESULTS)

REVIEWED COMBINED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

Investec plc

Incorporated in England and Wales
Registration number 3633621
LSE share code: INVP
JSE share code: INP
ISIN: GB00B17BBQ50
LEI: 2138007Z3U5GWDN3MY22

Investec Limited

Incorporated in the Republic of South Africa
Registration number 1925/002833/06
JSE share code: INL
NSX share code: IVD
BSE share code: INVESTEC
ISIN: ZAE000081949
LEI: 213800CU7SM6O4UWOZ70

This announcement covers the results of Investec plc and Investec Limited (together “the Investec group” or “Investec” or “the group”) for the six months ended 30 September 2020 (1H2021). Following the group’s demerger of Investec Asset Management (now Ninety One) in March 2020, the group’s results for the six months ended 30 September 2019 have been restated to reflect the asset management business as a discontinued operation. Unless stated otherwise, comparatives relate to the group’s continuing operations for the six-month period ended 30 September 2019 (1H2020). The comparability of 1H2021 to the prior period is impacted by the economic effects of COVID-19 which prevailed over the period under review.

Fani Titi, Chief Executive commented:

“The first half of the financial year has been characterised by difficult and volatile market and economic conditions attributed primarily to COVID-19. As a result, group adjusted operating profit of £142.5 million was 48.4% behind the prior period and adjusted basic earnings per share of 11.2p was 50.0% behind the prior period, albeit ahead of pre-close guidance. We are encouraged by the resilience of our loan book, the performance of our core franchises against a tough backdrop and progress made on our strategic objectives. Tangible net asset value per share increased by an annualised 10.4% and a dividend of 5.5p has been declared.

I would like to thank my Investec colleagues for their commitment through the first half of an unprecedented year – all have risen to the challenge, shown resilience, and continued to deliver the same high level of client engagement and service for which Investec is well known. We also thank our clients for their continued support as well the members of our communities on the frontlines for their efforts in curtailing the impact of the pandemic.

We entered this crisis from a position of strength and continue to have a strong capital, funding and liquidity position, leaving us well placed, both operationally and financially, to navigate this evolving environment for the benefit of our clients and other stakeholders.”

Financial performance

Over the period, we operated within a challenging economic backdrop, impacted by COVID-19 and associated lockdowns particularly in the first three months. This resulted in reduced economic activity and increased market volatility. Interest rates were sharply lower, client activity declined, and the average Rand against the Pound Sterling depreciated 20.6% compared to the prior period.

- **Resilient client franchises:** Wealth & Investment reported net inflows of £336 million and growth in funds under management (FUM) of 14.9% since 31 March 2020 to £51.1 billion. The Specialist Banking business saw good client acquisition in both geographies. Net core loans grew 1.0% since 31 March 2020 to £25.2 billion, with strong loan book growth in the UK Private Banking business offset by subdued corporate lending activity in both geographies and higher repayments. Our client engagement has been consistent and proactive, leveraging off the various digital platforms at our disposal.
- **Operating income:** Total revenue declined by 24.0% (17.8% in neutral currency) compared to 1H2020. Net interest income decreased by 15.6% impacted primarily by lower interest rates. Non-interest revenue declined by 30.7% impacted by lower lending fees, subdued client transactional activity, and lower investment and associate income. Risk management and risk reduction costs related to hedging our structured products book resulted in trading income declining by 100.6%. We have and will continue to take active steps to de-risk the profile of this book.
- **Costs:** Operating costs decreased by 14.0% (8.1% in neutral currency) driven by headcount containment, lower variable remuneration and a reduction in discretionary expenditure. Notwithstanding this reduction in costs, we continued to invest in growth initiatives and in technology.
- **Asset quality:** The group’s annualised credit loss ratio (CLR) increased from 0.23% (1H2020) to 0.47% (1H2021), below the annualised 2H2020 CLR of 0.74%. Increased CLRs were largely model-driven with an absolute expected credit loss (ECL) impairment charge of £66.0 million (1H2020: £31.0 million).
- **Operating profit:** Adjusted operating profit was down 48.4% to £142.5 million (1H2020: £276.3 million).
- **Earnings per share:** Adjusted basic earnings per share decreased by 50.0% to 11.2p (1H2020: 22.4p), basic earnings per share declined by 49.5% to 9.6p (1H2020: 19.0p) and headline earnings per share decreased by 45.9% to 9.2p (1H2020: 17.0p).
- **Return on Equity (ROE):** The group generated an ROE of 5.3% (1H2020: 10.7%) and a return on tangible equity (ROTE) of 5.8% (1H2020: 11.8%).
- **Robust capital and liquidity:** At 30 September 2020, the common equity tier 1 (CET1) capital and leverage ratios were 11.6% and 7.0% respectively for Investec Limited (FIRB approach) and 10.7% and 7.8% respectively for Investec plc (standardised approach). Cash and near cash was £12.9 billion at 30 September 2020, representing 39.5% of customer deposits. Capital, leverage and liquidity ratios remain ahead of both internal board-approved minimum targets and regulatory requirements.
- **Growth in net asset value:** At 30 September 2020, net asset value (NAV) per share increased by 4.6% to 433.5p (31 March 2020: 414.3p) and tangible NAV (TNAV) per share increased by 5.2% to 397.4p (31 March 2020: 377.6p).

Supporting our people, clients and communities

As a group, we have taken decisive action in supporting our stakeholders through the economic and social impact of the pandemic.

With a large proportion of staff continuing to work from home, we are prioritising staff wellbeing and encouraging a flexible approach to working.

We have provided various forms of relief to our clients. Currently 6.3% of UK and 2.2% of South Africa's loans are under some form of relief. At the peak, this was 13.7% and 23.0% respectively. In addition, through the income generated in our Private Client Charitable Trusts, we have facilitated over R20 million in donations on behalf of clients.

For our communities, we have committed £3.6 million (64% allocated to date) to support the communities we live in with food security, economic continuity, healthcare, education and anti-gender-based violence-related assistance.

Dividend

The group endorses the objectives of guidance note G4/2020 from the Prudential Authority (PA) in South Africa and the recommendations of the UK Prudential Regulation Authority (PRA) in relation to the preservation of capital. The group did not declare a final dividend in relation to the March 2020 financial year. Having considered the objectives of guidance note G4/2020 and ensuring prudence in terms of capital retention in our banking businesses, the group has declared an interim dividend of 5.5p (49.1% payout ratio).

Outlook and guidance

We expect the overall performance in 2H2021 to be ahead of the first half; underpinned by improving revenue trends relative to 1H2021 as client activity levels improve and liability repricing aids net interest income. Trading income from client flow will continue to be negatively impacted by risk management and risk reduction costs on hedging our structured products book. Costs are expected to decline by mid to high single digits for the full 2021 financial year compared to the prior year. Assuming no further deterioration in the macro-economic variables applied, we expect to report lower ECL provisions for the remaining six months of the year.

This guidance is subject to assumptions, which if altered, may result in a different financial performance compared to management expectations. The assumptions can be obtained in the full announcement available on our website www.investec.com. The financial information on which forward-looking statements are based is the responsibility of the directors of the group and has not been reviewed and reported on by the group's auditors.

While the impact of COVID-19 has been felt across our business and the outlook is still uncertain, we remain confident in the fundamentals of our business and in our long-established client relationships. We have continued to make progress against our strategic objectives, positioning the business for growth in the long term, and expect to substantially complete our simplification process by the end of the financial year. As previously communicated, FY2022 targets remain under review.

Financial highlights - continuing operations¹	1H2021	1H2020	Variance	% change	Neutral currency % change
Total operating income before expected credit losses	729.0	959.3	(230.3)	(24.0%)	(17.8%)
Operating costs	535.8	623.1	(87.3)	(14.0%)	(8.1%)
Adjusted operating profit (£'m)	142.5	276.3	(133.8)	(48.4%)	(40.9%)
Adjusted earnings attributable to shareholders (£'m)	104.4	212.3	(107.9)	(50.8%)	(43.4%)
Adjusted basic earnings per share (pence)	11.2	22.4	(11.2)	(50.0%)	(42.4%)
Basic earnings per share (pence)	9.6	19.0	(9.4)	(49.5%)	(41.1%)
Headline earnings per share (pence)	9.2	17.0	(7.8)	(45.9%)	(35.3%)
Dividend per share (pence) ²	5.5	11.0			
Dividend payout ratio ²	49.1%	38.1%			
Annualised CLR (credit loss ratio)	0.47%	0.23%			
Cost to income ratio	72.0%	67.0%			
ROE (return on equity)	5.3%	10.7%			
ROTE (return on tangible equity)	5.8%	11.8%			

	30 September 2020	31 March 2020	Variance	% change	Neutral currency % change
Third party funds under management (£'bn)	52.0	45.0	7.0	15.5%	14.6%
Customer accounts (deposits) (£'bn)	32.6	32.2	0.4	1.0%	(0.3%)
Core loans and advances (£'bn)	25.2	24.9	0.3	1.0%	(0.4%)
Cash and near cash (£'bn)	12.9	12.7	0.2	1.4%	—%
CET1 ratio – Investec Limited	11.6%	10.9%			
Leverage ratio ³ – Investec Limited	7.0%	6.4%			
CET1 ratio – Investec plc	10.7%	10.7%			
Leverage ratio ³ – Investec plc	7.8%	7.8%			
NAV per share (pence)	433.5	414.3	19.2	4.6%	4.7%
TNAV per share (pence)	397.4	377.6	19.8	5.2%	5.3%

1. Refer to the Notes for definitions. Continuing operations excludes the results of the asset management business (which was demerged in March 2020) from the comparative period, but includes the equity accounted earnings of the group's 25% retained stake in 1H2021.

2. The 1H2020 dividend per share and dividend payout ratio reflected above were prior to the demerger of the asset management business (Ninety One).

3. Current Leverage ratios calculated on an end quarter basis.

On behalf of the boards of Investec plc and Investec Limited

Perry Crosthwaite

Chairman

18 November 2020

Fani Titi

Chief Executive

The combined consolidated financial results for the period ended 30 September 2020 have been reviewed by Ernst & Young LLP & Ernst & Young Inc., who expressed an unmodified review conclusion. A copy of the auditors' review opinion is available for inspection at the company's registered office together with the financial statements identified in the auditors' report or on our website at www.investec.com.

The auditors' report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditors' engagement, they should obtain a copy of the auditors' report together with the accompanying financial information from the issuer's registered office.

This short-form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decision should be based on the full viewed announcement which can be accessed from Thursday 19 November 2020, using the following JSE link:

<https://senspdf.jse.co.za/documents/2020/jse/isse/INL/Interims.pdf>

Alternatively, the full announcement is available on our website www.investec.com

The full announcement is also available at our registered offices for inspection at no charge, during office hours.

Copies of the full announcement may be requested by contacting Investor Relations on:

Telephone: (+27 11) 286 7000

e-mail: investorrelations@investec.com

Investec plc

Incorporated in England and Wales

(Registration number 3633621)

JSE ordinary share code: INP

LSE ordinary share code: INVP

ISIN: GB00B17BBQ50

Registered office:

30 Gresham Street, London

EC2V 7QP, United Kingdom

Transfer secretaries:

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Company Secretary:

D Miller

Investec Limited

Incorporated in the Republic of South Africa

(Registration number 1925/002833/06)

JSE ordinary share code: INL

NSX ordinary share code: IVD

BSE ordinary share code: INVESTEC

ISIN: ZAE000081949

Registered office:

100 Grayston Drive

Sandown, Sandton, 2196

Transfer secretaries:

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Company Secretary:

N van Wyk

Directors:

PKO Crosthwaite (Chairman)

F Titi (Chief Executive Officer)

NA Samujh (Finance Director)

RJ Wainwright* (Executive)

JKC Whelan^ (Executive)

HC Baldock

ZBM Bassa

D Friedland

PA Hourquebie

CR Jacobs^

S Koseff*

Lord Malloch-Brown KCMG

PG Sibiyi

KL Shuenyane

•British ΔDutch ^Irish

*Appointed 17 September 2020

IR KantorΔ resigned 06 August 2020

Sponsor:

Investec Bank Limited

Investec plc

Incorporated in England and Wales
Registration number: 3633621
LSE ordinary share code: INVPL
JSE ordinary share code: INP
ISIN: GB00B17BBQ50
LEI: 2138007Z3U5GWDN3MY22

Ordinary share dividend announcement

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

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

Declaration of dividend number 36

Notice is hereby given that an interim dividend number 36, being a gross dividend of 5.5 pence (2019: 11 pence) per ordinary share has been declared by the Board from income reserves in respect of the six months ended 30 September 2020 payable to shareholders recorded in the shareholders' register of the company at the close of business on Friday, 11 December 2020.

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

The relevant dates relating to the payment of dividend number 36 are as follows:

Last day to trade cum-dividend

On the Johannesburg Stock Exchange (JSE)
On the London Stock Exchange

Tuesday, 08 December 2020
Wednesday, 09 December 2020

Shares commence trading ex-dividend

On the Johannesburg Stock Exchange
On the London Stock Exchange

Wednesday, 09 December 2020
Thursday, 10 December 2020

Record date (on the JSE and LSE)

Friday, 11 December 2020

Payment date (on the JSE and LSE)

Monday, 04 January 2021

Share certificates on the South African branch register may not be dematerialised or rematerialised between Wednesday, 09 December 2020 and Friday, 11 December 2020, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 09 December 2020 and Friday, 11 December 2020, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Shareholders registered on the South African branch register are advised that the distribution of 5.5 pence, equivalent to a gross dividend of 112 cents per share, has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Wednesday, 18 November 2020
- Investec plc United Kingdom tax reference number: 2683967322360
- The issued ordinary share capital of Investec plc is 696 082 618 ordinary shares
- The dividend paid by Investec plc to South African resident shareholders registered on the South African branch register and the dividend paid by Investec Limited to Investec plc shareholders on the SA DAS share are subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- Shareholders registered on the South African branch register who are exempt from paying the Dividend Tax will receive a net dividend of 112 cents per share paid by Investec Limited on the SA DAS share
- Shareholders registered on the South African branch register who are not exempt from paying the Dividend Tax will receive a net dividend of 89.6 cents per share (gross dividend of 112 cents per share less Dividend Tax of 22.4 cents per share) paid by Investec Limited on the SA DAS share.

By order of the board



D Miller

Company Secretary
18 November 2020

Investec Limited

Incorporated in the Republic of South Africa
Registration number: 1925/002833/06
JSE share code: INL
NSX ordinary share code: IVD
BSE ordinary share code: INVESTEC
ISIN: ZAE000081949
LEI: 213800CU7SM604UWOZ70

Ordinary share dividend announcement

Declaration of dividend number 129

Notice is hereby given that interim dividend number 129, being a gross dividend of 112 cents (2019: 211 cents) per ordinary share has been declared by the Board from income reserves in respect of the six months ended 30 September 2020 payable to shareholders recorded in the shareholders' register of the company at the close of business on Friday, 11 December 2020.

The relevant dates relating to the payment of dividend number 129 are as follows:

Last day to trade cum-dividend	Tuesday, 08 December 2020
Shares commence trading ex-dividend	Wednesday, 09 December 2020
Record date	Friday, 11 December 2020
Payment date	Monday, 04 January 2021

The interim gross dividend of 112 cents per ordinary share has been determined by converting the Investec plc distribution of 5.5 pence per ordinary share into Rands using the Rand/Pounds Sterling average buy/sell forward rate at 11h00 (SA time) on Wednesday, 18 November 2020. Share certificates may not be dematerialised or rematerialised between Wednesday, 09 December 2020 and Friday, 11 December 2020, both dates inclusive.

Additional information to take note of:

- Investec Limited South African tax reference number: 9800/181/71/2
- The issued ordinary share capital of Investec Limited is 318 904 709 ordinary shares
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- Shareholders who are exempt from paying the Dividend Tax will receive a net dividend of 112 cents per ordinary share
- Shareholders who are not exempt from paying the Dividend Tax will receive a net dividend of 89.6 cents per ordinary share (gross dividend of 112 cents per ordinary share less Dividend Tax of 22.4 cents per ordinary share).

By order of the board



N van Wyk
Company Secretary
18 November 2020

Investec plc

Incorporated in England and Wales
Registration number: 3633621
Share code: INPP
ISIN: GB00B19RX541
LEI: 2138007Z3U5GWDN3MY22

Preference share dividend announcement Non-redeemable non-cumulative non-participating preference shares (“preference shares”)

Declaration of dividend number 29

Notice is hereby given that preference dividend number 29 has been declared by the board from income reserves for the period 01 April 2020 to 30 September 2020 amounting to a gross preference dividend of 5.51508 pence per preference share payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 11 December 2020.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 5.51508 pence per preference share is equivalent to a gross dividend of 112.42435 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA time) on Wednesday, 18 November 2020.

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

Last day to trade cum-dividend

On the Johannesburg Stock Exchange (JSE)
On the International Stock Exchange (TISE)

Tuesday, 08 December 2020
Wednesday, 09 December 2020

Shares commence trading ex-dividend

On the Johannesburg Stock Exchange (JSE)
On the International Stock Exchange (TISE)

Wednesday, 09 December 2020
Thursday, 10 December 2020

Record date (on the JSE and TISE)

Friday, 11 December 2020

Payment date (on the JSE and TISE)

Wednesday, 23 December 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 09 December 2020 and Friday, 11 December 2020, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 09 December 2020 and Friday, 11 December 2020, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Investec plc United Kingdom tax reference number: 2683967322360
- The issued preference share capital of Investec plc is 2 754 587 preference shares
- The dividend paid by Investec plc to shareholders recorded on the South African branch register is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 89.93948 cents per preference share for preference shareholders liable to pay the Dividend Tax and 112.42435 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board



D Miller

Company Secretary
18 November 2020

Investec plc

Incorporated in England and Wales
Registration number: 3633621
JSE share code: INPPR
ISIN: GB00B4B0Q974
LEI: 2138007Z3U5GWDN3MY22

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

Declaration of dividend number 19

Notice is hereby given that preference dividend number 19 has been declared by the board from income reserves for the period 01 April 2020 to 30 September 2020 amounting to a gross preference dividend of 350.65412 cents per preference share payable to holders of the Rand-denominated non-redeemable non-cumulative non-participating perpetual preference shares as recorded in the books of the company at the close of business on Friday, 11 December 2020.

The relevant dates relating to the payment of dividend number 19 are as follows:

Last day to trade cum-dividend	Tuesday, 08 December 2020
Shares commence trading ex-dividend	Wednesday, 09 December 2020
Record date	Friday, 11 December 2020
Payment date	Wednesday, 23 December 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 09 December 2020 and Friday, 11 December 2020, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Investec plc United Kingdom tax reference number: 2683967322360
- The issued Rand-denominated preference share capital of Investec plc is 131 447 preference shares
- The dividend paid by Investec plc to shareholders recorded on the South African branch register is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 280.52330 cents per preference share for preference shareholders liable to pay the Dividend Tax and 350.65412 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board



D Miller
Company Secretary
18 November 2020

Investec Limited

Incorporated in the Republic of South Africa
Registration number: 1925/002833/06
JSE share code: INPR
NSX ordinary share code: IVD
BSE ordinary share code: INVESTEC
ISIN: ZAE000063814
LEI: 213800CU7SM604UWOZ70

Preference share dividend announcement

Non-redeemable non-cumulative non-participating preference shares (“preference shares”)

Declaration of dividend number 32

Notice is hereby given that preference dividend number 32 has been declared by the board from income reserves for the period 01 April 2020 to 30 September 2020 amounting to a gross preference dividend of 287.42940 cents per preference share payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 11 December 2020.

The relevant dates for the payment of dividend number 32 are as follows:

Last day to trade cum-dividend	Tuesday, 08 December 2020
Shares commence trading ex-dividend	Wednesday, 09 December 2020
Record date	Friday, 11 December 2020
Payment date	Monday, 14 December 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 09 December 2020 and Friday, 11 December 2020, both dates inclusive.

Additional information to take note of

- Investec Limited South African tax reference number: 9800/181/71/2
- The issued preference share capital of Investec Limited as at 13 November 2020 is 31 001 466 preference shares
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 20% (subject to any available exemptions as legislated)
- The net dividend amounts to 229.94352 cents per preference share for shareholders liable to pay the Dividend Tax and 287.42940 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board



N van Wyk

Company Secretary
18 November 2020