

Interim Results
30 September 2000



 Investec

Index

Group results for the six months ended 30 September 2000

Investec Group Limited

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Investec Bank Limited

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Salient Features

	30 Sept. 2000	% increase	30 Sept. 1999	31 March 2000
Headline earnings attributable to ordinary shareholders (R'millions)	580	31.5	441	1 047
Headline earnings per share (cents)	719.1	31.1	548.5	1 300.9
Diluted headline earnings per share (cents)	719.1	31.1	548.5	1300.6
Dividend per share (cents)	310.0	30.5	237.5	620.0
Dividend cover (times)	2.3	-	2.3	2.1
Net tangible asset value per share on a diluted basis (R)	61.9	21.4	51.0	56.4
Risk weighted assets (R'millions)	43 868	26.8	34 595	40 688
Return on average risk weighted assets (%)	2.7	(3.6)	2.8	2.6
Return on average shareholders' funds (%)	25.1	17.3	21.4	24.2
Total assets under management (R'billions)	503	34.1	375	477
Contribution per employee (R'000)	156.9	1.8	154.2	320.4
Cost to income ratio (%)	62.4	(0.3)	62.6	61.9
Weighted number of ordinary shares in issue (millions)	80.6	0.2	80.4	80.5
Weighted number of shares in issue on a diluted basis (millions)	80.6	0.1	80.5	80.5
Number of shares in issue on a fully converted basis	94.7	2.3	92.6	92.6
Share price (cents)	23 100	18.5	19 500	26 020
Market capitalisation fully diluted (R'billions)	21.9	21.0	18.1	24.1

Directorate and Corporate Information

Investec Group Limited
Reg. No. 1925/002833/06

Registered Office

100 Grayston Drive, Sandown,
Sandton 2196.

Executive Directors

PO Box 785700, Sandton 2146

Hugh S Herman (*Chairman*)
Stephen Koseff (*Chief Executive Officer*)
Bernard Kantor (*Managing Director*)
David M Lawrence
Bradley Tapnack

Transfer Secretaries

Mercantile Registrars Limited
8th Floor
11 Diagonal Street
Johannesburg 2001
PO Box 1053, Johannesburg 2000

Non-Executive Directors

Sam E Abrahams
Arnold I Basserabie
Dr Hilton K Davies
Graham H Davin
Donn E Jowell
Ian R Kantor
David H Mitchell
Daphne R Motsepe
Dr Morley Z Nkosi
Dr F van Zyl Slabbert
Peter R S Thomas

Consolidated Balance Sheet

(R'millions)	30 Sept. 2000	30 Sept. 1999*	31 March 2000*
Assets			
Cash and short-term funds	79 446	41 819	73 127
Short-term negotiable securities	54 394	38 984	39 043
Investments and trading securities	9 477	6 261	8 924
Other assets	6 471	4 449	7 297
Advances	33 525	23 926	33 034
Associated companies	463	605	413
Fixed assets	1 198	1 011	1 065
Intangible assets	2 364	2 179	2 443
	187 338	119 234	165 346
Equity and liabilities			
Capital and reserves			
Ordinary share capital	48	48	48
Compulsorily convertible debentures	1 710	1 714	1 710
Preferred ordinary shares	460	-	-
Reserves	6 001	5 136	5 910
	8 219	6 898	7 668
Subordinated debt	1 000	-	-
Interest of minority shareholders in subsidiaries	302	537	291
Total capital resources	9 521	7 435	7 959
Liabilities			
Deposits and other accounts	177 198	111 304	156 718
Taxation	369	304	361
Shareholders for ordinary dividend	250	191	308
	187 338	119 234	165 346
Acceptances, guarantees and letters of credit	6 588	3 478	6 987

*Restated for changes to accounting policies

Consolidated Income Statement

(R'millions)	6 months to 30 Sept. 2000	%	6 months to 30 Sept. 1999*	Year to 31 March 2000*
		increase		
Interest received	5 492	8.5	5 061	9 006
Interest paid	4 765	6.9	4 458	7 608
	727	20.6	603	1 398
Provision for bad and doubtful debts	111	33.7	83	211
Net interest income	616	18.5	520	1 187
Other income	1 844	37.3	1 343	3 230
Total income	2 460	32.0	1 863	4 417
Operating expenses	1 604	31.6	1 219	2 864
Exceptional items	133	35.7	98	165
Income before taxation	723	32.4	546	1 388
Taxation	185	44.5	128	352
Income after taxation	538	28.7	418	1 036
Share of income of associated companies	44	(29.0)	62	106
Net income	582	21.2	480	1 142
Attributable to minority shareholders	12	(14.3)	14	15
	570	22.3	466	1 127
Debenture interest	123	-	123	245
Earnings attributable to ordinary shareholders	447	30.3	343	882
Earnings per share (cents)	554.8	30.1	426.4	1 095.9
Diluted earnings per share (cents)	554.6	30.1	426.2	1 095.7

*Restated for changes to accounting policies

Statement of Changes in Shareholders' Equity

(R'millions)	6 months to 30 Sept. 2000	6 months to 30 Sept. 1999*	Year to 31 March 2000*
Share capital			
Balance at beginning of period	48	48	48
Issue of shares	-	-	-
Balance at end of period	48	48	48
Compulsorily convertible debentures			
Balance at beginning of period	1 710	1 715	1 715
Issue of debentures	-	-	-
Conversion to ordinary shares	-	(1)	(5)
Balance at end of period	1 710	1 714	1 710
Preferred ordinary shares			
Balance at beginning of period	-	-	-
Issue of preferred ordinary shares	460	-	-
Balance at end of period	460	-	-
Share premium			
Balance at beginning of period	3 951	3 934	3 934
Issue of shares	12	10	12
Conversion from debentures	-	1	5
Balance at end of period	3 964	3 945	3 951
General reserves			
Balance at beginning of period	1 168	811	811
Earnings attributable to ordinary shareholders	447	344	882
Dividends	(250)	(191)	(499)
Transfer to equity accounted reserves of associated companies	(23)	(42)	(50)
Transfer (to)/from secondary reserves	(10)	-	24
Balance at end of period	1 332	922	1 168
Secondary reserves			
Balance at beginning of period	604	462	462
Transfer (to)/from general reserves	10	-	(24)
Movement in revaluations	(119)	(372)	166
Balance at end of period	495	90	604
Equity accounted reserves of associated companies			
Balance at beginning of period	187	137	137
Transfer from general reserves	23	42	50
Balance at end of period	210	179	187
	8 219	6 898	7 668

* Restated for changes to accounting policies

Accounting Policies

Basis of Presentation

The financial statements have been prepared on the historical cost basis, except for investments which are stated at market value, or directors' valuation where no formal market exists, and in conformity with Statements of Generally Accepted Accounting Practice

Accounting Policies

The accounting policies applied in the preparation of the interim financial statements are the same as those applied in the annual financial statements for the year ended 31 March 2000, except for the disclosure of taxation in terms of AC102.

Comparative Figures

Comparative figures are restated where necessary to allow for more meaningful comparison.

Calculation of Headline Earnings

(R'millions)	6 months to 30 Sept. 2000	6months to 30 Sept. 1999	Year to 31 March 2000
Headline earnings	580	441	1 047
Exceptional items	(133)	(98)	(165)
Goodwill amortised	(133)	(98)	(195)
Discount on fair value of acquisitions	-	-	30
Attributable earnings	447	343	882

Commentary

Operating achievements

Investec is pleased to announce that headline earnings for the half-year ended 30 September 2000 increased by 31.5% to R580 million, extending the company's 21 years of uninterrupted growth. Diluted headline earnings per share grew by 31.1% to 719.1 cents, representing a ten-year compound growth of 30.6% per annum.

These six months were characterised by sound performance all-round with particularly notable contributions coming from several of the Group's businesses:

- * The UK's corporate finance and institutional broking division, Investec Henderson Crosthwaite, had an exceptional trading period, largely driven by a strong flow of IPO's and secondary fund raisings. In addition, agency commission maintained high levels and the division experienced an initial contribution from its market making activities which it recently introduced on selected equities.
- * Corporate Banking and Interest Rate Activities in South Africa continued to penetrate the corporate market and generate solid organic growth off the back of innovative product design with strong performances coming from the equities derivatives and structured finance units.
- * The SA Private Bank Boutique improved its contribution to overall earnings, while an impressive performance was also registered from the property trading division, capitalising on improved market conditions in the region.
- * Despite weak and volatile conditions in the South African equities markets, the Group's Investment Banking business generated satisfactory returns and its asset management operations produced more than R10 billion of net new business in an environment not typically conducive to strong flows.

Local and overseas consolidation complete

Having completed the integration of the foreign acquisitions made by the Group over the past two years, efforts during the first six months of the current year focused on refreshing and relaunching the Group's corporate brand to better reflect the resultant consolidation of these businesses and enhance Investec's international profile.

In a move to ensure that the integrated operations are managed in a truly global fashion, focusing on the active pursuit of internationalising the Group's four defined business segments, the management of the Group was restructured. This enables the Group to meet the challenges of responding to local market conditions at the same time as facilitating global integration through effective leadership of product and geographic heads.

Commentary

Aligned to the above mentioned initiatives, foreign currency earnings of the Group now account for 64.7% of the Group's income while 77.8% of its assets reside offshore, all of which serve to reinforce Investec's international stature.

Of its worldwide operations, the Group's UK businesses posted good overall performance, while its Israeli and US performance was reasonable, given the deflated state of the equities markets to which such businesses are highly susceptible.

In South Africa, the Group continued to take advantage of the consolidation within the financial services industry by acquiring McCarthy Bank and the private client portfolio business, Quyn Martin Asset Management (subject to regulatory approval), with the latter acquisition bringing the total private client funds under management in South Africa to in excess of R16.7 billion.

Operating environment

During the period under review, international equities performed poorly while global growth continued to be buoyant. A strong dollar depressed currencies and the rising oil price threatened inflation forecasts. The environment in South Africa, which also suffered from negative sentiment attached to political activity in Zimbabwe, remained challenging and was unsupportive of equities-linked businesses.

Substantial increase in income

Total income grew by 32.0% (R597 million) to R2 460 million, of which 84% was organic representing a period characterised by fewer acquisitions and inherent growth in underlying businesses. Both interest received and interest paid reflected the consequences of South Africa's lower interest rate environment, resulting in a marginally reduced annualised net interest margin (after excluding the effects of short-dated wholesale assets) of 2.1% (1999: 2.4%). Notwithstanding this, net interest income grew by 20.6%, driven by healthy growth in advances of 40.1%, compared to 30 September 1999.

Other income rose by 37.3%, now comprising 73.6% of total income as opposed to 69.8% in the previous year. Further, the annuity component of the Group's total income remains high at 70.0%, reflecting positively on Investec's strategy of participating in a diversified portfolio of businesses which assists in insulating the Group against adverse market conditions.

The annualised bad and doubtful debt charges, as a percentage of total advances reduced to 0.65% due to the improved quality of loan portfolios. A continued approach towards

Commentary

vigilant risk management resulted in the reduction in the percentage of non-performing loans to advances from 2.52% last year to 2.01%.

Balance sheet provision levels exceed the anticipated Registrar of Bank's requirements, in terms of international regulatory norms. The adequacy of provisions is demonstrated by a 124.9% total provision coverage of gross non-performing loans. The ratio of total balance sheet provisions to gross advances maintained a healthy level and currently stands at 2.51%.

Cost control

The reclassification of certain tax-related charges into expenses, coupled with the exclusion of the interest rate differential on foreign investments from interest received (refer Changes to Accounting Policies), accounted for the overall hike in the operating expenses to total income, which now stands at 62.4%.

When compared to the restated ratio of the comparative period, however, this ratio represents an improvement from 62.6%. Although this ratio continues to remain high as an aftermath of the international acquisitions, its improvement bears initial testimony to the Group's stated objective of reducing this ratio over time as further critical mass is achieved. The operating cost to income ratio in respect of South African businesses has decreased to 51.6%, while that for businesses operating in higher cost jurisdictions is 65.8%, representing reasonable progress towards the attainment of the Group's targets of 45% and 55% for South African and other areas respectively.

Assets under management

On balance sheet assets recorded strong growth of 13.3% from 31 March 2000, primarily attributable to the increase in the short-term money market activities. Third party assets under management increased marginally from R287 billion to R290 billion. Strong institutional and private client fund inflows were largely offset by the tough market conditions which prevailed during the last six months, causing an overall depreciation in fund values.

Capital resources

Capital resources increased by R1 562 million from 31 March 2000 to R9 521 million due principally to retained earnings, the issue of compulsorily convertible preference shares, to the value of R460 million, and an issue of R1 000 million unsecured subordinated bonds.

Commentary

The effect of the above relative to the increase in the size of the asset base, with risk weighted assets increasing 7.8% to R43 868 million, resulted in capital adequacy increasing to 13.7%, which remains comfortably above minimum international requirements and within the Group's target ratios.

In line with the Group's policy of enhancing the balance between maintaining surplus reserves and improving the deployment of its capital base, it is pleasing to note that notwithstanding its strengthened capital adequacy, its return on average equity increased to 25.1% from 21.4% last period.

Changes to accounting policies

Compliance with new South African standards relating to the disclosure of taxation (AC 102) caused certain tax-related charges to be reclassified into expenses, with no resulting effect on after-tax income.

As at 31 March 2000 associates were disclosed at cost plus equity accounted earnings rather than at market value.

The interest rate differential on foreign investments is no longer taken to income but is included in foreign currency translation reserves, resulting in a R32 million decrease in after-tax earnings for the comparative period.

General bad debt provisions have been excluded from capital resources and deducted from advances. This resulted in an adjustment to advances of R219 million at 30 September 1999.

Prospects for the remainder of the year

The directors and management are of the opinion that the Group will continue to achieve strong growth in earnings and dividends.

Wednesday 25 October 2000

On behalf of the board

H S Herman

S Koseff

B Kantor

Dividend Announcement

It is the company's policy to pay an interim dividend of 50% of the previous year's total dividend.

An interim dividend No. 91 of 310.0 cents (1999: 237.5 cents) per ordinary share has been declared payable to shareholders registered at the close of business on 10 November 2000. Dividend cheques will be posted on or about 23 November 2000.

By order of the board

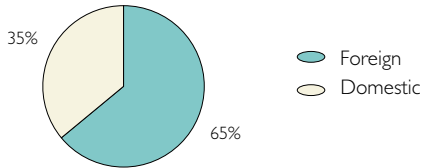
S Noik

Secretary

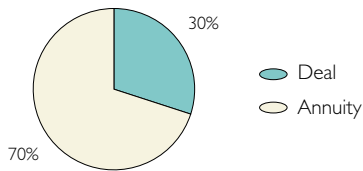
25 October 2000

Income Analysis

Source of Income – Foreign and Domestic



Source of Income - Recurring and Deal



Capital Adequacy Statement

(R'millions)	Total assets 30 Sept. 2000	Risk weighted assets 30 Sept. 2000	Risk weighted assets 30 Sept. 1999
Total assets - banking activities ^a	72 997	43 868	34 595
Trading assets subject to CAD	113 899		
Total assets	186 896	43 868	34 595
Risk-weighted capital requirements-banking activities at 8%		3 509	2 768
Net Qualifying Capital		7 471	5 900
Less : Capital required for trading assets		1 447	1 009
Net qualifying capital-banking activities ^b		6 024	4 891
Qualifying capital as a percentage of banking risk-weighted assets		13.7%	14.1%
Tier 1		12.5%	14.1%
Tier 2		1.2%	-

Notes

- This balance includes off balance sheet items against which capital is required to be held.
- Net qualifying capital includes only 50% of revaluations, and is after deducting capital required for trading activities.

Salient Features

	30 Sept. 2000	% increase	30 Sept. 1999	31 March 2000
Headline earnings attributable to ordinary shareholders (R'millions)	255	29.4	197	466
Headline earnings per share (cents)	625.5	29.6	482.5	1 143.2
Diluted headline earnings per share (cents)	625.5	29.6	482.5	1 143.2
Dividends per share (cents)	280.0	31.8	212.5	560.0
Dividend cover (times)	2.2	(4.5)	2.3	2.3
Weighted number of ordinary shares in issue (millions)	40.8	-	40.8	40.8
Weighted number of shares in issue on a diluted basis (millions)	40.8	-	40.8	40.8
Number of shares in issue on a fully converted basis	52.3	-	52.3	52.3
Share price (cents)	19 680	16.5	16 900	22 500
Market capitalisation fully diluted (R'billions)	10.3	17.1	8.8	11.8

Directorate and Corporate Information

Investec Holdings Limited
Reg. No. 1985/005574/06

Directors

Ian R Kantor (Chairman)
Bas Kardol (Deputy Chairman) (Dutch)
Arnold I Basserabie
Glynn R Burger
Graham H Davin
Hugh S Herman
Bernard Kantor
Stephen Koseff
David H Mitchell
Peter R S Thomas

Registered Office

100 Grayston Drive, Sandown, Sandton
2196
PO Box 785700, Sandton 2146

Transfer Secretaries

Mercantile Registrars Limited
8th Floor
11 Diagonal Street
Johannesburg 2001
PO Box 1053, Johannesburg 2000

Consolidated Balance Sheet

(R'millions)	30 Sept. 2000	30 Sept. 1999*	31 March 2000*
Assets			
Cash and short-term funds	79 446	41 819	73 127
Short-term negotiable securities	54 394	38 984	39 043
Investments and trading securities	9 477	6 261	8 924
Other assets	6 475	4 449	7 297
Advances	33 485	23 915	33 004
Associated companies	463	605	413
Fixed assets	1 198	1 013	1 067
Intangible assets	2 364	2 179	2 443
	187 302	119 225	165 318
Equity and liabilities			
Capital and reserves			
Ordinary share capital	4	4	4
Compulsorily convertible debentures	1 710	1 714	1 710
Reserves	2 654	2 285	2 622
	4 368	4 003	4 336
Subordinated debt	1 000	-	-
Redeemable preference shares	382	15	-
Interest of minority shareholders in subsidiaries	3 652	3 407	3 591
Total capital resources	9 402	7 425	7 927
Liabilities			
Deposits and other accounts	177 278	111 306	156 718
Taxation	369	304	361
Shareholders for ordinary dividend	253	190	312
	187 302	119 225	165 318

*Restated for changes to accounting policies

Consolidated Income Statement

(R'millions)	6 months to 30 Sept. 2000	6 months to % 30 Sept. 1999*	Year to 31 March 2000*
Interest received	5 492	8.5	5 061
Interest paid	4 767	6.9	4 458
	725	20.2	603
Provision for bad and doubtful debts	111	33.7	83
Net interest income	614	18.1	520
Other income	1 844	37.3	1 343
Total income	2 458	31.9	1 863
Operating expenses	1 604	31.6	1 219
Exceptional items	133	35.7	98
Income before taxation	721	32.1	546
Taxation	186	45.3	128
Income after taxation	535	28.0	418
Share of income of associated companies	44	(29.0)	62
Net income	579	20.6	480
Attributable to minority shareholders	260	27.5	204
	319	15.6	276
Preference dividend	-	-	-
Debenture interest	123	-	123
Earnings attributable to ordinary shareholders	196	28.1	153
Earnings per share (cents)	480.7	28.1	375.3
Diluted earnings per share (cents)	480.7	28.1	375.3

*Restated for changes to accounting policies

Accounting Policies

Basis of presentation

The financial statements have been prepared on the historical cost basis, except for investments which are stated at market value, or directors' valuation where no formal market exists, and in conformity with Statements of Generally Accepted Accounting Practice.

Accounting policies

The accounting policies applied in the preparation of the interim financial statements are the same as those applied in the annual financial statements for the year ended 31 March 2000, except for the disclosure of taxation in terms of AC102.

Comparative figures

Comparative figures are restated where necessary to allow for more meaningful comparison.

Calculation of Headline Earnings

	6 months to 30 Sept. 2000	6 months to 30 Sept. 1999	Year to 31 March 2000
Headline earnings	255	197	466
Exceptional items	(133)	(98)	(165)
Minority share of exceptional items	74	54	91
Attributable earnings	196	153	392

Commentary

The results of Investec Holdings Limited (Inhold) reflect the strong performance of the company's subsidiary Investec Group Limited (Investec). Inhold shareholders are referred to Investec's results for further details regarding the Group's results.

Headline earnings attributable to ordinary shareholders increased by 29.4% to R255 million, resulting in diluted headline earnings per share of 625.5 cents, an increase of 29.6%. Inhold has achieved a ten-year compound growth rate per annum in diluted headline earnings per share and dividends per share of 36.7% and 37.0% respectively.

The comparative figures for both 30 September 1999 and 31 March 2000 have been restated as per the changes in accounting policies noted in Investec's results.

The directors expect Investec, and therefore Inhold, to continue achieving strong growth in earnings and dividends.

On behalf of the board

I R Kantor

Chairman

B Kardol

Deputy Chairman

25 October 2000

Dividend Announcement

It is the company's policy to pay an interim dividend of 50% of the previous year's total dividend.

An interim dividend No. 29 of 280.0 cents (1999: 212.5 cents) per ordinary share has been declared payable to shareholders registered at the close of business on 10 November 2000. Dividend cheques will be posted on or about 23 November 2000.

By order of the board

S Noik

Secretary

25 October 2000

Directorate and Corporate Information

Investec Bank Limited
Reg. No. 1969/004763/06

Registered Office

100 Grayston Drive, Sandown,
Sandton 2196.
PO Box 785700,
Sandton 2146

Executive Directors

Stephen Koseff (*Chief Executive Officer*)
Bernard Kantor (*Managing Director*)
Reg S Berkowitz
Glynn R Burger
Richard P M A Forlee
Sam Hackner
David M Lawrence
Andy W J Leith
M Carole L Mason (Irish)
Bradley Tapnack
David M Nurek

Non-Executive Directors

Hugh S Herman (*Non-Executive Chairman*)
Sam E Abrahams
Arnold I Basserabie
Graham H Davin
Donn E Jowell
Ian R Kantor
David Kuper
Dr Renosi D Mokate
Dr Morley Z Nkosi
Peter R S Thomas
Russel A P Upton

Consolidated Balance Sheet

(R'millions)	30 Sept. 2000	30 Sept. 1999*	31 March 2000*
Assets			
Cash and short-term funds	79 659	41 585	72 997
Short-term negotiable securities	54 394	38 984	39 043
Investments and trading securities	9 119	6 101	8 637
Other assets	5 924	2 425	7 150
Advances	33 393	23 778	32 720
Associated companies	40	129	13
Fixed assets	1 090	872	950
Intangible assets	2 351	2 133	2 421
	185 970	116 007	163 931
Equity and liabilities			
Capital and reserves			
Ordinary share capital	14	12	14
Compulsorily convertible debentures	1 539	1 538	1 539
Redeemable preference shares	914	-	-
Reserves	5 566	4 239	5 419
	8 033	5 789	6 972
Subordinated debt	1 000	-	500
Interest of minority shareholders in subsidiaries	303	537	291
Total capital resources	9 336	6 326	7 763
Liabilities			
Deposits and other accounts	176 316	109 416	155 407
Taxation	318	265	466
Shareholders for ordinary dividend	-	-	295
	185 970	116 007	163 931

*Restated for changes to accounting policies

Consolidated Income Statement

(R'millions)	6 months to 30 Sept 2000	6 months to % increase	6 months to 30 Sept. 1999*	Year to 31 March 2000*
Interest received	5 491	9.1	5 032	9 729
Interest paid	4 739	6.9	4 434	8 341
	752	25.8	598	1 388
Provision for bad and doubtful debts	111	33.4	83	211
Net interest income	641	24.4	515	1 177
Other income	1 672	38.8	1 204	2 990
Total income	2 313	34.6	1 719	4 167
Operating expenses	1 488	35.6	1 097	2 571
Exceptional items	125	37.3	91	166
Income before taxation	700	31.9	531	1 430
Taxation	154	28.3	120	421
Income after taxation	546	32.8	411	1 009
Share of income of associated companies	3	(72.7)	11	-
Net income	549	30.0	422	1 009
Attributable to minority shareholders	12	(14.3)	14	15
	537	31.6	408	994
Debenture interest	193	73.9	111	223
Earnings attributable to ordinary shareholders	344	15.8	297	771

*Restated for changes to accounting policies

