

INVESTEC PLC AND INVESTEC LIMITED (COMBINED RESULTS)

UNAUDITED COMBINED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

Investec plc	Investec Limited
Incorporated in England and Wales	Incorporated in the Republic of South Africa
Registration number 3633621	Registration number 1925/002833/06
LSE share code: INVP	JSE share code: INL
JSE share code: INP	NSX share code: IVD
ISIN: GB00B17BBQ50	BSE share code: INVESTEC
LEI: 2138007Z3U5GWDN3MY22	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 year ended 31 March 2021 (FY2021). Commentary on the group’s financial performance represents the continuing operations (excluding the consolidated results for Ninety One, formerly Investec Asset Management, for the period 1 April 2019 to 13 March 2020; including the equity accounted earnings from 13 March 2020 (date of demerger)). Unless stated otherwise, comparatives relate to the group’s continuing operations for the year ended 31 March 2020 (FY2020).

The average Rand/Pound Sterling exchange rate depreciated by 13.6% in FY2021.

Fani Titi, Group Chief Executive commented:

“The 2021 financial year was a tale of two halves. First half performance was characterised by difficult and volatile market and economic conditions attributable primarily to COVID-19. The second half showed strong earnings recovery, supported by our resilient client base, a rebound in economic activity and a greater sense of optimism spurred on by global vaccination campaigns. We carry this momentum into the 2022 financial year, focused on actively servicing our clients and delivering long-term value.

Adjusted earnings per share from continuing operations for FY2021 of 28.9p was 14.7% behind the prior year, with second half earnings 58.1% ahead of the first half. Tangible net asset value per share increased by 12.7% to 425.7p. A final dividend of 7.5p has been proposed bringing the full year dividend to 13.0p.

We are delighted to report record funds under management and operating profit in our Wealth businesses. The South African Specialist Bank produced an excellent performance in a difficult environment reporting flat profits in Rands. This performance highlights the quality of our client franchises and our commitment to outstanding client service. The UK Specialist Bank client franchises performed strongly showing continued traction in our client acquisition strategy across the business, reporting loan book growth of 8.7%. The investment in our UK Private Banking business is bearing fruit and performing ahead of expectations.

Implementation of the Board’s strategy to improve capital allocation and reduce complexity of the business is largely complete, and the associated costs have been absorbed in these results. As a result of the actions we have taken over the last two years, Investec is well positioned to deliver an improved performance.

While the improving economic outlook is reassuring, the short-term trajectory and the long-term effects of the pandemic are uncertain. The group is well capitalised and lowly leveraged, adequately provisioned and has strong liquidity – enabling us to benefit from continued economic recovery.

I wish to thank my colleagues for their dedication to our clients throughout the COVID-19 crisis and for the support they have shown each other during a tough year. I applaud the work done to support local communities since the start of the pandemic and am proud that we have held true to our values, living in society, not off it.”

Key earnings drivers

Our client engagement has been consistent and proactive, leveraging off the various digital platforms at our disposal.

- The Wealth & Investment business reported growth in funds under management (FUM) of 30.4% to £58 billion (FY2020: £45 billion) reflecting market recovery, good investment performance and continued net inflows of £1.1 billion.
- Lending franchises reported positive book growth in the second half, ending the year with a 6.1% increase in core loans to £26.4 billion (FY2020: £24.9 billion). The Private Banking franchise reported higher core loans year on year supported by strong lending book growth in 2H2021. Though the corporate lending book saw improvement in the second half, overall, the book ended lower than the prior year. Good client acquisition in SA and UK supported a 6.9% increase in deposits.
- Client activity within the Specialist Banking business increased since December 2020 with strong equity capital markets performance in the UK Corporate and Investment Bank.

Performance highlights

- **Total operating income (before impairments)** declined by 9.2% as the positive impact of higher average interest earning assets, growth in FUM and the first-time inclusion of the equity accounted earnings of the group’s share of Ninety One was negatively impacted by lower interest rates, reduced client activity and elevated risk management and risk reduction costs related to our UK structured products book.
- **Costs:** Total operating costs reduced by 1.8% year on year with fixed costs decreasing by 6.6% driven by headcount reduction and lower discretionary spending. These savings were partially offset by an increase in variable remuneration reflecting improved business momentum and continued investment in technology. The group incurred approximately £26 million of one-off restructuring costs in the period.
- **Asset quality:** Net lower expected credit loss (ECL) impairment charges of £99.4 million (FY2020: £133.3 million) resulted in a credit loss ratio (CLR) of 35bps (H1 2021: 47bps, FY2020: 52bps) reflecting sound credit quality and higher recoveries.
- **Return on Equity (ROE):** The group generated an ROE of 6.6% (FY2020: 8.3%) and a return on tangible equity (ROTE) of 7.2% (FY2020: 9.2%).
- **Capital and liquidity:** Capital, leverage and liquidity ratios remain sound and ahead of internal board-approved minimum targets and regulatory requirements. The common equity tier (CET) 1 and leverage ratio was 12.2% and 7.6% for Investec Limited (FIRB approach) and 11.2% and 7.9% for Investec plc (standardised approach). Cash and near cash was £13.2 billion at 31 March 2021, representing 38.4% of customer deposits.

- **Net asset value (NAV):** NAV per share increased by 11.1% to 460.2p (31 March 2020: 414.3p) and tangible NAV (TNAV) per share increased by 12.7% to 425.7p (31 March 2020: 377.6p).

Strategic execution: tail-end of simplification

We took significant steps in the current year to deliver on our strategy to simplify and reduce complexity of the business. Costs associated with the implementation of these initiatives have been absorbed in these results.

- We announced the wind down of our Australian operations in December 2020 and sold most of the book in March 2021
- Reduced the group investment portfolio and are encouraged by the improving environment for asset realisations
- The UK bank was reorganised with support functions centralised to improve operational efficiency. Regrettably, the measures taken included headcount reductions in the London office
- Relocated certain functions to lower cost geographies to improve operational leverage within the business
- The losses incurred in the UK structured products book and the heightened level of risk necessitated a shift in strategy and the discontinuation of this funding channel
- Approval was received from the Prudential Authority to adopt the Advanced Internal Ratings Based (AIRB) approach for the SME and Corporate models effective 1 April 2021. As a result, the pro-forma AIRB CET1 ratio was 12.8% at 31 March 2021, an approximate 60bps uplift on FIRB. We are working towards further adoption of AIRB on certain remaining portfolios and expect a further 100bps to 150bps uplift to the CET1 ratio.

Dividend

The board has proposed a final dividend of 7.5p, resulting in a total dividend of 13.0p for FY2021 with a net payout ratio of 45%. The dividend has been arrived at after taking current regulatory guidance into consideration.

Outlook

We remain encouraged by the momentum we are seeing across the business. The short-term outlook is dependent on progress in containing the pandemic and the extent of economic recovery in the geographies in which we operate. While the vaccine roll-out programmes in the UK and other advanced economies are pleasing, the slow progress in South Africa leaves the country vulnerable to the emerging third wave.

Should the economic recovery currently underway persist throughout FY2022, we expect the revenue momentum experienced in the second half to continue; supported by growth in client activity and recovery of non-interest income revenue streams which were negatively impacted by COVID-19 in 1H2021. Operating costs are expected to be well managed and will also benefit from significant restructurings effected in the prior year. ECL is expected to remain within the through-the-cycle range of 30bps – 40bps. The group expects FY2022 adjusted earnings per share to improve from the reported 28.9p to between 36p and 41p.

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.

The group remains committed to achieving a 12% to 16% ROE (Investec limited: 15% to 18% and Investec plc: 11% to 15%) in the medium-term. Achievement of these targets will be underpinned by a sharpened focus on growth in select initiatives through connected client ecosystems enabled by shared digital and operational platforms. Capital allocation efforts are expected to result in excess capital as we optimise the investment portfolio and complete our migration to AIRB in the South African business.

We are well positioned to pursue our identified growth objectives and take advantage of opportunities that the new environment presents.

Financial highlights - continuing operations	FY2021	FY2020	Variance	% change	Neutral currency % change
Total operating income before expected credit losses (£'m)	1 641.1	1 806.8	(166.0)	(9.2)%	(4.4)%
Operating costs (£'m)	(1 164.5)	(1 186.4)	22.0	(1.8)%	2.4 %
Adjusted operating profit (£'m)	377.6	419.2	(41.6)	(9.9)%	(2.4)%
Adjusted earnings attributable to shareholders (£'m)	268.3	320.7	(52.4)	(16.3)%	(8.7)%
Adjusted basic earnings per share (pence)	28.9	33.9	(5.0)	(14.7)%	(7.1)%
Basic earnings per share (pence)	25.2	17.5	7.7	44.0%	58.9%
Headline earnings per share (pence)	26.6	21.5	5.1	23.7%	37.2%
Dividend per share (pence) ¹	13.0	11.0	2.0	18.2%	n/a
Dividend payout ratio ¹	45.0%	38.0%			
CLR (credit loss ratio)	0.35%	0.52%			
Cost to income ratio	70.9%	68.2%			
ROE (return on equity)	6.6%	8.3%			
ROTE (return on tangible equity)	7.2%	9.2%			

	31 March 2021	31 March 2020	Variance	% change	Neutral currency % change
Funds under management (£'bn)	58.4	45.0	13.4	29.8%	26.9%
Customer accounts (deposits) (£'bn)	34.4	32.2	2.2	6.9%	2.2%
Core loans and advances (£'bn)	26.4	24.9	1.5	6.1%	1.6%
Cash and near cash (£'bn)	13.2	12.7	0.5	4.3%	0.3%
CET1 ratio – Investec Limited	12.2%	10.9%			
Leverage ratio ² – Investec Limited	7.6%	6.4%			
CET1 ratio – Investec plc	11.2%	10.7%			
Leverage ratio ² – Investec plc	7.9%	7.8%			
NAV per share (pence)	460.2	414.3	45.9	11.1%	9.8%
TNAV per share (pence)	425.7	377.6	48.1	12.7%	11.4%

1. The FY2020 dividend per share and dividend payout ratio reflected above were prior to the demerger of the asset management business (Ninety One) and reflect the interim dividend per share, as the board decided not to declare a final ordinary dividend in light of regulatory guidance provided to banks in both South Africa and the UK.
2. Current Leverage ratios calculated on an end quarter basis.

On behalf of the boards of Investec plc and Investec Limited

Perry Crosthwaite

Chair

20 May 2021

Fani Titi

Group Chief Executive

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 Friday 21 May 2021, using the following JSE link:

<https://senspdf.jse.co.za/documents/2021/jse/isse/INL/YE21.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

LEI: 2138007Z3U5GWDN3MY22

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:

David 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

LEI: 213800CU7SM604UWOZ70

Registered office:

100 Grayston Drive

Sandown, Sandton, 2196

Transfer secretaries:

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Company Secretary:

Niki van Wyk

Directors:

Perry Crosthwaite¹ (Chair)

Fani Titi² (Chief Executive)

Nishlan Samujh² (Finance Director)

Richard Wainwright^{2*} (executive director)

Ciaran Whelan³ (executive director)

Henrietta Baldock¹

Zarina Bassa² (Senior Independent Director)

David Friedland²

Philip Hourquebie¹

Charles Jacobs³

Stephen Koseff^{2*}

Lord Malloch-Brown KCMG¹

Philisiwe Sibiyane²

Khumo Shuenyane²

1 British

2 South African

3 Irish

* Appointed 17 September 2020

Ian Kantor resigned 6 August 2020

David van der Walt (executive director) resigned 4 June 2020

Sponsor:

Investec Bank Limited

Investec plc

Incorporated in England and Wales
Registration number: 3633621
LSE ordinary share code: INVP
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 38

Notice is hereby given that a final dividend number 38, being a gross dividend of 7.50000 pence (2020: 11.00000 pence) per ordinary share has been declared by the board from income reserves in respect of the financial year ended 31 March 2021 payable to shareholders recorded in the shareholders' register of the company at the close of business on Friday, 23 July 2021.

- For Investec plc shareholders, registered on the United Kingdom share register, through a dividend payment by Investec plc from income reserves of 7.50000 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 7.50000 pence per ordinary share.

The relevant dates relating to the payment of dividend number 38 are as follows:**Last day to trade cum-dividend**

On the Johannesburg Stock Exchange (JSE)

Tuesday, 20 July 2021

On the London Stock Exchange (LSE)

Wednesday, 21 July 2021

Shares commence trading ex-dividend

On the Johannesburg Stock Exchange

Wednesday, 21 July 2021

On the London Stock Exchange

Thursday, 22 July 2021

Record date (on the JSE and LSE)

Friday, 23 July 2021

Payment date (on the JSE and LSE)


Tuesday, 10 August 2021

Share certificates on the South African branch register may not be dematerialised or rematerialised between Wednesday, 21 July 2021 and Friday, 23 July 2021, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 21 July 2021 and Friday, 23 July 2021, 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 7.50000 pence, equivalent to a gross dividend of 150.00000 cents per share, has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Thursday 20 May 2021
- 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 150.00000 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 120.00000 cents per share (gross dividend of 150.00000 cents per share less Dividend Tax of 30.00000 cents per share) paid by Investec Limited on the SA DAS share.

By order of the board

**David Miller**

Company Secretary
20 May 2021

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: 213800CU7SM6O4UWOZ70

Ordinary share dividend announcement**Declaration of dividend number 130**

Notice is hereby given that final dividend number 130, being a gross dividend of 150.00000 cents (2020: 211.00000 cents) per ordinary share has been declared by the board from income reserves in respect of the financial year ended 31 March 2021 payable to shareholders recorded in the shareholders' register of the company at the close of business on Friday, 23 July 2021.

The relevant dates relating to the payment of dividend number 130 are as follows:

Last day to trade cum-dividend	Tuesday, 20 July 2021
Shares commence trading ex-dividend	Wednesday, 21 July 2021
Record date	Friday, 23 July 2021
Payment date	Tuesday, 10 August 2021

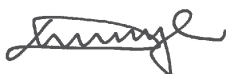
The final gross dividend of 150.00000 cents per ordinary share has been determined by converting the Investec plc distribution of 7.50000 pence per ordinary share into Rands using the Rand/Pound Sterling average buy/sell forward rate at 11h00 (SA time) on Thursday, 20 May 2021.

Share certificates may not be dematerialised or rematerialised between Wednesday, 21 July 2021 and Friday, 23 July 2021, 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 150.00000 cents per ordinary share
- Shareholders who are not exempt from paying the Dividend Tax will receive a net dividend of 120.00000 cents per ordinary share (gross dividend of 150.00000 cents per ordinary share less Dividend Tax of 30.00000 cents per ordinary share).

By order of the board

**Niki van Wyk**

Company Secretary
20 May 2021

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 30

Notice is hereby given that preference dividend number 30 has been declared by the board from income reserves for the period 1 October 2020 to 31 March 2021 amounting to a gross preference dividend of 5.48495 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, 4 June 2021.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 5.48495 pence per preference share is equivalent to a gross dividend of 109.24923 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA time) on Thursday, 20 May 2021.

The relevant dates for the payment of dividend number 30 are as follows:**Last day to trade cum-dividend**

On the Johannesburg Stock Exchange (JSE)	Tuesday, 8 June 2021
On the International Stock Exchange (TISE)	Wednesday, 9 June 2021

Shares commence trading ex-dividend

On the Johannesburg Stock Exchange (JSE)	Wednesday, 9 June 2021
On the International Stock Exchange (TISE)	Thursday, 10 June 2021

Record date (on the JSE and TISE)	Friday, 11 June 2021
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Payment date (on the JSE and TISE)	Monday, 21 June 2021
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Share certificates may not be dematerialised or rematerialised between Wednesday, 2 June 2021 and Friday, 4 June 2021, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 2 June 2021 and Friday, 4 June 2021 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 87.39938 cents per preference share for preference shareholders liable to pay the Dividend Tax and 109.24923 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

**David Miller**

Company Secretary
20 May 2021

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 20

Notice is hereby given that preference dividend number 20 has been declared by the board from income reserves for the period 1 October 2020 to 31 March 2021 amounting to a gross preference dividend of 331.58906 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 June 2021.

The relevant dates relating to the payment of dividend number 20 are as follows:

Last day to trade cum-dividend	Tuesday, 8 June 2021
Shares commence trading ex-dividend	Wednesday, 9 June 2021
Record date	Friday, 11 June 2021
Payment date	Monday, 14 June 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 June 2021 and Friday, 11 June 2021, 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 265.27125 cents per preference share for preference shareholders liable to pay the Dividend Tax and 331.58906 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

**David Miller**

Company Secretary
20 May 2021

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: 213800CU7SM6O4UWOZ70

Preference share dividend announcement

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

Declaration of dividend number 33

Notice is hereby given that preference dividend number 33 has been declared by the board from income reserves for the period 1 October 2020 to 31 March 2021 amounting to a gross preference dividend of 271.44926 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 June 2021.

The relevant dates for the payment of dividend number 33 are as follows:

Last day to trade cum-dividend	Tuesday, 8 June 2021
Shares commence trading ex-dividend	Wednesday, 9 June 2021
Record date	Friday, 11 June 2021
Payment date	Monday, 14 June 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 June 2021 and Friday, 11 June 2021, both dates inclusive.

Additional information to take note of

- Investec Limited South African tax reference number: 9800/181/71/2
- The issued preference share capital of Investec Limited is 30 756 461 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 217.15941 cents per preference share for shareholders liable to pay the Dividend Tax and 271.44926 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

**Niki van Wyk**

Company Secretary
20 May 2021